



## Administrative Report

**To:** Warden MacDonald and Members of Essex County Council

**From:** David Sundin, BA (Hons), LL.B., Director, Legislative and Legal Services/County Solicitor

**Date:** Wednesday, March 5, 2025

**Subject:** County Intensive Supportive Housing Program

**Report #:** 2025-0305-LLS-R10-DMS

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### Purpose

The purpose of this Administrative Report (the "**Report**") is to report back to Council as per Council's direction provided on January 15, 2025, and to seek County Council's direction regarding the procurement process related to the County's Intensive Supportive Housing Program.

### Background

On January 15, 2025, following the presentation of Report Number 2025-0115-LLS-R05-DMS (the "**January Report**"), Council provided the following resolution:

*Essex County Council direct Administration to commence a formal procurement process with respect to an Intensive Supportive Housing Program in the County, report back to Council regarding the outcome of same and for further direction, to pursue a short-term contract with a service provider until the RFP process concludes.*

A copy of the January Report is appended to this Report as **Appendix A** for ease of reference.

The following is a summary of the current status of how homelessness prevention programs are funded and carried out in the County:

- 1) Since the 1990s the City of Windsor has been the Consolidated Regional Service Manager for social services for both the City and the County.
- 2) The City receives funding from both the provincial and federal governments to provide social services, including programs related to addressing homelessness in both the City and the County.

- 3) Any shortfall in funding from the provincial and federal governments results in the additional costs shared as follows: 40% of funding is based on actual costs, 60% is based on regional weighted assessment (however, Pelee is excluded from this weighted assessment specifically for Social Housing only). Please see **Appendix B** for the details of this arbitrated decision.
- 4) For 2024 the County was billed \$18,467,604, which is subject to final reconciliation by the City. The total costs of the Regional Social Services and Social Housing Programs are cost shared as indicated above and referenced in **Appendix B**.
- 5) From the provincial funding available to the Region, the City directly provides money to the County for the County's homelessness initiatives, from a source of funding known as the Homelessness Prevention Program ("**HPP**").
- 6) The HPP allotment that is dedicated to the County's homelessness initiatives has been set at \$2,491,240 for 2025, and is supplemented by \$448,640 from the County's municipal tax levy.
- 7) Effective as of April 1, 2024, the relationship between the City and the County regarding the allotment of HPP funding has been governed by the terms of a funding agreement (the "**Funding Agreement**").
- 8) Traditionally, the HPP funds provided by the Province through the City were used to fund what is now known as "Residential Services Homes", which was formerly known as the "Housing with Supports" Program (the "**Traditional Supportive Housing Program**").
- 9) The Traditional Supportive Housing Program has been used to provide permanent housing, food services, supervised care, and other supports, to low income individuals who require some assistance with activities of daily living.
- 10) The Funding Agreement now provides the County with a set amount of funds for the Traditional Supportive Housing Program along with the operation of a Homelessness Hub in Leamington, the operation of an Emergency Shelter Program in the County, and a dedicated Homelessness Street Outreach Worker.
- 11) In 2022, the County and City each began operating a supportive housing program that was more intensive than the Traditional Supportive Housing Program, in that it provided specialized supports to those individuals experiencing homelessness and that are facing complex medical needs and/or mental health and/or addiction issues (the "**Intensive Supportive Housing Program**").

- 12) The City, as the Consolidated Regional Service Manager, has decided to fund the City's Intensive Supportive Housing Program (the "**City's Program**") differently than the County's Intensive Supportive Housing Program (the "**County's Program**"). The difference means that the City's Program receives approximately \$200,000 more per year from provincial funds than the County's Program does, but with approximately 50% of the cost of the City's Program being funded from the City's municipal taxes. Conversely, to date, the County's Program has not received any support from municipal taxes.
- 13) The County's Program is set to expire on March 31, 2025, which resulted in the January Report being presented to Council, and resulted in direction from Council to engage in a formal procurement process and report back to Council.

## Discussion

In accordance with the direction provided by Council to Administration on January 15, 2025, a formal procurement process was commenced by the County, which closed on February 20, 2025 (the "**Procurement Process**").

The Procurement Process resulted in 2 submissions being provided to continue the County's Program. However, 1 of the submissions was largely in line with how the Traditional Supportive Housing Program is operated and did not fully meet the technical requirements for the County's Intensive Supportive Housing Program.

The other submission provided to the County as part of the Procurement Process did meet the technical requirements for the County's Intensive Supportive Housing Program, and Administration recommends proceeding to attempt to negotiate a Contract with that proponent (the "**Preferred Proponent**"). The Preferred Proponent will have to secure a location to operate the County's Program from in a reasonable amount of time. Should the Preferred Proponent fail to do so, then the County's Program will have to be wound up.

The Preferred Proponent has provided costs for running the County's Program that includes the following:

- 1) A focus on striving to meet the medical and mental health needs of the residents of the County's Program, with a mental health worker and PSW to be on site at all times, and with an RPN on site from 9:00 AM to 5:00 PM every Monday through Friday.
- 2) An Executive Director with a mental health background, who will be on site to address risk issues as they arise.

- 3) A proposed staff schedule that seeks to ensure that mental health expertise is always available on site.

It is the opinion of the Evaluation Committee of the County, tasked with making a recommendation from the Procurement Process, that the Preferred Proponent is the most likely to successfully deliver the County's Program as:

- 1) The proposal is for a program with qualified staff and with a level of staffing that is required to successfully deliver this type of program.
- 2) The proposal clearly identifies the key needs of the residents of the County's Program and provides a plan to address those needs.
- 3) The Preferred Proponent provides services to the County through the Traditional Supportive Housing Program, and has a good track record of providing quality service.

Finally, since the January Report was drafted and presented to Council, it was also announced that the City was approved to open and operate a Homeless and Addiction Recovery Treatment ("**HART**") Hub program. Funding for the HART Hub has been announced to be \$6,300,000 per year, and will initially house 16 individuals.

The announcement from the Provincial Government summarized the HART Hub Program as follows:

- The goal of the Windsor-Essex HART Hub is to bring community partners together, through a shared model of care, to effectively and compassionately support individuals experiencing homelessness, addictions issues, and other complex issues.
- The Windsor-Essex HART Hub **proposed services** include:
  - primary care
  - mental health and addictions services including, assessment, care coordination withdrawal management
  - peer support
  - mental health and addictions supportive housing
  - services to meet basic needs
- The **primary objective** of the Windsor-Essex HART Hub is to divert repeated/inappropriate emergency department visits by providing individuals with more immediate access to help and efficiently using local community resources.

## Financial Implications

County Homelessness Programs vary in cost. **Appendix C** provides details on available programs, the individuals they serve, and associated funding sources.

If Council directs Administration to negotiate a contract to continue the Intensive Supportive Housing Program, total program costs through 2025 are expected to remain at approximately \$107,000 per month, consistent with current expenditures.

The program's costs will be partially offset by:

- 1) Provincial funding through the Funding Agreement
- 2) Rent recoveries from residents
- 3) Surplus funds, if any, from the County's Homelessness Programs

However, even with these funding sources, a significant funding gap will remain, which the County will need to cover.

Occupancy	Funds Available (\$60 per day x # of residents x 365 days)	Potential Funds Required (Shortfall)
25 Residents	547,500	738,488
30 Residents	657,000	628,988
35 Residents	766,500	519,488

To cover the 2025 funding gap, Administration recommends using Safe Restart funds for the remainder of the year. However, long-term funding must be addressed in the 2026 Budget deliberations and incorporated into the County's levy starting in 2026 should Council wish to continue this program and in the absence of any other available funding.

The table below provides the estimated total program costs over five years, along with the corresponding County funds needed to cover the anticipated unfunded portion of the program for 35 residents.

<b>Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Total Cost of the Program	\$1,285,988	\$1,319,424	\$1,353,729	\$1,388,926	\$1,425,038
Cost Per Resident Per Day	\$ 100.66	\$ 103.28	\$ 105.97	\$ 108.72	\$ 111.55
Bloc Funding for 35 Residents	\$ 766,500	\$ 766,500	\$ 766,500	\$ 766,500	\$ 766,500
Anticipated County Levy Dollars Required	519,488	552,924	587,229	622,426	658,538

**Notes:**

The chart above is based on 35 residents utilizing the program and the program being bloc funded. There is no rental supplements included as revenue as this is not guaranteed.

Alternatively, if Council directs Administration to discontinue the County’s Program, there will still be associated costs, though they are more difficult to quantify. As noted in the January Report, anecdotal evidence suggests that homelessness leads to increased expenses for the shelter system, healthcare, and emergency services.

Since the County reimburses the City for 40% of direct social services and social housing costs and 60% based on weighted assessment—and shares EMS costs with the City—any rise in demand for emergency shelter, social housing or emergency response will have financial implications for County taxpayers.

Below is a table identifying the per diem costs of housing individuals in the County's Intensive Supportive Housing Program for Year 1 versus the costs for housing someone in the emergency shelter system or the new HART Hub.

	<b>County Program</b>	<b>Emergency Shelter</b>	<b>Hart Hub Program</b>
<b>Per Diem</b>	\$100.66	\$175.00	\$1,078.77

The above Table is based on there being 35 individuals in the County's Intensive Supportive Housing Program and there being 16 individuals in the HART HUB.

If Council directs Administration to negotiate a contract with the Preferred Proponent, Administration recommends implementing an Intensive Supportive Housing Program for 35 residents.

**Consultations**

In drafting this Report, consultations were held with:

- the County's Procurement Division
- Jeanie Diamond-Francis, Manager, Community Services
- Melissa Ryan, Director, Financial Services/Treasurer
- Sandra Zwiers, CAO

**Strategic Plan Alignment**

<b>Working as Team Essex County</b>	<b>Growing as Leaders in Public Service Excellence</b>	<b>Building a Regional Powerhouse</b>
<input checked="" type="checkbox"/> Scaling Sustainable Services through Innovation  <input checked="" type="checkbox"/> Focusing "Team Essex County" for Results  <input checked="" type="checkbox"/> Advocating for Essex County's Fair Share	<input type="checkbox"/> Being an Employer with Impact  <input checked="" type="checkbox"/> A Government Working for the People  <input type="checkbox"/> Promoting Transparency and Awareness	<input type="checkbox"/> Providing Reliable Infrastructure for Partners  <input checked="" type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County  <input type="checkbox"/> Harmonizing Action for Growth  <input type="checkbox"/> Advancing Truth and Reconciliation

## **Recommendation**

That Essex County Council receive Report Number 2025-0305-LLS-R10-DMS – County Intensive Supportive Housing Program as information.

### **And One of the following options:**

#### **OPTION 1**

That Essex County Council directs Administration to negotiate a Contract with the Preferred Proponent with respect to an Intensive Supportive Housing Program in the County, and report back to Council regarding same;

**OR**

#### **OPTION 2**

That Essex County Council directs Administration to advise the Proponents that the Procurement Process is cancelled.

## **Approvals**

Respectfully Submitted,

*David M. Sundin*

David Sundin, BA (Hons), LL.B., Director, Legislative and Legal Services/County Solicitor

Concurred With,

*Sandra Zwiers*

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

<b>Appendix</b>	<b>Title</b>
A	Report Number 2025-0115-LLS-R05-DMS
B	1999 Arbitrated Decision
C	County Homelessness Programs