
REPORT TITLE: Homeless Overflow Facilities and Support Contract Extensions

FROM: Steve Jacques, MScPI, MCIP, RPP, Commissioner of Human Services

RECOMMENDATION

- 1. That the contract (Document 2022-362N) awarded to M6 Argentia Hospitality Inc., for the provision of temporary shelter overflow accommodations for families and individuals experiencing homelessness, be increased and extended in an estimated amount of \$8,000,289, exclusive of applicable taxes, for the period of January 1, 2025 to December 31, 2025, for a new estimated overall contract amount of \$14,874,763 (exclusive of applicable taxes), subject to satisfactory performance, ongoing need for services, and available budget, and escalated in accordance with the terms of the contract, pursuant to Procurement By-law 45-2023; and**
- 2. That the contract (Document 2022-362N) awarded to M6 Brampton Hospitality Inc., for the provision of temporary shelter overflow accommodations for families and individuals experiencing homelessness, be increased and extended in an estimated amount of \$7,805,160, exclusive of applicable taxes, for the period of January 1, 2025 to December 31, 2025, for a new estimated overall contract amount of \$20,861,053 (exclusive of applicable taxes), subject to satisfactory performance, ongoing need for services, and available budget, and escalated in accordance with the terms of the contract, pursuant to Procurement By-law 45-2023; and**
- 3. That the Director of Housing Services and the Director of Procurement be authorized to approve further extensions and increases to the contracts between The Region of Peel and M6 Argentia Hospitality Inc. and The Region of Peel and M6 Brampton Inc., (Document 2022-362N), for the provision of temporary shelter overflow accommodations for families and individuals experiencing homelessness, for five optional 6-month extension terms beyond December 31, 2025, subject to receipt of suitable pricing, ongoing need and available budget, and escalated in accordance with the terms of each contract, all pursuant to Procurement By-law 45-2023; and**
- 4. That the Director of Housing Services and the Director of Procurement be authorized to extend and increase the contract (Document 2022-362N), for four other existing overflow hotels, as well as authority to add additional suitable hotels, having the experience and specialized amenities required by the Region for the provision of temporary shelter overflow accommodations for families and individuals experiencing homelessness, as required, to address the ongoing need for shelter overflow accommodations during the period of January 1, 2025 to June 30, 2025, and for six optional 6-month extension terms, subject to receipt of**

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suitable pricing, ongoing need and available budget, and escalated in accordance with the terms of each contract, all pursuant to Procurement By-law 45-2023; and

5. That the contract (Document 2020-341P) awarded to Our Place Peel, for the provision of service provider services at Brampton Queen Street Youth Shelter be increased to add additional overflow services, in an estimated annual amount of \$296,085 (exclusive of applicable taxes), for the current period of July 1, 2024 to June 30, 2025, for a new estimated annual contract amount of \$5,077,289, (exclusive of applicable taxes), subject to satisfactory performance, ongoing need for services, and available budget, and escalated in accordance with the terms of the contract, pursuant to Procurement By-law 45-2023; and
6. That the contract (Document 2020-341P) awarded to The Governing Council of The Salvation Army in Canada, Services and Housing in the Province (SHIP), and Our Place Peel, for the provision of service provider services at various Peel owned shelters, be increased to add overflow services at various hotels to the contract (Document 2020-341P), during the three optional 12 month extension terms of the contract, past June 30, 2025, in the estimated annual amount of \$4,347,525, \$2,969,492 and \$2,075,021, respectively, exclusive of applicable taxes, subject to satisfactory performance, ongoing need for services, and available budget, and escalated in accordance with the terms of the contract for each optional extension term, pursuant to Procurement By-law 45-2023; and
7. That the Director of Procurement and the Director of Housing be authorized to further increase the contract (Document 2020-341P) with the service providers (The Governing Council of The Salvation Army in Canada, Services and Housing in the Province (SHIP), and Our Place Peel), to add additional services if the requirements exceed the estimated quantities, to address the ongoing need for shelter accommodations, subject to the receipt of suitable pricing and available budget, and escalated in accordance with the terms of the contract for each optional extension term, pursuant to Procurement By-law 45-2023; and
8. That the contract (Document 2024-551Q) awarded to OWO Management Inc. be increased by the estimated amount of \$76,600 (exclusive of applicable taxes) for a new estimated total contract amount of \$100,025 (exclusive of applicable taxes) for the provision of outdoor maintenance services for the period of January 1, 2025 to December 31, 2025, subject to available budget, pursuant to Procurement By-law 45-2023.

REPORT HIGHLIGHTS

- The Region of Peel oversees and delivers services to residents experiencing homelessness and has a no turn away policy for residents seeking emergency shelter.
- Contracts with hotel facilities for overflow hotel rooms are required to meet demand.
- The need for overflow rooms is ever-changing and flexibility within contracts with hotel vendors allows for hotel bookings as needed.
- Contracts with service providers are required to operate shelter overflow sites.

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- Support service contracts for outdoor maintenance and neighbourhood security services are required at overflow facilities and around Region of Peel shelters.
 - Approval to increase and extend contracts included in this report will ensure continued support for this vulnerable population, as well as overflow hotels and neighbouring businesses and properties.
 - The contract increases for overflow services recommended in this report are anticipated to be funded through upcoming federal funding streams and/or within the proposed 2025 Housing Support operating budget.
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DISCUSSION

1. Background

The Region of Peel oversees and delivers services to residents experiencing homelessness and has a no turn away policy for those seeking emergency shelter.

To support this vulnerable population the Region of Peel owns, or is the primary funder of seven emergency shelters:

Region of Peel Owned:

- Wilkinson Shelter
- Cawthra Shelter
- Dundas Shelter
- Brampton Queen Street Youth Shelter
- Surveyor Shelter (previously Peel Family Shelter)

Region of Peel Funded:

- Mississauga Youth Shelter (Owned by Our Place Peel)
- Ellen House (Owned by Elizabeth Fry)

Through these seven locations, 520 beds are available for residents' experiencing homelessness. Although the Region of Peel is the owner or primary funder, services for day-to-day operations of the facilities are contracted out to community agencies and third-party vendors.

Due to maximized shelter capacity and to meet growing demand, contracts with hotels for overflow rooms are required. The Region of Peel currently has contracts with six hotels for shelter overflow; this does not include hotels used for the Region of Peel's asylum response. The need for hotel rooms fluctuates based on demand, and flexibility within hotel contracts allows for bookings as they are required. Of the six hotels, two of these facilities are fully leased by the Region of Peel for shelter overflow; one for families and the other for homeless individuals, where rooms are primarily designated for individuals previously residing in encampments in Peel. Hotel rooms are booked as needed at the remaining four facilities.

Similar to the Region of Peel's shelter program, services for operation of overflow rooms and facilities are contracted out. In addition to rental of hotel rooms, this includes contracts for service providers to operate shelter overflow programming, hotel and surrounding

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neighbourhood security, as well as property maintenance. Through this report, staff is seeking council authority to enter into new contracts or extend current contracts for these existing services.

2. Shelter Overflow Program

Due to the ever-evolving need and challenges with the current homelessness crisis, overflow hotels continue to be required on an as-needed basis. Shelter operators contact hotels directly to refer clients when there are no emergency shelter beds available, and the families or individuals are transferred to a shelter when space becomes available.

Hotels

The Region of Peel currently has contracts in place with six hotels to support homeless individuals when the shelter system is at 100% occupancy. Overflow hotel rooms are used as required at an average cost of \$141 per room per night.

Two of the six hotel facilities the Region of Peel has contracted with, one in Brampton and one in Mississauga, are used exclusively for the Region of Peel's shelter overflow program. The 2025 annual estimated cost for these two hotels is approximately \$15,805,449. These costs are excluding tax and including any damages and repairs the Region is responsible for. Support staff are on-site at both these locations to support families and individuals who have been temporarily placed there while they wait for an emergency shelter bed to become available.

Staff is seeking approval to extend the term of the contracts with both hotels for the period of January 1, 2025 to December 31, 2025 as well as delegated authority to increase and extend these contracts beyond December 31, 2025 subject to the need for ongoing services, and the available budget. Staff is also seeking delegated authority to increase and extend other existing overflow contacts as required. Staff is also seeking delegated authority to negotiate with additional hotels in Peel for space if the need arises.

Should the need for overflow hotel rooms decrease, contract flexibility allows for reduction of rooms and/or contract termination.

Overflow Service Providers

Shelter overflow programming is operated by The Salvation Army for adult singles, Our Place Peel for youth, and Services and Housing in the Province (SHIP) for families.

The youth overflow program with Our Place Peel was developed as a short-term measure, intended to shelter youth temporarily while they awaited space in emergency shelter. With limited turnover in the shelter system, the length of stay for the youth in overflow often exceeds 90 days. Given the increasingly complex needs of these youth, additional resources are required to support them effectively in overflow.

The recommendation is to increase the overflow budget with Our Place Peel by \$296,085 annually.

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Service Provider	Annual Overflow Service Provider Costs
The Governing Council of The Salvation Army in Canada	\$4,347,525
Services and Housing in the Province (SHIP)	\$2,969,492
Our Place Peel	\$2,075,021 (with the recommended increase)
Grand Total	\$9,392,038

3. Hotel Support Contracts

Contracts for support services related to maintenance and neighbourhood security at overflow hotels and Region of Peel shelters continue to be required. In addition to supporting the individuals staying at these facilities, these services support relationships with hotel vendors, neighbouring businesses, and the surrounding community.

Outdoor Maintenance Services

Due to the volume of individuals and families at some of the hotel facilities, an outdoor maintenance crew is required to assist with litter pick-up, proper garbage disposal and general upkeep of the outside property. This service assists hotel vendors with the overwhelming influx of people, ensures we are meeting City of Mississauga and City of Brampton property standards, as well as fosters relationships with neighbouring businesses and the surrounding community who value the upkeep and cleanliness of their neighborhood.

Staff are seeking approval to extend the contract (Document 2024-551Q) for these services from January 1st – December 31, 2025.

Neighbourhood Security

The Region provides neighbourhood security at several Regional shelters and hotel facilities. The purpose of these guards is to support the neighbouring businesses and community, as well as the well-being of shelter clients who may need assistance while not on shelter property.

Historically, staff have contracted with a security vendor separate from the Region's corporate vendor that provides security services at all Region of Peel-owned sites for this service. The option to add neighbourhood security to the corporate contract is now available and this will improve oversight and service quality, as the same vendor will now patrol both shelter properties and the surrounding community.

RISK CONSIDERATIONS

Approval to proceed with the extension of hotel and related support contracts will provide homeless individuals with emergency shelter and support when Regional shelters are at capacity. Not extending these contracts may result in not being able to adhere to Peel's no turn away policy and may also contribute to growing encampments and housing instability for this vulnerable population.

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Staff have been advised of additional federal funding commitments through Reaching Home and Community Encampment Response Plan to support the recommendations in this report, funding details have not been finalized.

FINANCIAL IMPLICATIONS

As the number of individuals, youth and families experiencing homelessness continues to rise, the Region of Peel is experiencing maximized shelter capacity and growing encampments. The Region of Peel's no turn away policy for those seeking emergency shelter helps to alleviate street homelessness and reduce the number of encampments, however, creates additional financial pressures.

The Region of Peel continues to leverage Homelessness Prevention and Reaching Home funding however funding levels do not support the increased demand for homelessness supports. At the time of writing of this report, staff have been advised of additional federal funding commitments for the Region of Peel through Reaching Home and Community Encampment Response Plan to support homelessness and encampment pressures. Funding details will be presented to council when funding letters are received.

The additional support service costs of \$296,085 for Our Place Peel and \$76,600 for OWO Management Inc will be funded through upcoming additional federal 2024/25 Reaching Home funding.

The shelter overflow program is putting significant pressure on program budgets within Housing Support and could drive an operating deficit in 2025 and beyond. The 2025 costs of \$8,000,289 and \$7,805,160 for both Motel 6 locations noted in the recommendations is required to address overflow pressures. It is anticipated that these additional costs will be funded through the upcoming federal funding streams and/or within the proposed 2025 Housing Support operating budget.

Staff will continue to monitor overflow costs and explore a new shelter model to help mitigate financial pressures. Staff will report back to council in 2025 with an update and recommendations, which may include a request in the 2026 Housing Support budget.

CONCLUSION

As the Region of Peel's homelessness crisis continues to evolve, overflow facilities and support services are required on an as needed basis. Approval to increase and extend hotel and support service contracts included in this report will ensure continued support to Peel's homeless population, as well as partnering overflow hotels and the community's they reside in.



Steve Jacques, MScPI, MCIP, RPP, Commissioner of Human Services

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