

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: Homeless Prevention Head Lease Pilot Program Update
Date: July 26, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Social and Health Development, that the following actions **Be Taken** with respect to Homeless Prevention Head Lease Pilot Program Update that this report **BE RECEIVED** for information purposes.

Executive Summary

Civic Administration is recommending that an external agency be procured to deliver the pilot Head Lease program for one additional year.

From December 2020 to July 2022, Housing Stability Services conducted a municipally funded and administered pilot Head Lease Program to explore a housing model intended to facilitate the rapid delivery of affordable transitional housing for individuals and families experiencing homelessness. Through this innovative model, private market rental units were leased by The City of London and occupied by individuals and families experiencing homelessness.

Through this 19-month pilot program, a total of twenty individuals experiencing homelessness were transitionally housed in sixteen private market head lease units. Program participants were supported with life skills development to promote successful tenancy.

By the end of the pilot program (July 2022), sixteen program participants had secured either permanent or transitional housing through the support of the pilot program. Of the four participants who were unable to secure permanent housing, two moved out of London and two returned to homelessness. Overall, this represents an 80% program success rate.

The pilot program required a significant level of administrative support. Civic Administration is recommending a second one-year pilot of up to 25 units to test the model when operated through a third-party support organization.

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, The Housing Stability Action Plan (*Housing Stability for All*) 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. The Head Lease program supports the implementation of key strategies in the Housing Stability for All Plan.

Core Area Action Plan

Establishing a head lease program is identified as a short-term action in the Core Area Action Plan.

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 or at risk of experiencing homelessness who have a variety of support needs into permanent housing.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Homeless Prevention Head Lease program (Single Source 20-34) (CPSC: January 19, 2021)
- Homeless Prevention Head Lease program (Single Source 20-34) (CPSC: November 3, 2020)
- Homeless Prevention Standard Form Occupancy Agreement for Head Lease Units (CPSC: March 31, 2020)
- Housing Stability Plan, 2019-2024 (CPSC: December 3, 2019)

2.0 Discussion and Considerations

2.1 Rapid Rehousing Through Head Leasing

The pilot program was intended to create rapid rehousing opportunities for individuals and families who had been unable to resolve their homelessness, supporting individuals to secure housing as quickly as possible.

Through Lease Agreements, the City secured 18 units in the private market for use as transitional housing with support for individuals and families experiencing homelessness. Leases for two bachelor units ended during the pilot because the units did not meet the needs of the program. Individuals and families on the City of London Coordinated Access Priority List were “matched” to affordable units (based on individual choice) leased by the City and provided housing support services to promote successful tenancy through life skills development.

The units were occupied by individuals and families on a transitional basis. As housing stability increased for the individual or family they were supported to secure permanent housing of choice.

On April 7, 2020, Municipal Council approved the Homeless Prevention Standard Form Occupancy Agreement for Head Lease Units.

A competitive process was undertaken to secure units for the pilot program. On June 15, 2020, an Expression of Interest (EOI) was released through Procurement to seek interested landlords for the Homeless Prevention Head Lease program. The EOI was posted for three weeks on Bids and Tenders and the link was distributed to City of London Housing and Realty Services, Housing Development Corporation, London St. Thomas Real Estate Board, London Property Managers Association, London Homeless Coalition and the London Homeless Prevention Network. The EOI did not receive any responses.

In addition to the EOI, communications released social media messaging to increase awareness about the pilot program. There was not any interest generated from social media.

On November 10, 2020, Municipal Council approved a Standard Lease Agreement for the pilot program and Single Source procurement of two homes to Wastell Homes at an estimated cost of \$80,000. On January 25, 2022, Municipal Council approved a Single Source procurement of 186 King Street Holdings Incorporated at an estimated cost of \$210,000.

2.2 Head Lease Pilot Program Update

The pilot program was developed and implemented using an enterprise-wide approach. Departments that contributed to the success of the program include and are not limited to Legal, Risk Management, Finance, Procurement and Supply Services, Life Stabilization, Facilities, Corporate Security and third-party housing support programs.

The innovative pilot program provided an opportunity to apply and test a head lease model for individuals experiencing homelessness.

Between December 2020 and July 2022 four landlords participated in the pilot program with a total of 18 units secured through one year lease agreements. The units included fourteen bachelor units, one one-bedroom unit, one two-bedroom unit and two three-bedroom units located in various areas of the city. Leases for two bachelor units ended prior to occupancy resulting in a total of 16 units being used during the pilot. The final leases ended July 1, 2022.

Individuals matched to housing support programs through London's Coordinated Access were housed in available head lease units based on the individual or households housing support and housing plan. While residing in the head lease unit, occupants were supported by the housing support program to develop life skills aimed at successful tenancy and to secure housing. Supports were provided in the head lease units and focused on the specific needs of each household.

A total of 20 individuals were transitionally housed with supports in 16 units during the pilot program.

- Households included individuals, couples, roommates, and a family.
- Households matched to the program were identified as having high acuity/support needs.
- Most individuals matched to the program were identified as experiencing chronic homelessness and/or were known to sleep unsheltered.
- There were three individuals who moved from one head lease unit to another head lease unit/location during their participation in the program.

Overall, the pilot program was successful in supporting most participating individuals to secure transitional or permanent housing. Following the program, the 20 individuals had the following outcomes:

- 11 secured permanent housing.
 - 5 secured permanent housing in the same unit they resided in while participating in the program.
 - 6 secured permanent housing unit in another location.
- 5 secured transitional housing.
- 2 moved out of the city
- 2 returned to homelessness.

3.0 Financial Impact/Considerations

On November 10, 2020, Municipal Council approved the reallocation of one-time 2020 assessment growth funding originally intended for the Housing Allowances program to a maximum of \$300,000 to the Head Lease Pilot Program.

Effective July 2022, the total cost of the program after recovering occupancy fees was \$144,942. The total cost will increase marginally upon receipt of final invoices.

Expenses	
Rent	\$183,735
Other Costs (example: utilities, damages, keys, unrecovered occupancy fees, etc.)	\$15,371
Revenue (Occupancy fees recovered)	- \$54,164
Total Expenses	\$144,942
Total Funding Remaining as of July 2022	\$155,058

Civic Administration is proposing to invest the remaining funding upon completion of current phase to continue the delivery of the Headlease Program Pilot through an external agency.

4.0 Key Issues and Considerations

A pilot program enabled administration to test a head lease model while flagging considerations for the potential implementation of similar programs. During the pilot, practices were continuously shifted to create improvements and efficiencies in the approach.

Key Findings

- Head Lease units provided a low barrier option for individuals and families experiencing homelessness with challenges attaining housing on their own.
- Head lease units provided an opportunity for individuals and families to stabilize and work towards their housing goals.
- Administration of the Head Lease program requires dedicated staffing. The administrative requirements of the Head Lease pilot program were greater than anticipated during the development of the program. Ongoing coordination with internal departments and external housing support programs is required.

Civic Administration is recommending that an external agency be procured to deliver the pilot Head Lease program for one additional year. The second pilot would test the model with up to 25 units when operated directly by a housing support program.

Civic Administration will procure an external organization under Section 12 of the Procurement of Goods and Services Policy (Request for Proposal) and obtain approval from the appropriate authority for an agreement to deliver the Head Lease pilot program for one additional year. An update report will be brought forward to a future Council meeting.

Conclusion

The Head Lease pilot program demonstrated an 80% success rate in supporting individuals to end their experience of homeless by securing housing. Continuation of this pilot program would support more Londoners experiencing homeless to secure permanent housing.

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