

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee
From: Kevin Dickins, Deputy City Manager, Social and Health
Development
Subject: Housing Stability Services 2023-24 Contract Amendments
Date: July 18, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Social and Health Development, the following actions **BE TAKEN** with respect to this Housing Stability Services 2023-24 Contract Amendments report that;

- a) the contract amendments **BE APPROVED** at a total estimated cost of \$2,098,650 (including HST) for the period of April 1, 2023, to March 31, 2024, to administer Housing Stability Services programs, as per the Corporation of the City of London Procurement Policy Section 20.3 e) ii) to the service providers outlined in Schedule 1 of this report;
- b) **TO AUTHORIZE** and **APPROVE** a one-time funding allocation of up to \$374,210 from the Social Services Reserve Fund for London Cares Homeless Response Services to support security services for 602 Queens Avenue and 448 Horton Street locations as outlined on the attached Schedule 1 of this report;
- c) that Civic Administration **BE AUTHORIZED** to undertake all administrative acts which are necessary in relation to this project; and
- d) that the approval given herein **BE CONDITIONAL** upon the Corporation amending existing Purchase of Service Agreements with each program.

Executive Summary

Civic Administration has received a significant number of community requests to support ongoing operations and prevent service level reductions within the existing funded Housing Stability System. As the health and homelessness work continues to shift the service delivery landscape in London, maintaining the current system while this work continues is a key commitment from the City. As such, Civic Administration canvassed currently funded organizations on their financial need to maintain existing service levels. Based on the requests received from these agencies, Civic Administration is recommending approval of additional funding through one-time amendments, to existing contracts for the programs outlined in Schedule 1 of this report to be funded through Housing Stability Services in 2023-24.

The funding increases outlined above have been requested by Service Providers to support staff retention and cover increased costs to maintain existing service levels. Civic Administration recommends approving the funding requests through contract amendments as per section 20.3 of the City of London Procurement of Goods and Services Policy.

This report also provides an overview of 2023-24 Housing Stability Services funding from all levels of government for informational purposes.

Linkages to the Corporate Strategic Plan

This report aligns with the strategic areas of focus in the 2023-2027 [City of London Strategic Plan](#). The City of London Strategic Plan (2023-2027) identifies housing and homelessness as a key area of focus, and housing and homelessness work is identified throughout the Strategic Plan, impacting all areas of life for Londoners.

Some key outcomes that are supported through the investments outlined in this report include:

- The City of London demonstrates leadership and builds partnerships to increase quality, affordable, and supportive housing options.
- London has a robust community system of health, homelessness, housing stability services, policies, procedures and by-laws in place to support individuals and families at risk of or experiencing homelessness or in precarious housing consistent with Council's recognition of the health and homelessness emergency.
- The City of London enhances the confidence of Indigenous Peoples by furthering truth and reconciliation efforts.
- The City of London is a leader in becoming an equitable and inclusive community.
- London is an affordable and supportive community for individuals and families.
- The City of London demonstrates leadership by taking meaningful actions to address and eliminate all forms of violence against women and girls, gender-based violence, and sexual violence.

Housing Stability for All: The Housing Stability Action Plan for the City of London (2019-2024)

London's Homeless Prevention and Housing Plan, Housing Stability for All: The Housing Stability Action Plan for the City of London (Housing Stability for All Plan), is the approved guiding document for homeless prevention and housing in the City of London and was developed in consultation with Londoners.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- 2022-2023 Winter Response and Community Accountability Working Group Funding Reallocation Request (CPSC: April 12, 2023)
- Multi-Program Ontario Transfer Payment Agreement – Homeless Prevention Program Approval (CPSC: March 29, 2022)
- Single Source Award Recommendation for Housing Stability Service Programs; Including Outreach, Emergency Shelter and Housing Stability Bank (CPSC: February 1, 2022)
- Single Source Procurement – London Homeless Prevention Housing Allowance Program (CPSC: February 1, 2022)
- 2022-2023 Single Source Award Recommendation for Housing Stability Service Programs; Including Housing First, Supportive Housing and Day Drop-in Programs (CPSC: March 1, 2022)
- Housing Stability Services – Single Source Procurements (CPSC: May 31, 2022)
- Contract Award Recommendation for Housing Stability Services- Request for Proposal 20-07 (CPSC: March 31, 2020)
- Irregular Result - Request for Proposal 20-63 - Contract Award Recommendation for Homeless Prevention Resting Spaces (CPSC: December 15, 2020)

1.2 Overview

Civic Administration is recommending approval for contract amendments to increase the value of funding agreements with the Service Providers listed in Schedule 1 of this report, up to a total amount of \$2,472,860 in 2023-24.

Recommended contract amendments provide additional funding to support Service Providers with increased staffing and operational costs, as outlined in Section 2 of this report.

2.0 Discussion and Considerations

Housing Stability Services Funding

Housing Stability Services receives funding through all levels of government, including through the Ontario Homelessness Prevention Program, Reaching Home: Canada's Homelessness Strategy, and municipal funding through the City of London Multi-Year Budget.

In 2022-23, the Ontario Homelessness Prevention Funding Program (HPP) replaced the Ontario Community Homelessness Prevention Initiative (CHPI). HPP is a provincially-funded program that supports Ontario's municipal Service Managers to provide affordable housing and support services for people at risk of or experiencing homelessness. The objective of the program is to support Service Managers in preventing, addressing and reducing homelessness, including chronic homelessness.

In 2022-23, the Ontario Government developed a new funding allocation model to respond to the recommendations from the Office of the Auditor General of Ontario Value for Money Audit of Homelessness (2021).

The overall vision of the HPP is to provide Service Managers with the resources needed to establish a coordinated housing and homelessness system in each community so that:

People at risk of or experiencing homelessness have the housing and support services that they need to retain and/or obtain stable housing and achieve better outcomes.

In support of this vision, the HPP provides funding (*inputs*) to support Service Managers in implementing a variety of flexible, local approaches to the delivery of services and supports (*outputs*) aligned with three key goals (*outcomes*):

1. **Prevent homelessness:** People at risk of homelessness remain housed and have connections to support services.
2. **Address homelessness:** People who are homeless and chronically homeless obtain and retain housing and support services.
3. **Reduce chronic homelessness:** Reduction in chronic homelessness.

In February 2023, the City of London received an increase of \$8,459,400 in HPP funding over the 2022-23 allocation, bringing total HPP funding for 2023/2024 up to \$21,834,400. This increase to the HSS budget provides an opportunity to better support the health and homelessness system transformation work, assist current housing stability programs with increased staffing and operating costs to prevent service level reductions as many programs have not had a funding increase to their base allocation in several years, despite increased operating costs and challenges with front-line staff retention.

Housing Stability Services Funding Overview

As noted, the City of London Housing Stability Services department receives funding from the Provincial and the Federal Governments and is also supported through municipal funding approved in the City of London's Multi-Year Budget. A high-level overview of Housing Stability Services 2023-24 funding allocation breakdowns is provided below.

Service Category	HSS Total Expenditure by Service Category				
	HPP Funding	Municipal Funding	Federal Funding	Canada Ontario Housing Benefit	Total Funding
Community Outreach and Support Services	\$ 2,381,000.00	\$ 963,000.00	\$ 719,636.00	\$ -	\$ 4,063,636.00
Supportive Housing	\$ 3,942,626.00	\$ 609,040.00	\$ 2,730,154.00	\$ -	\$ 7,281,820.00
Emergency Shelter Solutions	\$ 6,674,319.00	\$ 1,174,681.00	\$ -	\$ -	\$ 7,849,000.00
Housing Assistance	\$ 1,231,488.00	\$ 4,989,615.00	\$ -	\$ 1,187,500.00	\$ 7,408,603.00
Administration	\$ 1,034,757.00	\$ 1,861,905.00	\$ 177,842.00	\$ -	\$ 3,074,504.00
Capital Allocations	\$ -	\$ 1,050,000.00	\$ 2,700,000	\$ -	\$ 3,750,000.00
Unallocated	\$ 5,675,107.00	\$ 125,563.00	\$ 1,571,154	\$ -	\$ 7,371,824.00
County	\$ 895,103.00	\$ -	\$ -	\$ -	\$ 895,103.00
Total	\$ 21,834,400.00	\$ 10,773,804.00	\$ 7,898,786.00	\$ 1,187,500.00	\$ 41,694,490.00

NOTE: Federal funding total includes \$6,706,909 of one-time funding that ends March 31, 2024.

Service Provider Increased Costs

Service Providers have identified the following reasons for requiring additional funding in 2023-24, including:

- Several Service Providers have undertaken exercises to address their salary grid with the intention of ensuring Pay Equity compliance while also ensuring compensation is competitive and reflects the vital work staff undertake in serving high acuity individuals experiencing homelessness in London. For many Service Providers, this represents the first increase in staff salaries in several years.
- Maintenance and Repairs – with the growing acuity levels and the increasing time in which program participants are remaining within Housing First programs, there has been increased maintenance costs beyond historical levels.
- Additional security at the London Cares service locations at 602 Queens Ave and 448 Horton St to address the increased behaviours and aggression of participants and to support concerns raised as part of neighbourhood engagement.
- Supporting site location measures in partnership with onsite providers and City staff to assist participants and provide safe locations for all.
- Additional staffing to support program participants to retain and maintain housing.

These additional costs are items that agencies have not been able to plan for or otherwise fund.

The Whole of Community System Response

The City of London has brought together organizations in both the health and homelessness sectors in London, to work collaboratively on the design and implementation of The Whole of Community System Response to homelessness. Through this work, a new system to support individuals and families experiencing homelessness is being created, which will provide culturally safe and low barrier care. Implementation of the Whole of Community System Response is now underway.

Procurement Process

The Service Providers outlined in Schedule 1 of this report were approved through Request for Proposal or single source procurements between 2020 and 2023 (attached as Schedule 1 for procurement numbers).

Funding increases in Schedule 1 are recommended by Civic Administration as per Section 20.3 of the City of London Procurement of Goods and Services Policy. Section 20.3 notes the following:

20.3 Contract Amendments

- a. No amendment to a contract shall be made unless the amendment is in the best interest of the City.*
- b. No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.*
- c. Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within City Council approved budgets including authorized amendments.*
- e. City Council must authorize contract amendments, as per 8.5 a, when:*
 - ii. the total amended value of the contract will exceed the Council approved source of financing by an amount greater than \$50,000 or 3% of original contract value, whichever is greater, and there are funds available.*

All Service Providers outlined in Schedule 1 of this report have an existing Purchase of Service agreement with The City of London. Pending approval, funding will be administered through contract amendments to 2023-24 agreements.

3.0 Financial Impact/Considerations

Additional funding is outlined in the attached Schedule 1 of this report, totalling \$2,472,860 will be funded through additional HPP funding, Reaching Home funding and/or municipal reserve funding in 2023-24. There will be no long term municipal budgetary impact from this change.

Conclusion

PREPARED BY: Kate Green, Manager, Housing Stability Services

SUBMITTED BY: Craig Cooper, Director, Housing Stability Services

RECOMMENDED BY: Kevin Dickins, Deputy City Manager, Social and Health Development