

## 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 – Contract Amendment  
**Date:** February 22, 2023

## Recommendation

That, on the recommendation of the Deputy City Manager, Social and Health Development, the following actions be taken with respect to Housing Stability Services - Contract Amendment for the Housing Stability Bank Program for homelessness prevention, that;

- a) One-time contract amendment as per the Corporation of The City of London Procurement of Goods and Services Policy Section 20.3.e **BE APPROVED** at a total estimated cost of \$465,000 to support the Salvation Army Centre of Hope, Housing Stability Bank,
- 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 or amending a Purchase of Service Agreements with the program.

## Executive Summary

To ensure the continuity of The Salvation Army Housing Stability Bank (HSB) in 2023, Housing Stability Services is seeking approval to provide additional one-time funding to support the ongoing operations of this program. The HSB has experienced ongoing impacts from the Covid-19 pandemic and have requested additional one-time funding to support ongoing operations, as outlined below:

The HSB program has requested additional funding to support a \$465,000 shortfall in their operating budget in 2022-23. The shortfall is due to an increased demand for rental arrears and a reduction in loan recoveries as the program responds to community needs to administer a greater amount of grants versus loans for those on fixed incomes who access this service.

Civic Administration recommends that funding to support these programs is provided through a contract amendment to the existing agreement. The Salvation Army Housing Stability Bank has an existing purchase of service (POS) agreement with The City of London. Pending approval, Housing Stability Services will amend The Salvation Army HSB funding agreement to provide this additional one-time funding.

## Linkages to the Corporate Strategic Plan

### 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 (2019-2024)

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**

- Housing Stability Services – Single Source Procurements (CPSC: May 31, 2022)
- Single Source Award Recommendation for Housing Stability Service Programs; Including Outreach, Emergency Shelter and Housing Stability Bank (CPSC: February 1, 2022)
- Housing Stability Services – Housing Stability Bank Single Source Procurement SS21-48 (CPSC: December 14, 2021)
- London's Homeless Prevention System – Housing Stability Bank Update (CPSC: February 21, 2018)
- London's Homeless Prevention System Housing Stability Bank (CPSC: September 22, 2015)
- London's Homeless Prevention System Housing Stability Fund (CPSC: June 16, 2014)

### **2.0 Discussion and Considerations**

#### Background

The Housing Stability Bank program supports individuals and families in London who are experiencing or are at risk of homelessness to secure permanent housing, to stay housed through the provision of grants and interest free loans covering the cost of rental and utility arrears for those at risk of losing their housing due to these arrears. The program offers a range of services to low-income earners that include interest free loans for first and last months rental assistance, rental arrears and emergency utility assistance in the form of grant, or interest free loan as well as money coaching services. It has been noted by the current provider that approximately 70% of individuals who access the housing stability bank for loans are on a fixed income which has led to ongoing challenges in loan repayment efforts over the past few years. As a result of community consultations in spring/summer of 2021, the HSS team has been working with the current provider to evolve the HSB program to better support community need by transiting to more of a grant based program with a smaller loan component.

Since 2005, The Salvation Army Centre of Hope has operated various iterations of a rent bank and emergency utility assistance program in The City of London. In 2020/21 \$685,000 was allocated to the Housing Stability Bank through Ontario Social Service Relief Funding to provide COVID-19 related grants. This funding provided grants to individuals and families directly affected by COVID-19, which in turn impacted their ability to pay for rent and/or utilities.

In 2021, the City of London issued a Request for Proposal soliciting qualified proponents to provide Housing Stability Bank services. As several of the submissions from organizations did not meet all the requirements outlined in RFP 21-55, the RFP was cancelled. To maintain existing services, a single source procurement was recommended by Civic Administration and approved by City Council in February, 2022. The Salvation Army currently has a 2022-23 purchase of service agreement with the City of London.

#### Reasons for Shortfall -The Salvation Army Housing Stability Bank

The Salvation Army has reported an anticipated deficit of \$465,000 and have cited the following factors as contributors to the current funding shortfall:

- Increase in the number of households accessing Housing Stability Bank services (first and last months rent or rental arrears support) from 1,466 households in 2021 to 2,309 households in 2022.
- Reduction in loan repayments with 15,533 payments collected in 2021 and 9,283 collected in 2022.
- Increased rental and living costs resulting in an inability for program participants to repay loans.
- Provision of grants for period of January to March, 2022 reduced the incoming/expected loan recoveries.

The Salvation Army Housing Stability Bank currently receives \$1,300,000 annually in municipal funding.

### Procurement

Civic Administration recommends that the one -time contract amendment for The Salvation Army be made under Section 20.3 e) of The Corporation of The City of London Procurement of Goods and Services Policy. As City Council must authorize contract amendments when:

- I. the total amended value of the contract will be greater than the administrative (Deputy City Manager) approval threshold; or
- 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 contract value, whichever is greater, and there are funds available.

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

The total cost to support The Salvation Army Housing Stability Bank with one-time additional funding is estimated at \$465,000. Funding will be provided through Housing Stability Services existing 2022-23 federal and provincial funding through the Ontario Homelessness Prevention Program and/or Reaching Home: Canada's Homelessness Strategy.

### **Conclusion**

This report seeks Council approval for contract amendments in the total amount of \$465,000 for The Salvation Army Centre of Hope Housing Stability Bank. The funding has already been contributed to low-income Londoners to support securing and maintaining housing. In 2022, 2309 unique households received support from the Housing Stability Bank which was a significant increase from the 1466 unique households who received support the previous year. Approving one-time funding to address this shortfall will ensure the Housing Stability Bank continues to address community need.

A request for one-time funding to address this shortfall was delayed due to the municipal election.

**PREPARED BY: Kate Green, Manager, Housing Stability Services  
Laura Cornish, Manager, Housing Stability Services**

**SUBMITTED BY: Craig Cooper, Director, Housing Stability Services**

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