



**CITY OF HAMILTON**  
**HEALTHY AND SAFE COMMUNITIES DEPARTMENT**  
**Housing Services Division**

<b>TO:</b>	Chair and Members General Issues Committee
<b>COMMITTEE DATE:</b>	August 14, 2023
<b>SUBJECT/REPORT NO:</b>	Addressing Needs of Unsheltered Individuals and those Relying on Hamilton's Emergency Shelter System (HSC23041) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SUBMITTED BY:</b>	Michelle Baird Director, Housing Services Division Healthy and Safe Communities Department
<b>SIGNATURE:</b>	<i>Michelle Baird</i>

**RECOMMENDATION(S)**

- (a) That Council approve up to \$5.6M in 2023 for the following in-year emergency response expenditures to address the immediate pressures experienced by unsheltered individuals and individuals requiring assistance from Hamilton's emergency shelter system funded through a combination of sources, deemed appropriate by the General Manager of Corporate Services, and to be confirmed through the 2023 year-end budget variance report beginning with additional Provincial or Federal Funding, City of Hamilton COVID-19 Reserve, or 2023 Corporate Surplus;
- (i) \$4.1M to continue providing shelter overflow in hotels in 2023 for families experiencing homelessness as reported in the April 2023 Budget Variance Report, FCS23063;
- (ii) \$600K to Indwell to provide high level supports from October 1, 2023 – March 31, 2024 for 24 units at City Housing Hamilton's - King William location in order to house individuals from encampments or the by name list as of Q4, 2023;

- (iii) That up to \$876K in expenditures to provide support for overnight drop in centres, beginning in December 2023 through March 2024 be referred to the discussion of the City's Winter Response in the report coming forward with the same name to the September 7, 2023 Emergency and Community Services Committee;
- (b) That Council approve an in-year immediate commitment of a \$2.3M conditional grant to Indwell Community Homes as the City's municipal contribution to enable construction at Acorn Flats to commence within 30 days of approval in order to build 20-25 units of permanent housing for families experiencing homelessness with occupancy by the end of 2024, funded from the Tax Stabilization Reserve (#110046);
- (c) That the General Manager of the Healthy and Safe Communities Department or their designate be directed and authorized, on behalf of the City of Hamilton, to enter into, execute and administer all agreements and documents necessary to implement the purchases and grants outlined above on terms and conditions satisfactory to the General Manager of the Healthy and Safe Communities Department or their designate and in a form satisfactory to the City Solicitor;
- (d) That up to \$5.925M for 2024 emergency response expenditures be referred to the 2024 tax operating budget for Council consideration: to address the needs experienced by unsheltered individuals and individuals requiring assistance from Hamilton's emergency shelter system items;
  - (i) The continuation of shelter hotel overflow for families experiencing homelessness at an anticipated cost of \$4.64M annually
    - (1) \$4.45M for emergency hotel shelter overflow beds for families experiencing homeless.
    - (2) \$190K to fund temporary mobile case management team supporting families experiencing homelessness who are housed in hotel overflow beds.
  - (ii) The continuation of 20 additional beds in the women's emergency shelter system, through 46 West South as a temporary emergency shelter (run by Good Shepherd Centre Hamilton), from April 1, 2024 to December 31, 2024 at a cost of \$952K (annualized cost of \$1.267M)
  - (iii) \$333K to enhance diversion programs within shelters to prevent homelessness for an estimated 600 individuals

- (e) That up to \$2.3M be referred to the 2024 Tax Operating budget for Council consideration to support individuals experiencing homelessness in securing successful tenancies and prevent homelessness as referenced in the plan to end chronic homelessness and the Housing Sustainability and Investment Roadmap;
  - (i) \$2M increase to the Municipal Housing Benefit equivalent to Rent-Geared-to-Income to end homelessness for an estimated 332 households, in order to reflect the commitment to support 500 households in this way through the HSIR.
  - (ii) Up to \$1.2M to Indwell to provide continued high level supports for 24 units at City Housing Hamilton King William that will take individuals from encampments or the by name list until provincial commitment for these costs can be obtained.
- (f) That expansion of the Housing Services Division's 2024 budgeted complement by 5.0 permanent FTEs to be referred to the 2024 Tax Operating Budget to support execution of recommendations (d) through (e), with annual cost in 2024 of approximately \$502K;
  - (i) 2.0 FTEs, Emergency Shelter Case Managers, to support expanded shelter capacity at an annual cost in 2024 of approximately \$199K for salaries, benefits and ancillary costs.
  - (ii) 3.0 FTEs, a Senior Project Manager, a Housing Support Worker, and a Housing Services Clerk, to design and administer programs offering permanent housing solutions at an annual cost in 2024 of approximately \$303K
- (g) That Council approve in principle the concept of an advance multi-year municipal commitment of \$31M (e.g. \$10.33M per year over 3 years) towards the creation of 200 units supportive housing in order to maximize opportunities for affordable housing providers to leverage provincial and federal funds for projects in development and that Housing Secretariat report back to Council in Q3 on financing options and recommended parameters by which Council would delegate decision making authority to staff to work with providers, identify highest impact projects and administer and allocate these funds to enable flexibility and nimble decision-making;
- (h) That Council direct staff to explore an approach to subsidizing funding of up to 100 additional Residential Care Facility spaces to provide additional permanent

housing options for individuals requiring shelter and to report back to Council in Q4 2023 with opportunities and costs;

- (i) That Council direct staff to assess Hamilton's current ratio of investment in emergency response compared with upstream housing interventions versus emergency response and propose a policy framework to guide City of Hamilton's future municipal investment in the housing sector to shift from emphasis on emergency response to homelessness prevention and permanent housing solutions that decrease reliance on emergency interventions; and,
- (j) In recognition that funding of housing with supports is not within the municipal tax levy mandate or resources, that Council direct staff to work with the Mayor's office to pursue funding from upper levels of government for the \$1.2M in operating costs for 2024 associated with Indwell King William, the \$3.6M in annual operating costs for permanent housing at the Dorothy Day Centre and the \$2.6M in annual operating costs for transitional housing at the YWCA currently subsidized by the municipality, which have no sustainable funding source, as well as other projects that require similar annual operating costs to provide the supportive housing capacity required to address local need;

## **EXECUTIVE SUMMARY**

As the housing crisis continues, more individuals are living unsheltered and the number of individuals who are homeless continues to rise. Hamilton's shelter system has consistently been at or over-capacity since before the COVID-19 pandemic. The issue has worsened as a result of a severe lack of affordable housing, lingering bottlenecks from the COVID-19 pandemic, and long lengths of stay in the shelter system. While the problem at first glance may appear to be solved with building additional shelter capacity, it is important to recognize that emergency shelters currently absorb the greatest proportion of investment within Hamilton's homeless-serving sector and Hamilton invests more per capita in emergency shelters than many surrounding municipalities. The path forward for Hamilton is more permanent housing while continuing to provide emergency response to individuals who are homeless and/or living unsheltered.

In 2022, staff engaged the Social Planning and Research Council to conduct a review of post-pandemic emergency sheltering needs in Hamilton and provide recommendations. Many of these have already been initiated and/or recommended for consideration through the March 2023 Ending Chronic Homelessness Report and the April 2023 Housing Sustainability and Investment Roadmap Report. At the time of engaging the SPRC, consultant, the focus was determining how many additional beds in the emergency shelter system would be required post-pandemic. Context has since shifted to reflect a new reality growing encampments family homelessness, increased numbers

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of refugee and asylum seekers arriving in Hamilton, and other critical social issues. Both emergency response and a focus on permanent housing solutions are required. There is significant risk to the health of our housing sector if we only respond to crises instead of also focusing efforts and investments upstream to create permanent housing solutions.

Staff from various teams and departments have worked together in this report to provide recommendations to address Hamilton's overburdened shelter system and growing homelessness issues and address basic needs of unsheltered individuals from a human-rights focus. The resulting focus in this report on permanent housing solutions reflects consensus from the June 2023 public engagement on Hamilton's approach to encampment response.

Some recommendations in this report require in-year decisions and it is recommended that where possible, investment decisions be referred to the 2024 budget process in order to provide Council the ability to consider all recommendations and prioritize accordingly. It will not be feasible to invest in all recommendations due to availability of resources. Additionally, partnerships with and funding from upper levels of government are required to make progress on ending chronic homelessness.

Informed by The Social Planning and Research Council's 2022 review of post-pandemic emergency sheltering needs in Hamilton and recommendations, this report outlines a three-pronged approach.

- Prong one recommends continued investment in interim emergency response interventions, including hotel overflow spaces for families experiencing homelessness, temporary shelter beds for women, winter response, and diversion programs to meet immediate need of individuals experiencing homelessness and unsheltered individuals until new permanent solutions are established. In-year decisions are needed for continuing hotel shelter overflow spaces for families and winter response; the remaining recommended investments are referred to the 2024 budget.
- Prong two recommends investments in immediate housing solutions through various strategies, including portable housing benefits for individuals who are unsheltered and/or homeless be referred to the 2024 budget. One recommendation requires an in-year decision related to an immediate opportunity to provide 24 units of housing with supports at City Housing Hamilton's King William project to house individuals directly from encampments this fall; the remaining recommended investments are referred to the 2024 budget.

- Prong three recommends longer-term strategies and investment in creation of permanent supportive housing as described in the Housing Sustainability and Investment Roadmap, including:
  - One recommendation requires an in-year decision for the City to take advantage of an immediate opportunity to realize 20-25 units of permanent housing for families with occupancy by fall 2024 and provide a capital grant to Indwell for \$2.3M to enable their Acorn Flats project to begin construction within 30 days of approval.
  - Creation of a new Housing reserve fund to facilitate an in-year multi-year municipal commitment towards the creation of 200 new supportive housing units. It is proposed allocate the \$31M capital funding that would have otherwise been required to build new shelter beds instead to a three year, \$10 M annual Housing Secretariat reserve fund as municipal contribution to enable leveraging of provincial and federal funding for capital construction of new permanent supportive housing and that the Secretariat and staff work to develop options and parameters for delegated authority for this fund, and report back to Council in Q3 2023 on options.
  - Exploring the opportunity to create supportive housing through existing but unfunded Residential Care Facility spaces. Currently operators have unfunded beds that could be used to create additional permanent or temporary capacity for housing. Staff will further investigate costs and opportunities and report back to council.

Need and demand will always be greater than available resources, prioritizing recommendations in alignment with available in-year and 2024 resources is exceedingly difficult. Looking ahead, we must establish a policy framework that includes a target ratio for investing in permanent housing solutions versus emergency response to reorient Hamilton's homeless-serving system around prevention and permanent housing options to move people out of homelessness.

### **Alternatives for Consideration – See Page 14**

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

#### **Financial:**

Staff are requesting that family shelter overflows and 24 units of high level support services continue in 2023 at a total projected cost of \$4.4M to be funded in 2023, first from any new/additional Provincial or Federal Funding sources and if necessary, from available City of Hamilton COVID-19 Reserve and/or any 2023 Corporate Surplus'.

\$876,000 will be recommended for the period of December 1, 2023 to March 31, 2024 to provide overnight drop in centres. This will be addressed in further detail in a forthcoming September 7, 2023 in the ECS Winter Response staff report. This results in a total potential additional cost of \$5.3M in 2023 to be funded a combination of the following sources: new/additional Provincial or Federal Funding sources, City of Hamilton COVID-19 Reserve and/or 2023 Corporate Surplus'.

A one-time Grant is also being recommended to the Indwell Acorn Flats Project which will provide an additional 20-25 permanent units for families at a cost of \$2.3M to be funded from the Unallocated Capital Levy Reserve in 2023/2024.

A report will also be forthcoming in Q3 from the Housing Secretariat addressing a multi-year municipal commitment of \$31M (\$10.33M over 3 years) towards the creation of 200 units of supportive housing by leveraging provincial and/or federal funding for projects in development as of this fall. The report will address financing options.

Staffing: Implementation of recommendations in this report will be referred to the 2024 tax operating budget process and require the addition of five permanent FTE within Housing Services Division's budgeted complement at a cost of approximately \$502 K for salary and benefits in 2024: 2.0 Emergency Shelter Case Managers, 1.0 Housing Support Worker, 1.0 Housing Services Clerk, 1.0 Sr. Project Manager.

Legal: Legal Services support will be required in drafting any agreements and developing the terms of those agreements.

## **HISTORICAL BACKGROUND**

On March 23, 2023, the Emergency and Community Services Committee approved Report HSC23021 Ending Chronic Homelessness, outlining a comprehensive approach and investments required to end chronic homelessness in Hamilton. In addition to identifying needs and related investments required for the homelessness serving system, this report included the need for additional capacity of 200 beds and 40 beds in the women's and family shelter system, at an estimated minimum of 5.7M annual operating costs and unknown capital costs, which were later costed by staff at a minimum of \$31M capital costs for a new build.

On April 19, 2023, the General Issues Committee approved Report HSC23028/FCS23055/PED23099 Housing Sustainability Investment Roadmap to guide cross-departmental work related to affordable housing issues. This included eleven first year priorities, including the creation of 200 new supportive housing units and a

recommendation to provide a new municipal housing benefit to 500 households and approval of \$1M to be invested through the provincial Homelessness Prevention Program to establish a new Housing Benefit for up to 166 households per year at \$500/month/household.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

On June 21, 2019 the federal government passed the National Housing Strategy Act, Bill C-97, which legislated the right to housing in Canada.

Purchasing Policy 4.11, Section 2 (b) Policy for Negotiations, requires Council Approval when a single source for the supply of a particular Good and/or Service is being recommended because it is more cost effective or beneficial for when the request has a cumulative value of \$250,000.00 or greater.

## **RELEVANT CONSULTATION**

In July 2022, the Housing Services Division contracted the Social Planning and Research Council of Hamilton (SPRC) to support a review of post-pandemic emergency sheltering needs and recommendations (Appendix "A" to Report HSC23041). These recommendations are outlined in the analysis section.

From October 2022 through January 2023, more than 180 individuals with experience using emergency shelters and drop-in programs were engaged to inform review and revision of Hamilton's Emergency Shelter Standards. A staff report will come forward in Q3 2023.

Further consultation with external stakeholders regarding Hamilton's overall strategy to prevent and end experiences of homelessness has included engagement with: Hamilton is Home, Coordinated Access Steering Committee (a group made up of senior leaders within the homeless-serving sector), Coalition of Hamilton's Indigenous Leadership, Community Safety and Wellbeing Plan stakeholders, Hamilton's Community Advisory Board, and stakeholders of the Housing Sustainability Investment Roadmap. Community partners continuously advocate for greater investment in permanent housing. Without more permanent housing options people in shelters and encampments have nowhere to go.

This report and recommendations were also informed by Encampment public Engagement sessions where permanent housing solutions emerged as a consensus theme.



Internal consultation was conducted with Finance and Procurement. Procurement supports the recommendations in this report

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Emergency shelters are necessary to ensure people experiencing homelessness are safe and their basic needs are met while they pursue stable housing. However, an over-investment in emergency response services runs the risk of regressing to a place of managing homelessness rather than ending it. To accelerate progress toward ending homelessness, Hamilton must move boldly to invest in long-term permanent solutions to homelessness. This is the only way to avoid cycles of short-term measures that help people cope with homelessness, rather than address the root causes.

### **Emergency Shelters**

Emergency shelters are designed to provide short-term shelter and housing supports, ideally for a duration less than 30 days. The City of Hamilton funds 9 shelters that currently offer 365 beds. The City also provides funding for hotel overflow for approximately 30 families because there is great need and no other options for families who find themselves without shelter (see Appendix "B" to Report HSC23041). Provincial Social Services Relief funding enabled the City to increase shelter capacity for all populations through hotel overflow during the pandemic, which brought shelter capacity to more than 600 beds at the peak of Covid-19 response (HSC20020(f)). Although the number of beds within the system was significantly higher from March 2020 through December 2022, demand for emergency shelter increased proportionately and shelter occupancy remained at capacity or over-capacity during the same period.

In 2022, a total of 58% for all populations and 85% of families spent more than 30 nights in shelter. This means that almost 60% of all shelter stayers were in need of shelter and supports beyond the intended design of the emergency shelter system.

Persistent over-capacity and long stays in the emergency shelter system are a direct result of a lack of permanent housing options. Beds are occupied for longer periods, leading to bottlenecks and forcing others to be turned away due to lack of space.

The report completed by Social Planning and Research Council, commissioned by City of Hamilton in July 2022, emphasized the need to prioritize investments in Indigenous community supports, permanent housing, and prevention. Many existing actions towards those priorities are addressed in HSC23021 and HSC23028 and continue to be prioritized by ongoing collaboration through the homeless-serving system. The report also stated a need for an additional 40 beds in the women's shelter system and 50 units (200 beds) in the family shelter system due to ongoing overcapacity and high demand.

Preliminary estimates of capital costs for shelter expansion of this scale are approximately \$31 M. This is based on the average cost of \$500,000 per unit for new construction with an occupancy of four people per room, but actual costs could be higher. Ongoing operating costs are estimated at a minimum of \$5.7 M annually. Actual operating costs could vary depending on site proposed, development plan, and program model. Given continued pressures in the emergency system and the critical need to focus on permanent housing solutions, the recommendation in this report is to instead invest this amount over the next three years in a new housing reserve fund administered by the Housing Secretariat that acts as municipal contribution to leverage provincial and federal funding for supportive housing projects that can be ready for occupancy in the next 18-26 months. With Council direction, staff will further investigate this opportunity and report back to Council on financial options and an implementation strategy consistent with the Housing Sustainability and Investment Roadmap.

Family homelessness has become a new and significant crisis within our City. Between January 1 and April 30, 2023 there have been 249 'turn-aways' from the Family Centre due to the program having no space available. Currently, we are provided hotel room for families and capped at supporting approximately 30 families. Due to overflow spaces being used consistently, providing these 30 beds translates to a budget pressure of \$4.1 M in 2023 and \$4.45 M anticipated in 2024. Council approval and levy funding is required to continue providing these hotel spaces. Contracts will otherwise be brought to an end.

Likewise, the women's shelter system has continually had to add capacity to meet demand before and throughout the pandemic. Bed capacity in January 2020 was 46 beds and at its peak in early 2023, bed capacity was 109 beds. With Cathedral closed as of May 19, 2023, overflow was established at West Avenue to offer 20 beds for women for a total of 66 in the women's system. Avenue is funded temporarily until March 2024.

These shelter capacity pressures may suggest a need for more shelter beds, however investments in shelter space alone are insufficient without significant investment in homelessness prevention and permanent housing solutions to prevent people from getting stuck in homelessness and in shelter. The City of Hamilton needs to develop an ideal ratio of investments in permanent housing solutions vs. immediate emergency supports.

Hamilton already has more shelter beds per 100,000 compared to peer communities. Hamilton's investment was substantially higher than peer communities in 2021, when Hamilton had 110.4 beds per 100,000 compared to a median of 39.2 due to expansion of use of hotel overflow (see Appendix "B" to Report HSC23041). This tells us that the solution is not to continue expansion of shelter beds. This was demonstrated during

COVID-19 response when shelter beds were increased to more than 600 spaces and were continually full. Any beds added to the system are likely to be filled while still seeing unmet demand.

### **Proposed Solution: A 3-Pronged Approach**

The March 2023 Ending Chronic Homelessness and April 2023 Housing Sustainability and Investment Roadmap reports (HSC23021 and HSC23028) outlined actions that have already been initiated, including expanded prevention supports, Indigenous-led housing and homelessness solutions, enhanced case management programs, and new investments in affordable housing and housing subsidies. More investment is needed to respond to the levels of community need as evidenced by growing encampments and pressure on Hamilton's emergency shelter system.

#### **Prong One – Continued Interim Investment in Emergency Response**

To bridge the gap between now and when new permanent housing solutions are in place, continued funding for hotel overflow beds and the temporary women's emergency shelter located at 46 West Ave S (operated by Good Shepherd Centre Hamilton) are recommended through December 31, 2024.

If the funding for family hotel overflow is not approved in-year for 2023, capacity will need to be reduced immediately by 20 families (current capacity is 30 families) and capped at a maximum of 10 families, currently funded by provincial funding. As the program is partially funded by provincial programs, closing the remaining 10 beds and ending all hotel contracts would enable \$1.8M of provincial funding to be reinvested in the system in other ways for families. As inflation and costs continue to rise, the expenses related to hotel overflow beds are expected to increase in 2024 but until permanent solutions like Acorn Flats and other similar initiatives are available, the City has limited opportunities for housing families experiencing homelessness. Staff will continue to review and report back on opportunities.

If the funding for overflow at West Avenue is not approved, 20 beds of expanded capacity in the women's system will need to be reduced as of April 1, 2024.

Research indicates that early prevention supports dramatically reduce public spending on homelessness. Diversion is a form of prevention that exists within shelters as an essential component to an effective emergency housing strategy. Enhanced investments in diversion programs will enable hiring fulltime staff roles and dedicated flex funds to engage in mediation, problem solving, and the identification of community and housing supports. It is estimated that approximately 25-30% of people who access the shelter system can be successfully diverted if provided the right supports. This

recommended enhancement is expected to prevent homelessness for up to 600 people per year.

#### Prong Two – Immediate Solutions to Preserve and Attain Affordable and Supportive Housing

Report HSC23021 in March 2023 outlined a need to establish a municipal housing benefit aligned with Rent-Geared-to-Income for an estimated 500 households to end their experience of homelessness. Portable housing benefits provide direct financial assistance to households rather than being tied to a housing unit. Allocating this benefit directly through homelessness support programs closes the affordability gap for people experiencing homelessness to find suitable stable housing on the private market. In April 2023, Council approved report HSC23028 and the recommendation to allocate \$1 M through the provincial Homelessness Prevention Program towards a municipal housing benefit for 166 households. Recommendation (e) in this report will support an additional 332 households to bring the total households served to the 500 range.

Through federal Rapid Housing Initiative funding, the City of Hamilton has invested in a new CityHousing Hamilton building that will offer 24 new units of housing at 257 King William. This building will be ready for occupancy in fall 2023. The recommendation for City investment of \$600,000 in 2023 and the first quarter of 2024 (\$1.2 M annually) in operational funding, while at the same time pursuing provincial commitment for these ongoing operating costs, will enable Indwell Community Homes and health partners to offer high intensity supports for individuals housed in these units, who may be coming from unsheltered homelessness or long-term periods of homelessness. This addresses a large need for housing with supports to help people exiting chronic homelessness to stabilize their housing and well-being.

Additionally, staff is proposing to explore how Residential Care Facilities can be used to expand the City's capacity to house individuals requiring minimal supports. By doing so, the City aims to increase its capacity to provide housing to more individuals on the By Name List, which is a list of individuals experiencing homelessness in the area. Here are some key points and potential benefits of this potential strategy:

- **Increased Capacity:** By subsidizing existing unsubsidized beds in Residential Care Facilities, the City can increase the overall housing capacity for individuals requiring minimal supports. This may lead to more vacant beds being utilized, thus reducing homelessness.
- **Support for Vulnerable Individuals:** Residential Care Facilities typically offer support services, which can be crucial for individuals with minimal support needs. This can improve the well-being and stability of those individuals and help them transition towards more independent living arrangements.

- **Reduced Homelessness:** By focusing on housing individuals only from the By Name List, the strategy targets those in most urgent need of housing and aims to reduce the number of people experiencing homelessness in the community.
- **Cost-Effectiveness:** Subsidizing existing beds might be more cost-effective than building new. It can also be a faster solution to provide housing for those in need.
- **Collaboration with Residential Care Facilities:** Involving Residential Care Facilities in the strategy can foster cooperation between public and private sectors, encouraging them to contribute to solving the homelessness issue in the community.

Exploring the use of unsubsidized Residential Care Facilities beds to house individuals from the By Name List, requiring minimal supports, is a promising strategy to address homelessness and reduce the number of people experiencing homelessness in the City. In addition to understanding resource requirements, proper planning, collaboration, and monitoring will be vital to the success of this initiative. Staff will report back to Council with an update on opportunities to implement this strategy.

Prong Three – Invest longer term in permanent supportive housing as described in the Housing Sustainability and Investment Roadmap

Lack of permanent supportive housing for individuals and families with the highest complexity of need remains one of the largest gaps within the homeless-serving system. Towards addressing this gap, the City of Hamilton has made a commitment through the Housing Sustainability Investment Roadmap to work with upper levels of government and community partners to establish 200 units of permanent supportive housing for people with the greatest complexity of need. Currently there are no known supportive housing resources in Hamilton that are dedicated to families and too few for all population groups.

City staff have engaged with non-profit housing providers through Hamilton is Home and the Housing Sustainability and Investment Roadmap to identify permanent supportive housing projects that could be constructed (or substantially constructed) within the next 36 months. Hamilton is Home has identified 418 possible units where the land is owned (or there is a path to ownership), and if project funding were identified, construction of the units could meet this 36-month timeline. The City has worked with planning division staff to determine that almost 200 of these units do not require re-zoning, and construction could begin with one year. Municipal funding is required to make these projects viable. To facilitate leveraging provincial and federal investments, this report recommends the Housing Secretariat report back on a financing strategy and parameters that would enable the allocation of \$31 M municipal investment structured over three years, to ensure that viable projects can move forward quickly while optimizing cost-sharing between levels of government. Once constructed and operating,

these supportive housing units will reduce pressure on emergency shelters, hotel overflow, and emergency response to encampments.

This report also recommends the City take advantage of an immediate opportunity to realize 20-25 units of permanent housing for families with occupancy by fall 2024 and provide a capital grant for \$2.3M to Indwell Community Homes for \$2.3M. Though community consultation, Indwell's Acorn Flats project has been identified as both the most shovel-ready project that project that best leverages funding from other levels of government, \$2.3M that Indwell has secured through the Federal Co-investment Fund Federal funding. Alternatives would require more time and be higher cost.

## **ALTERNATIVES FOR CONSIDERATION**

### **Alternative A:**

- Instead of allocating \$31M to the Secretariat for a Housing Reserve Fund, Council could direct staff to initiate a Request for Proposals for expansion of shelter beds, 40 beds in the women's system and 200 beds (50 units) in the family system.

The benefit of this approach is that it would help meet expected continued high demand for emergency shelter beds. This would reduce the instances where someone may be turned away from shelter due to lack of space and minimize the need for continued investment in overflow.

Risks include failure to invest in permanent housing, leading to higher numbers of people in shelter with nowhere to go. Investments in prevention and housing subsidies will help offset this risk, though won't meet the depth or diversity of need. Additionally, even with expanded shelter beds in the system, there is always potential for demand to increase and lead to further need to contract new overflow shelters through hotels or alternate sites.

### **Alternative B:**

- Allow contracts with hotel operators to expire and avoid \$4M levy pressure associated with costs of hotel overflow program or direct staff to explore other options for this \$6M investment(1.8M provincial funding). The total cost of hotels used to shelter families is \$6M, however, a portion, \$1.8M is derived from the provincial funding through the Homelessness Prevention Program.

Benefits include the opportunity to invest further upstream and prevent new homelessness. Risks include even less ability to meet the needs of families currently experiencing homelessness. We currently have nowhere for families to be housed.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report HSC23041: Hamilton Post-Pandemic Emergency Shelter Size Review: Key Findings. SPRC, July 2022

Appendix "B" to Report HSC23041: Hamilton Emergency Shelter Data Trends