



City of Hamilton Report for Information

To: Chair and Members
General Issues Committee

Date: May 21, 2025

Report No: HSC24027(f)

Subject/Title: Reducing Homelessness and Managing Encampments

Ward(s) Affected: City Wide

Recommendations

- 1) That Report HSC24027(f) respecting Breakdown of Capital and Operational Expenses – Temporary Barton Tiffany Shelter **BE RECEIVED** for information.
- 2) That Clerks **BE DIRECTED** to remove the Outstanding Business List item from the April 30, 2025 GIC Report 25-006 regarding reporting back on the Detailed Breakdown of Capital Expenditures – Temporary Barton Tiffany Shelter.

Key Facts

- This report responds to Council direction through motion “Detailed Breakdown of Capital Expenditures – Temporary Barton Tiffany Shelter” (April 30, 2025), and provides a detailed breakdown of capital and operational budgets and costs incurred related to the Temporary Barton Tiffany Shelter project.
- Total capital costs for the Temporary Barton Tiffany Shelter are approximately \$7.9M, reflecting increased expenditures related to site construction, environmental mitigation measures, infrastructure upgrades, and compliance requirements. The site provides 80 of the 272 spaces approved under the City’s Temporary Emergency Shelter Expansion initiative and fills a critical service gap by offering shelter to couples and individuals with pets, populations not traditionally accommodated in the existing emergency shelter system.
- Operational costs are projected at approximately \$4.05M over a 12-month period from January 1 to December 31, 2025, in line with original budget projections, and are categorized under Labour, Administration, Program Delivery, and Overhead.

- As outlined in Report HSC24027(e), increased capital costs have been offset through the strategic reallocation of existing approved municipal funding (originally approved through Report HSC24027(b) / FCS24028 / PED24162) and enabled by confirmed federal and provincial investments.
- While overall capital project costs have increased, there has been no change to the objectives or intended use of federal or provincial funding. The project remains fully aligned with the original funding applications and agreements.

Financial Considerations

The updated financial strategy for the Temporary Barton Tiffany Shelter (TBTS), as approved through Report HSC24027(e) in May 2025, ensures that increased capital costs are fully covered using existing approved municipal funding sources, without exceeding the funding approved through Report HSC24027(b) / FCS24028 / PED24162 in September 2024.

At the time of Council's original approval, a municipal financing plan was in place to support the 272-bed temporary shelter expansion, funded through the Housing Sustainability Investment Reserve (HSIR). Council also approved a recommendation for staff to pursue federal and provincial funding sources that could reimburse this City investment.

Staff applied for available federal and provincial programs in Fall 2024, in alignment with the prescribed eligibility criteria. These applications sought reimbursement for the investments approved in September, including capital costs associated with the 192 beds, operating costs for the 272 beds, and Indigenous-directed homelessness initiatives.

Following confirmation of federal funding through the Community Encampment Response Plan (CERP) and provincial funding through the Encampment Response Initiative, these contributions were applied to the costs outlined in the original approved applications.

When a capital cost overage was identified for the TBTS project, staff proposed reallocating a portion of the HSIR funds (approved in September) to cover the overage, as those funds were no longer required for the full 272-bed temporary shelter expansion project due to the external contributions. Had the TBTS project remained within its original budget, these municipal funds would have been returned to the HSIR Reserve.

A \$4.6M municipal allocation, offset by \$5.2M in federal contributions and \$586,000 in provincial contributions, ensures that the 272-bed temporary shelter expansion remains fully funded through existing approved resources until December 31, 2025.

Federal and provincial funding is being applied as originally intended: to support the operations of the 272 beds and to flow directly to Indigenous-led programs through the Indigenous Community Entity, in alignment with principles of Indigenous self-determination in funding allocation.

There has been no change to the objectives or intended use of federal or provincial funding. The only change is the reallocation of municipal funds from the HSIR Reserve

to cover capital overages at the Barton Tiffany site – funds that otherwise have remained in reserve pending future needs.

Background

On April 30, 2025, General Issues Committee approved the motion “Detailed Breakdown of Capital Expenditures – Temporary Barton Tiffany Shelter” (Motion arising from Item 8.8), subsequently amended, and ratified at Council on May 7, 2025.

The motion directed:

- That staff be directed to provide a full itemized breakdown of all capital budget, expenditures and operational costs related to the Temporary Barton Tiffany Shelter project, including vendor payments and associated costs, for information at the May 21, 2025 General Issues Committee meeting.

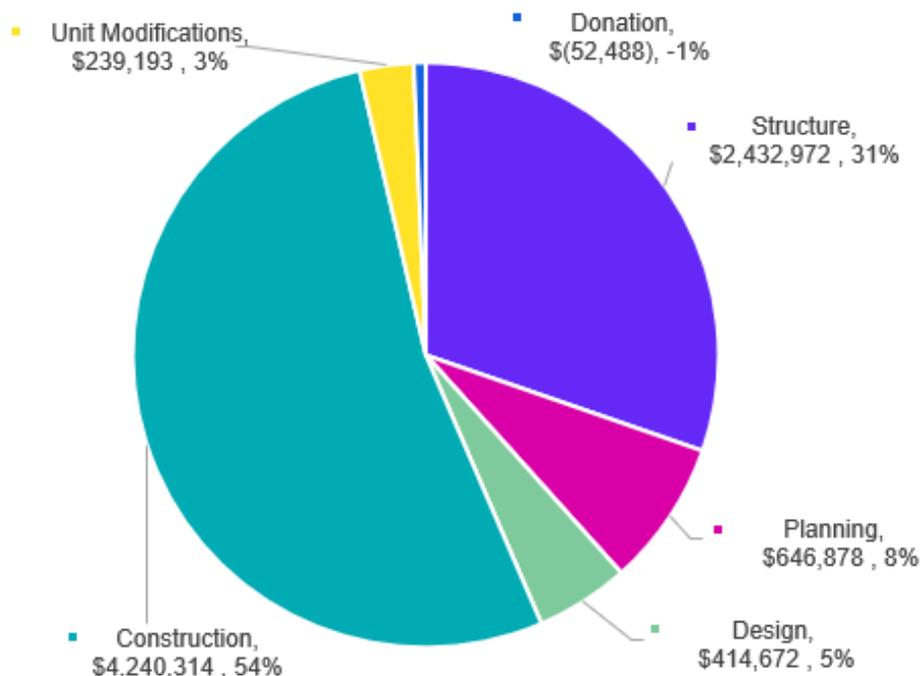
Analysis

Capital Expenditures

As outlined in Appendix “A” to Report HSC24027(f), the projected capital cost of the Temporary Barton Tiffany Shelter is approximately \$7.9M, an increase from the originally approved \$2.8M. This increase reflects the scale and complexity of the project, which became more fully understood during implementation.

Capital expenditures are organized by key project components, including structure, planning, design, construction, unit modifications, and donations. Within the construction category, costs are further detailed by labour, equipment, rental, material, and subcontractor expenses. A high-level summary is shown in Graphic 1:

Graphic 1: Temporary Barton Tiffany Shelter – Projected Capital Expenditures \$7,921,541



The original budget primarily accounted for the purchase and installation of shelter units, with limited information available at the time regarding site conditions, permitting requirements, and the extent of technical compliance needed. As outlined in Report HSC24027(e), the rapid implementation timeline and the absence of precedent or this type of project contributed to initial underestimations.

Primary drivers of project cost escalation are related to:

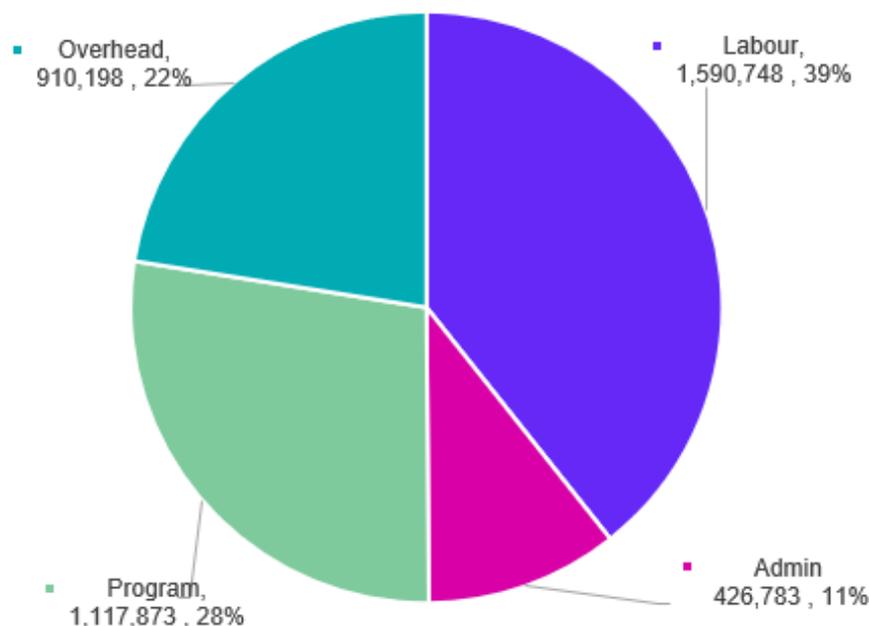
- **Extensive environmental mitigation and overall site preparation** (which included levelling the site with native soil, installing a 60-mil (1.5 mm thick) High-Density Polyethylene membrane, followed by 250 mm of compacted Granular A, topped with two lifts of HL8 asphalt (totalling 140 mm);
- **Infrastructure servicing and compliance with codes;**
- **Electrical rewiring of units to meet CSA standards;**
- **Consultant and design support for permitting, occupancy, and health and safety assurance.**

These expenditures reflect both the complex and unique conditions of the site and the City's commitment to meeting all health, safety, and regulatory obligations. In alignment with Council direction, professional assessments guided the mitigation of any potential contamination risks at the site to ensure the protection of residents, contractors, and staff.

Operational Expenditures

Operational costs for the Temporary Barton Tiffany Shelter are projected at approximately \$4.05M for the 12-month period from January 1 to December 31, 2025. These projections align with the Council-approved funding approved in September 2024 through Report HSC24027(b) / FCS24028 / PED24162. A high-level summary is outlined in Graphic 2, with detail provided in Appendix "B" to Report HSC24027(f).

Graphic 2: Temporary Barton Tiffany Shelter - 2025 Forecast Operational Expenditures \$4.05M



The operational budget is organized into four primary categories: Labour, Administration, Program Delivery, and Overhead, a structure consistent with the budget framework used for other funded emergency shelters. It reflects the unique operational model approved by Council for this site.

The TBTS operational model addresses service gaps within the existing shelter system, by supporting couples and individuals with pets, and prioritizing those currently living unsheltered in encampments. It includes 24/7 on-site staffing and intensive wraparound supports designed to help residents remain sheltered and facilitate transitions to permanent housing. Budgeted resources are directed toward core service areas such as case management, harm reduction, food services, and site operations and maintenance.

Planned Cost Recovery

As outlined in Report HSC24027(e), staff have identified several areas where potential cost recovery is being pursued and continue to work with Legal Services and Procurement on matters related to vendor performance and contractual obligations.

Alternatives

Not available. As the direction from Council was to provide a full itemized breakdown of all capital budgets, expenditures, and operational costs related to the Temporary Barton Tiffany Shelter project, there are no alternatives presented in this report.

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

- [Reducing Homelessness and Managing Encampments \(HSC24027\(e\)\)](#) – April 30, 2025
- [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

- Mike Zegarac, General Manager, Finance and Corporate Services
- Tina Iacoe, Director of Procurement, Corporate Services
- Jackie Kennedy, General Manager (acting), Public Works

- Cynthia Graham, Director Environmental Services, Public Works

Appendices and Schedules Attached

Appendix A: Temporary Barton Tiffany Shelter – Capital Budget and Projected Expenditures

Appendix B: Temporary Barton Tiffany Shelter – Operational Budget

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

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