



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 2380-20

From: Director of Recreation, Culture, and Community Services

Date: December 11th, 2024

Subject: Winter Shelter – Service Provision

PURPOSE: To update Council on actions undertaken to enable the provision of winter shelter services for the 2024/2025 season and to seek Council approval to enter into an agreement with the Lookout Housing and Health Society (Lookout) for the provision of an Extreme Weather Response shelter (EWR) at 971 Cumberland Road.

BACKGROUND:

The 2023 Point-in-Time (PiT) Count in the Comox Valley unveiled a worrying escalation in homelessness, with a recorded 272 individuals experiencing homelessness—more than doubling the 132 individuals identified in 2020. This data, gathered over a year ago, underscores the urgent need for targeted interventions and community support.

In response to the escalating homelessness crisis, the City of Courtenay continues to identify and implement a range of initiatives aimed at addressing homelessness. Key actions have included the effective administration of the Strengthening Communities' Services Grant, which has facilitated critical resources for local support services. The City has engaged in strong advocacy with the Provincial government to secure additional funding and promote the development of a purpose-built shelter and supportive housing. Furthermore, the City has leased space to the Comox Valley Transition Society in support of the provision of essential day and shelter services, as well as activated warming and cooling centres to assist vulnerable individuals during extreme weather events.

Despite the aforementioned actions, securing a suitable location for the provision of winter shelter services has proven to be a substantial obstacle across the Comox Valley. Opportunities to lease space have encountered several barriers including disinterest in short-term seasonal leases and concerns about the impact of shelter services on nearby businesses and residents. Despite a significant community effort in 2023/2024 and ongoing property searches which included investigating over sixty (60) potential properties, the region has not been able to secure a location, resulting in the absence of additional winter shelter services during a critical period.

Winter Shelter Strategy and Implementation

In summer 2024, the City of Courtenay requested authority to lead the development of a Winter Shelter Strategy on behalf of the region with the financial support of the Comox Valley Regional District (CVRD). The City was approved to receive \$91,000 from the CVRD Homelessness Supports Services (HSS) Function 451 to facilitate the establishment of winter shelter services for the 2024/2025 winter season and develop a regional Winter Shelter Strategy. Specifically, these funds were allocated to procure a consultant to lead the development of the regional Winter Shelter Strategy, offset City staff costs, and designate a portion to address potential funding gaps related to the shelter program. It has been realized that the \$91,000 does not provide enough funding to enhance staffing resources within the City, and the funds are more desperately needed to complete safety and tenant improvements at any potential location. As such, the

funds from the HSS are being utilized to procure a consultant and leave budget to contribute towards required tenant improvements (fire alarm system, basic repairs, etc.) on a selected site.

The immediate priority is to ensure that winter sheltering options are available for the 2024/2025 winter season. This work builds on the significant efforts of the regional EWR Task Force in the 2023/2024 season, as well as the advocacy and work of the Comox Valley Coalition to End Homelessness, service providers, peers, and others in the Comox Valley. Together since 2023, the EWR Task Force, Coalition, City staff and Winter Shelter Working group have reviewed more than sixty (60) potential locations.

Barriers encountered in securing a location

Finding a location for temporary winter shelter services has become a significant challenge due to factors such as the limited availability of appropriate locations, the need for proximity to complementary services, community concerns, and the willingness of landlords. Additionally, negotiating short-term leases—specifically for the winter season— are extremely difficult, as most private landlords expect longer commitments ranging from two to five years. Activating a shelter site, especially on a tight timeline, requires a coordinated effort among operators, funders, local governments, and property owners to address various issues, including lease terms, funding limitations, permitted uses, and compliance with building and fire codes, as well as community engagement.

Leasing commercial space from private landlords for shelter purposes poses challenges as landlords often express concerns about the security of their properties and potential economic impacts, such as increased costs for maintenance and security, as well as the risk of revenue loss from unoccupied units.

The lengthy process of securing a lease and obtaining necessary approvals for shelter use can result in missed opportunities, owing to the competitive nature of commercial property availability. Entering into a lease without guaranteed approval for use as a shelter poses significant risks for service operators as well.

DISCUSSION:

The City of Courtenay and surrounding region face a persistent challenge in finding a reliable winter shelter location. The failure to date of securing an Extreme Weather Response (EWR) shelter location, despite considering over sixty (60) properties, exemplifies the aforementioned challenges. An alternative solution is required to avoid repeated setbacks which leave vulnerable populations without crucial support during the coldest months, namely without a shelter to mitigate the significant health impacts of winter weather. Additionally, the strain on local governments and non-profits is significant as they dedicate time and personnel to the search for suitable spaces, diverting resources away from other essential services. The erosion of community trust, fueled by the fundamental gap in services for the unhoused population, adds another layer of complexity.

Opportunity to Activate Newly Acquired City Facility

The City has recently acquired a property located at 971 Cumberland Road. Although not purchased for the purposes of providing winter shelter services, the building presents a significant opportunity to provide winter shelter services for the 2024/2025 winter season. Should Council consider facilitating winter shelter services at this site, this property will effectively eliminate the barriers associated with leasing a privately-owned location, which has hindered prior efforts.

Description of Location and Building

The City is exploring the use of 971 Cumberland Road as a temporary location for winter shelter services to address the urgent community need for shelter space. This 4,847 sq ft concrete block building presents a

viable solution due to its size and suitable layout. Located in a light industrial area near other City properties, the building offers a mix of open areas, two washrooms, and multiple access points. The building's proximity to the Connect Warming Centre (1.1 km) is an added benefit. While currently zoned Industrial Two (I-2) for retail use (Group E), the OCP designates this area as a Town Centre, supporting community services and housing. An architectural review is underway to identify the necessary building improvements required to meet the change in use to residential (Group C) and address health and life safety requirements as per the BC Building Code. The focus is solely on providing winter shelter services; additional services are not currently planned. Staff and the proposed operator are working with the architect to develop a floor plan that will address operational requirements, determine occupancy load, and identify necessary building modifications to comply with the change in use.

Shelter Cost Contributions, Provision of a Regional Service

While the City has been approved to receive \$91,000 towards the development of a regional Winter Shelter Strategy, the amount is not sufficient to both develop a strategy and activate a winter shelter location. The following represents an estimated budget of the use of those funds:

- Winter Shelter Strategy Consulting fees: \$50,000
 - Implementation of 2024/2025 Winter Shelter: \$16,000
 - Creation of Winter Shelter Strategy: \$34,000
- Shelter Activation: \$41,000
 - Consulting fees (architect, hazardous materials assessment, project management): \$30,000
 - Remaining for building improvements: \$11,000

To activate 971 Cumberland Road as a winter shelter, significant and immediate renovations are required. These renovations are to ensure the life safety of clients accessing the space and the security and safety of clients, staff, and the public when the shelter program is activated. Additional funding is also required to address shelter operator costs that are not recoverable through the BC Housing EWR shelter program. Funding provided by BC Housing for EWR shelter operations is limited. As this program was established to provide shelter services in extreme weather conditions to ensure the life safety of unhoused individuals, the program does not provide funding for additional services such as security, community engagement, or outreach.

While staff are seeking partner contributions towards shelter activations expenses, at the time of the writing of this report, no additional funding has been confirmed. As such, staff are recommending that Council authorize the expenditures necessary to activate a temporary EWR shelter in order to enable the timely opening of the shelter and in recognition that the property is a City asset and any improvements to the building may be of benefit to the City in the future.

The total estimated expenditure amount (\$230,000) is summarized as follows:

- Shelter operations (site security and neighbourhood support): \$50,000
- Building improvements: \$150,000 (including a \$50,000 contingency)
- Other services rendered: \$30,000
- Total estimated expenditure: \$230,000
- Remaining unallocated previously approved funding: (\$41,000)
- Total additional funding request: \$189,000

Shelter Operations

Funding applications for both Temporary Winter Shelter (TWS) and Emergency Weather Response (EWR) shelters have been submitted to BC Housing. BC Housing has communicated that TWS funding is not currently available, however BC Housing has confirmed that EWR funding will be allocated to this additional location once an operator and location have been secured.

Funding under the EWR program does not include security, outreach services, or other supportive staffing costs such as peer support. A staffing ratio of one (1) staff per ten (10) guests is afforded for under EWR funding, which does not account for increased staffing needs during busy times (opening or closing), additional cleaning services or peer supports, or additional security or outreach services. These additional supports are critical to successful shelter service delivery and community integration. Security and outreach staff can improve community relationships by increasing the visibility of staff on-site, reassuring neighbours that the site is well resourced to respond to concerns, as well as ensure the building perimeter is clear following nightly shelter activations.

Costs for additional staff and security are estimated at \$50,000 for the 2024/2025 season. This cost assumes shelter services will be activated 75% of the nights between January and April 15th. This funding will be distributed via an agreement with a shelter operator based on nightly activations.

Building Requirements to Facilitate Shelter Use

To prepare the building for use as a winter shelter, an architect has been engaged to assess and specify necessary building upgrades. Upon confirmation of permitted use, the City will secure contractors to complete the work as expediently as possible.

Initial assessments indicate the need for the following building upgrades in order to allow for the building's use as a shelter:

- an integrated fire alarm system and security alarm system
- complete renovation of the two washrooms, with possible requirement to add in additional washrooms
- adjustment to interior framed walls to meet the operational requirements of a shelter service
- installation of temporary flooring
- installation of fencing along unfenced property perimeters
- installation of one-way exit gates on perimeter fence for emergency exiting
- hazardous material (asbestos) abatement

Additional upgrades unconfirmed at this time include repair of exterior doors, additional electrical outlets installed, and other repairs to improve functioning of building. All tenant improvements will meet life safety and health standards to the satisfaction of the Fire Chief and the Manager of Building Services.

The current estimated cost for these improvements is approximately \$75,000 to \$100,000. Staff are recommending a substantial contingency amount of \$50,000 as the architectural review and proposed building improvements are preliminary at this time.

Additional Services Rendered

In order to move this project forward in a timely manner, the City of Courtenay has incurred costs such as the hiring of an architect, hazardous materials assessments, and project management. These costs are estimated at \$30,000.

Property Costs

The provision of 971 Cumberland for use as an EWR results in the City foregoing lease revenue from other potential tenants for the period of December 2024 through May 2025. The value of this foregone lease revenue is estimated at \$28,000. The market lease rate calculations for the property at 971 Cumberland Road are based on its total area of 4,847 square feet and an estimated market lease rate of \$14 per square foot. This results in a monthly market lease amount of \$5,600 plus \$1,500 building operating costs, totaling \$35,100 over the five-month period.

Staff will be requesting funding from the Comox Valley Regional District towards the aforementioned expenditures required for winter shelter activation at 971 Cumberland Road.

Emergency Weather Response Community Plan

The Comox Valley Community Plan for Extreme Weather Response (EWR Community Plan), created under the leadership of the Coalition to End Homelessness and with support of service providers in the area, is the overarching plan for EWR services in the Comox Valley. It sets out the purpose of the program, the protocols for activation and communications, the reporting structure, and names the operators and locations available for services. In the 2024/2025 Winter EWR community plan three (3) potential sites are identified. Two of these sites have been unable to activate due to barriers in preparing the locations for safe sleeping, and the third was an 'undetermined' location with 20 beds, which is intended to be the location now identified and discussed in this report.

The EWR Community Plan also defines the weather conditions under which EWR services would be activated. These are pre-approved parameters for activation that have been proposed by the community and approved by BC Housing. When these weather conditions are met, BC Housing will provide operators with pre-approved per diem for expenses incurred for operation upon receipt of an invoice for services. The weather conditions defined in the EWR Community Plan include sleet or freezing rain, snow accumulation, sustained winds, heavy rainfall, temperature threshold of below one degree Celsius, wind chill factor, flood risk, or a combination of conditions. Based on historical weather trends, the activation rate for the EWR is estimated to be approximately 50% to 75% of nights from opening to April 15th, when the program ends. Activation of the EWR program occurs on a night-to-night basis and is based on the same day weather forecast for the evening. Activation and notification is led by the Community Contact (Coordinator for the Comox Valley Coalition to End Homelessness).

Agreement with Shelter Operator – Lookout Housing and Health Society

Lookout has expressed interest in operating an Emergency Weather Response shelter in the Comox Valley. In connection with this initiative, Lookout is actively providing input on the operational needs and the configuration of the property located at 971 Cumberland Road.

Lookout operates a range of programs for housing and wellness across twenty-two (22) municipalities in Vancouver Island and the Lower Mainland of British Columbia. Their work centers around providing non-judgemental and non-sectarian services to individuals coping with a wide variety of challenges including poverty, mental illness, substance use, trauma, mental and/or physical disabilities, chronic health illnesses, financial and legal issues.

Lookout operates services ranging from health and wellness supports, outreach services, housing, sheltering and more. They have over 50 years of experience providing services. On Vancouver Island, they run sheltering and housing programs including EWR services. Locally, they operate the Junction, a supportive housing

facility located in Courtenay. They are able to provide the following services related to the delivery of an EWR, if approved:

- Staffing and human resources
- Oversight of the program via existing management at the Junction
- Support of EWR operations through kitchen and other infrastructure at the Junction
- If funding allows, they are prepared to add in additional supports for guests to improve safety and wellbeing.

Staff recommend that the City enter into an agreement with Lookout for the operation of Extreme Weather Response shelter services at this City property. The agreement will outline the terms, conditions, roles and responsibilities of the parties as it relates to the operation of an EWR shelter. Due to the intermittent and unpredictable nature of EWR shelter activation, staff and Lookout agree that a lease would not be an appropriate form of agreement for this particular service as Lookout could not accept the responsibilities associated with a lease when the EWR is not in active use. The agreement would be effective following approvals by the Fire Chief and Manager of Building Services for shelter use at this location until May 16th, 2025. The agreement would extend past the end date of the EWR program (April 15th) to allow for site clean up and equipment removal.

Staff and Lookout are working collaboratively and are confident in reaching a service agreement for the Emergency Weather Response shelter at 971 Cumberland Road. To mitigate the risk of delays in establishing essential EWR services, should unforeseen circumstances arise, staff request that Council delegate authority to identify, negotiate with, and select an alternative suitable operator. This proactive contingency plan will enable a swift transition to another provider should it be required, minimizing winter shelter service provision delays. The terms and conditions of EWR shelter use will serve as a framework for negotiations with any service provider, ensuring consistent service delivery and adherence to City requirements.

Terms and Conditions of EWR Shelter Use

An agreement between the shelter operator and the City will outline the terms and conditions for operating 971 Cumberland Road as a Extreme Weather Response shelter. Addressing anticipated concerns from the community, adjacent properties, and the operator regarding building security, neighborhood impact, and operational requirements, the City and shelter operator will engage in discussions to incorporate mitigation strategies into the agreement where possible. These strategies, proven effective in other locations, combined with best practices from both the City and shelter operators, aim to balance community needs with the critical need for winter shelter services:

- **Hours of Operation:** 7:00 PM to 7:00 AM daily, December 2024 through April 2025.
- **Guest Capacity:** Estimated maximum 20 individuals.
- **Site Security:** Additional security or operator personnel will be on-site during peak hours of operation to ensure the safe and secure operations of the EWR (additional funding required).
- **Perimeter Maintenance:** A daily morning perimeter clean-up will be conducted after shelter closure to collect and dispose of debris and ensure the property remains clear of loitering.
- **Community Engagement:** Operator to conduct community outreach with neighbouring properties and residents to ensure open lines of communication, address conflict and concerns in a timely fashion, and work collaboratively to be good neighbours (additional funding required).

The terms and conditions of the agreement between the City and operator will seek to proactively mitigate potential impacts while also recognizing the limited funding available from BC Housing to EWR shelter operators.

Next Steps

If approved by Council, staff will immediately action steps to proceed with building improvements required to activate 971 Cumberland Rd for the provision of winter shelter services, including ensuring all necessary approvals and permits are received and completed. The City takes possession of 971 Cumberland Rd on December 16, 2024 and will initiate steps to complete building improvements as expeditiously as possible. While a timeline is unknown at this time, staff expect that the location will be open in the New Year and will report back to Council if any significant delays arise.

The City continues to be an active participant in the Comox Valley Emergency Management (CVEM) which coordinates the activation of Warming Centres under the auspices of the Ministry of Emergency Management and Climate Readiness (EMCR). Warming Centres are typically approved by EMCR for activation at temperatures of negative four degrees Celsius and zero degrees Celsius combined with a snowfall warning. In situations of extraordinary weather events, such as the recent Cyclone Bomb, CVEM can make a request of EMCR for Warming Centre activation, however approval is at the discretion of the Province and is on a case by case basis.

Conclusion

The Comox Valley is facing a worsening homelessness crisis, and with winter now upon us, the need for shelter is more urgent than ever. To immediately address this critical situation the City is proposing an Extreme Weather Response shelter in a newly acquired city-owned building, to be operated by the Lookout Housing and Health Society. This will provide a crucial refuge for vulnerable individuals during the coldest months. As the lead for the development of the Comox Valley Winter Shelter Strategy, the City is demonstrating its commitment to working collaboratively with community partners, other local governments, and the Province to address the urgent and ongoing needs of unhoused residents in the winter months.

Ultimately, the decisive actions taken by the City of Courtenay, in partnership with community organizations and funding bodies, represent a crucial step towards not only meeting immediate shelter needs but also establishing a framework for long-term solutions to the ongoing challenge of homelessness in our region. The focus remains on ensuring that every individual has access to a safe and secure place to sleep during these critical winter months.

POLICY ANALYSIS:

City of Courtenay, Official Community Plan

Affordable Housing

AH 18: Advocate for senior government funding for affordable housing projects and initiatives.

Social Infrastructure

SI 6: Identify an appropriate role for the City in the delivery of social infrastructure in relation to other organizations, agencies, and jurisdictions that provide services for equity-priority groups.

SI 8: Continue to support regional partners on program administration and delivery for homelessness, poverty prevention, mental health, addiction, and overdose prevention programs.

SI 16: Provide sufficient, high-quality public spaces that promote social connectedness. Include amenities to support all ages and abilities such as public washrooms, seating areas, and drinking fountains.

SI 21: Support volunteers, organizations, and other social assets to continue undertaking their work within the community.

FINANCIAL IMPLICATIONS:

EWR Activation for 2024/2025 Season

The following break-down identifies estimated costs for activation and operation of the winter shelter that the City of Courtenay is expecting to incur, above and beyond BC Housing funding, for the service:

- Building improvements and renovations: \$150,000
 - \$75,000 to \$100,000 estimated cost of required building improvements
 - \$50,000 contingency funding
- Property Costs: \$35,100
 - Foregone market rental lease revenue December to April (inclusive)
- Shelter Operations: \$50,000
 - Site security and neighbourhood support
- Additional services rendered: \$30,000
 - Architect, hazardous material assessment, project management
- Total estimated costs (including foregone lease revenue): \$265,100

The CVRD has already approved the City to receive \$91,000 towards the completion of a Regional Winter Shelter Strategy, as well as support towards the activation of a winter shelter for the 2024/2025 season. The breakdown of the \$91,000 is as follows:

- Winter Shelter Strategy Consulting fees: \$50,000
 - Implementation of 2024/2025 Winter Shelter Service: \$16,000
 - Creation of Winter Shelter Strategy: \$34,000
- Shelter Activation: \$41,000
 - Consulting fees (architect, hazardous materials assessment, project management): \$30,000
 - Remaining for building improvements: \$11,000

This results in expected unfunded direct expenditures of \$189,000. (Total estimated costs of \$265,100 minus \$41,000 in already approved funding that can be applied towards shelter activation costs and minus \$35,100 in foregone lease revenue).

The staff report provides a critical analysis of the urgency for winter shelter services combined with estimated financial impacts, highlighting \$189,000 in unfunded building improvement, shelter operation, and other project costs, in addition to \$35,100 in foregone lease revenue, necessary for winter shelter activation. Staff are seeking Council's approval for these expenditures, as at the time of the writing of this report no other funding sources have been confirmed. Although staff will seek funding from the Comox Valley Regional District and the Town of Comox, the level of support from these regional partners remains uncertain, as such any outstanding unfunded expenses would fall to the City if Council approves proceeding with the provision of winter shelter services at 971 Cumberland Road.

ADMINISTRATIVE IMPLICATIONS:

While the City has secured the services of Urban Matters CCC, the leadership and activation of winter shelter services on behalf of the region has required significant City of Courtenay staff time which has been provided in-kind instead of allocating it to the \$91,000 in funding provided by the CVRD. It is important to note that this is City staff time above and beyond what would typically be provided by a municipality to support the

activation of shelter services (i.e. review of building permits, temporary use approvals, etc) and is resulting in delays to other City strategic priorities.

The City’s in-kind contribution of staff time is estimated at a total of \$47,000 as follows:

- August to November estimated at 250 hours for total of \$23,750
- December and January estimated at 150 hours for total of \$14,250
- February to April estimated at 100 hours for total of \$9,000

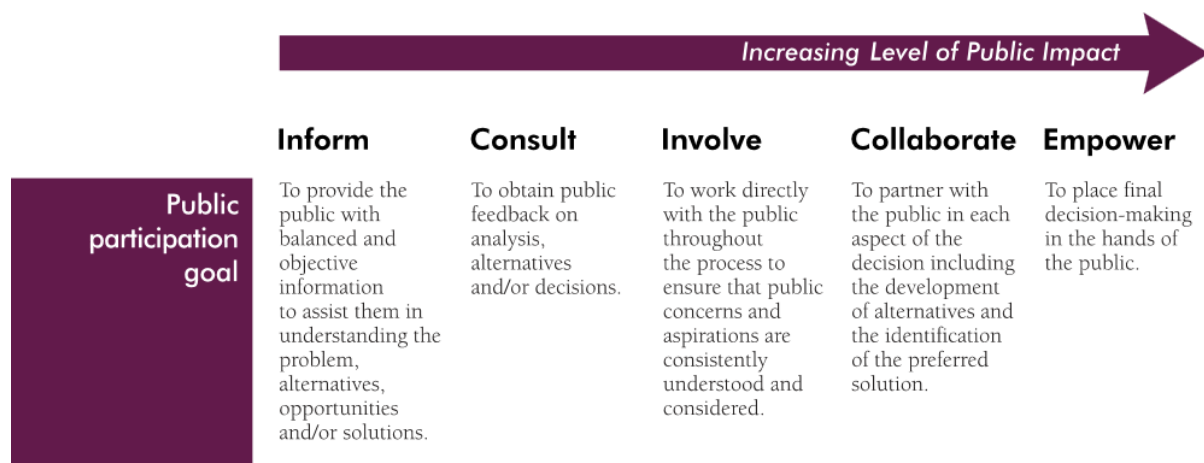
STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

- Social Infrastructure - Continue working with community agencies to deliver day services. Explore role in the provision of social support services, including future of Connect Centre.
- Public Safety - Build capacity for emergency planning and local response
- Social Infrastructure - Identify roles for the City in the delivery of social infrastructure outlined in the OCP; Implementation plan for delivery of social infrastructure

PUBLIC ENGAGEMENT:

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



OPTIONS:

1. THAT Council, in recognition of the urgent need for the provision of winter shelter services, direct staff to enter into an agreement with an operator to facilitate the provision of winter shelter services up to April 30, 2025; and

THAT Council delegate authority to the Director of Recreation, Culture, and Community Services to determine the form of agreement, and negotiate all terms and conditions deemed necessary or as legally required to facilitate the provision of winter shelter services at 971 Cumberberland Road; and

THAT Council authorise \$189,000 for the provision of winter shelter services and, allocate up to

\$189,000 from gaming funds towards unfunded winter shelter service costs.

2. THAT Council provide alternative direction to staff.

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