



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Extensions, Amendments and Update for Shelter, Support and Housing Administration COVID-19 Response Sites

Date: November 19, 2021

To: General Government and Licensing Committee

From: Executive Director, Corporate Real Estate Management

Wards: 4 - Parkdale-High Park, 7 - Humber River-Black Creek, 10 - Spadina-Fort York, 12 - Toronto-St. Paul's, 13 - Toronto Centre, 23 - Scarborough North

REASON FOR CONFIDENTIAL INFORMATION

Confidential Attachment 1 refers to a position, plan or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto.

SUMMARY

This report seeks City Council approval to enter into lease and licence extension and/or amendment agreements for leased and/or licensed premises at thirteen locations to accommodate Shelter, Support and Housing Administration's ("S.S.H.A.") emergency response efforts to the COVID-19 pandemic. S.S.H.A. will bring a report to Council in the first quarter of 2022 that provides details on a transition plan to support the wind down of the Emergency Shelter Hotels after April 30, 2022.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, recommends that:

1. City Council authorize lease and licence extension and/or amendment agreements for the premises described in Attachment 1, substantially on the major terms and conditions outlined in Attachment 1, and including such other terms and conditions as may be deemed appropriate by the Executive Director, Corporate Real Estate Management, in consultation with the General Manager of Shelter, Support and Housing Administration, and in a form acceptable to the City Solicitor.

2. City Council ratify the additional expenditures required under the lease at 45 The Esplanade retro-active to the commencement date less a \$50,000.00 credit from the respective landlord, as detailed in the Financial Impact section.
3. City Council adopt the confidential instructions to staff in Confidential Attachment 1.
4. City Council authorize the public release of the confidential information contained in Confidential Attachment 1 of this report upon the expiration of the last agreement of the hotels, as it contains instructions to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto.

FINANCIAL IMPACT

The total cost of all the lease and licence extensions and amendment agreements from January 1, 2022 to April 30, 2022 is \$24,436,205.00, comprised of \$17,564,355.00 in room rent, \$4,669,200.00 in catering fees and \$2,202,650.00 in additional costs.

Room rental costs, being on average \$100 per room per day, cover room costs, as well as landlord responsibilities under the specific lease agreements, such as the operation and maintenance of core operating obligations, building systems within the hotel, and waste management, pest control, and housekeeping services.

Catering fee costs, being on average \$30 per day per occupant, covers the provision of a basic menu and snack options that provide variety and nutritional value for each occupant consisting of 3 meals and 2 snacks.

Additional costs of \$2,202,650.00 apply to the hotel at 45 The Esplanade to ratify costs not accounted for in a previously executed Delegated Approval Form ("D.A.F.") Tracking No. 2021-045, which was granted on February 23, 2021. The costs are for: (i) \$133,120.00 representing the costs for an additional eight (8) rooms that have been used by S.S.H.A. and the operator, retroactive from June 7, 2021; (ii) \$2,119,530.00, representing catering costs incurred from the commencement date of February 16, 2021 up until September 30, 2021 and assuming full occupancy thereafter until December 31, 2021, which costs were originally not captured in the D.A.F.; and (iii) less a \$50,000.00 credit, which was negotiated between the City and the respective landlord, to account for a delay in commencing the shelter operations as a result of the City's coordination of approval of building occupancy from Toronto Fire Services ("T.F.S.").

Corporate Real Estate Management and S.S.H.A. commit to reporting back to City Council with cost details in the first quarter of 2022. For more details, please refer to Confidential Attachment 1.

Funding of \$276,300,000.00 to support the City's COVID-19 Response in 2021 was included in S.S.H.A.'s 2021 Approved Operating Budget and base funding requirements will continue to be included in the 2022 Operating Budget to sustain and wind down COVID-19 response operations.

The Chief Financial Officer and Treasurer has been informed of the financial impacts associated with this report.

DECISION HISTORY

All material terms and conditions for shelter leases are publically available on the City's Leases and Licences Delegated Approval Forms site: <https://www.toronto.ca/business-economy/doing-business-with-the-city/real-estate-services-delegated-approval-forms/leases-and-licences/>.

On November 9, 2021, City Council adopted EC25.6 2022 "Shelter Infrastructure Plan, Community Engagement Review and Amendments to Contracts and Purchase Orders to Support Shelter Services", which provided an overview of the COVID-19 Transition and Relocation plan.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EC25.6>

In March 2020, additional authority was delegated to staff under Municipal Code Chapter 59, Emergency Management as a result of the COVID-19 pandemic. Along with the typical authorities that allow City staff to locate shelters in locations that meet zoning by-laws further emergency authorities have been granted under these emergency orders to allow/enable City staff to rapidly expand the shelter system to ensure the safety of staff and residents.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RM20.1>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC20.3>

At its meeting on October 27, 2020, City Council adopted EC16.1 "Interim Shelter Recovery and Infrastructure Implementation Plan". It included several recommendations, including authorizing the General Manager, Shelter, Support and Housing Administration to receive funding and enter into new or amend existing agreements, subject to the approval of Shelter, Support and Housing Administration's 2021 Operating Budget, to continue to provide the City of Toronto's response for the homelessness service system

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC16.1>

At its meeting of June 26, 27, 28 and 29, 2018, City Council adopted CD29.8, authorizing the General Manager of Shelter, Support, and Housing Administration ("S.S.H.A.") to enter into new or amend existing agreements to open and operate shelters, as outlined in the 2019 Shelter Infrastructure Plan.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.CD29.8>

At its meeting of December 5, 6, 7 and 8, 2017, City Council adopted CD24.7 "2018 Shelter Infrastructure Plan and Progress Report." City Council approved the 2018 Shelter Infrastructure Plan and a new property development approach to siting shelters. City Council authorized the Deputy City Manager, Cluster A, to approve specific sites for shelters, provided certain criteria are met.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD24.7>

COMMENTS

Background

In response to the COVID-19 pandemic and provincial guidelines on physical distancing in congregate settings, the City completed a comprehensive search for shelter and housing opportunities to provide required physical distancing spaces for shelter residents. Due to the urgency of the pandemic, and the need to immediately provide physical distancing to mitigate risks to vulnerable individuals and help keep them safe, staff focused on spaces that were ready for operations with minimal retrofits required. Hotels were considered the optimal solution as they provided furniture, physical distancing with shelter residents in their own rooms and bathrooms, and were equipped to provide cleaning services, as well as catering services, if required.

Currently there are 26 temporary shelter sites funded and contracted directly by the City that continue to operate as part of the City's COVID-19 pandemic response, 23 of which are in hotels or motels. Ten of these sites were being used prior to the pandemic and have since been converted to assist the City's COVID-19 response. An additional 13 hotels were leased or licensed after the pandemic started. These 13 hotels are the focus of this report.

Continued Need for Emergency Shelter Hotels

The 13 hotels currently in the City's portfolio of temporary accommodations for S.S.H.A. clients, leased or licensed after the COVID-19 pandemic began, are listed in Table 1 below (the "Emergency Shelter Hotels"), together with the maximum number of rooms allocated for each hotel under their existing agreements.

Table 1: Emergency Shelter Hotels and their Capacity

No.	Hotel Address	Maximum No. of Rooms
1	45 The Esplanade	262
2	65 Dundas Street East	285
3	335 Jarvis Street	50
4	92 Peter Street	208
5	30 Norfinch Ave	163
6	56 Yonge Street	56
7	14 Roncesvalles Avenue	43
8	556 Sherbourne Street	39
9	808 Mount Pleasant Road	109
10	376 Dundas Street East	25
11	26 Gerrard Street East	39
12	60 York Street	194
13	20 Milner Business Court	146
Total		1,619

As the City continues to be vigilant in anticipation of a potential increase in COVID-19 cases this winter, as well as regular winter response planning in the shelter system, an extension of current Emergency Shelter Hotel lease and licence agreements is required to meet provincial physical distancing guidance for congregate settings, protect the

health and safety of service users, and provide stability for the City's shelter system through the winter months. An operational plan for the transition of these temporary hotel response sites is in development, and is dependent on a number of factors including changes to provincial guidance on physical distancing in congregate settings, indicators of shelter demand, and the availability of additional affordable and supportive housing opportunities. Additional details about the transition plan is available in the 2022 Shelter Infrastructure Plan, Community Engagement Review and Amendments to Contracts and Purchase Orders to Support Shelter Services ([EC25.6](#)).

The Emergency Shelter Hotels will continue to be used to provide temporary accommodations for shelter clients for physical distancing or to meet the needs of isolation and/or recovery of shelter clients and other shelter needs. The Emergency Shelter Hotels were all and will continue to be operated by a combination of City staff and service provider(s) deemed appropriate by the City.

Extending the Lease and Licence Agreements

Given the continued need for the Emergency Shelter Hotels and impending expiry of their lease and licence agreements in December 31, 2021, this report seeks authority to extend and amend the leases and licences for the Emergency Shelter Hotels outlined in the above Table 1 for four (4) months, commencing January 1, 2022 and expiring on April 30, 2022, (other than 556 Sherbourne, which has an existing option until January 31, 2023, and 808 Mount Pleasant Road, which has an existing option until May 31, 2023) in accordance with the major terms and conditions set out in Attachment 1 and in Confidential Attachment 1 and to ratify the expenditures not previously authorized.

S.S.H.A. has confirmed that the terms and conditions are fair, reasonable and aligned with the service needs required to support the City's response efforts to the COVID-19 pandemic. Corporate Real Estate Management staff consider the terms and conditions of the proposed extensions and amendments outlined in Attachment 1 and in Confidential Attachment 1 to be fair, reasonable and reflective of market rates.

S.S.H.A. will bring a report to Council in the first quarter of 2022 that provides details on a transition plan to support the wind down of the Emergency Shelter Hotels after April 30, 2022.

CONTACT

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SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

ATTACHMENTS

Attachment 1 - Lease and Licence Extensions and Amendments: Major Terms and Conditions

Confidential Attachment 1 - Confidential Instructions to Staff