

City of Kingston Report to Council Report Number 25-121

| То: | Mayor and Members of Council |
|------------------|--|
| From: | Lanie Hurdle, Chief Administrative Officer |
| Resource Staff: | None |
| Date of Meeting: | April 1, 2025 |
| Subject: | Delegated Authority for Contracting for Shelter Services |

Council Strategic Plan Alignment:

Theme: 1. Support Housing Affordability

Goal: 1.4 Improve service to unhoused and precariously housed.

Executive Summary:

The City of Kingston purchased 38 Cowdy Street in May 2023 with the intent to use the property as a homeless shelter in the short-term and transition the space to community use/parkland in the long term. The homeless shelter has been operating for about 2 years and City staff have been advancing work on various properties within the city to relocate existing shelter services to new locations by the end of 2025.

Properties to be converted for shelter purposes will all require some form of renovations, temporary structures, as well as contracted services. Procurement of these services in accordance with By-Law Number 2022-154, A By-Law to Establish a Procurement Policy (the Procurement By-Law) can be time consuming and would delay operations of new shelter locations well into mid to late 2026. In order to expedite the process and make services available as soon as possible, staff are recommending that Council delegate authority to staff to award contracts using the non-standard procurement method as outlined in the Procurement By-Law for all work that is required to establish functional shelters targeting the end of 2025. Staff would make best efforts to obtain quotes when and where possible and will work within the 2025 approved budgets and funds available for the purpose of homelessness services.

Page 2 of 6

City staff will report back on contracts awarded as part of the monthly Delegation of Authority information report to Council. This delegated authority only applies to purchasing within the approved capital budget of \$6M for shelter development and Community Benefit Fund contribution of \$280,000.

Recommendation:

That Council delegate authority to the Chief Administrative Officer, Chief Financial Officer or their delegates to proceed directly to the non-standard procurement method identified in By-Law Number 2022-154, A By-Law to Establish a Procurement Policy for the City of Kingston, to award contracts, as necessary to renovate and operate future homeless shelter sites, based on future property acquisitions up to \$6.2M to be funded from the 2025 approved capital budget and Community Benefit Fund of \$280,000; and

That Council approve a budget amendment of \$280,000 for renovations and improvements to future homeless shelter sites funded from the Community Benefit Fund.

Page 3 of 6

Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

Lanie Hurdle, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate & Emergency Services

David Fell, President & CEO, Utilities Kingston

Not required

Ian Semple, Acting Commissioner, Transportation & Infrastructure Services Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer

Page 4 of 6

Options/Discussion:

Background

In January 2023, the City entered into a short-term lease agreement with the Limestone District School Board (LDSB) to utilize the former school for the purpose of an overnight drop-in shelter which has been operated by Lionhearts Inc. in the time since.

On May 23, 2023, Council approved the following motion:

That Mayor and City Clerk be authorized to execute the necessary legal documents to effect the purchase of 38 Cowdy Street, in a form satisfactory to the Director of Legal Services; and

That up to \$1.5M be funded from the Parkland Reserve Fund for the purchase of lands and related closing costs.

The City's intent was to utilize the property as a temporary shelter to help support the transition of services offered out of the property at 218 Concession Street. The longer-term intent was to use the property for additional community space/parkland and housing use. Staff reviewed the subject property and deemed it well configured to function as parkland given its central location within the immediate neighbourhood. The City's purchase of the property was undertaken with the intent of eventually demolishing the former school and creating a larger combined park area of potentially up to 1.37 hectares (3.4 acres). With this intent, the purchase was funded from the Parkland Reserve Fund. Additionally, some components of housing were considered along some portion of the site's street frontage with the understanding that these opportunities would need to be further assessed closer to the time of demolition and any related park planning exercises.

The City worked with Lionhearts Inc. to continue to operate the Adelaide Street shelter at 38 Cowdy Street. The shelter started smaller in scope and eventually expanded to its 63 bed capacity as of April 1st. The Adelaide shelter was critical to meet community needs while the City transitioned through the wind down of warming services at the 218 Concession St. property and while the Integrated Care Hub was closed for an extended period.

This shelter was always intended to be temporary considering the significant concentration of homelessness and affordable housing services located in the Inner Harbour area.

Analysis

City staff have been actively looking for alternative sites/properties to relocate shelter services and target a better distribution across the overall City urban boundary recognizing that land and properties of a larger footprint are becoming scarce. The intent is to redistribute the shelter services to at least two separate sites/properties to reduce any impacts on surrounding neighbourhoods. City staff are still in the process of reviewing property options but recognize that any property potentially acquired or leased by the City will require some type of renovation, additional services or temporary structures. All property acquisitions must be approved by

Page 5 of 6

Council and reported out publicly and staff are not recommending that this authority be delegated to staff as part of this report.

The City Procurement By-law governs the processes and approach to purchasing. These processes, depending on amount and complexity of work, can take multiple months to prepare, issue, review and award. It is anticipated that any property purchased by the City will require professional technical supports (e.g. engineering), renovations, servicing upgrades/renovations, temporary structures, furniture, etc. If City staff are to be bound to these processes for the purpose of renovations, upgrades and purchases, it is anticipated that properties would not be ready to provide services until mid to late 2026, depending on the complexity and amount of work required.

Therefore, staff is recommending temporary delegated authority to award contracts using the non-standard procurement method as outlined in Section 17 of the Procurement By-Law, where required, in order to accelerate purchases and/or contracts associated with these shelter developments. Staff are also recommending that this would apply to the approved 2025 capital budget of \$6M as well as the \$300,000 in Community Benefit Funds to be reallocated to this initiative. Furthermore, staff will report back on contracts awarded as part of the monthly Delegation of Authority information report to Council.

City staff recognize that the actual renovations will not start until Council has purchased properties but there are various service contracts such as engineering, architecture, etc. that can be issued ahead of property acquisition that can help accelerate the work once a property is purchased.

Public Engagement

City staff will undertake public engagement with neighbourhood residents when sites/property selection process is closer to finalization.

Indigenization, Inclusion, Diversity, Equity & Accessibility (IIDEA) Considerations

Homeless shelter services serve the most vulnerable populations. The City's ability to maintain existing levels of service is dependent on its ability to secure additional sites/properties and address renovations/additions in a timely manner.

Existing Policy/By-Law

<u>City of Kingston By-Law Number 2022-154</u>, "A By-Law to Establish a Procurement Policy for the City of Kingston"

Notice Provisions

Not applicable

Page 6 of 6

Financial Considerations

Council approved \$6M in the 2025 capital budget to support this initiative. There is about \$280,000 in the Community Benefit Fund that will be transferred to support this initiative.

Contacts:

Lanie Hurdle, Chief Administrative Officer, 613-546-4291 extension 1231

Other City of Kingston Staff Consulted:

Brent Funnell, Manager, Procurement

Jayne Beggan-Hartley, Director, Housing & Social Services

Speros Kanellos, Director, Facilities Management & Construction Services

Exhibits Attached:

None