

## Report to Community and Protective Services Committee

**To:** Chair and Members, Community and Protective Services Committee Meeting  
**From:** Kevin Dickins, Deputy City Manager, Social and Health Development  
**Subject:** Single Source Award Recommendation for Housing Stability Service Programs; Including Outreach, Emergency Shelter and Housing Stability Bank  
**Date:** February 1, 2022

### Recommendation

That, on the recommendation of the Deputy City Manager, Social and Health Development, that the following actions Be Taken with respect to Single Source Award Recommendation for Housing Stability Service Programs; Including Outreach, Emergency Shelter and Housing Stability Bank;

- a) that single source procurements BE ACCEPTED at a total estimated cost of \$9,890,000 (excluding HST) for the period of April 1, 2022, to March 31, 2023, with the opportunity to extend for four (4) additional one (1) year terms, to administer Housing Stability Services Emergency Shelter, Housing Stability Bank and Outreach programs, as per the Corporation of the City of London Procurement Policy Section 14.4 d); to the following providers:
  - Men's Mission Emergency Shelter (SS-2022-021)
  - Salvation Army Centre of Hope Emergency Shelter (SS-2022-022)
  - Rotholme Family Emergency Shelter (SS-2022-023)
  - Unity Project Emergency Shelter (SS-2022-024)
  - Youth Opportunities Emergency Shelter (SS-2022-025)
  - London Cares Homeless Response Services Outreach Program (SS-2022-026)
  - The Salvation Army Centre of Hope Housing Stability Bank Program (SS-2022-027)
- b) that Civic Administration BE AUTHORIZED to undertake all administrative acts which are necessary in relation to this project;
- c) that the approval given herein BE CONDITIONAL upon the Corporation entering into a Purchase of Service Agreements with each program.

### Executive Summary

In Spring 2021, the City of London began the Request For Proposal (RFP) process that included multiple agency and community engagement sessions. As a result of this work, Civic Administration issued a Request for Proposal 21-55 on September 13, 2021, soliciting experienced and qualified proponents to provide Housing Stability Services for Outreach, Emergency Shelters and Housing Stability Bank programs.

- Supporting unsheltered individuals and families through outreach is a strategic area of focus within the 2019-2024 Housing Stability Action Plan. Londoners need support to find housing and stay housed. During the recent community consultations, individuals and families shared that outreach services are required.
- Emergency Shelters provide basic needs and short-term accommodations for individuals and families experiencing homelessness. Londoners need support to find housing and stay housed. During the recent community consultations, individuals and families shared that emergency shelters need to be housing first focused, low barrier, focused on diversion and shorter lengths of stay

- Housing Stability Bank is one of the main prevention programs funded by the City's Housing Stability Service area. Preventing homelessness is a strategic area of focus within the 2019-2024 Housing Stability Action Plan. It is identified that Londoners need support to find housing and stay housed. During the recent community consultations, individuals and families shared that the housing stability bank prevention program needs to continue and be more responsive to individual needs.

As several of the submissions from the organizations did not meet all the requirements outlined in RFP 21-55, City administration had no choice but to cancel the RFP and move forward with an alternate procurement strategy for these services.

Due to the cancellation of RFP 21-55, and to maintain the current service level, civic administration is recommending that the City of London enter into Single Source Purchase of Services Agreements with noted programs employing the Council approved Agreement Template.

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

### The 2019 – 2023 Strategic Plan for the City of London

The City of London identifies 'Strengthening Our Community' and 'Building a Sustainable City' as strategic areas of focus.

Londoners have access to the supports they need to be successful.

Londoners have access to the services and supports that promote well-being, health, and safety in their neighbourhoods and across the city.

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

London's Homeless Prevention and Housing Plan, Housing Stability for All: The Housing Stability Action Plan for the City of London (2019), is the approved guiding document for homeless prevention and housing in the City of London and was developed in consultation with Londoners.

Providing the right level of support at the right time to decrease the use of emergency services and creating an outreach system and rapid response to support individuals and families experiencing unsheltered homelessness are strategic areas of focus within the 2019 – 2024 Housing Stability Action Plan. London needs to increase system capacity and availability of services across many sectors to meet the housing stability needs of individuals and families in crisis.

### Links to Community Recovery

The City of London is committed to working in partnership with the community to identify solutions that will drive a strong, deep and inclusive community recovery for London as we move out of and beyond the global COVID-19 pandemic. This report, and the items within, are linked to supporting Londoners experiencing homelessness during the COVID-19 pandemic to attain and retain permanent housing. This work supports recovery efforts through a coordinated response that will support the transition of individuals and families experiencing homelessness who have been provided with temporary shelter into permanent housing.

## **Analysis**

### **1.0 Background Information**

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

- Housing Stability Services – Housing Stability Bank Single Source Procurement (CPSC: December 14, 2021)

- Housing Stability for All Plan – Mid-Year Update (CPSC: September 21, 2021)
- Housing Stability for All Plan 2020 Update and Priorities for 2021 (CPSC: May 11, 2021)
- 2021-2022 Homeless Prevention Program Funding Allocations – Single Source Procurement (#SS21-09) (CPSC: March 2, 2021)
- Homeless Prevention COVID-19 Response and Funding Overview (CPSC: April 28, 2020)
- Municipal Council Approval of The Housing Stability Plan 2019 to 2024 as Required Under The Housing Services Act, 2011 (CPSC: December 3, 2019)
- Homeless Prevention and Housing Plan 5 Year Review and Update (CPSC: June 17, 2019)
- Core Area Action Plan (SPPC: October 28, 2019)
- London's Homeless Prevention System Housing Stability Bank Update (CPSC: February 21, 2018)
- London's Homeless Prevention System London Cares Homeless Response Services (CPSC: February 21, 2018)
- London's Homeless Prevention System Contract Award Request for Proposal 16-57 Housing First Emergency Shelter for Youth Operator (CPSC: January 24, 2017)
- London's Homeless Prevention System Community Prevention Initiative Funding Allocation (CPSC: January 24, 2017)
- London's Homeless Prevention System Enumeration Results and London's Emergency Shelter Progress Report: 2011 – 2015 (CPSC: October 18, 2016)
- London's Homeless Prevention System Progress Report and Update (CPSC: September 22, 2015)
- London's Homeless Prevention System Housing Stability Bank (CPSC: September 22, 2015)
- London's Homeless Prevention System Housing Stability Fund (CPSC: June 16, 2014)
- Contract Award 13-48 London CARES (CPSC: January 6, 2014)
- London Cares – Transitioning to the London Homeless Prevention System (CPSC: October 7, 2013)
- Homeless Prevention System for London Three Year Implementation Plan (CPSC: April 22, 2013)

## **2.0 Discussion and Considerations**

### **2.1 Purpose**

This report provides an overview of the procurement process including the funding allocations for the emergency shelter program, housing stability bank program and outreach program to be funded, as attached as Schedule 1 of this report

The RFP 21-55 submissions were evaluated by the City's evaluation committee for the project with assistance from Purchasing and Supply. A two-envelope RFP process was used: one envelope contained the technical project proposal; and the second contained the pricing proposal.

### **2.2 Background**

In 2021, the City of London undertook a Request for proposal process as discussed further in section 2.3. It is also noted that the City will be utilizing a number of funding sources to administer all Housing Stability Service programs for 2022. A brief overview of the emergency shelter, outreach and Housing Stability Bank program is noted below. In addition, civic administration has provided a broad overview of each funding source, and which programs these sources funded in 2021.

Ultimately, RFP 21-55 was cancelled, as per section 19.3 e) of the procurement of Goods and Services Policy, stating that the City reserves the right in its absolute and sole discretion to cease negotiation and reject any offer, a single source negotiation, has been

undertaken with the existing agencies funded for the required emergency shelter, Housing Stability Bank and outreach services for the City

#### Emergency Shelter Program:

As required by the City's Procurement of Goods and Services policy, a review of the emergency shelter funded system was undertaken in 2021. As a result of this procurement work, it became clear that operating costs of the emergency shelter response have increased beyond the current funding envelope available. As RFP 21-55 was cancelled, in accordance with Section 19.3 e), a single source negotiation was undertaken with the existing agencies funded for the required emergency shelter services for the city. The identified ongoing funding challenges as part of this negotiation are related to the impacts from the COVID-19 pandemic as well as ongoing operational challenges across the sector.

The City of London through the provincial Community Homeless Prevention Initiative "CHPI" program have mostly funded the emergency shelter response in the City of London since 2013. The agencies providing these services must bridge the funding gap through local donations and other sources of funding as determined by their respective Governance and Leadership groups.

The challenges faced by shelter providers and their boards have been communicated to Civic Administration through this process in which one of the primary challenges is as a result of COVID-19 agencies are left with little choice but to increase pay rates and retention costs for staff to ensure the continued delivery of emergency shelter services.

The funding requests for this program submitted as part of the single source procurement, although not in alignment with the 2021 funding levels, are being recommended for approval as part of the single source contracts to support a continued emergency shelter program at current service levels in 2022 and beyond.

The funding to shelter agencies shifted to yearly block funding from a per diem-based funding model in 2017. Since this time, emergency shelter providers have been consistently funded to support identified outcomes to prevent and divert individuals and families away from emergency shelter and to better house individuals who are experiencing homelessness.

Although shelter system transformation to ensure all shelter work is housing focussed will take a number of years to fully implement, a number of system wide operational alignments are expected to occur in 2022. These alignments include an improved and more efficient intake and diversion process across shelters, an aligned restriction policy for individuals so that behavioural restrictions will be based on a consistent standard, as well as a consistent length of time for restrictions and a transparent appeal process across all shelters. Additionally, the storage and handling of belongings will be aligned across the system and the housing focussed work provided by shelter staff in a number of shelters will shift to begin to support couples and those with pets.

It is anticipated that city funding contributions to the emergency shelter system for 302 shelter beds in 2022 will require \$7,115,000 an increase of \$775,000 from the \$6,340,000 provided for shelter provision in 2021. This increase in shelter costs can be mitigated for 2022, but without additional long-term funding, impacts to all housing stability program service levels are expected to occur in 2023.

Note: The above bed composition does not include the contracts related to the provision of 40 resting spaces in the City.

#### Outreach:

The City of London through the CHPI program and municipally committed funding have been able to provide a 24/7 outreach program in the city of London that supports unsheltered Londoners and the Coordinated Informed Response program. As required by the City's procurement policy, a review of the outreach program was undertaken and as a result of this procurement work, it was clear that challenges related to the impacts from the COVID-19 pandemic and staffing shortages across the sector are being felt.

As RFP 21-55 was cancelled, in accordance with Section 19.3 e), a single source negotiation has been undertaken with the existing agency funded for the required outreach services for the city. In 2022, the outreach program is looking to move away from a 24/7 in person outreach model and focus supports for when they are needed most in community. This has been identified by the agency as between the hours of 7am and 2:30am with supports from 2:30am to 7am being phone based.

The program being proposed by the agency will allow for a number of system wide operational alignments to occur in 2022. These alignments include improved system wide navigation supports for agencies and individuals who regularly rely on the program for supports. Improved referrals to other system partners and increased coverage of known encampment areas, hotspots and improved support for the Coordinated Informed Response program.

The funding request for this program submitted as part of the single source procurement is an increase of \$25,000 from previous program funding levels. Civic administration is recommending approving of the single source contract to support a continued outreach program in 2022 and beyond.

#### Housing Stability Bank:

The City of London through municipally committed funding have been able to work with the current agency to provide a key homeless prevention resource since 2013. The Housing Stability Bank provides loans and grants to low-income Londoners who need assistance with first and last month's rent, rental and utility arrears and money management services to ensure housing stability.

As RFP 21-55 was cancelled, in accordance with Section 19.3 e), a single source negotiation has been undertaken with the existing agency funded for the required housing stability bank services for the City. This submission is looking to provide similar grant and loan supports to low-income Londoners but will refine the parameters of grant versus loan provision based on the feedback from the community consultations and the funding available for this program.

The funding request for this program submitted as part of the single source procurement is in alignment with historical funding and civic administration are recommending approving the single source contract to support a continued housing stability bank program in 2022 and beyond.

#### Community Homeless Prevention Initiative (CHPI):

In the current contract with the Province of Ontario as a Transfer Payment Agency, the City of London has been allocated \$11.29M in funding for 2022. This funding is to be utilized to support the following two CHPI program outcomes:

1. people experiencing homelessness obtain and retain housing
2. people at risk of homelessness remain housed.

The City funded the following programs with CHPI funding in 2021.

- Emergency Shelter program (5 agencies)
- Housing First Programs (5 agencies)
- Outreach (1 agency)
- Rapid Housing Programs (4 agencies)

- Indigenous Homeless Response (1 agency)
- Day Space (2 agencies)
- Resting Spaces (2 agencies)
- Supportive Housing (2 agencies)
- Middlesex County
- Program Administration

#### Reaching Home Canada's Homelessness Strategy – Designated Communities Stream:

In the current contract with the Government of Canada as a Transfer Payment Agency, the city has been allocated \$1.19M in funding for 2022. This funding is to be utilized to support the goals of the National Housing Strategy in particular, to support the most vulnerable Canadians in maintaining safe, stable, and affordable housing and to reduce chronic homelessness nationally by 50% by fiscal year 2027 to 2028.

The City funded the following programs with Reaching Home funding in 2021.

- Coordinated Access program implementation by City of London
- Housing First Program (2 agencies)
- Capital Projects (3 agencies)
- Program Administration

#### Municipal Funding:

The City of London continues to contribute a significant amount of funding across several programs to support the challenges of those experiencing homelessness and housing instability. In 2022, these programs will provide approximately \$10M of support, noting that of this support the City receives approximately \$1.2M from the province for the Strong Communities Rent Supplement Program. This provincial funding partially offsets the cost for the Rent Supplement Program.

Municipally funded programs in 2021 included:

- Emergency Shelter (1 agency)
- Core Area Action Plan - Coordinated Informed Response Program, including outreach (1 agency)
- Core Area Action Plan - Enhanced Case Management for Resting Spaces (3 agencies)
- Housing Stability Bank (1 agency)
- Housing First, Rapid Housing, Rent Stability program housing allowances (7 agencies funded)
- Housing Identification Program
- Rent Supplement Program
- Housing Access Centre

### **2.3 Procurement Process**

On September 13, 2021, a Request for Proposal (21-55) was issued on london.bidsandtenders.ca with a closing date of October 13, 2021. After the RFP was posted, there were four (4) Addendums issued to respond to questions, inquiries, and requests for clarifications.

Six (6) proposals were received. Out of the Six (6), two (2) included Outreach Services, six (6) included Emergency Shelter Services, and one (1) for Housing Stability Bank Services.

In reviewing the submissions, one (1) Outreach submission and one (1) Emergency Shelter submission did not move forward to stage 2 as they did not fully address the required RFP items. The remaining submissions did not meet the financial parameters of the RFP. This resulted in the required cancellation of the RFP in its entirety.

Civic Administration made the decision to cancel the current RFP process. Civic administration (Purchasing and Supply) is recommending that the single source procurements from listed agencies in this report be made under Section 14.4 d) of The Corporation of the City of London Procurement of Goods and Services Policy, stating there is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract, to ensure the continuity of the identified services for 2022 and beyond.

The request to have a 5-year term for the approval of these services allows contractual certainty for the agencies providing services. The four (4) optional one (1) year renewal terms allow for any significant changes in scope of service to require committee and council approval. The Purchase of Service Agreements include a contract renewal provision whereby the City reserves its absolute right to negotiate the reasonable pricing of any contract renewals with the successful proponent(s) upon a renewal request in subsequent years (at a maximum of four additional one-year terms). In addition, as the system looks to respond to the ever-changing needs of the community, this approval allows for some minor flexibility to meet local needs on a yearly basis.

### **3.0 Financial Impact/Considerations**

The 2022 cost for Homeless Stability Services of Outreach, Emergency Shelters and Housing Stability Bank agreements is expected to be \$9,890,000, which is a net increase of \$800,000. This level of funding for these programs is a slight increase as compared to 2021 to help partially offset the increase in operational costs of the emergency shelter system, and to maintain existing service level standards.

While the Community Homeless Prevention Initiative and Reaching Home base funding for 2022-23 have not increased, Civic Administration is able to accommodate the increase within the existing 2022 approved budget and by utilizing one-time funding provided by Social Services Relief Funding (SSRF) and Additional Covid Response Funding through the Reaching Home Program.

## **Conclusion**

While Civic Administration follows the Council approved Housing Stability Action Plan as the guiding document for the delivery of Housing Stability Services in the community, it is also recognized that system transformation will take time. Efforts have been made through this process to introduce positive changes in the system, from standardizing the way intake and diversion services are conducted, to behavioural management processes, and ultimately to expanding the services offered to couples and those experiencing homelessness that have pets. While much work remains as a community and as a whole system, the contents of this report provide for a suite of services to be delivered without degrading service standards.

This report seeks Council direction and support for the City of London to enter into Single Source Purchase of Service Agreements with all programs noted above.

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**Submitted by:** Craig Cooper, Director, Housing Stability Services

**Recommended by:** Kevin Dickins, Deputy City Manager, Social & Health Development

**Schedule 1 – Overview of Shelter, Outreach and Housing Stability Bank Funding Allocations**

<b>Program/ Service</b>	<b>Agency</b>	<b>Cost Estimate</b>	<b># Of Emergency Shelter beds</b>
Emergency Shelter	Mission Services; Men's Mission	\$1,850,000	75
Emergency Shelter	Mission Services; Rotholme Family Shelter	\$1,000,000	40
Emergency Shelter	The Salvation Army; Centre of Hope	\$1,965,000	107
Emergency Shelter	Youth Opportunities Unlimited	\$1,150,000	30
Emergency Shelter	Unity Project	\$1,150,000	50
<b>Total Emergency Shelter Funding</b>		<b>\$7,115,000</b>	<b>302</b>
Outreach	London Cares Homeless Response Services	\$1,475,000	
Housing Stability Bank	The Salvation Army Centre of Hope	\$1,300,000	
<b>Total Funding for 2022</b>		<b>\$9,890,000</b>	