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**Subject:** Homelessness Contract Adjustments – Emergency Shelter

**Report to:** Public Health and Social Services Committee

**Report date:** Tuesday, August 8, 2023

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## Recommendations

1. That the previously approved Emergency Shelter contracts and purchase orders totaling \$16,720,444.86, **BE INCREASED** by \$300,000 for a total revised value of \$17,020,444.86, comprised of \$200,000 for an interim wage enhancement increase to respond to recommendations of Niagara's shelter capacity review, addressing Niagara emergency shelter workforce retention issues and a \$100,000 food price adjustment responding to the increased food costs for emergency shelter providers;
2. That an additional contingency of \$300,000, **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 amendments 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 adjust the values for current Emergency Shelter contracts, funded through recent provincial Homelessness Prevention Program enhancements, to support an interim shelter wage enhancement for front line shelter staff and increased costs associated with shelter food provisions.
- Contracts were originally approved through a negotiated request for proposal (2019-RFP- 299 Emergency Shelter) and subsequent approval of contract extensions until March 31, 2024, through Report COM 13-2021, Homelessness Services Contract Extensions and Report COM 30-2022, Homelessness Services Shelter Contract Amendments.
- Approval is 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.

- Emergency shelter wage interim enhancements will respond to the recommendations of the, Shelter Capacity Review: “An Examination of Shelter Capacity in Niagara Region” as presented in Report COM 21-2023: Homeless Shelter Capacity Review. Specifically, this funding would be addressing the recommendation to professionalize the emergency shelter system and requiring recruitment and retention of well-trained professional staff that adhere to standards of care and are committed to ending homelessness.
- Funding will also allow Niagara Region to address the increased food costs emergency shelter providers are experiencing, in order to offer consistent food programs to fulfill shelter clients’ basic needs.
- Contingency funding will allow staff to make further adjustments as necessary to ensure system stability during the period leading up to new contracts on April 1, 2024.

## **Financial Considerations**

Currently, there are 8 Emergency Shelters providing housing focused shelter services across Niagara Region, including:

1. The RAFT- Niagara Resource Service for Youth
2. Southridge Community Church
3. Hope Centre- Community Resources in Advocacy
4. Boys and Girls Club- Nightlight
5. The Governing Council of the Salvation Army in Canada – operating as the Salvation Army St. Catharines Booth Centre
6. The Young Women’s Christian Association of St. Catharines/ Region (YWCA)
7. Casa El Norte
8. Matthew House

The impact of the proposed interim wage enhancement to RFP contracts 2019-RFP-299 Emergency Shelter is estimated at \$200,000 (September 1, 2023-March 31, 2024) and \$100,000 for increased food costs. Niagara Regional staff are looking to include a \$300,000 contingency to ensure there is room to address other inflationary pressures impacting the stability of the shelter system.

Funding is available in the budget as approved in Report COM 22- 2023, Budget Adjustment – Homelessness Services, as a result of the increased Homelessness

Prevention Program (HPP) funding and in alignment with the approved HPP investment plan (Report CAO 6–2023, Homelessness Prevention Plan Investment Plan 2023-2024).

## **Analysis**

Niagara Region worked with OrgCode to undertake a review of the current and recommended future shelter capacity for Niagara Region. Highlights of the review and recommendations were presented to Public Health and Social Services Committee through Report COM 21-2023: Shelter Capacity Review.

One key recommendation focused on the importance of investing in a professional shelter system to ensure, through trained and competent staff, that a client's homeless experience be as brief as possible. Over the past few years, system-wide training in trauma informed care, housing focused shelter practices, anti-racism and anti-oppression approaches, and harm reduction models of care have been provided. Staff will continue to commit to a robust training curriculum that will support agencies in building staff skills and knowledge in best practice, shelter standards and policies.

Niagara Region staff also committed to build capacity by addressing recruitment and retention issues faced by Niagara's homelessness system. Niagara's past homelessness system underfunding has resulted in shelters not being adequately funded to fully implement best practices and recruit/retain the staffing necessary to support clients on their journey to housing, particularly challenging in this rental market. Staff turnover, a symptom of lower salaries, impacts service quality, client engagement and continuity of care.

In the interim, and similar to efforts in other sectors struggling with recruitment challenges, Niagara Region is committed to offering a shelter wage enhancement starting September 1, 2023, until March 31, 2024. This will provide an interim solution until new contracts begin April 1, 2024. The proposed approach is to provide a \$2 per hour increase for all front-line shelter workers within Niagara Region funded emergency shelters. This approach is to improve workforce stability, reduce turnover, and support the continued development of professional skills required to apply best practice to work with individuals (often with many complex needs) in achieving their housing goals.

As part of the Shelter Standards, shelter services offer a place to sleep, food, and personal need items, while clients work on housing goals. As a result of increasing food costs, shelter providers are seeing operational impacts in current efforts to provide

safely prepared and nutritious food to meet service users' daily dietary needs. The Canada's Food Price Report (CPI) 2023 highlighted that the CPI 2022 Report predicted an overall food price increase of 5% to 7% in 2022. The 2023 CPI Report has reported that current rate for food price increases for Ontario has exceeded this prediction at 10.4% as of September 2022 (according to the latest available CPI data). The 2023 report forecasts that overall food prices will increase by 5% to 7% in 2023.

Niagara Region staff are recommending the allocation of \$100,000 interim funding, to address operational pressures in food costs for shelter providers until March 31, 2023. Staff will review future funding formulas in preparation for the upcoming NRFP cycle (2024-2027) to accommodate food service provision within shelters.

Niagara's homelessness service sector continues to be impacted by the effects of high food inflation, workforce challenges, increased food insecurity/affordability issues, coupled with the impact of other climate change events, and high transportation and energy costs. Staff will be reviewing funding formulas as there is a transition into the next NRFP cycle (2024-2027). At that time staffing models, compensation, and other costs e.g., food will be part of negotiations with proponents.

Wage enhancements and food costs are based on estimates. Due to the fluctuations and changes in the current operational environment, such as possible shelter expansion, inflation factors (e.g. transportation costs, climate events), staff is requesting a contingency of \$300,000, to ensure shelter system stability during the remainder of the contract period, ending March 31, 2024.

### **Alternatives Reviewed**

Council could request that staff leave the contracts unchanged, can further destabilize shelter providers, increase staff burnout, and reduce resiliency to respond to other inflation pressures e.g., food costs, transportation costs.

### **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:

### **Other Pertinent Reports**

CAO 6–2023 Homelessness Prevention Plan Investment Plan 2023-2024

COM 21-2023 Shelter Capacity Review

COM 22-2023 Budget Adjustment – Homelessness Services

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**Prepared by:**

Maggie Penca  
Manager, Homelessness Services  
Community Services

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**Recommended by:**

Adrienne Jugley, MSW, RSW, CHE  
Commissioner  
Community Services

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**Submitted by:**

Ron Tripp, P.Eng.  
Chief Administrative Officer

This report was prepared in consultation with Cathy Cousins, Director, Homelessness Services and Community Engagement, Community Services, David Michels, Service System and Performance Management Advisor, Stephanie Muhic, Program Financial Specialist, Jeff Mulligan, Procurement Manager, Corporate Services.