



CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	August 11, 2022
SUBJECT/REPORT NO:	Housing with Supports for Women, Transgender and Non-binary Community Members (Arkledun) (HSC22047) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Robyn Perry Senior Project Manager, Housing Services Division Healthy and Safe Communities Department
SUBMITTED BY:	Al Fletcher Acting Director, Housing Services Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the City enter into an agreement for a conditional grant in the maximum amount of \$3.1 M, with the Good Shepherd Centre Hamilton to address gap funding for capital costs required to renovate their Rapid Housing Initiative project at 35 Arkledun Ave. with content and in a form satisfactory to the City Solicitor and the General Manager of Healthy and Safe Communities be authorized and directed to execute and administer the agreement and any ancillary agreements;
- (b) That the conditional grant be funded via an internal loan from the Investment Stabilization Reserve (#112300) to be repaid from the annual Housing Services tax supported operating budget over a term of fifteen years at an annual interest rate of 4.25%, resulting in a net tax levy impact of \$283,700 annually beginning in 2023;
- (c) That the General Manager of Healthy and Safe Communities be authorized and directed to execute and administer an interim agreement and any ancillary agreements with the Good Shepherd Centre Hamilton with content and in a form

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

satisfactory to the City Solicitor and the General Manager of Healthy and Safe Communities for conditional one-time funding to provide low barrier housing supports at 35 Arkledun Ave. for approximately 73 women, transgender and non-binary community members experiencing homelessness, in the maximum amount of \$3.6 M;

- (d) That staff be authorized to provide up to a maximum \$3.6 M of Program support costs to Good Shepherd's Arkledun Ave. project for the 12-month period of November 2022 to October 2023 to be funded from any eligible funding programs made available from senior levels of government or the City's COVID-19 Emergency Reserve (#110053);
- (e) That the financing strategy of any ancillary program support costs for the Arkledun Ave. project beyond first year of operations subject to the operating agreement established through recommendation (c) be referred to the 2023 tax supported operating budget process for Council's consideration; and,
- (f) The Mayor, on behalf of City Council, correspond with the Provincial Minister of Municipal Affairs and Housing, Minister of Community and Social Services and Minister of Health to advocate for additional investments in Permanent Supportive Housing to facilitate long term housing solutions for the most vulnerable community members experiencing homelessness.

EXECUTIVE SUMMARY

The Good Shepherd Centre Hamilton (GSCH) acquired the property at 35 Arkledun in October 2021 with the assistance of the Canada Mortgage and Housing Corporation's (CMHC) Rapid Housing Initiative (RHI) funding provided by the City of Hamilton. The funding is conditional on the use of the property as low-barrier permanent housing with supports for women, transgender and non-binary people experiencing homelessness.

The intended housing opportunity is to provide a person-centred approach to match the support programs with the housing needs of the new residents. Residents will move to the new units, exiting homelessness and/or shelter stays, into housing where programs will seek to improve the residents' potential for independent living success by focusing on the short (i.e. minimum 3 month), medium- and long-term needs.

To date, the City has supported the purchase and capital renovation costs of 35 Arkledun through the RHI (\$12.95 M), the federal Reaching Home program (\$3.35 M), the provincial Social Services Relief Fund-4 (\$4.75 M), and the Poverty Reduction Fund (\$56 K) in the total amount of \$21 M. Due to unexpected renovations and an increase to material and labour costs, the project requires additional capital funding in the amount of \$3.1 M to reach completion. Under the RHI agreement signed between the

City of Hamilton and CMHC, CMHC will not provide funding above initial approvals (HSC20056(a) (City Wide).

Recognizing that program participants may have been homeless for extended periods and have had long stays in shelter or transitional housing, multi-disciplinary 24/7 supports will be required to support housing retention. The recommended program support costs are conditional upon use of the funds for low barrier housing supports for approximately 73 women, transgender and non-binary community members experiencing homelessness from Hamilton's By-Name List, subject to yearly review, assessment and evaluation of program outcomes.

This building represents an opportunity to expand permanent housing with supports and is the first of its kind to be directly linked to housing people in Hamilton's homeless serving system. It is a keystone in the interim shelter strategy to decommission temporary emergency shelter overflow beds at the former Cathedral Boys School, end overflow contracts with hotels and provides the support required to get people who have been in the system for extended periods of time into a home. It is therefore recommended to support the gap in capital costs as well as the funding for programming.

Alternatives for Consideration – See Page 7

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

The recommendations would provide a conditional grant in the maximum amount of \$3.1 M, with the Good Shepherd Centre Hamilton to address gap funding for capital costs required to renovate their Rapid Housing Initiative project at 35 Arkledun Ave. The loan is conditional upon the terms in the initial agreement between Good Shepherd and the City of Hamilton are met. The conditional loan would be funded through an internal loan from the Investment Stabilization Reserve and repaid over 15 years from the annual Housing Services budget. Based on current project information the estimated annual levy impact would be approximately \$283,700 beginning in 2023 and remaining in the levy base for the 15-year period.

The City previously committed \$1.5M through Development Charges and Poverty Reduction Funding. The conditional loan at a maximum of \$3.1M would increase the City's total commitment to approximately \$4.6M or 17.9%.

Table 1: Total Cost of Arkledun development, Federal, Provincial and Municipal Contributions

Project Name and Location	# of units	Dev. Value*	City Dev. Charges Municipal Contribution	RHI Phase 1 Federal Contribution	Other Federal, Provincial, & Municipal Contributions	Recommendation (a) Municipal Contribution
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GS - 35 Arkledun	73	\$25,658,892	\$1,457,892	\$12,945,935	\$8,154,065	\$3,100,000
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In addition to this capital support, the City had been requested by Good Shepherd to fund program support costs for Arkledun at a maximum annual amount of \$3.6M for the period of November 2022 to October 2023 funded from any eligible funding programs made available from senior levels of government or the City's COVID-19 Emergency Reserve. Program Support Costs beyond the first year of operations will be subject to the Program Support agreement and be referred to the 2023 budget process for Council consideration and approval.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

On October 25, 2021, GSCH closed on the purchase of 35 Arkledun Ave. for approximately \$14 M. Support from The City for capital and operating costs to date include:

- Rapid Housing Initiative: \$12.9 million
 - August 9, 2021, Report HSC20056(a)
 - August 13, 2021, Report HSC20056(a)
 - September 15, 2021, Council Minutes 21-016
 - December 15, 2021, Council Minutes 21-024
 - July 7, 2022, Report HSC22027
- Reaching Home: \$3.35 million
 - September 15, 2021, Council Minutes 21-016
- Social Services Relief Fund Phase 4: \$4.75 million
 - September 9, 2021, Report HSC20036(b)
- Poverty Reduction Fund: \$56 K
 - December 15, 2021, Report HSC20020
 - February 3, 2022, CES16043(e)
- Rent subsidies from existing HPP budget: \$323 K

Over the last two years, Council has supported temporary costs to accommodate the growing pressures in the women's sector, including emergency shelter hotel overflow space for women, men, and couples. The summary below outlines the funds invested in the women's sector for temporary enhancements to emergency shelter hotel overflow, temporary emergency shelters, and drop-in services to date.

- In 2020-2021, \$5.3 M for services in the women's sector approved, including:
 - June 3, 2020, Report CM2004(a)

- June 19, 2020, Report HSC20020(a)
- July 13, 2020, Report HSC20020(b)
- August 10, 2020 CM2004 (b)
- December 9, 2020 CM 2004(c)

- In 2021-2022, \$11.9 M for services in the women's sector, plus \$11.5 M for emergency shelter hotel overflow space for women, men, and couples approved, including:
 - June 3, 2021, Report HSC20020(c)
 - September 9, 2021 Report 21-009
 - December 9, 2021, Report HSC20020(d)

- In 2022-2023, \$5.9 M (budgeted) for services in the women's sector, plus \$11.6 M (budgeted) for emergency shelter hotel overflow space for women, men, and couples approved, including:
 - March 23, 2022 GIC (Budget) Report 22-002
 - July 7, 2022, Report HSC20020(e)

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

This investment to support 73 women, transgender, and non-binary people experiencing homelessness with low barrier, affordable, and supportive housing will have a significant positive affect on the people who live there and on the homeless serving system. The investment aligns with Coming Together to End Homelessness: Hamilton's Systems Planning Framework and the Housing and Homelessness Action Plan which aim to ensure that everyone has a home.

The City is committed through federal and provincial funding to end chronic homelessness; however, this will be impossible without meeting both the housing and health needs of people who have been chronically and systematically stuck in homelessness. The investment aligns with the National Housing Strategy and demonstrates the City's commitment to advance the right to housing. This project offers a potential solution to meet both housing and support needs for 73 people.

RELEVANT CONSULTATION

Housing Services Division staff continue to consult with a range of sector partners on post-pandemic service levels required to meet both the interim- and long-term needs of individuals and families at risk of and experiencing homelessness in Hamilton. Through this, collaborative work with local Indigenous leadership continues to be prioritized in order to further develop connections to housing and supports that are culturally appropriate, rooted in the spirit and actions of reconciliation that recognize the values of autonomy and self-determination.

To this end, there has been initial discussion between Good Shepherd, the Coalition of Hamilton Indigenous Leadership, and Hamilton Regional Indian Centre to explore potential mechanisms for mutual capacity building that could support Good Shepherd in meeting the needs of Indigenous community members and in turn support capacity in the Indigenous community for Indigenous owned and operated housing projects.

In July 2022, Housing Services Division contracted with the Social Planning and Research Council of Hamilton (SPRC) to support a review of post-pandemic emergency sheltering needs and recommendations, which focusses initially on the optimal number of emergency shelter spaces for women, youth, men and families, with options for responding to couples. Housing Services Division has received initial recommendations based on the consultation and is in the process of reviewing the content and developing a long-term implementation plan to be brought forward to Council for review. One recommendation heard across all sectors was the imperative for more support for people who need permanent, affordable, and supportive housing.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Investment in this supportive 73-unit housing project is central to the City's effort to reduce reliance on hotels and temporary emergency shelter spaces created during the pandemic. The number of women in overflow and temporary shelters far exceeds our shelter bed limits pre-COVID. Having 73 people exit the system to affordable, supportive housing is critical to the plan to right-size the emergency shelter system. The described gap in capital are for realistic, unpredictable costs and should be supported. It is recommended to enter into agreement for the programming costs, since they are a necessary part of operations, and reasonably costed compared to similar programs.

As of July 2022, there are approximately 81 single women in emergency shelter hotel overflow and the temporary emergency shelter located at the former Cathedral Boys School, and 45 single women in emergency shelters. By housing 73 individuals, many of whom have been in emergency shelter for prolonged periods of time and have complex needs, vacancies are created that allow for the discontinuation of hotel and shelter overflow use and a reduction in the pressure on the emergency shelters.

The need is evident through an analysis of the Homelessness Individuals and Families Information System database. Half of women active in the system have shelter stays between 3 months and one year, while 9% have current stays of one year or more. The length of stay has sharply increased during the pandemic. People have nowhere to go. The complexity of need is also great. More than 52% of women active in the system have acuity scores in the "high needs" to "very high needs" range.

The recommended investment must be considered alongside the escalation of shelter costs during the pandemic, where the annual budget of just over \$10 M for emergency

response in 2019 increased to \$29.5 M in 2021 and \$40 M in 2021. During this time, investments in housing placement and prevention supports remained relatively stagnant and the number of people accessing the homelessness system reached record levels for Hamilton. The former Cathedral Boys School specifically is budgeted at approximately \$4 M per year to operate. This is not only a more expensive option but also poses a much greater human toll; whereas, permanent housing offers people safety, security, and the opportunity to achieve long-term health and well-being.

The supportive programming is required to ensure successful tenancy and provides significant return on investment when compared with more expensive alternatives and the cost of homelessness. The literature confirms both the lack of availability and the desperate need for low-barrier supportive housing. The Arkledun project is housing that is purposefully designed to meet the needs of people who have been systematically left out of traditional housing solutions, integrating person-centred design in details such as common areas, food provision, and shared programming space.

The proposed program meets the expectations of best and promising practice in serving chronically homeless people by considering program elements including:

- Gender and culturally specific approaches
- Harm reduction
- Trauma informed approaches
- Opportunities for relationship and community building
- Supportive staff and connections to health care programs
- Tenant-led tenancy agreements and building culture
- Food safety - 2 full meals provided daily

A key part of the interim plan for 2022-2023 for the emergency shelter system, successfully housing 73 women, transgender and non-binary clients of the emergency shelter system through this project will enable transitioning women to permanent housing and decommissioning of the temporary emergency shelter location at the former Cathedral Boys School. The interim funding from November 2022 to October 2023 provides opportunity to seek funding from senior levels of government.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

None