



City of Hamilton Report for Information

To: Chair and Members
General Issues Committee

Date: April 30, 2025

Report No: HSC24027(e)

Subject/Title: Reducing Homelessness and Managing Encampments

Ward(s) Affected: City Wide

Recommendations

- 1) That staff **BE DIRECTED** to identify up to \$4.6M in previously approved 2024/25 Housing Services operating and program costs to be applied to the Temporary Barton Tiffany Shelter capital project, and that these costs be offset through the Federal Unsheltered Homelessness and Encampments Initiative (Federal Community Encampment Response Plan) commitment of \$5.26M.
- 2) That Council **APPROVE** \$586,970 in previously approved 2024/25 Housing Sustainability Investment Roadmap Reserve funding for shelter expansion (HSC24027b) to the Temporary Barton Tiffany Shelter capital project that is available as a result of the Provincial Encampment Response Initiative funding of \$586,970.

Key Facts

- The Temporary Barton Tiffany Shelter (TBTS) was initiated following Mayoral Directive MDI-2024-02 in August 2024 and the Council approval of Report HSC24027(b) / FCS24028 / PED24162 in September 2024. Planning and design began immediately, with construction starting on December 2. The first occupant was welcomed on February 4, 2025, and all units became fully operational by March 14, 2025 – the substantial performance date. This report provides an overview of the project's procurement, costing, and delivery.

- To expedite implementation, Council approved a single-source procurement process for the shelter operator, the supply and installation of shelter units and amenities, and all site construction.
- Council approved \$7M in total funding for the Temporary Outdoor Shelter initiative, including \$4.2M for operating and \$2.8M for capital implementation. While capital costs exceeded initial projections due to on-site environmental mitigation, essential health and safety upgrades, and compliance-related requirements which were not known at the time of project budgeting, additional costs have been offset by Federal and Provincial funding. The City is also actively exploring cost recovery options with Legal Services and Procurement for deficiencies, errors, or unmet contractual obligations. Appendix “B” to Report HSC24027(e) provides a breakdown of capital project costs.
- The project required extensive interdepartmental coordination, third-party expertise, and rapid mobilization to meet permitting, construction, and occupancy requirements.
- The TBTS is now fully operational. Operated by Good Shepherd Centre Hamilton (Good Shepherd), it offers 80 safe, low-barrier shelter beds, with coordinated intake prioritizing unhoused residents from encampments, including couples and those with pets. The full implementation of the temporary shelter expansion has coincided with a measurable reduction in encampments, as the City continues to take a coordinated, compassionate approach that prioritizes supporting encampment residents in safely transitioning into newly created shelter spaces.

Financial Considerations

Capital expenditures for the implementation of the Temporary Barton Tiffany Shelter (TBTS) are detailed in Appendix “B” to Report HSC24027(e). These costs reflect the complexity of site activation, including environmental mitigation, infrastructure servicing, and regulatory compliance.

The Housing Services Division continues to explore ways to offset these costs through applicable Federal and Provincial funding programs and is working with Legal Services and Procurement on active cost recovery processes related to vendor performance and contractual obligations.

In addition, \$586,970 from the Provincial Encampment Response Initiative, as approved in Report HSC25020, may be repurposed to support the TBTS capital project. In order to do so, Council approval is required to allow the allocation of these funds from the temporary emergency shelter expansion to the TBTS project. Funding for the temporary emergency shelter expansion will be through the Housing Sustainability and Investment Roadmap (HSIR) fund as originally approved by Council.

\$4.6M of previously approved 2024/25 Housing Services operating, and program costs will be identified and offset by the Unsheltered Homelessness and Encampments Initiative (through the Federal Community Encampment Response Plan) as approved by Council in report HSC24051. The resulting savings will be utilized to fund the TBTS capital project costs as identified in Appendix “B”.

Together, these two funding sources will more than adequately cover the additional capital costs associated with the TBTS project, as identified in Appendix “B”.

While the City is grateful for the funding provided by other levels of government toward this project, staff will continue to advocate for coordinated and sustained investment from senior government partners to address Hamilton’s critical housing needs - including permanent supportive housing, affordable housing, and expanded mental health and addiction services - as part of a comprehensive response to homelessness.

Background

On August 6, 2024, Mayoral Directive MDI-2024-02 directed staff to research and assess options for the manufacture, installation, and operation of temporary shelter structures in Hamilton. This included an analysis of costs, potential vendors, site requirements, legal considerations, and service delivery models.

On September 25, 2024, Council approved Report HSC24027(b) / FCS24028 / PED24162 - Reducing Homelessness and Managing Encampments, authorizing the General Manager of Healthy and Safe Communities to negotiate and execute contracts for the procurement and delivery of a temporary outdoor shelter.

On January 14, 2025, the City of Hamilton received Federal funding of up to \$5,256,716 through the Unsheltered Homelessness and Encampments Initiative (Federal Community Encampment Response Plan).

On January 22, 2025, Council approved motion ‘A Review of the Barton Tiffany Shelter Purchase’ directing staff to report back to General Issues Committee with:

- A review of the details of the Barton Tiffany structure provider and outdoor shelter operator single-source contracts including compliance with City purchasing policy and contract terms; and
- A financial evaluation of the single source Barton Tiffany structure provider contract versus the units delivered and assembled on site in terms of value for money.

On January 27, 2025, the City of Hamilton received one-time Provincial funding of \$586,970 through the Encampment Response Initiative under the Homelessness Prevention Program.

On April 9, 2025, General Issues Committee received Report HSC25025 - Temporary Emergency Shelter Expansion – Implementation Update, providing a status update on the full implementation of the temporary shelter expansion including the opening of 272 new temporary emergency shelter beds (the 80-bed Temporary Barton Tiffany Shelter at 250 Hess Street North and 192 additional emergency shelter beds across multiple locations).

Analysis

Procurement Approach and Vendor Selection

To support the accelerated delivery of the Temporary Barton Tiffany Shelter (TBTS) as a crisis response, Council authorized a single-source procurement process for the supply of temporary shelter structures and site preparation. Additional vendors were subsequently engaged to carry out environmental testing and diligence, site servicing, compliance and technical oversight, and construction.

MicroShelters Inc., an Indigenous-owned company based in Brantford, Ontario, was selected in fall 2024 to supply 40 collapsible double shelter units and common building space. The vendor was chosen based on their stated ability to meet the urgent timeline, offer the lowest cost among evaluated options, and provide flexible, reusable units. The units were uniquely suited to Hamilton's operational goals, particularly their ability to accommodate couples and those with pets - a critical factor given the barriers that many face when accessing traditional emergency shelter spaces. The collapsable, movable design also supported the potential future re-deployment in emergency situations, making the investment both flexible and strategic. A summary of the proposals reviewed during the vendor selection process is provided in Appendix "A" to Report HSC24027(e).

At the same time, the City selected 8540527 Canada Inc. doing business as Seche-Mains Comac ("Comac Corporation Inc."), based in Longueuil, Quebec, to supply two mobile trailers equipped with washroom, shower, and laundry facilities. These trailers were procured to ensure access to essential hygiene services and were integrated into the early stages of the site layout and infrastructure design. Agreements with both MicroShelters Inc. and Comac Corporation Inc. were finalized in October 2024, following Council authorization in September.

After completing environmental due diligence and finalizing the site plan, the City engaged additional vendors - some through Procurement Policy 11 (Non-Competitive Procurements) - under the authority granted to the General Manager of Healthy and Safe Communities through Council-approved Report HSC24027(b) / FCS24028 / PED24162. This approach was necessary due to the project's complexity, limited internal capacity for specialized work, and the City's dual role as both implementer and approver of regulatory elements:

- **Rankin Construction Inc. ("Rankin")** was engaged to lead on-site construction and servicing. Selected for their strong record on City projects and stated capacity to meet the deadlines, Rankin was responsible for grading, erosion control, coordinating utility connections, fencing, and the installation of the shelter units and common buildings. A time-and-materials contract was used to maintain flexibility due to the evolving site requirements. Rankin worked on site 7 days a week until project completion.
- **Dillon Consulting Limited ("Dillon Consulting")** was retained as the City's vendor of record for engineering and design services. Dillon Consulting's expertise in site planning, and urban design was evaluated as part of the City's Professional and Consultant Services Roster C12-13-21. Their responsibilities

included project management, civil and electrical engineering, site plan development, construction inspections, and permit coordination.

- **Toms + McNally Design Inc. (“Toms + McNally”)**, a local architectural consulting firm, was proactively contracted to support permit development, assess the units for compliance with health, safety, and Building Code requirements, and ensure the appropriate documentation and submissions were in place. Their assignment, also through the City’s Professional and Consulting Services Roster C12-13-21 (Architecture category), was important in addressing local regulatory requirements and ensuring required documentation for occupancy approvals.

This vendor collaboration model was necessary given the highly specialized nature of the project and the lack of comparable precedent projects to draw from to inform the costing, design, and construction. Given the City’s concurrent role in regulatory approvals (e.g., permitting, inspections), third-party expertise was required to help ensure objectivity, compliance, and quality assurance. This approach promoted transparency and accountability, reduced potential conflict of interest, and was central to the strategy to meet project timelines.

Vendor work was overseen by Housing Services and Public Works, in coordination with key internal departments/divisions such as Planning and Economic Development, the Building Division, Procurement, and Legal Services.

Compliance with City Purchasing Policy

The procurement of the goods and services required for the establishment of the Temporary Barton Tiffany Shelter was carried out in accordance with the City’s Procurement Policy, specifically *Policy #9 Consulting and Professional Services* and *Policy #11 Non-Competitive Procurements* and were executed under the authority granted to the General Manager of Healthy and Safe Communities through Council-approved Report HSC24027(b) / FCS24028 / PED24162:

- The procurement of the shelters and auxiliary buildings (common building and hygiene facilities) were conducted as a Policy #11, Non-Competitive Procurement with the structure providers MicroShelters Inc. and Comac Corporation Inc.
- The assignment to Dillon Consulting Limited was initially conducted as a Policy #9 Consulting and Professional Services, in accordance the terms and conditions as set out in Contract No. C12-13-21 - Professional and Consultant Services Roster and was subsequently expanded under Policy #11 Non-Competitive Procurements, due to the complexity of the project and need for continuity and ongoing, specialized support.
- The construction contract with Rankin Construction Inc. was issued through Policy #11 Non-Competitive Procurements, using the City’s standard contract for works. Rankin Construction Inc. was chosen based on their proven ability to manage complex and evolving construction sites, prior experience with City projects, and immediate availability to meet the urgent timeline.

- The assignment to Toms + McNally was conducted as a Policy #9 Consulting and Professional Services, in accordance the terms and conditions as set out in Contract No. C12-13-21 - Professional and Consultant Services Roster.
- The selection of Good Shepherd as the site operator is exempt from the Procurement Policy; however, was carried out in accordance with the delegated authority provided under Report HSC24027(b) / FCS24028 / PED24162.

In summary, the Policy #11 Non-Competitive Procurements carried out with MicroShelters Inc., Comac Corporation Inc., Dillon Consulting Limited and Rankin Construction Ltd. were necessary to ensure rapid mobilization, adequately address technical complexity and evolving project scope, and maintain compliance within a highly complex project environment. Issuing an open, competitive procurement process would have caused significant delays and would not have aligned with the urgent timelines required for project delivery.

Implementation and Project Delivery

Council originally approved a capital budget of \$2.8M for the implementation of the Temporary Barton Tiffany Shelter, based on projected costs for unit procurement and essential infrastructure. These estimates were informed by similar small-scale models but did not fully reflect the complexity of developing a site of this nature in an urban setting with a compressed timeframe.

The first phase of implementation involved an environmental site review, completed to assess potential health risks and determine appropriate mitigation measures. This work built on a previously completed Phase One Environmental Site Assessment (ESA), prepared in 2018 by AMEC Foster Wheeler Environment & Infrastructure. The assessment helped inform early planning and reinforced the need for targeted mitigation measures. The land was not shovel-ready, and the scale of the required environmental work introduced a slight delay to the initial project schedule. Nonetheless, the City prioritized this due diligence to ensure the highest standard of health and safety for future residents and staff.

Dillon Consulting and Toms + McNally provided ongoing support for site and unit design modifications, code reviews, and permitting submissions. Rankin Construction Inc. led the on-site build-out and infrastructure installation. These vendors worked alongside City staff to ensure the site was compliant and ready for phased occupancy. Although the original opening target was December 2024, construction and occupancy timelines were revised in response to the evolving complexity of site conditions, infrastructure requirements, delivery schedules, and regulatory obligations.

The first shipment of MicroShelters units arrived on-site on January 13, 2025, with all units delivered by January 21, 2025. These timelines still reflect an accelerated delivery schedule given the nature of the site, allowing phased installation and occupancy to begin later that month.

Toms + McNally Design Inc. was proactively engaged by the City before delivery of the shelter units to support building permit development and review technical documentation. This early involvement aimed to align the units with local health, safety, and occupancy standards, and support a smoother occupancy approval process.

Despite this proactive planning, post-delivery inspections of the shelter units identified deficiencies, particularly related to electrical wiring and lighting components that did not meet CSA standards. As a result, all units required full rewiring before occupancy.

Additional architectural validation of MicroShelters Inc.'s technical documentation was required to confirm compliance with local occupancy standards. Hamilton Fire was also consulted throughout the process to assess both the site layout and individual shelter units, ensuring fire safety standards were met for the specific site conditions. These coordinated reviews revealed the need for design changes and supporting documentation to meet all permitting and regulatory requirements.

As project implementation progressed, capital costs rose to a projected \$7.9M, driven by several key factors:

- **Site-related construction costs:** Addressing contaminated site conditions required unanticipated grading, servicing, erosion control, and infrastructure installation work. By comparison, had this project been delivered without environmental or servicing constraints, costs potentially could have been lower; however, there were no suitable alternative sites to consider at the time.
- **Code compliance and design modifications:** This included the need for an alternative to the proposed community buildings due to production and delivery timelines, rewiring the shelter units to meet CSA standards, and making adjustments in order to meet occupancy requirements.
- **Engagement of specialized consultants and vendors:** Architectural, engineering, and environmental experts were needed to support health and safety standards and permitting obligations.

Additional costs incurred have been offset through applicable Federal and Provincial funding sources where possible. The City is also actively exploring detailed cost recovery options with Legal Services and Procurement related to deficiencies, errors, or unmet contractual obligations. A breakdown of capital related project costs, including additional costs incurred by the City, is provided in Appendix "B" to Report HSC24027(e).

Throughout the implementation process, the City had to navigate planning and building regulations not designed for temporary outdoor shelters. Despite growing support from senior levels of government for these types of projects, there is currently no adapted legislative or permitting framework specific to this form of emergency shelter. As a result, the project was held to the standards applied to permanent structures, including compliance with zoning, planning, and Ontario Building Code requirements. Despite these challenges, the City consistently prioritized high standards for health and safety to ensure the well-being of shelter residents and staff.

While capital costs were higher than anticipated, these investments were essential and every adjustment was necessary to ensure safe, timely, and compliant delivery, while also meeting the goal of strengthening the City's ability to support unsheltered residents and address urgent gaps in the existing emergency shelter system. This was Hamilton's first municipally owned, low-barrier outdoor shelter. With no local precedent and unique challenges, including site contamination, unique types of shelter units, and tight delivery timelines, the project was fundamentally unlike anything undertaken previously. The

experience and lessons learned through implementation will inform and strengthen future efforts of this kind.

Site Operations and Service Delivery

To carry out the day-to-day operation of the Temporary Barton Tiffany Shelter, the City identified and secured Good Shepherd as the non-profit operator for the site. The operator was selected based on their extensive experience delivering emergency shelter services in Hamilton and their capacity to implement a low-barrier model aligned with Council approved direction.

Good Shepherd is responsible for on-site service delivery, including 24/7 staffing, resident intake, case management, and the coordination and integration of support services such as mental health, addiction recovery, and housing-focused programming. The operational model reflects the service framework approved by Council through Report HSC24027(b) / FCS24028 / PED24162 and is designed to support residents in transitioning from encampments into safe, temporary shelter while working toward permanent housing solutions.

Operating costs for the site have been projected across a 13-month period (December 1, 2024 to December 31, 2025), with:

- ~\$1.49M in actual costs incurred from December 1, 2024 to March 31, 2025;
- ~\$2.85M in forecasted costs for April to December 2025.

This represents a total projected cost of approximately \$4.34M over the 13 months. On a 12-month basis, this equates to approximately \$3.96M, which aligns with the original operating funding approved by Council as part of the \$7M total project funding for the Temporary Outdoor Shelter initiative.

City staff continue to work closely with Good Shepherd and community partners to ensure effective referral pathways, coordinated service delivery, and a safe and supportive environment for residents. Staff also continue to ensure coordination alongside other City departments related to established site maintenance protocols, including the implementation of general property maintenance at the site, litter monitoring and collection along the right of way, and response to larger ad-hoc clean ups and street sweeping along the right of way.

Key Learnings

This was Hamilton's first municipally-led and owned temporary outdoor shelter project, designed and built from the ground up to provide low-barrier, emergency accommodations for residents experiencing unsheltered homelessness. Delivering this type of shelter required a new and innovative thinking, creative problem-solving, and real-time adaptation at every step in the site activation process.

Despite the project's scale and scope, challenging site conditions, and site servicing requirements, it was completed on an accelerated timeline when compared to similar initiatives reviewed during planning. Even under tight timelines, staff prioritized health and safety due diligence throughout the process.

Several key learnings emerged:

- **Project complexity is high:** Few municipalities have implemented this model, and local governments often have limited internal expertise with this type of infrastructure deployment. Given the urgency, staff had limited time to conduct formal site visits, prepare detailed environmental design plans in advance, or develop full technical specifications before procurement. These limitations contributed to higher costs as additional design, safety, and compliance needs were uncovered during implementation. In the future, a more structured planning and procurement phase would help reduce unknowns and avoid mid-stream modifications.
- **Regulatory frameworks have not kept pace with emerging shelter models:** While there is increased support for outdoor shelter initiatives from senior levels of government, municipalities must still deliver these projects within existing zoning, planning, and Ontario Building Code requirements—regulations originally designed for permanent structures. This adds complexity, cost, and time, particularly when applied to temporary, rapid-deployment projects on constrained urban sites.
- **Cross-departmental collaboration was essential:** Success depended on close coordination between Housing Services, Public Works, Planning and Economic Development, Building, Procurement, and Legal Services. While collaboration was effective, assigning dedicated and re-deployed staff leads from each area earlier in the process may have streamlined execution and reduced initial coordination challenges.
- **Due diligence impacts timelines:** While these processes are essential and planned for, elements like environmental review, health and safety, and code compliance can surface unexpected issues. Timelines are often affected, and this must be anticipated in any rapid response project.
- **Vendor partnerships and readiness:** Validating vendor capacity and reviewing technical documentation early — especially with new providers — is essential to managing risk. Future initiatives would benefit from a formal prequalification process, including early assessment of vendor readiness. Having partners who were flexible and solution-oriented during the project was key to overcoming challenges and staying on track.
- **Flexible tools and agile processes:** Using time-and-materials contracts and prequalified vendor rosters (where applicable) supported responsiveness and adaptability through the process. Future projects would benefit from stronger upfront cost modeling and contingency planning, as well as increased project planning/lead time to address these factors.

Dedicated project oversight and strong cross-departmental collaboration enabled real-time problem solving and mid-stream course corrections, reinforcing the importance of flexible processes and coordinated leadership in rapid-response infrastructure projects.

Next Steps

Staff will continue to finalize project close-out activities, making final vendor payments and confirming final overall project costs. A future report on the broader emergency shelter system expansion will provide further insight into the effectiveness of these investments and help guide next-phase planning.

Staff remain committed to transparency and accountability throughout every stage of project delivery. The lessons learned from this initiative, including the importance of third-party expertise, flexible contracting models, and strong interdepartmental collaboration, will help shape future emergency response strategies and infrastructure planning.

Alternatives – n/a

Relationship to Council Strategic Priorities

Priority 2: Safe & Thriving Neighbourhoods

- Outcome 1: Increase the supply of affordable and supportive housing and reduce chronic homelessness

Previous Reports Submitted

- [Temporary Emergency Shelter Expansion – Implementation Update \(HSC25025\)](#) - April 9, 2025
- [Reducing Homelessness and Managing Encampments \(HSC24027\(b\) / FCS24028 / PED24162\)](#), September 18, 2024, General Issues Committee.
- [Analysis of Sanctioned Site Models \(HSC24031\) \(City Wide\)](#) – August 12, 2024, General Issues Committee.

Consultation

- Carlyle Khan, General Manager, Public Works
- Steve Robichaud, General Manager, Planning and Economic Development
- Mike Zegarac, General Manager, Finance and Corporate Services
- Cynthia Graham, Director Environmental Services, Public Works
- Angela Storey, Director of Waste Management, Public Works
- Tina Iacoe, Director of Procurement, Corporate Services
- Lisa Shields, City Solicitor, Corporate Services
- Kaush Parameswaran, Deputy City Solicitor, Corporate Services

Appendices and Schedules Attached

Appendix A: Proposals Received for Individual Structures for the Temporary Outdoor Shelter Site

Appendix B: Temporary Barton Tiffany Shelter - Updated Projected Costs and Revised Financing Strategy

Prepared by: Michelle Baird, Director - Housing Services Division, Healthy and Safe Communities

Greg Tedesco, Senior Project Manager, Housing Services Projects & Initiatives
Housing Services Division, Healthy & Safe Communities

Submitted and recommended by: Grace Mater, General Manager - Healthy & Safe Communities