

**Report to
Rapport au:**

**Community and Protective Services Committee
Comité des services communautaires et de protection
18 February 2021 / 18 février 2021**

**and Council
et au Conseil
24 February 2021 / 24 février 2021**

**Submitted on February 8, 2021
Soumis le 8 février 2021**

**Submitted by
Soumis par:
Councillors / Conseillers C. McKenney and M. Fleury**

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Ward: RIDEAU-VANIER (12)

File Number: ACS2021-CCS-CPS-0002

**SUBJECT: TABOR APARTMENTS – RE-HOUSE 24 FAMILIES AND CEASE THE
PER DIEM**

**OBJET: APPARTEMENTS TABOR – RELOCALISER 24 FAMILLES ET CESSÉ
LE TARIF JOURNALIER**

REPORT RECOMMENDATIONS

**That the Community and Protective Services Committee recommend City Council
approve that:**

- 1. The City launch a proper procurement process to house the 24 families
living at the Tabor Apartments (120-140 St. Denis); and**

2. **That the City cease the hotel per diem relationship and use of Tabor Apartments (120-140 St. Denis) no later than July 1st, 2021.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des services communautaires et de protection recommande au Conseil municipal d'approuver :

1. **un processus d'approvisionnement en bonne et due forme pour loger les 24 familles qui habitent les appartements Tabor (120-140, rue St-Denis); et**
2. **que la Ville rompe son partenariat avec les appartements Tabor et cesse d'avoir recours à ses services selon un tarif journalier (120-140, rue St-Denis) au plus tard le 1er juillet 2021.**

BACKGROUND

The City of Ottawa currently has a service agreement with the Ottawa Inn, at 215 Montreal Road, for temporary lodging for families experiencing homelessness

In 2015, the City's relationship with that owner expanded into use of nearby residential properties in Vanier for emergency shelter use. After community concerns were brought forward regarding the use of the residential properties, the City's Auditor General initiated an investigation which was tabled at the Audit committee in July 2019 in the Report *Review of Emergency Shelter Program – Use of a Specific Hotel*. The City has stopped emergency shelter uses in Vanier residential area except for the Tabor Apts.

Presently, Housing Services continues to use 120, 130, 140 St. Denis (also known as Tabor Apts) as residential properties for emergency shelter use.

Three major concerns remain: lack of lease and rights for tenants in these residential properties, lack of competitive City bidding process, and questions about respecting residential zoning for hotel use.

The City pays around \$110/night per unit, which amounts to close to \$3 300/month for each units – much higher than the monthly market rent of these units which is estimated to be around \$1500 per month. The average length of stay for households is close to 4 months with some families exceeding one year.

One landlord is benefitting from City business and taxpayer money without a transparent procurement process ensuring the greatest use of taxpayer dollars. The per diem costs of the Tabor Apartments could be better utilized to provide permanent housing for families.

If all 23 units are fully utilized 365 nights per year at \$109.00 per night, the yearly cost for the Tabor Apartments is \$ 915,055.00.

Further, these tenants are not equipped with rights afforded by a lease which does not provide them the tools to effectively and efficiently mitigate issues with their unit (pest, maintenance, etc.) or landlord behaviour before the Landlord Tenant Board or Residential Tenancies Act.

As a result, the Community and Protective Services Committee, at its meeting of November 19, 2020, received the following Notice of Motion to be considered at a subsequent meeting:

WHEREAS the issues identified with Tabor Apartments at 120-140 St Denis are alarming and are putting children and their parents at risk of poor mental and physical health outcomes;

WHEREAS tenants do not enjoy the benefits of protections through the Landlord Tenant Act as other tenants would with leases;

WHEREAS the per diem costs of the 24 units at the Tabor Apartments could be better utilized to provide permanent housing for families;

THEREFORE BE IT RESOLVED that the City launch a proper procurement process to house the 24 families living at the Tabor Apartments (120-140 St. Denis);

BE IT FURTHER RESOLVED that the City cease the hotel per diem relationship and use of Tabor Apartments (120-140 St. Denis) no later than July 1st, 2021.

DISCUSSION

The Community and Protective Services Committee will task the Community and Social Services Department to launch a proper procurement process to house the 24 families living at Tabor Apartments and cease the per diem relationship and use of Tabor Apartments no later than July 1st, 2021.

RURAL IMPLICATIONS

There are no rural implications associated with the recommendations of this report.

CONSULTATION

PUBLIC CONSULTATION:

The Community and Protective Services Committee (CPSC) meetings are open to the public and anyone wishing to speak to an item may do so.

COMMUNITY AND SOCIAL SERVICES COMMENTS:

PUBLIC CONSULTATION:

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COMMUNITY AND SOCIAL SERVICES COMMENTS:

Housing Services has reviewed the motion and provided the below response.

Implications of approving report recommendations:

The implications of the recommendations, should they be approved by Committee and Council, are as follows:

- Families will lose their current emergency placement and be relocated into a hotel resulting in
 - A greater cost to the City since multiple hotel rooms will be needed to accommodate the larger families
 - A possible need for families to change schools and familiarize themselves with community resources and supports in the new neighbourhood
- Larger families that require more than one hotel room is problematic
 - For lone-parent families as children require an adult in each room
 - For two-parent households as they must be separated between multiple rooms
- Forcing the relocation does not respect the choice of the families who have expressed the desire to stay in this temporary emergency accommodation until they secure permanent housing
- The family shelter system has limited capacity, considering the need for physical distancing, and requires available vacant hotel rooms for new placement requests and COVID-19 response

- Currently, approximately 370 families are receiving support in temporary emergency accommodation in hotels/motels/post-secondary institutions
- Movement into a hotel/motel/post-secondary institution will result in increased food insecurity for families and children as there are limited hotels that have kitchens available for food preparation

Background:

The City owns and operates one family shelter and funds three community shelters/transitional housing programs, run by two agencies, to provide temporary emergency accommodation to families experiencing homelessness.

When these four facilities are at capacity, the City calls on one of its 23 motels, hotels and post-secondary institutions, with whom it has standing agreements for temporary emergency accommodations. These facilities, including the Ottawa Inn, provide overflow services when the Family Shelter System and provincially funded Violence Against Women Shelters are at capacity. They also provide temporary emergency accommodation to individuals with special needs that cannot be placed in the community shelter system as well as emergency response (eg. fire/flood) for residents displaced from their housing.

Agreements with providers do not specify the number of rooms for use by the City nor do they require that rooms be held. These standing agreements with third party businesses are used on an as-needed basis such that if a room is needed and available, the rate and expected services have already been negotiated. The agreements do not guarantee business to providers and allow staff to accommodate families in the locations that are best suited for them.

As further explained below, it was noted by the Auditor in the July 4, 2019 audit on the use of the specific motel, agreements with hotels, motels and post-secondary institutions are entered into under the City's Delegation of Authority By-law which includes an authorization for the Community and Social Services Department (CSSD) to approve, amend, extend and execute service agreements. This allows the City flexibility to enter into agreements outside of a formal procurement process when required. When entering into such agreements competitive rates are negotiated with providers. In 2020, the City entered into 8 new or enhanced agreements with providers to respond to COVID-19.

The City has had an agreement with the Ottawa Inn since 2012 for use of the main hotel at 215 Montreal Road and entered into the use of the apartments in 2015 when it was determined that the use of the apartment would result in a cost saving when two rooms would be needed for a large family.

Findings from the Office of the Auditor General:

On July 4, 2019, the *Office of the Auditor General (OAG)* tabled the *Review of Emergency Shelter Program – Use of Specific Hotel* at Audit Committee in response to concerns brought to their attention and reports made to the Fraud and Waste line in July 2018 related to the City's use of certain properties for temporary emergency accommodation. Although not publicly named by the City, it was a review of the non-hotel units owned by the Ottawa Inn and used for temporary emergency accommodation by the City.

The OAG concluded the City Delegation of Authority By-law permits Housing Services to enter into agreements for procuring temporary emergency accommodations. The OAG also concluded that the rates for the apartment units were competitive when compared to the City's agreed rates with similar hotels. The OAG did not recommend the City cease use of non-hotels/motels for temporary emergency accommodations. Due to the ongoing and significant demand to place families experiencing homelessness, the City continues to utilize up to 15 apartment units at St. Denis Street when the families would best be served in that location.

In August 2019 the City launched a Request for Offer (RFO) with the goal of securing discounted rates for long-term stays of 30 days or more. As a result of successful submissions, the City negotiated reduced rates. Further discounted rates were negotiated outside of the RFO process. The City did not receive responses from any new providers and was unable to add to the list of available providers through the RFO process.

Performing a procurement process for alternate private market units, as is recommended in this report, would result in removing otherwise available stock from the market. Ceasing to use the specific fully furnished apartments, as of July 1, 2021, would not be in the best interest of the families, since they include cleaning and linen services in addition to cooking facilities and bedrooms for the same rate as the motel rooms.

OAG Recommendation Follow-up:

Additionally, as recommended in the above noted review from the OAG:

- City staff requested MPAC to review the tax classification for each of the properties listed in the provider's agreement in 2019. The properties are assessed as one property under the "Multi-residential class MT".
- In December 2019, the 23 apartment units were inspected and deemed compliant with the Ontario Building Code/Zoning By-laws.

- All agreements now have a "right-to-audit" and insurance and workplace safety clauses.

Response to Report Recommendations:

In January 2015, due to extremely high demand, the City entered into a new agreement with the Ottawa Inn to add eight new addresses for 41 non-hotel rooms including three apartment style buildings at 120, 130 and 140 St. Denis Street as temporary emergency accommodations for families. The City stopped using five addresses in 2019 with the intent that the properties return to the long-term housing market. The City has recently advised the owner that the City no longer intends to utilize units at 140 St. Denis Street and only now intend to use 120 and 130 as required.

Housing Services has previously confirmed with Planning, Infrastructure and Economic Development that the City's use of these apartment conforms to the residential zoning as this is considered the household's residence during the period of time they are occupied. The financial arrangement between the City and the owners does not impact the land use.

The City, in its role as Service Manager, administers the provincial funding for the emergency shelter services. Staff consider the use of the non-hotel rooms to be cost effective and in the interest of the families being served. The use of the units generates savings for the City by providing the option to place large families in one unit as opposed to multiple rooms in a hotel. Furthermore, the City has recently negotiated a reduced nightly rate from \$110.00 to \$89.00 per night for these units resulting in a monthly cost reduction of \$630. Many of the units have 2 bedrooms and can accommodate up to 10 family members. Each unit comes fully furnished and includes linens, toiletries and regular cleaning services. They also provide families with full kitchen facilities to better support food security for households which has been crucial during the pandemic. While the City endeavours to enter into agreements with hotel providers that have kitchens/kitchenettes, most rooms do not have this feature.

The City's housing system does not have the financial resources or current housing capacity to offer families in the shelter system a rental unit. This temporary accommodation is provided to respond to the immediate need for shelter while they secure longer-term housing. All families receiving placement in a temporary emergency accommodation are required to sign a Housing Search Agreement and are required to have an active application with the Social Housing Registry of Ottawa. As an alternative to waiting for subsidized housing each family is offered the option of a portable housing allowance to make housing in the private market more affordable, when they enter the family shelter system.

The City takes the health, safety, and well-being of parents and children receiving temporary emergency accommodation very seriously. Housing Services works closely with community agencies, other City departments, schools and other resources and services to support families to stabilize, obtain and maintain housing. All households, including those placed in motels/hotels/post-secondary residences, receive case management services and housing supports. Housing Services staff attend onsite for ongoing check-ins and case management supports.

Hotel providers and households also have 24-hour access to supports through the City-owned and operated family shelter. If a household has issues with the unit, they are advised to inform the City so that City staff can work with the owner to address the issue. They are not in a landlord/tenant relationship nor are they expected to address their issues with the owner. When a household secures permanent housing, the City is immediately able to cease payment for the unit until it is required again.

All service providers are accountable to the terms of their agreements, which are monitored by Housing Services. When deficiencies are noted or reported the City works with the provider to ensure the conditions of the agreement are met. Families report concerns and issues directly to the City who then works with the provider to find a solution. The requirements under the agreement with the Ottawa Inn applies to all their locations. Families at the non-hotel units receive the same amenities stipulated in the service agreement as families at hotels plus the value-added kitchen facilities, extra bedrooms and added space not in most hotel rooms.

In the fall of 2020, some families and service providers brought issues regarding the non-hotel units to the City's attention. The identified units were inspected, and issues identified by By-law and Regulatory Services, Housing Services and Ottawa Public Health have been addressed. The owner also took the opportunity to make additional renovations to the units. Furthermore, multiple times in person and by correspondence, all families were offered an alternative placement option. Very few families accepted this relocation offer.

To meet the needs of families experiencing homelessness the City needs to be responsive and nimble. The City must be able to use all options that are available under its delegated authority to respond to emergency shelter needs and place families where they are best served. In recent years, the City has experienced a significant increase in the number of families requiring temporary emergency accommodation. From 2016 to 2019, the average number of families staying in overflow hotels/motels/post-secondary institutions each night increased by 206.5 per cent, from 93 to 285 families.

In 2020 the City had to respond to the pandemic and ensure physical distancing. The City entered into eight new and/or enhanced, agreements with hotels/motels/post-secondary institutions. Families were purposely moved from within the family shelter system to overflow hotels/motels/post-secondary institutions to facilitate physical distancing in these congregate living settings. There was an average of 372 families staying in overflow hotels/motels/post-secondary institutions each night. The City targeted facilities across the City that offered kitchen facilities. Many of the hotels/motels the City reached out to with kitchen facilities were not interested in entering into an agreement or the rates were too high. Staff strongly recommend not limiting staff's authority to use temporary emergency accommodations that provide families with the option of full kitchen facilities and bedrooms.

If the non-hotel units at St. Denis Street are no longer available for placement, families will be moved to other hotels/motels/post-secondary institutions, most of which do not have kitchen facilities and have less space.

It is unclear from the recommendation if staff will be required to secure alternate temporary emergency accommodations for families currently at Tabor or if staff are being asked to perform a procurement process to secure permanent housing for these families. If it is the latter, these families are not eligible to be prioritized over other families waiting for affordable or subsidized housing through the City, as we are required to use the Centralized Waiting List system.

In 2019, City staff ran a procurement process for the use of hotels and motels to ensure best value for money. Conducting a procurement process to relocate the families in other privately owned units would result in taking other private stock units off the rental market for temporary accommodations. Housing Services has intentionally returned previous stock used for temporary accommodations to the market. With the vacancy rate at a 16-year low, securing stock otherwise available to the public is not in the interest of our residents. Rather, interested owners could consider renting their available units to those seeking permanent housing. The Ottawa Alliance to End Homelessness, in partnership with the City, recently conducted a Housing Blitz for this very purpose. In addition, the City considers the use of the particular apartment units to be unique since the units are serviced like the motel which is nearby. Linen and cleaning services are provided in addition to the kitchen and furnishings that are offered at no additional cost. As was determined by the auditor, the cost is the same as a hotel room.

As it relates to the second recommendation of the report, ceasing to use the apartments would mean relocating families into two or three hotel rooms to accommodate their family size. This creates additional costs for the City, increases food insecurity due to

lack of cooking facilities and causes challenges for lone-parent families when children need to be accommodated in more than one hotel room.

In the event the City ceases their relationship for the use of Tabor, the loss of these units will reduce the number of rooms available for temporary emergency accommodation for new placement requests, potentially resulting in increased wait times for families in the future. Although the City has entered into new hotel/motel arrangement during COVID-19, these relationships are not likely to continue when business and tourist travel resumes.

Staff requires the flexibility afforded under the Delegation of Authority By-law to respond to the needs of families in crisis in a timely and responsive way, while ensuring good financial stewardship of provincial and city funding. As a result, staff strongly recommend not limiting the delegated authority such that the City can maintain the use of the units and continue to work with the families to ensure they are provided with safe and suitable accommodations until they can secure longer-term housing.

COMMENTS BY THE WARD COUNCILLOR(S)

The Ward Councillor is in favour of this direction to staff.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications with the recommendations in this report.

FINANCIAL IMPLICATIONS

The financial implications of the report recommendations depend on the result of their implementation. It is expected that the number of hotel rooms required to house the apartments' residents will cause a net increase in expenditures and a deficit in Housing Services' 2021 budget.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with the recommendations of this report.

TERM OF COUNCIL PRIORITIES

Not applicable

DISPOSITION

The Community and Social Services Department will take appropriate action based on the recommendations made by the Committee and Council.