
Subject: Homelessness Services Contract Extensions

Report to: Public Health and Social Services Committee

Report date: Tuesday, June 15, 2021

Recommendations

1. That the existing homelessness system contracts **BE EXTENDED** as per Appendix 1 to Report COM 13-2021, with the value of \$8,293,109;
2. That an additional contingency of \$100,000 **BE APPROVED** should additional adjustments be necessary; and
3. That the Commissioner of Community Services **BE AUTHORIZED** to negotiate and execute the required amendments to implement contract extensions for service providers within Homelessness Services in a form approved by the Director of Legal Services.

Key Facts

- The purpose of the report is to seek approval to extend the current homelessness system contracts, originally set to expire March 31, 2023 for one additional year to March 31, 2024, in compliance with Section 19 (a) (vi) of the procurement by-law whereby negotiations may be used for purchases of goods and/or services when the extension of the existing contract would be more effective. Contract extensions greater than \$1M require Council approval as per schedule B of the procurement by-law.
- The competitively procured contracts were initially approved for a three-year period from April 1, 2020 to March 31, 2023.
- The Negotiated Request for Proposals for these homelessness contracts closed in November 2019 and contracts were approved/shared through the March and April 2020 Council meetings, coinciding with the beginning of the COVID-19 pandemic.
- The extension is being requested as the pandemic has created significant pressures within the homeless system and as such has stretched the capacity of both agencies and Niagara Region. Key activities intended to fully support the system transition to further implementation of best practices, into the Homeless System 3.0, and prepare for the next round of Negotiated Requests for Proposals (NRFP's) is being delayed as the pandemic continues.
- Extending the contracts of the current service providers for an additional one year will allow agencies and Niagara Region the opportunity to continue the work on

system transformation. This will ensure that the system and scope of work for the next round of NRFP's is reflective of current best practices in homelessness and is informed by the data strategy currently being developed for homeless services.

Financial Considerations

The total cost to extend the homelessness services contracts for one additional year (April 1, 2023 – March 31, 2024) is \$8,293,109. This amount is contingent upon receiving the same funding level until March 31, 2024. Homelessness Services has a total 2021 budget of \$13,281,941 (excluding costs specific to COVID). Homelessness Services is funded primarily by the province through the Ministry of Municipal Affairs and Housing (MMAH). For the 2021 calendar year, the Homelessness division will receive \$9,528,300 in external funding (\$1,090,019 in federal funding, \$750,490 for the provincial Home for Good (HFG) program, \$7,687,791 from Community Homelessness Prevention Initiative (CHPI)) and \$1,029,472 from a reserve transfer to cover the operating costs of the new supportive housing facility. The remaining \$2,724,169 comes from levy to support additional homelessness expenditures such as the Niagara Emergency Energy Fund, Housing Stability Fund, staffing costs and other homelessness contracts. CHPI and HFG funding is confirmed to March 31, 2022 and federal Reaching Home funding is confirmed to March 31, 2024. If the current funding levels are not maintained, the contracts would have to be reviewed to determine which ones would need to be cancelled due to lack of funding and/or additional levy would be required to cover the difference. The original three-year contracts commencing April 1, 2020 to March 31, 2023, contained no annual cost of living increases as this was taken into consideration in the initial awards. As there has been no year over year increase to the contracts, the proposed one-year contract extensions include a 2% cost of living adjustment.

Analysis

The Community Services department operationalizes the Region's responsibilities as the Consolidated Municipal Service Manager (CMSM) for the homelessness system in Niagara, through the Homelessness Services division. Its key responsibility is service system planning and administration for the homelessness system, and it operates under rules established by the MMAH.

The Homelessness Services division contracts with community agencies to provide prevention, outreach, emergency shelter, transitional housing, Niagara Emergency

Energy Fund, and Housing First (HF) and Home for Good (HFG) supportive housing programs.

A Negotiated Request for Proposal (NRFP) process was undertaken through the Region's Procurement division and a review process completed in accordance with the Council approved Evaluation Matrix from COM 29-2019. The NRFP's were issued in October 2019 and closed in November 2019. The evaluations were completed by panels of six (6) individuals, with representation from another municipal service system manager, and Niagara Region's Public Health, Finance and Community Services departments. The awards were approved by or provided for information (reflective of Regional procurement by-laws) to PHSSC and Council in March and April 2020.

Emergency shelters provide overnight accommodation, food and personal basic needs, along with services to find appropriate housing for the client. In addition, shelters provide connections and referrals to other services including mental health supports and treatment, addictions treatment and healthcare counseling as required.

Outreach services include outreach workers whom are focused on ending the experience of homelessness, particularly for those who would otherwise be underserved in traditional settings. Additionally, the selected agencies provide a centralized service for after-hours access to Niagara's homeless-servicing system. Street-based outreach ensures that trained workers respond directly and immediately to a person's needs by bringing coordinated services from across the homeless-serving system to the individual, rather than waiting for them to seek services on their own.

Supportive housing includes both Housing First and Home for Good programs, providing accommodation, case management and other support services. Housing First and Home for Good contracts support individuals experiencing chronic and/or episodic homelessness with mid to high acuity of need to obtain and retain stable housing. This program offers stable housing with supports thereby reducing pressure on Niagara's shelter system, and in other areas of Niagara's health and social service system (e.g. emergency room visits).

Transitional housing refers to a supportive, yet temporary type of accommodation that is meant to bridge the gap from homelessness to permanent housing. This housing option offers supervision, support (e.g. addictions and mental health), life skills and supports in moving forward with their housing goals.

Prevention services include shelter system diversion, youth programs, trusteeship, ID (identification) clinics, support to secure and retain housing and eviction prevention. Prevention programs will engage and collaborate with individuals and families in imminent risk of experiencing homelessness to maintain their housing or obtain new housing without becoming homeless. In addition, programs provide those who have been homeless with the necessary resources and supports to stabilize their housing, enhance integration and social inclusion, and ultimately reduce the risk of the recurrence of homelessness.

The Homelessness Services team is dedicated to ensuring that Niagara's homelessness system aligns with best practice and reflects local needs aligning it with provincial expectations i.e. to operate from a Housing First and people centered approach, which focuses on the shift from reliance on emergency shelter solutions to preventative and rapid rehousing services.

As the COVID pandemic occurred, the Homelessness division and agencies have moved forward with transformation efforts in a number of key areas within the system. This includes Housing First and Home for Good, Assertive Outreach and objectives in fulfilling the Region's Built for Zero goals including implementation of Coordinated Access. The next steps of system transformation will focus on housing focused shelter, prevention, transitional housing and developing a data strategy.

As a result of the significant work for agencies and staff to respond to the pandemic and ensure the safety of the clients and agency staff, the schedule to achieve the work associated with the next steps of transformation was adjusted and in some areas put on hold. Redirecting efforts to respond to the pandemic has pushed some transformation efforts over a year behind schedule. To ensure that the work can continue in a fulsome way, including opportunities for agency engagement, system learning and capacity building and best practice research, staff are requesting an additional year within the existing contract framework.

In addition, the experience of the pandemic, opportunities to pilot additional programming and acquire new supportive housing and bridge housing assets need to be reflected in the system 3.0 design moving forward. Should the homelessness system be required to respond to an NRFP based in the current timelines, the planned work of system transformation/improvement would need to be established by summer 2022, leaving only one year to complete all analysis of pandemic programs and pilots, complete research on best practices, undertake agency engagement, develop implementation plans and establish investment strategies.

While funding for the next immediate period of time is known (to March of 2023), funding going forward, from both upper tier levels of government, may be significantly impacted by the pandemic and budget constraints and system design would need to reflect and prioritize investments based on this knowledge, and again it may be up to a year before there is an understanding of what ongoing funding, and post pandemic will look like.

Alternatives Reviewed

Council could leave the current contracts as is, which are set to expire March 31, 2023 and request that the Homelessness division prepare a significant number of NRFP's as of April 1, 2023. However, it is staff's assessment that this does not allow for agencies to have an appropriate amount of time to be operating fully in the current contract and performance framework (without COVID-19) nor does it give the agencies enough time and capacity to respond effectively to a NRFP with new expectations. In addition, this would also not allow the Homelessness division enough time required to develop an overall further improved homelessness service plan. Furthermore, all CMSM's are anticipating significant impacts to the those living in deep poverty and homeless residents, post-pandemic and local planning will need time to analyse and plan for this post-pandemic impact. Moving too early on contract renewal could result in Niagara's homelessness populations not having the appropriate services and supports in place negatively impacting these vulnerable populations.

Relationship to Council Strategic Priorities

Aligns with the goals in Niagara's 10-Year Housing and Homelessness Action Plan, including Goal 1: housing individuals who do not have a home and Goal 4: building capacity and improving the effectiveness of the housing system.

Healthy and Vibrant Community – Objective 2.3 – Addressing Affordable Housing Needs.

Other Pertinent Reports

- COM 4-2020 Emergency Shelter Negotiated Request for Proposal (NRFP) Award Results
- COM C 7-2020 – Assertive Street Outreach Request for Proposal Award Results
- COM C 13-2020 – Prevention Request for Proposal Award Results

- COM C 11-2020 - Housing with Supports - Supported Transitional Housing Request for Proposal Award Results
- COM C 8-2020 - Housing with Supports - Housing First Request for Proposal Award Results
- COM C 9-2020 - Housing with Supports - Home for Good Request for Proposal Award Results
- COM C 14-2020 - Niagara Emergency Energy Fund (NEEF) Request for Prequalification Award Results

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Appendices

Appendix 1 Current homelessness contracts and costs relating to the one-year extension, including a 2% cost of living adjustment

Appendix 1:

The table below is a list of the current homelessness contracts and the costs relating to the one-year extension, which includes a 2% cost of living adjustment.

Contract Number	Priority	Supplier	Approved three-year Contract (dollars \$)	One-year extension (including 2% COLA) (dollars \$)	TOTAL Revised Contract (Dollars \$)
2019-RFP-310	Housing with Supports – Housing First	Gateway Residential & Community Support Services	3,510,000	1,193,400	4,703,400
2019-RFP-311	Housing with Supports - Home for Good	Gateway Residential & Community Support Services	915,000	311,100	1,226,100
2019-RFP-299	Shelter	Boys & Girls Club of Niagara	403,200	137,088	540,288
2019-RFP-299	Shelter	Casa El Norte Refugee Assistance Program	403,200	137,088	540,288
2019-RFP-299	Shelter	Matthew House Refugee Ministry of Fort Erie	403,200	137,088	540,288
2019-RFP-299	Shelter	Niagara Resource Service for Youth / RAFT	583,434	198,368	781,802
2019-RFP-299	Shelter	Southridge Community Church	2,577,000	876,180	3,453,180
2019-RFP-299	Shelter	Start Me Up Niagara	966,750	328,695	1,295,445

Contract Number	Priority	Supplier	Approved three-year Contract (dollars \$)	One-year extension (including 2% COLA) (dollars \$)	TOTAL Revised Contract (Dollars \$)
2019-RFP-299	Shelter	The Salvation Army Booth Canada	1,050,000	357,000	1,407,000
2019-RFP-299	Shelter	The Hope Centre	1,236,750	443,700	1,680,450
2019-RFP-299	Shelter	The Young Women's Christian Association of St. Catharines	4,323,150	1,493,076	5,816,226
2019-RFP-300	Outreach	Gateway Residential & Community Support Services	1,065,000	362,100	1,427,100
2019-RFP-300	Outreach	Port Cares	270,000	91,800	361,800
2019-RFP-300	Outreach	Niagara Resource for Youth / RAFT	225,000	76,500	301,500
2019-RFP-305	Prevention – Eternal Routes	Niagara Resource for Youth / RAFT	408,000	138,720	546,720
2019-RFP-305	Prevention – Youth Reconnect	Niagara Resource for Youth / RAFT	717,705	244,020	961,725
2019-RFP-305	Prevention – Youth Clinical Director	Youth Resources Niagara Inc	267,120	90,821	357,941
2019-RFP-305	Prevention	Start Me Up Niagara	675,000	229,500	904,500
2019-RFP-305	Prevention	Community Care St. Catharines	1,474,395	501,294	1,975,689
2019-RFP-305	Prevention	Port Cares	245,490	83,467	328,957

Contract Number	Priority	Supplier	Approved three-year Contract (dollars \$)	One-year extension (including 2% COLA) (dollars \$)	TOTAL Revised Contract (Dollars \$)
2019-RFP-308	Supportive Transitional Housing	Bethlehem Housing & Support Services	287,100	97,614	384,714
2019-RFP-308	Supportive Transitional Housing	Port Cares	413,400	140,556	553,956
2019-RFP-308	Supportive Transitional Housing	The Hope Centre	165,300	56,202	221,502
2019-RFP-308	Supportive Transitional Housing	Start Me Up Niagara	180,000	61,200	241,200
2019-RFP-308	Supportive Transitional Housing	Boy's & Girl's Club of Niagara	214,500	72,930	287,430
2019-RFP-308	Supportive Transitional Housing	Canadian Mental Health Association of Niagara	329,100	111,894	440,994
2019-RFP-308	Supportive Transitional Housing	The Young Women's Christian Association of St. Catharines	774,300	263,262	1,037,562
2019-RFP-308	Supportive Transitional Housing	Matthew House Refugee Ministry of Fort Erie	171,900	58,446	230,346
TOTAL			24,254,994	8,293,109	32,548,103