

Municipality Of Chatham-Kent
Community Human Services
Employment and Social Services

To: Mayor and Members of Council
From: Polly Smith, Director, Employment and Social Services
Date: March 30, 2021
Subject: Contract for Temporary Shelter Spaces

Recommendation

It is recommended that:

1. The Director of Employment and Social Services be authorized to enter into a 12 month sole source agreement with Sunray Group for 32 rooms at the Travelodge Hotel in the city of Chatham (planned to commence June 1, 2021 to May 31, 2022, with the potential of extension for up to 12 additional months).

Background

The Procurement By-law #166-2020 was adopted by Council on December 14, 2020 and Sole Source is defined as The Purchase of Deliverables where there is only one supplier that provides the Product.

Section 125 – Sole Source states the following:

A direct Award of Contract may be used to purchase Deliverables from Municipal funds if there is only one Supplier that provides the product. Sole Source purchases that meet this criteria must have prior approval authorized by:

- a. The Chief Administrative Officer up to \$100,000;
- b. Council above \$100,000.

As per the Procurement By-law, the director of Employment and Social Services is seeking authorization to enter into a longer term agreement with Sunray Group for 32 rooms.

On April 30th 2020, an emergency isolation shelter was opened at the John D Bradley Centre due to the need for individuals experiencing homelessness to safely isolate at the onset of the pandemic. After an extensive search for other options in September

2020, to allow the Bradley Centre to honour and attract bookings and due the continued need, the sheltering program was moved to the Travelodge Hotel. Employment and Social Services Division also fully shifted from an emergency shelter model to a housing-focused model called the Chatham-Kent Emergency and Rapid Re-Housing Program (CKERRP) at the time of the move.

Chatham-Kent Emergency and Rapid Re-Housing Program (CKERRP)

While Rapid Re-Housing program staff have made successful housing placements every month, even during lock down periods, the need for emergency and transitional housing is exacerbated by the current lack of affordable and supportive housing options. Prior to the pandemic, motel rooms alone were used for emergency sheltering but there have been few vacancies with so many community members seeking lower cost accommodations. Motel rooms and other hotel rooms are still used by the Division when needed (and available) to assist individuals with lower support needs. The demand for emergency housing is expected to continue through the next few years until there is a significant increase in affordable and supportive housing options and an increase in mental health and addictions services in Chatham-Kent.

CKERRP is a housing-focused emergency housing program, and as such this model has allowed the Division to remain focused on what they do best, moving people back to housing. The CKERRP has proven superior to the previous model that ESS operated. The difference comes through having staff on site at the Travelodge to support individuals during their temporary stay. This avoids conflicts between stayers, supports keeping units clean and in good repair, coaching for independent living, and all with a focus on securing permanent housing.

Historically, higher need individuals who accessed the Homeless Response Line (HRL) would not always make contact after receiving an emergency motel room. This made it difficult to case plan and secure long-term housing. Having staff on site allows for daily participation, this participation has turned into successful housing placements.

The CKERRP program began in September 2020 at Travelodge and at time of writing has provided:

- 198 nights of safe accommodation
- Help to 263 unique individuals
- Housing to 57 individuals who were previously homeless (19 who were chronically homeless)

Emergency Housing Needs in Chatham-Kent

The move to Travelodge was made during the state of emergency as a short-term solution and thus the procurement process was not in place. The Division now wishes to enter into a longer term (and lower cost) agreement with the Sunray group with Council's approval until another plan is secured.

Employment and Social Services has learned many lessons over the past several years related to homelessness, but 2020 proved to expedite these learnings by revealing the breadth and depth of the issues that the community and other communities across the province are facing. Chatham-Kent, like many other smaller rural communities in Ontario, has seen the numbers of people experiencing homelessness increase significantly during the pandemic.

For several months, Employment and Social Services staff have been monitoring the homelessness crisis and seeking more sustainable, cost effective, emergency housing options as noted in the report to Council presented on February 1st 2021. Early estimates show that owning a building versus renting the current average number of rooms could save 80-90% in space-related operational costs, but would require capital investment. Until a longer-term solution is in place; renting these rooms, operating a shelter out of another location like John D. Bradley Convention Centre, or turning up to 60 people out into the streets are the only options.

Comments

Sole source approval is requested as there are no other hotels in Chatham with enough rooms to accommodate the average number of residents in need of emergency housing, and willing to lease to Employment and Social Services for the Chatham-Kent Emergency and Rapid Re-Housing Program. Further, most rooms have double occupancy and allow for safe social distancing. There are also two isolation rooms for individual stayers who have spent time out of Chatham-Kent or who are awaiting COVID-19 tests.

The Division will continue to rent a small number of rooms from other hotels and motels periodically, and are grateful for this support for individuals and families. Moving to another community in Chatham-Kent is not a practical solution at this time, as the majority of services that stayers require are located within Chatham. Having multiple locations would require additional staffing and travel which is not cost effective.

The Sunray group is willing to enter into a lower priced agreement at \$79.00 per night per room for 32 rooms if a 12 month contract is signed. Employment and Social Services is currently paying \$99.00 per night per room for 31 rooms.

Chatham-Kent Employment and Social Services, received one-half of the social services relief funding (SSRF) from the Ministry of Municipal Affairs (MMAH) and Housing for 2021 as compared to 2020. These funds must be spent by Dec 31st, 2021 versus the usual MMAH year end of March 31st. The Division will use the funds strategically with other provincial dollars and fund this contract and other homeless prevention programs with Community Homelessness Prevention Initiative (CHPI) funds from January 1st to March 31, 2022.

It is anticipated that with the SSRF dollars provided by the Ministry, that Employment and Social Services will not require most of the \$2.5 million reserve funding approved in the 2021 budget process this year, but it may be requested at budget deliberations for

2022 to fund this contract and/or other homelessness prevention programs if needed. It is preferred not to use reserve funds unless absolutely necessary for emergency housing as the real need is capital housing investments that have long term benefits to the community.

Employment and Social Services continues to work with colleagues in Housing Services, Planning, Building Development as well as realtors, architectural firms and stakeholders to research emergency housing options. It is the goal of the Director to have a sustainable plan for cost-effective, housing-focused, emergency housing in Chatham-Kent by summer 2021.

Areas of Strategic Focus and Critical Success Factors

The recommendation in this report supports the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation in this report supports the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

The Purchasing Officer, Financial Services, was consulted on this report.

Financial Implications

Approval of this request will result in a savings of approximately \$187,000 over 12 months. Rental costs are 100% provincially funded, and this savings will essentially pay for more than two additional months' rent for the 32 rooms. The chart below outlines the amounts associated with both the current and new options, including municipal portion of HST:

Option	Rate per night	Rooms per night	Cost per day	Cost per year
Current	\$99	31	\$3123.01	\$1,139,898.65
New	\$79	32	\$2572.49	\$938,958.85

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Attachment: None

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