

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON JULY 15, 2020
FROM:	KEVIN DICKINS ACTING MANAGING DIRECTOR HOUSING, SOCIAL SERVICES AND DEARNESS HOME
SUBJECT:	URGENT TRANSITIONAL AND MODULAR SUPPORTED HOUSING DEVELOPMENT

RECOMMENDATION

That, on the recommendation of the acting Managing Director, Housing, Social Services and Dearness Home, the following actions **BE TAKEN** to support a strategy to secure and develop up to 26 temporary transitional supportive units and up to 150 supported affordable housing units:

- (a) that Civic Administration **BE AUTHORIZED** to implement the short term temporary transitional supportive elements of the strategy, it being noted that these activities will be funded within existing approved Community Homeless Prevention Initiative (CHPI) funding; and
- (b) that Civic Administration **BE DIRECTED** to continue preliminary investigation of the modular and stick build supportive housing development strategy including discussions with other levels of government about potential funding support.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Municipal Council Approval Of The Housing Stability Plan 2019 to 2024, as Required Linder The Housing Services Act, 2011 (CPSC: December 3, 2019)
- Housing Quarterly Report (CPSC: January 21, 2020)
- Housing Quarterly Report (CPSC: April 28, 2020)

BACKGROUND

PURPOSE

The purpose of this report is to recommend that the City of London, in partnership with the City’s Housing Development Corporation, London “HDC”, explore a strategy to access up to 26 temporary transitional supportive housing units and advance viable and sustainable development plans for up to 150 supported affordable housing units.

This strategy will assist in the efforts to address the challenges currently being experienced by the COVID-19 pandemic and the expected longer term impacts the pandemic may have on those who are currently experiencing homelessness and those who are precariously housed.

BACKGROUND

London is in a homelessness and housing crisis. The need for housing stock, and more specifically the priority need for new affordable housing with supports, was defined within the *2019-2024 Housing Stability Action Plan* as critical needs driving this crisis.

Prior to the pandemic, the Stability Plan identified a gap of over 3000 affordable units in London and the need to work towards creating 300+ additional units each year in order to close this housing gap. Through the recent events of the pandemic, there is recognition of the urgent need to create a concerted and prioritized focus on addressing the needs of those who lack housing to find and stay housed.

The total number of individuals experiencing homelessness in London is unknown as homelessness often remains hidden. However, as of June 2020, 1065 individuals are

registered in London's homeless management information system as actively homeless, having used service within the last 90 days. Of those, 56 percent have been assessed using the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT). Acuity score results suggest 14 percent of the homeless population score low acuity (0-3), 42 percent score moderate acuity (4-7) and 44 percent score high acuity (8+).

Additionally, Londoners need support to find housing and stay housed. This strategy works with partner agencies and the City's coordinated access system and existing programs to ensure people are supported to achieve long term housing stability. The City of London funds seven Housing First programs, four rapid rehousing programs, one housing identification program and one housing stability program. These programs provide a variety of case management supports, housing finding and rent stability supports, primarily to chronically homeless individuals with low, moderate and high support needs.

As a result of the COVID-19 pandemic, pressures on the homeless serving sector continues to increase. A lack of places for people to go, both during the day and overnight, have resulted in a large portion of homeless individuals living or staying unsheltered.

The current Average Market Rent "AMR" for a bachelor apartment in London is \$697. Through the work of our system housing finders, we know the actual rent for a bachelor apartment upon vacancy is closer to \$958/month. In order to support individuals who are experiencing homelessness and on a fixed income (\$390-\$500 shelter allowance per month), the rents for these developments will need to be \$500-\$600 per month. Even at these rates, a housing allowance will be required for some residents.

Based on the current and anticipated rental market, the required units and rental rates are currently not available. HDC and the City are able to advance projects related to priority needs and engage other resources and programs. These actions do not limit other development activities already underway or planned but rather expedite these developments based on the urgency of the housing need.

The monthly rental rates for tenants is a factor directly associated with the ultimate cost of building affordable housing. These development costs are influenced by many factors including land acquisition and readiness, building techniques, construction (labour and material) costs, scale of project, timing, etc. The costs of development are also influenced by municipal charges, fees, and processes.

In response to this challenge, City staff, led by Homeless Prevention and including Development Services, City Planning, Realty Services, Legal & Corporate Services, Finance, Housing Services and the City Managers office in partnership with the City's Housing Development Corporation have put forward the following strategies for consideration.

The proposed strategy is prioritized based on the level and urgency of housing needs and recognizing that the solutions require an immediate temporary transitional plan and a long-term supported housing plan.

Immediate Temporary Transitional Space Strategy:

Lease the current isolation space location (26 rooms) for an additional 18 months to provide immediate temporary transitional units. These units will be matched with medium and higher acuity individuals from the City's coordinated access list. The on-site support services will assist the individuals with the necessary supports to find housing, stay housed and achieve longer term housing stability. Many individuals matched will be chronically homeless and in most cases currently living unsheltered.

Modular and Stick Built Supported Housing Strategy:

Utilize 3 existing sites within City and HDC ownership to facilitate the development of affordable housing. Including:

- 1 site for up to 40 supported units (proposed modular construction),
- 1 site for up to 50 supported units (proposed modular construction), and

1 site for up to 60 supported units (proposed regular stick build construction).

Matching individuals to these units will be through the City's coordinated access priority system. Each individual will be in receipt of case management and housing stability supports and the space will be available for a mix of low, moderate and high support needs individuals who are looking to achieve housing stability.

Building specific supports for each proposed permanent site will include a staff person for 8 hours per day 7 days per week to assist individuals to maintain housing stability and address any day to day support items that may come up during this time.

In order to try and minimize some of the above noted costs and provide a sustainable housing project that can be built to provide the lowest rents possible, the proposals are looking to utilize land already owned by HDC and the City, leverage various government programs related to grants, seek additional investment from other levels of government and maximize municipal affordable housing tools, etc.

FINANCIAL IMPACT

The 18-month operating costs for the recommended immediate transitional space is provided for through approved CHPI funding in the Homeless Prevention budget. The estimated 18-month costs associated with a short term lease are \$600,000 with operating supports approximating \$1,000,000. The approximate per year cost is \$1.06 million.

The costs and associated funding sources for the modular and stick built supportive housing strategy are subject to further investigation and refinement, and may be funded through a combination of approved City funding, approved funding from HDC, and potential funding contributions from other levels of government. An update will be provided to Council once further details are available.

NEXT STEPS

If endorsed, the next steps for the strategy would be as follows:

Immediate Temporary Transitional Space Strategy:

Engage Realty Services to support Homeless Prevention to secure an 18 month lease on the current site being used for COVID-19 isolation.

Complete a Request for Service to provide staffing for the transitional space focusing on agencies who can offer peer supports and for those with lived experience.

Modular and Stick Built Supported Housing Strategy:

The permanent affordable housing plans will advance within the delegations and directions provided by Council to HSSDH and with the authorities and approvals provided to Civic Administration. This includes:

- HDC and City staff consulting with CMHC on Co-Invest or other appropriate funding programs for the projects.
- Confirming capacity and delivery timelines of modular units with a provider, meeting the HDC and or the City's procurement processes.
- Completing initial designs for the various sites, engage in pre-submission consultation with and apply for site rezoning and site plan applications and necessary public consultation.
- A report back to Council will be provided at a later date as additional direction is necessary.

RECOMMENDED BY:	RECOMMENDED BY:
CRAIG COOPER MANAGER, HOUSING, SOCIAL SERVICES AND DEARNESS HOME	KEVIN DICKINS ACTING MANAGING DIRECTOR HOUSING, SOCIAL SERVICES AND DEARNESS HOME

Appendix A:
Module site under construction:



Completed Modular Housing example



Interior of completed module unit

