

Subject: Acquisition Lease - Transitional Housing for Families

File Number: ACS2023-PRE-CRO-0029

Report to Finance and Corporate Services Committee on 7 November 2023

and Council 8 November 2023

Submitted on October 24, 2023 by Peter Radke, Director, Corporate Real Estate Office, Planning, Real Estate and Economic Development Department

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Bay (7)

Objet: Acquisition par bail – Logements temporaires pour familles

Dossier : ACS2023-PRE-CRO-0029

Rapport au Comité des finances et des services organisationnels

le 7 novembre 2023

et au Conseil le 8 novembre 2023

Soumis le 24 octobre, 23 par Peter Radke, Directeur, Bureau des biens immobiliers municipal, Services de la planification, des biens immobiliers et du développement économique

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REPORT RECOMMENDATIONS

That the Finance and Corporate Services Committee recommends that City Council:

- 1. Delegate authority to the General Manager, Planning, Real Estate, and Economic Development to negotiate, enter into, conclude, execute, amend, and implement a Lease Agreement for the facility in accordance with the terms of this report and that conforms to the business parameters outlined in Document 1.**
- 2. That Council consider the matter at the City Council meeting on November 8, 2023.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité des finances et des services organisationnels recommande au Conseil municipal:

- 1. de déléguer au directeur général de la Planification, de l'Immobilier et du Développement économique le pouvoir de négocier, de conclure, de signer, de modifier et de mettre en œuvre un contrat de location pour l'installation qui sera conforme aux clauses du présent rapport et qui respectera les paramètres opérationnels établis dans le document 1;**
- 2. d'examiner la question lors de sa réunion prévue le 8 novembre 2023.**

BACKGROUND

In July 2020, City Council approved the refreshed the 10-Year Housing and Homelessness Plan 2020 to 2030 ([ACS2020-CSS-GEN-0006](#)) as the framework to guide the City's efforts to address local housing and homelessness needs. Within the Plan, a key step for action identified was "to explore opportunities to increase transitional housing capacity for families".

As a means of delivering the targets contemplated in the 10-Year Housing and Homelessness Plan, City Council approved the city's first Housing Services Long-range Financial Plan ([ACS2021-FSD-FIN-0001](#)) in 2021. The LRFP outlined a capital requirement of \$15 million for a new transitional housing facility for families. This was estimated as the cost for a 40 to 50 room facility at the time. It is understood that construction and borrowing costs have escalated since and staff are currently updating the LRFP in recognition of these increases.

Family Shelter System

The City of Ottawa's permanent family shelter system is comprised of four permanent facilities with 145 rooms that accommodate approximately 100 families, as approximately 26 per cent of families are made up of five or more members and require a minimum of two rooms. Three of these facilities are operated by community agencies, while one is owned and operated by the City of Ottawa. The permanent shelter system has consistently remained at capacity for the last decade and is currently operating at 333 per cent capacity. To accommodate remaining families experiencing homelessness, the City of Ottawa relies on overflow hotels, motels, and post-secondary residences. Currently approximately 235 families stay at an overflow location each night.

Since 2014, the number of families accessing the shelter system annually has increased, peaking in 2019 with 1,166 family units being served. From 2014 to 2019, there was a 65 per cent increase in the number of families accessing the shelter system, which represents 459 more families. While the number of families accessing the shelter system decreased during the COVID-19 pandemic, demand is increasing and will likely meet or exceed pre-pandemic levels by 2024. In 2022, there were 996 families who accessed the shelter system, and the number for 2023 is on pace to be higher.

While overflow locations are necessary, they are not an ideal placement location for families. Accommodation at overflow locations does not provide onsite social services supports or programming, nor the common space to provide such programming or meet with support workers. In addition to the facilities not being ideal for families, they do not support the efficient delivery of case management services from City of Ottawa staff. Caseworkers are required to visit families at scattered overflow locations, which means inefficiencies due to travel time, as well as a lack of appropriate space to meet with families.

By adding a new transitional family facility to the system, families will experience better service that will support their transition to long-term housing. Unlike overflow sites which are intended to be brief and a stop gap measure when shelters are full, this facility would have onsite social services supports and programming, meaning regular access to City of Ottawa staff as well as community agencies. The average length of stay for families currently in the shelter system is 225 days. The goal of the new facility is to transition families more quickly to housing, thereby reducing the average length of stay for families in the shelter system.

DISCUSSION

On August 22, 2023, the City's Corporate Real Estate Office (CREO) was advised of a vacant retirement residence and shortly after enquired about its availability. Upon a site visit with CREO and Housing Services staff, it was confirmed that the building in its current condition would be sufficient to provide transitional housing for families who are currently placed at overflow hotels. As a former retirement residence, the current floor plan provides appropriate functional use for transitional housing and as such minimal fit up costs are needed for the new occupancy and use.

A letter of intent to lease was signed by CREO staff on October 2, 2023, and was provided only as a basis for negotiations, and is conditional upon the appropriate Delegated Authority and/or City Council approval. CREO staff anticipate the value of this lease agreement will exceed the staff delegated authority levels and therefore, requires City Council approval.

Normally, CREO staff would finalize negotiations and present the final business parameters of an agreement to City Council for approval. Given the timing and urgency of securing this facility and the regular timelines for scheduling a staff report for Committee and City Council consideration, staff are requesting the delegated authority to negotiate, enter into, conclude, execute, amend, and implement a long-term Lease Agreement for the facility, in accordance with the business parameters identified in Document 1.

Facility Description

The **facility is located at 1 Corkstown Road, in Ward 7 (Bay)**. The Site is an irregular-shaped property approximately 1.64 acres in area. The Site is occupied by a four storey, 170-unit, retirement residence building which is currently vacant (the Site Building). The Site Building is reported to have been constructed in approximately 1995 with a footprint area of approximately 17,500 Square Feet (SF) and total building area of approximately 86,114 SF which includes the basement level. Asphalt surfaced parking areas are located on the south and west portions of the property with parking provisions for approximately 49 vehicles.

The property is subject to the provisions of Zoning By-law 2008-250, as amended, in a zone designated as **I1B - Minor Institutional Zone**, Subzone B. Among the uses listed in the I1B zone is **Residential Care Facility**. The City of Ottawa Zoning By-law 2008-250 defines Residential care facility as an establishment providing supervised or supportive in-house care for those who need assistance that may also provide social support services which may include services such as counselling, and personal

services. The proposed Transitional Housing Facility for Families meets the definition of a Residential Care Facility.

Facility Search and Selection

In an effort to exit the operation of Physical Distancing Centres in City owned facilities, Housing Services has been working with CREO for over two years, exploring various private market opportunities. While the initial search was intended for facilities to accommodate single adults, it also generated opportunities that would be suitable for the family sector as well, including the property at 1 Corkstown Road.

This facility is being recommended as it:

- Has the necessary amenities for service (individual rooms each with private bathrooms as well as shared common spaces)
- Is in a condition that is conducive to immediate occupancy
- Is currently vacant, and therefore does not displace tenants
- Has a capacity that is operationally feasible (not too small or too large)
- Is zoned appropriately for the service
- Is located in an area, with access to transit and amenities that would be appropriate for this type of operation
- Property owner is interested in a partnership with the City

The approach of entering a long-term lease of a facility is being recommended (in place of constructing or purchasing a facility) as:

- This facility is available immediately to respond to current system pressures
- For the reasons stated above, this facility was determined to be a better option than those available for purchase
- The City's priority for capital investments is the development of supportive and affordable housing
- It provides stability for an appropriate period of time, while allowing flexibility to respond to the evolving systems needs over the long-term.

Intended Use

The proposed facility will operate as a transitional housing program, which differs from an emergency shelter. An emergency shelter provides temporary emergency accommodations and case management supports for people/families experiencing homelessness. Stays at emergency shelters are intended to be less than 30 days.

Conversely, transitional housing programs provide programming with a residential component, as well as supports. Supports can include life skills training, newcomer supports, education, etc. The length of stay in transitional housing programs can be longer as more intensive supports are provided to families to ensure a successful transition to long-term housing.

By opening a transitional housing facility for families, the City of Ottawa would reduce its reliance on overflow hotels, motels, and post-secondary residences. A transitional housing facility is a better option for families, as it provides more intensive onsite supports than can be offered in a scattered site model of service delivery. Additionally, a permanent facility provides a fixed number of rooms which increases overall capacity, as opposed to overflow facilities which have fluctuating availability. Most overflow facilities do not guarantee rooms and the availability can vary widely depending on factors such as travel, tourism, and post-secondary schedules.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the report recommendations. However, the financial implications associated with the lease will be discussed in closed session, for reasons noted in the Legal Implications section of this report.

LEGAL IMPLICATIONS

There are no legal impediments to the implementation of the report recommendations.

However, the City Clerk and City Solicitor, in consultation with the General Managers of Community and Social Services and Planning Real Estate and Economic Development, have recommended that the confidential Document 1, which includes the financial details with respect to the negotiation of the of the lease including the City's business case and budgeting information be presented to the Committee in closed session if there are questions and that the terms of the lease be reported out once the lease is signed so as not to disclose information that could reasonably be expected to prejudice the economic interests of the City.

The comments set out below explain the underlying legal authority and further rationale for this recommended approach.

The content of Confidential Document 1 provided to the Committee regarding the lease at 1 Corkstown Road contains information pertaining to the City's contract negotiations and housing business case. The release of which may prejudice the City's position in respect of these contract negotiations. The information in Document 1 falls within the exceptions to the requirement that meetings be open to the public as contemplated by Subsections 13(1)(c) and (k) of City Council's Procedure By-law (By-law 2022-410), and is also exempt from disclosure pursuant to Subsections 6(1)(b) as well as 11(c) and (e) of the *Municipal Freedom of Information and Protection of Privacy Act*.

Confidential Document 1 of this report is to be considered in camera pursuant to the Procedure By-law (By-law No. 2022-410), Subsection 13(1)(c), a proposed or pending acquisition or disposition of land by the municipality or local board and Subsection 13(1)(k), a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality. The Ontario Ombudsman has previously found that the exception for pending acquisitions/dispositions of land may include the buying and selling of municipal land as well as other property interests including easements, lease agreements, and subdivision agreements.

Confidential Document 1 will remain confidential as it continues to include information that would be exempt under the *Municipal Freedom of Information and Protection of Privacy Act*, Subsection 6(1)(b), the record reveals the substance of deliberations of a meeting of a council, board, commission or other body or a committee of one of them if a statute authorizes holding that meeting in the absence of the public, Subsection 11(c) information whose disclosure could reasonably be expected to prejudice the economic interests of an institution or the competitive position of an institution and Subsection 11(e) positions, plans, procedures, criteria or instructions to be applied to any negotiations carried on or to be carried on by or on behalf of an institution.

As such, only the terms of the executed lease will be reported out upon execution of the lease.

COMMENTS BY THE WARD COUNCILLORS

The city of Ottawa is in a housing and homelessness crisis. This is particularly troubling when it involves families with children. In the interim we are offering transitional housing to help them settle in our city. This is why it is necessary to find suitable accommodation such as the Corkstown property.

I hope to see families, many who are new Canadians, have permanent affordable housing and be a productive residents. I hope you will join me in supporting those in need join our community.

ADVISORY COMMITTEE(S) COMMENTS

No Advisory Committees were consulted in the development of this report.

CONSULTATION

The 10-year Housing and Homelessness Plan identifies the need for a transitional housing facility for families. To develop this Plan, there was an extensive community consultation process including over 1,200 people from a broad cross section of partners, stakeholders, academics, advocates, the public and people with lived experience of poverty, housing insecurity and homelessness.

Should lease negotiations be successful, Housing Services would consult with community partners to inform on-site program offerings, as well as work with the Ward Councillor to inform of the plans for the facilities and address any concerns.

ACCESSIBILITY IMPACTS

No significant renovations are planned to the leased facility at this time. As the building was formerly used as a retirement home, there are many existing accessibility features. Any future significant renovations or redevelopment to the leased facility will comply with the requirements of the *Accessibility for Ontarians with Disabilities Act, (AODA, 2005)* and the *Integrated Accessibility Standards Regulation, O.Reg. 191/11*, the City of Ottawa Accessibility Design Standards as well as the *Ontario Building Code*. The [Ottawa Transitional Housing Program Standards](#), updated and approved by Council in February 2021, govern the operation of Transitional Housing Facilities. Section 10.5.1 speaks to accessibility considerations, and that providers will take all reasonable measures to accommodate a resident with a disability.

ASSET MANAGEMENT IMPLICATIONS

The implementation of the Comprehensive Asset Management program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally, and economically conscious manner.

There are no asset management implications associated with the report recommendations. Asset management implications will be further reviewed as part of the lease negotiations.

CLIMATE IMPLICATIONS

There are no climate implications resulting from the recommendations in this report.

DELEGATION OF AUTHORITY IMPLICATIONS

Per the Delegation of Authority (Bylaw No. 2023-67), Schedule I, Section 63 (3), the General Manager, Planning, Real Estate, and Economic Development is delegated the authority to approve and execute leases, provided that the total value of the transaction is between \$1,000,000 and \$2,000,000.00; and

- the funds are within those provided in estimates approved by City Council;
- Ontario Land Tribunal approval is not required; and
- all applicable Council-approved policies have been met.

It is recommended in this report the General Manager, Planning, Real Estate, and Economic Development be delegated authority to enter into a lease in accordance with the terms set out in this report and Document 1, which may exceed the current Delegated Authority limits. This approach will allow staff to expedite the process of securing a lease. CREO will negotiate according to business parameters identified in Document 1 and report back on the final lease agreement details to Committee once a lease is executed.

ECONOMIC IMPLICATIONS

There are no economic implications resulting from the recommendations in this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications resulting from the recommendations in this report.

INDIGENOUS GENDER AND EQUITY IMPLICATIONS

The [Ottawa Transitional Housing Program Standards](#), updated and approved by Council in February 2021, govern the operation of Transitional Housing Facilities. Specifically, Section 10.5.5 speaks to Indigenous Policy Considerations, and Section 10.5.4 speaks to LGBTQ2S Residents service requirements.

RISK MANAGEMENT IMPLICATIONS

Risk implications have been outlined and explained in the report and are being managed by CREO and CSSD staff.

RURAL IMPLICATIONS

There are no rural implications resulting from the recommendations in this report.

TECHNOLOGY IMPLICATIONS

There are no technological implications resulting from the recommendations in this report.

TERM OF COUNCIL PRIORITIES

This report relates to the 2023-2026 Term of Council Priority, “A City that has affordable housing and is more livable for all.”

DISPOSITION

Upon Council approval of this report, CREO will finalize lease negotiations, with support from Legal Services, and within the authority delegated pursuant to this Report.

Details of the lease will be reported out after execution. Confidential Document 1 of this report is to be considered in camera pursuant to the Procedure By-law (By-law No. 2022–410), Subsection 13(1)(c), a proposed or pending acquisition or disposition of land by the municipality or local board and Subsection 13(1)(k), a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality.

Should lease negotiations be successful, CREO will report back to Finance and Corporate Services Committee with information regarding the final negotiated lease.

SUPPORTING DOCUMENTATION

Document 1 - Confidential Addendum: Issued separately and held on file with the City Clerk.