



City of
Peterborough

To: Members of the Finance Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: November 23, 2020

Subject: Report CSSS20-014
Emergency Shelter Service Agreement Extension

Purpose

A report to recommend the extension of service agreements for emergency shelter services.

Recommendations

That Council approve the recommendations outlined in Report CSSS20-014, dated November 23, 2020, of the Commissioner of Community Services, as follows:

- a) That staff be directed to extend the terms of a service agreement with Brock Mission (men's shelter and Cameron House) in the amount of \$1,115,400 annually for the period April 1, 2021 to March 31, 2024.
- b) That staff be directed to extend the terms of a service agreement with the YES Shelter for Youth and Families for Emergency Shelter Services in the amount of \$669,400 annually for the period April 1, 2021 to March 31, 2024.
- c) That staff be directed to extend the terms of a service agreement with Four Counties Addictions Services for Rapid Rehousing program support in the amount of \$150,900 annually for the period April 1, 2021 to March 31, 2024; and
- d) That the Mayor and Clerk be authorized to execute such documents as are necessary to give effect to the foregoing on terms satisfactory to the Commissioner of Community Services and in forms acceptable to the City Solicitor.

Budget and Financial Implications

The recommendations in the report reflect a \$136,500 increase to the emergency shelter budget. This increased amount is reflected in the draft of the 2021 budget for Council's consideration.

Procurement Bylaw 18-084, Appendix B (Sec. 3f) provides the authority and exemption for contracts and agreements related to Social Services to be entered into. While a full RFP would also be an option to procure this service, due to the unique and challenging circumstances the homelessness system is facing with COVID-19, providing stability through the existing service providers is important for the system and its users.

Background

Emergency shelter services include:

- Brock Mission for adult males that operates 24/7/365 with a current capacity of 32 beds.
- Cameron House for adult females that operates 24/7/365 with a current capacity of 7 beds
- YES Shelter for Youth and Families for youth and family that operates 24/7/365 with a current capacity of 20 beds for youth.
- Overflow Shelter for adults operates 9:30pm to 9:00 am staffed by Brock Mission with a current capacity of 17 beds. Once the Overflow shelter program is operational at 210 Wolfe St, it will operate 24/7 with an overflow capacity of up to 50 beds.

Funding to Four Counties Addiction Services Team (FourCAST) provides rapid rehousing supports to people leaving emergency shelters. Rapid rehousing targets people in emergency shelters with mid acuity or level of need as it provides a shorter period of time for supports. FourCAST provides an Intensive Case Manager and a Housing Support Worker to support 40 people for up to 6 months that are leaving shelter and into housing. The focus of rapid rehousing is to house someone as quickly as possible, provide short term supports and prevent re-entry into emergency shelter services.

The Overflow shelter program is not part of this report. Report C55519-012 was approved by Council October 28, 2019. The operation agreement has since been extended to April 30, 2022 and will be further amended based on Report C55520-013 approved by Council October 26, 2020 to increase the Overflow shelter program to a 24/7 operation at 210 Wolfe Street. This report focuses on core emergency shelter operation programs that operate 24/7/365.

The City of Peterborough contracts with emergency shelter providers to provide services including, but not limited to:

- 24/7 intake into the shelter system
- housing-focused conversations, supports and referrals
- common assessment tool
- meals
- laundry
- crisis intervention
- connections to health, justice and social service supports
- case conferencing with partners

Shelter operators are completely aligned with the City of Peterborough Built for Zero movement and goal to end chronic homelessness by December 31, 2025.

Since 2018 the City has provided additional funding to support increasing numbers and staffing for the emergency shelters. Prior to the COVID-19 pandemic, staff recognized the need to increase funding to implement a more competitive wage for front line shelter staff. With the onset of the pandemic and the introduction of temporary provincial pandemic pay for front line shelter workers, there is further support and acknowledgement that shelter staff were not being paid a competitive wage. Shelter operators experience significant staff turn over as workers obtain several months of good experience and training, then leave for another job that pays a higher wage. Over the course of the last three years, Brock Mission has experienced a 40% turnover rate and the YES Shelter for Youth and Families has experienced a turnover rate of 86%.

Report C55520-001 directed staff to extend service agreements for emergency shelters for one year to allow for an operational and financial review to:

- assess how to provide longer term, stable operating funding to the emergency shelters; and
- reevaluate service expectations and the role of emergency shelters within the community-wide homelessness response system.

Since February 2020, staff have been working with shelter operators to complete a financial analysis and develop clear, agreed upon program strategies and expectations. To move forward with changing shelter expectations and funding levels, staff have completed the following actions in order to make recommendations:

- Worked with emergency shelter providers on a deeper review of operational costs for the emergency shelter services;
- Researched shelter funding and staffing models in other communities in Ontario;
- Developed a deeper understanding of operating costs and staffing level requirements at the newly established overflow shelter and the new Brock Mission location;

- Embedded quality measurements in revised 3-year service agreements that will start April 1, 2021 based on the outcome of this review. These agreements will provide stable operating funding for organizations while ensuring appropriate value and cost control to the City. This process will allow each organization to implement the objectives of the 2019 Homelessness System Review and the Housing and Homelessness Plan;
- Collaborated with OrgCode to provide a new training and professional development opportunity that will ensure that all shelter staff understand their role and the importance of the shelter services to be housing focused. These professional development sessions will include a review by OrgCode of the shelters policies, procedures, and data.

The Built for Zero (BFZ) partners and the City have:

- Applied for funding opportunities to support the acquisition of properties to house individuals and families experiencing homelessness
- Built relationships with developers and individuals interested in solutions to homelessness thereby ensuring better connections to the supply of affordable housing
- Assumed responsibility for Housing Access Peterborough to support seamless connections with social (community) housing providers
- Created a centralized intake model through the Social Services' new Service Delivery Model that embeds system-wide diversion protocols and practices
- Expanded training to more front-line Social Services staff to ensure that best practices in homelessness responses are understood. This includes homelessness and housing case management, common assessments, coordinated access, and trauma-informed care
- Developed a continuous improvement and quality assurance framework for funded organizations

Projects in progress include:

- Development of communication tools to ensure supports and services are well-known and available to service providers
- Increasing public information around program outcomes by providing report cards on progress
- Review of the use of and demand for Housing Stability Funds and rent supplements to ensure resources are wrapped around those in most need and that case management and collaborative supports are in place

Challenges since the pandemic began

Since March 2020 the homelessness system has been under significant strain related to the COVID-19 pandemic. Several issues in the homelessness system that the Social Services division and community partners have been grappling with, and continue to grapple with, have been highlighted during the period of the pandemic:

- When an urgent crisis hits and people are told to quarantine or self-isolate, individuals experiencing homelessness are not able to do so.
- Many other services are closed, have limited availability or only available through technology. Emergency shelter services remain one of the few open and operating 24/7/365 face-to-face services.

The discharge of many people from institutions such as the criminal justice system, health care, and the child welfare system has resulted in a significant increase in behavioural issues in emergency shelters that shelter staff are struggling to manage.

- The pay rate for shelter workers is not enough for the work involved; for example, the pandemic pay for supplemental wages for workers in the shelter system was necessary to create stability during COVID-19
- Shelters require staffing 24/7/365 and often must be double staffed to appropriately manage individuals with increasingly complex co-morbidities. The data prior to COVID showed average acuity levels in the youth shelter in the mid-range (8). Current acuity levels have increased to very high levels (13-15), meaning people need a higher level of behavioral and social supports to stay in the shelter as well as find and keep housing
- Evidence-based homelessness practices support the concept that shelters need to shift their focus to rapid rehousing. This includes ensuring homelessness services make every effort to divert people from entering an emergency shelter in the first place, preventing further trauma, and reducing the possibility of homelessness becoming “normalized”.
- Housing availability and affordability remain a serious issue in efforts to reduce and end homelessness.

The City received additional funding from the Province to support physical distancing in shelters and isolation locations for individuals who had COVID-19 or were awaiting test results. The isolation location has seen over 100 people go through testing and stay at the isolation location pending test results. To-date, there have been zero COVID-19 positive cases in the homelessness shelter system.

Rationale for Recommendations

The additional funding provided to Emergency Shelters is required to meet shelter operations and safe service provision. The amount of shelter funding provided between 2017-2020 is outlined below, as well as the recommended level for 2021.

The funding recommended for 2021 is based on a financial analysis of costs for each organization and the need to provide funding to achieve competitive wages. Table 1 provides the increase associated with operations.

The funding recommendation is also based upon the historic expectation that as the main funder the City would limit its shelter funding to 85% of their overall costs. This 85% guideline is not a recognized City policy but has been considered during the past review of shelter funding agreements.

Table 1: Base Funding Provided and Proposed for Emergency Shelters 2017-2021

| Emergency Shelters | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Proposed Payments |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------------------|
| Brock Mission and Cameron House | \$927,276 | \$998,080 | \$1,035,292 | \$1,055,400 | \$1,055,400 |
| YES Shelter for Youth and Families | \$404,467 | \$520,600 | \$566,052 | \$592,900 | \$649,700 |
| Totals | \$1,331,743 | \$1,518,680 | \$1,601,344 | \$1,648,300 | \$1,705,100 |

The financial review of operating costs demonstrated no funding change required for Brock Mission. However, the review for YES demonstrated a significant difference between the YES shelter operation budget and the City’s proposed funding amount. The review showed the City’s funding accounted for 77.6% of the actual shelter operation costs. The City’s traditional commitment to fund shelter operations at 85% means the operational funding should be increased by \$56,800 per year.

Providing a more competitive wage would help stabilize the shelters through improved staff retention. Recent events such as the Provincial Pandemic Pay program and the increasing and ongoing pressures on the homelessness system during the Covid-19 period, have highlighted the risk to shelter operations if they are unable to retain staff for this difficult work. The recommended funding changes associated with wages are based on a wage grid review for both organizations looking at starting at the living wage recognized by the United Way of Peterborough and District in its 2019 report of \$17.63/hr. This wage rate is below the Provincial Pandemic Pay program which added \$4/hr to the wages of shelter workers during the height of the pandemic. The average increase per hour across the grid was used to determine the total funding needed to implement this more competitive wage for front line staff. Table 2 provides the information on the cost associated with the implementation of a more competitive wage.

Table 2: Wage Data

| Competitive Wage (\$17.63) | Brock Mission and Cameron House | YES Shelter for Youth and Families |
|--|--|---|
| Current Starting Wage | \$16.12 | \$16.79 |
| Average Hourly Wage Increase across wage grid to meet competitive wage | \$1.72 | \$0.99 |
| Shelter Worker Annual Hours | 31,722 | 19,184 |
| Increase for Wages plus Benefits | \$60,000 | \$19,700 |

Table 3 provides the total proposed base funding for emergency shelter services.

Table 3: Total 2021 Proposed Base Funding Including Wage Increase

| Emergency Shelters | 2021 Proposed Base Funding | 2021 Proposed Competitive Wage Funding | Total 2021 Proposed Base Funding | Total Increase over 2020 Actuals |
|------------------------------------|-----------------------------------|---|---|---|
| Brock Mission and Cameron House | \$1,055,400 | \$60,000 | \$1,115,400 | \$60,000 |
| YES Shelter for Youth and Families | \$649,700 | \$19,700 | \$669,400 | \$76,500 |
| Totals | \$1,705,100 | \$79,700 | \$1,784,800 | \$136,500 |

Looking Forward

The pandemic response will be in place until Peterborough Public Health notifies the community otherwise. The requirement to socially distance and to screen for COVID-19 must continue in the emergency shelters. The need to isolate pending COVID-19 test results will also need to continue.

In 2021 a significant shift within the shelter system will happen when the new Brock Mission building is scheduled to be complete. 45 adults will transition into that location where 15 men will move into the permanent supportive housing units and up to 30 men will transition into the new shelter space.

The City has confirmed from the Ministry of Municipal Affairs and Housing it will receive a \$1.9M allocation through Phase 2 of the Social Services Relief Funding. This funding will be used towards the costs of the new overflow shelter location at 210 Wolfe Street as well as other targeted housing opportunities to address homelessness. The new overflow shelter is expected to operate 24/7 and allow for an expanded number of beds to conform to social distancing requirements.

The target in the Housing and Homelessness Plan to end chronic homelessness by the end of 2025 is supported by the work of the Built for Zero team of partners which includes the three organizations being funded through this report as well as the City and the United Way. Built for Zero remains focused on housing people experiencing homelessness through rapid rehousing practices. The goals of the homelessness system are to continue to house as many people as possible, to ensure the new Brock Mission shelter and housing units are dedicated to people with the highest acuity and to end the Overflow shelter program when it is no longer required. This will require the dedication of resources to housing search and placement from all service providers and partners, guided by the Housing and Homelessness Plan.

Summary

Emergency shelter services continue to be in high demand in the community. The onset of a pandemic has intensified the challenges of being a 24/7/365 essential service. The numbers of individuals with co-occurring challenges as result of physical health, mental health, acquired brain injury, substance use, justice involvement, etc., has significantly increased. In order to support an effective, housing-focused shelter until more housing options are available, a professional, well-managed shelter system is necessary. The level of funding recommended in this report recognizes the cost of operating a shelter system and the cost of providing and supporting a professional level of service provision.

Submitted by,

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