

## Report to Strategic Priorities and Policy Committee

**To:** Chair and Members  
Strategic Priorities and Policy Committee

**From:** Kevin Dickins, Deputy City Manager, Social and Health Development

**Subject:** SS-2024-205 Single Source: Supportive Housing Model at 46 Elmwood Place

**Date:** June 18, 2024

## Recommendation

That, on the recommendation of the Deputy City Manager, Social and Health Development, the following actions **BE TAKEN** with respect to a SS-2024-205 Single Source: Supportive Housing Model at 46 Elmwood Place that;

- a) Pursuant to the pre-qualification of Indwell Community Homes under RFPQ-2023-810 – Affordable Housing Development Partners, a single source procurement in accordance with s. 14.4(e) of the Procurement of Goods and Services Policy **BE APPROVED** to Indwell Community Homes to deliver a 50-unit Highly Supportive Housing project at 46 Elmwood Place that includes a one-time capital contribution up to a limit of \$2,044,964 funded from the Housing Accelerator Fund;
- b) Funding for the initial one-time capital costs referenced in part a), above, **BE APPROVED**, as outlined in the Source of Financing Report attached as Appendix B;
- c) that an annual housing supplement budget **BE APPROVED** for up to \$500,000 for the Highly Supportive Housing project at 46 Elmwood Place;
- d) Civic Administration **BE DIRECTED** to request funding from the Fund for Change to be provided by the Fund for Change to Indwell Community Homes to fund the estimated one-time operating costs of Indwell Community Homes at an approximate cost of \$1,700,000;
- e) Civic Administration **BE DIRECTED** to seek funding from the Fund for Change to fund the capital request to Indwell Community Homes associated with the re-development of the property for a total estimated amount of up to \$4,000,000;
- f) the Deputy City Manager, Social and Health Development, or written designate, continue to refine the capital and operating budget estimates in (a), (c), (d) and (e) above;
- g) on the recommendation of the Deputy City Manager, Social and Health Development, the attached proposed by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting on June 25, 2024 to:
  - i. Authorize the Deputy City Manager, Social and Health Development to approve and execute agreement(s) between The Corporation of the City of London and Indwell Community Homes to address the capital funding and operational funding;
  - ii. Authorize the Deputy City Manager, Social and Health Development to approve and execute any amending agreements between The Corporation of the City of London and Indwell Community Homes that do not require additional funding.
- h) Civic Administration **BE AUTHORIZED** to undertake all other administrative acts necessary in connection with this project.

**IT BEING NOTED** that where delegated authority does not currently exist for agreements associated with the budget estimates noted in (f), Civic Administration shall seek approval from Council prior to execution and or amendments.

## **Executive Summary**

The City of London is committed to ensuring that proper supports and resources are in place to launch the Whole of Community System Response. Through the recent Health and Homelessness Summits aimed to engage all sectors to create a people centred, housing centric system, it was recognized that, to be effective, a range of housing options are needed with particular emphasis on highly supportive housing with 24/7 on-site care. This report delivers on the commitment set out in the Highly Supportive Housing Plan and the work of the Whole of Community System Response by bringing more people out of homelessness and into housing with supports.

In accordance with s. 14.4(e) of the Procurement of Goods and Services Policy, a single source procurement with Indwell Community Homes (“Indwell”) is recommended to immediately launch a Supportive Housing Model project at 46 Elmwood Place. This action will provide 50 highly supportive housing units through the Whole of Community System Response.

## **Linkage to the Corporate Strategic Plan**

Council and staff continue to recognize the importance of actions to support housing, as reflected in the 2023-2027 - Strategic Plan for the City of London. Specifically, the efforts described in this report address the following Areas of Focus, including:

### **Housing and Homelessness**

Outcome 1 - The City of London demonstrates leadership and builds partnerships to increase quality, affordable, and supportive housing options.

Expected Result – 1.1 Increased access to a range of quality, affordable and supportive housing options that meet the unique needs of Londoners.

Strategies:

- a. Increase the supply, range, and depth of affordability of quality housing options where people feel safe.
- b. Align policies and programs recognizing the broad range of factors that contribute to accessing and maintaining transitional, supportive, community, affordable and market housing.
- c. Address the specific needs of populations, including equity-denied groups, and prioritize housing initiatives that are affordable.

Outcome 2 - 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.

Expected Result – 2.1 Decreased number of Londoners at risk of or experiencing homelessness.

Strategies:

- a. Implement the whole-of-community system response to the health and homelessness crisis that creates pathways to housing.

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

Providing the right level of support at the right time to support individuals and families experiencing or at risk of experiencing homelessness are strategic areas of focus within the 2019 – 2024 Housing Stability Action Plan.

## **Analysis**

### **1.0 Background Information**

#### **1.1 Previous Reports Related to this Matter**

- [Z-9583 – 46 Elmwood Place](#) (PEC: July 17, 2023)
- [Update – Whole of Community System Response Implementation](#) (SPPC: April 18, 2023)
- [Authorization and Delegations to Advance Urgent Housing Projects](#) (CPSC: November 2, 2021)

#### **1.2 Background**

##### 46 Elmwood Place

On July 25, 2023, Council approved a zoning by-law amendment (Z-9583) initiated by Veranda Property Investments Inc. at 46 Elmwood Place to change the zoning of the property from a Community Facility (CF3) Zone to a Residential R8 Special Provision (R8-4(84)) Zone with the intent of converting an existing 2-storey long-term care facility to a residential apartment building with 30 units.

The property was subsequently purchased by Development for Change (1000694759 Ontario Inc.), a conglomeration of Auburn Developments, Drewlo Holdings, Sifton Properties Ltd., and Tricar Properties who will complete capital improvements to the existing building to facilitate 50 highly supportive housing units. The property will then be transferred to Indwell who will operate the building.

A minor variance (A.152/23) was approved on January 12, 2024 by the Committee of Adjustment to recognize existing site conditions and to permit an increased density to allow for a total of 50 units within the existing building. Site Plan Approval is not required for the proposed conversion and the project is proceeding to the Building Permit stage.

##### Housing Accelerator Fund

In April 2023, the Government of Canada through the Canada Mortgage and Housing Corporation (CMHC) announced details on a Housing Accelerator Fund (HAF). The primary objectives of HAF are to encourage housing supply growth and enhance certainty in development approvals. The HAF funds must be spent on implementing a series of housing acceleration initiatives and any remaining funding can be used to support affordable housing, housing-related infrastructure, and community-related infrastructure. The funding amount is based on housing targets set by the municipality between 2024 and 2026 and must be identified in the application.

London's approved application provides a housing target of 2,187 additional units between 2024-2026 for eligibility of up to \$74,058,143.00 under the Housing Accelerator Fund. These units must be over and above London's recent unit construction average. The following table provides London's target information:

**Table 1: London's Housing Supply Growth Target (2024-2026)**

Anticipated number of units over the next 3 years:	9,432 Units
Additional number of units over the next 3 years with Housing Accelerator Funding:	2,187 Units
London's Housing Supply Growth Target:	11,619 Units

## Fund for Change

The Fund for Change was created after a \$25 million anonymous donation supports to support London's Whole of Community System Response to Health & Homelessness and is administered by the London Community Foundation. An additional \$4.1 million has been donated by Londoners which has been doubled with a \$5 million matching fund to result in \$33.2 million in total funds. The Fund for Change is primarily to support fast-tracking Hubs and highly supportive housing, including:

- Refurbishment of buildings to make them suitable for use as Hubs or highly supportive housing.
- Equipment needed by staff on-site at Hubs and highly supportive housing, such as computers and desks.
- Physical equipment needed to meet basic needs in Hubs and highly supportive housing, such as beds, sinks, showers etc.

To date, 93 highly supportive units and 2 hubs have been created since the Health and Homelessness Whole of Community System Response was established in early 2023.

### **1.3 Health and Homelessness Whole of Community System Response**

Throughout 2022, communities across Ontario experienced a dramatic increase in the volume, complexity and impact of health and housing needs on individuals experiencing homelessness; London as a community has experienced the significant impacts of this housing and healthcare crisis.

To address the whole of community impacts of this crisis with a focus to better deliver healthcare and housing for the most marginalized Londoners experiencing homelessness, the City of London hosted three initial Health and Homelessness Summits between Q4-2022 and Q1-2023 aimed to engage several sectors to create a Whole of Community System Response (the "Response").

Through the Summits, it was recognized that, to be effective, a range of housing options are needed with particular emphasis on highly supportive housing with 24/7 on-site care.

Following each respective endorsement from Council, key elements of this plan have been carried forward to be delivered on. With approval from Council on the components of this report, Civic Administration will again be working to implement the deliverables of the Response. This work includes aligning existing plans and resources to deliver an additional 50 units of highly supportive housing, reducing homelessness for those individuals.

### **1.4 Highly Supportive Housing Model**

Highly supportive housing includes services related to health, employment, and activities of daily living. As per the Council endorsed Highly Supportive Housing plan, the goal of supportive housing is to provide affordable and stable housing for people who may face challenges related to mental health, addictions, housing deprivation, or other factors that make it difficult to maintain housing stability.

The Highly Supportive Housing project at 46 Elmwood Place will provide on-site care, including mental health, addiction, and nursing services coordinated with food security services (one meal per day), housing stability supports for tenant related concerns, and assistance with activities of daily living. Each tenant will have varying levels of acuity and needs for personalized care, it is through this full-time on-site and collaborative support model that all levels of acuity can receive a high-level of care.

## **2.0 Discussions and Considerations**

## **2.1 46 Elmwood Place**

46 Elmwood Place is a two-storey building, including offices for building management and/or tenant support services, a multipurpose amenity room with for residents, guests, programs and support services, an accessible common-use washroom and laundry room, and 54 indoor bicycle parking spaces in the basement. An additional amenity room is also available on the second floor for other supportive housing related needs.

Elmwood also provides for exterior amenities, including a pavilion, leisure seating areas, open greenspaces, and surface parking for 18 vehicles (including 1 barrier-free parking stall).

The 50 units at 46 Elmwood Place are considered single person occupancy units come fully furnished and provide for a range of barrier-free accessible design elements, including wider interior hallways and doors, and turning circle clearance..

## **2.2 Indwell Community Homes' Supportive Housing Model**

Indwell is a non-profit organization that creates affordable housing communities supporting people seeking health, wellness and belonging, and is the largest developer of purpose-built, permanent, affordable, supported housing in Ontario. Indwell's practice and history are grounded in working with individuals emerging from institutions, homelessness, or precarious housing and who are challenged by mental health and addictions. Indwell programs are built upon working with local hospitals, community mental health agencies and primary care providers. The partnerships formed between Indwell and health care have been integral to their success.

To-date, Indwell has been successfully delivering supportive housing since 1974 and expanded to London in 2019. Indwell currently has four programs covering 182 units operating in London, including Embassy Commons, a 72-unit supportive housing complex at 744 Dundas Street and Woodfield Gate, a 44-unit supportive housing program at 403 Thompson Road, and a 66-unit supportive housing program at 356 Dundas Street whereby 35 individuals were successfully transferred from the Parkwood institute into stable permanent housing.

It is in this work that the Indwell cohesive full support care model aligns directly with the objectives of the Whole of Community System Response.

## **2.3 Single Source Procurement**

The Procurement of Goods and Services Policy describes that procurement may be conducted using a Single Source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular.

Civic Administration is recommending Indwell to deliver a Highly Supportive Housing Model project, as permitted in the Procurement of Goods and Services Policy:

14.4 (e): The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise, or experience.

Indwell, as the largest in-house developer of purpose-build, permanent, affordable, supportive housing in Ontario, has been an active participant in the Whole of Community Response. Indwell delivers person-centred, housing-focused supports in many of their existing programs and their organizational history and practices are grounded in working with individuals emerging from institutions, homelessness, or precarious housing who are challenged by mental health and addictions.

Development For Change, is a coordinated partnership of local developers, each with considerable construction experience are well-equipped to manage and coordinate the building renovations and approvals processes.

Indwell successfully qualified through the City’s RFPQ-2023-810 – Affordable Housing Development Partners under the supportive housing operator section. Through this partnership with the Development for Change they are proposing a project that meets the requirements for a highly supportive housing building. This proposal also offers a unique and innovative approach to housing development by four of the city’s largest community builders. In this model, the private sector assists the non-profit sector by taking on the real and financial risks of development prior to transferring the property when occupancy has been granted under the building permit.

The approval of this single source procurement to Indwell will immediately enable long-term financing to be secured by Indwell. It will also facilitate the final design of modifications to the building and recruitment of new staff, as required to deliver the Highly Supportive Housing Model. Civic Administration can then begin to align tenants to the building.

### 3.0 Financial Issues and Considerations

#### 3.1 Capital Renovation Costs

Initial construction estimates to renovate the existing building, purchase equipment and furniture to align to Indwell’s highly supportive housing model at are approximately \$15,446,410 (excluding HST).

Building modifications are required to operationalize the building to deliver the enhanced supports, health services and program elements associated with the Highly Supportive Housing Model pilot project. This work includes interior demolition and abatement, site servicing upgrades, and the purchase of appliances, furniture, and medical equipment for the administration and programs offices and for the common-use amenity rooms.

Sources of funding for the capital costs include seeking a \$4,000,000 contribution from the Fund for Change, as well as contributions and financing from Canada Mortgage and Housing Corporation (CMHC), leaving a potential \$2,044,964 deficit in the total capital expenses.

The one-time capital cost of up to \$2,044,964 (excluding HST) associated with this work is available in the HAF Funding capital project account established for the building construction, as outlined in the Source of Financing Report attached as Appendix B.

#### 3.2 Annual Operating Budget

The total annual operating cost of the facility is estimated to be approximately \$2,265,000. A portion of this cost will be funded through rent supplements from the City while Provincial and other sources of funding will be pursued to supplement the program. The balance of costs to operate the facility will be sourced from rental revenue.

**Table 1 – Summary of Annual Rental Revenue and Benefit Ranges**

Supplement Range	Rental Revenue (000’s)	Housing Supplement (000’s)	Future MOH Funding (000’s)	Total Operating Cost (000’s)
Low	\$234	\$331	\$1,700	\$2,265
High	\$349	\$216	\$1,700	\$2,265

Monthly rents are anticipated to be set at \$581 per month, aligning with the Ontario Disability Support Program (ODSP) shelter allowance. As such, a rental supplement of up to \$700 per month, or \$9,744, annually, for each of the 50 units at 46 Elmwood Place may be required. The actual rent supplement amount will be finalized once each occupancy and associated income is confirmed.

As requested in the recommendations, Civic Administration are proposing to allocate a total rent supplement investment of up to \$500,000 per year to allow for incidentals such as tenant insurance and changes to CMHC’s average market rent when the units become

available. This funding source would be through the rent supplements program approved by Council as part of the 2024-2027 multi-year budget (MYB Business Case P-20).

As the building is operationalized, other possible application-based sources of funding to support individuals needs in the building will be explored through Provincial ministries. It is necessary for the City to assist with facilitating an initial contribution for the operating costs while long-term funding is explored and applied for by Indwell Community Homes. The rent supplement funding is anticipated to be an ongoing need, and even after an alternate source of funding for the operating fee is identified.

## **Conclusion**

Approval of a single source procurement with Indwell would serve to immediately advance 50 highly supportive housing units that will provide for 24/7 on-site care, as part of the City's 600-unit target within the Whole of Community System Response.

In alignment with s. 14.4 (e) of the Procurement of Goods and Services Policy, Indwell is an experienced supportive housing provider with the required special knowledge, skills, and expertise to deliver a Supportive Housing Model Project at 46 Elmwood Place.

Subject to the required approvals, activities will commence immediately, including preparations by Indwell to hire and train new staff and the building modifications required to support the program, as well as work by the City and Indwell to align eligible Clients from the City's wait-lists in advance of building occupancy.

<b>Prepared by:</b>	<b>Meg Sundercock, MCIP RPP Senior Housing Development Coordinator, Municipal Housing Development</b>
<b>Submitted by:</b>	<b>Matt Feldberg, MPA, CET Director, Municipal Housing Development Craig Cooper Director, Housing Stability Services,</b>
<b>Recommended by:</b>	<b>Kevin Dickins Deputy City Manager, Social and Health Development</b>

By-law No. A-

A by-law to delegate to the Deputy City Manager, Social and Health Development the authority to approve and execute agreement(s) between The Corporation of the City of London and Indwell Community Homes for the provision of capital and operating funding

WHEREAS section 5(3) of the *Municipal Act*, 2001 S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act*, 2001 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 12 of the *Housing Services Act*, 2011 provides that a service manager shall, in accordance with its housing and homelessness plan, carry out measures to meet the objectives and targets relating to housing needs within the service manager's service area;

AND WHEREAS section 107 of the *Municipal Act*, 2001 provides that a municipality may make grants, on such terms and conditions as to security and otherwise as the council considers appropriate to any person, group or body, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interests of the municipality;

AND WHEREAS the Municipal Council of The Corporation of the City of London wishes to make a grant to Indwell Community Homes for capital and operational costs to operate a highly supportive housing model at 46 Elmwood Place, a model it considers to be in the interests of the municipality;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Deputy City Manager, Social and Health Development is authorized to approve and execute agreement(s) for the provision of capital funding and operational funding to Indwell Community Homes for the operation of a highly supportive housing model at 46 Elmwood Place in the City of London.
2. The Deputy City Manager, Social and Health Development is authorized to approve and execute any amending agreements to agreements approved pursuant to their authority under section 1 of this bylaw provided no additional funding is required.
4. This by-law comes into effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Passed in Open Council on June 25, 2024, subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Josh Morgan

Mayor

Michael Schulthess  
City Clerk



**Appendix "B"**

#24120  
June 18, 2024  
(Consultant Award)

Chair and Members  
Strategic Priorities and Policy Committee

RE: SS-2024-205 Single Source: Supportive Housing Model at 46 Elmwood Place  
(Subledger NT24GG04)  
Capital Project SHHAF001 - 46 Elmwood Place  
Indwell Community Homes - \$2,044,964.00 (excluding HST)

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**Finance Supports Report on the Sources of Financing:**

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Social and Health Development, the detailed source of financing is:

<b>Estimated Expenditures</b>	<b>Approved Budget</b>	<b>This Submission</b>
Capital Grants	2,080,955	2,080,955
<b>Total Expenditures</b>	<b>\$2,080,955</b>	<b>\$2,080,955</b>
<b>Sources of Financing</b>		
Federal Grants- Housing Accelerator Fund (Note 1)	2,080,955	2,080,955
<b>Total Financing</b>	<b>\$2,080,955</b>	<b>\$2,080,955</b>

**Financial Note:**

Contract Price	\$2,044,964
Add: HST @13%	265,845
Total Contract Price Including Taxes	2,310,809
Less: HST Rebate	-229,854
Net Contract Price	\$2,080,955

**Note 3:** Project SHHAF001 - 46 Elmwood Place is funded from the Housing Accelerator Fund (HAF). The City of London received \$74.1 million from the Federal government through HAF that can be applied to infrastructure that supports new housing.



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Alan Dunbar  
Manager of Financial Planning & Policy

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