

**Municipality of Chatham-Kent**

**Health and Human Services**

**Housing Services**

**Information Report**

**To:** Mayor and Members of Council  
**From:** Josh Myers, Director, Housing Services - Operations  
**Date:** November 18, 2024  
**Subject:** 99 McNaughton Fire and Displacement

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This report is for the information of Council.

**Background**

Part X of By-Law # 205-2023 to Regulate the Procurement of Goods and Services by the Municipality of Chatham-Kent states:

**Emergency Purchases**

124. In the event of an Emergency requiring the purchase of Goods or Services to alleviate the Emergency, Goods and Services may be purchased by the most economical and expedient means, notwithstanding this By-law, as follows: a. Under \$100,000: Senior Management Team Members have the authority to approve Emergency Purchases under \$100,000. b. Between \$100,000 and \$200,000: Executive Management Team Members have the authority to approve Emergency Purchases between \$100,000 and \$200,000. c. \$200,000 and above: the Chief Administrative Officer has the authority to approve Emergency Purchases of \$200,000 and above.
125. As soon as reasonably possible, and no later than three (3) months following the emergency, the authorizing Employee (Senior Management Team, Executive Management Team or Chief Administrative Officer) shall prepare and submit an information report to Council describing:
- a. the circumstances of the Emergency,
  - b. the reason and necessity of purchasing the Goods or Services outside the competitive process,
  - c. the total purchase price,
  - d. the name of the Supplier, and,
  - e. any other relevant details or information.

The purpose of this report is to provide Council with an update regarding emergency purchases related to the fire and evacuation of the municipally-owned housing building at 99 McNaughton Avenue West in Chatham.

In the early hours of August 25, 2024, Chatham-Kent Fire Services responded to a structure fire at 99 McNaughton Avenue West in Chatham. The building was fully evacuated, with a neighbouring local church immediately providing an emergency reception centre for the impacted residents. Chatham-Kent Housing Services and Employment and Social Services staff attended the church and initiated the process of securing hotel rooms, ensuring residents had access to essential medications, medical equipment, and finding accommodations for pets. Staff continued to work to ensure residents were either placed at hotels or found lodging on their own with friends or family. Subsequently, the Red Cross was contracted to prepare and deliver meals twice a day to evacuated residents staying in hotels.

By end of day on August 25, 2024 residents who reported having no access to emergency accommodations were placed in local hotels and/or retirement homes. Over the next week the situation remained exceptionally fluid as the number of people in need versus available hotel rooms changed several times per day. Case managers met daily with residents to explore alternate lodging options including with family; however, nearly all residents staying in temporary hotel rooms reported having no alternate options. Due to this, the decision was made to enlist the Red Cross to open and operate a temporary Evacuation Shelter.

The Red Cross opened an evacuation shelter out of what was the previous St. Agnes school on August 30. Residents with mobility or health concerns remained in hotels while the remaining residents were directed to attend the Red Cross Shelter. Staff continued to monitor need and attendance at the evacuation shelter and agreed to the closure of this service on September 12 when it was clear that the need had reduced and stabilized.

Although there were some successes in securing private rentals for a few of the residents, due to the shortage of affordable housing, negotiations began with the owners of Park St. Place in Dresden to house up to 50 individuals. On September 17, 2024, Administration entered into an agreement with the owners of Park Street Place to rent up to 50 rooms including the provision of three meals per day. The following is an approximate cost breakdown of the emergency housing options that staff were required to use.

Type	Per Person (Month)	Total for 50 Tenants
Hotels (+ food)	\$6,000	\$300,000
Red Cross Shelter	NA	\$320,000
Park St. Place	\$2,040	\$102,000

The agreement with Park Street Place and the Red Cross is a flat fee meaning the cost doesn't fluctuate with the number of residents while the hotel cost fluctuates based on usage. At the time the decision was made to open Park Street Place, 59 residents reported having no alternate options outside of hotels/shelter and more residents were contacting case managers to advise that their temporary options were on the verge of ending.

Residents were advised starting on September 19 that the Municipality was transitioning out of hotels and that rooms had been secured at Park Street Place. Residents were advised that they would need to contribute approximately 75% of their income for rent and meals; however, case managers would review individual circumstances when setting this rate.

Work to complete repairs on 99 McNaughton is progressing without delays and a phased approach will be used to return residents home. The building is divided into four sections – A through D. It is very likely that all residents of section D will be permitted to return home by November 15, 2024. A timeline for residents of Section C to return home will be announced in the very near future. Sections A and B require extensive repairs and remediation, which will take several months. There is currently no estimated timeline for return to these sections.

### **Comments**

This emergency and the corresponding response remains fluid as over 120 residents with various levels of need, insurance coverage, and ability continue to face significant challenges. All Chatham-Kent Housing residents are required to purchase and maintain tenants' insurance while residing in municipally owned housing. The amount of coverage as well as the provider is a personal decision but given that many residents struggle to afford basic necessities (even with subsidized rent) due to their low incomes, many do not have adequate coverage. In general, staff have seen coverages range from \$4,000 - \$10,000 for increased living expenses. This does not provide the necessary income to cover a lengthy period of time that is required for approximately 50% of residents.

Administration has taken a triaged approach to responding to this emergency in order to respond quickly and efficiently. The number of people in need of immediate assistance has not been experienced before. The primary objective of Administration was to ensure all residents have an option of emergency housing whether that be provided by the Municipality or through personal connections and support. Once tenants were stabilized, efforts shifted to reducing costs which continues to be the focus today.

With the return of residents to Sections C and D, plans are being developed to phase out of our agreement with Park Street Place which will lower costs further. The emergency will continue for the remaining residents of section A and B and staff will continue to do their best to assist.

**Council Term Priorities**

This report supports the following Council Term Priorities:

			
<b>Deliver Excellent Service</b>	<b>Promote Safety &amp; Well-Being</b>	<b>Grow Our Community</b>	<b>Ensure Environmental Sustainability</b>
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**Consultation**

Staff from multiple departments and divisions played active roles during this emergency.

**Communication**

Communication is proposed to be through the inclusion of this report on the Council agenda and minutes.

**Diversity, Equity, Inclusion and Justice (DEIJ)**

Both the governments of Canada and Ontario have deemed housing a human right; however, funding for this right has not been adequate. The Municipality will continue to seek opportunities to increase deeply affordable housing options for low and moderate income households. With the temporary loss of this 120-unit affordable housing building, efforts to reduce homelessness in the community are further delayed which will have an additional negative impact on marginalized groups.

Access to community housing is administered according to provisions under the Housing Services Act (HSA) and local policies. Under the direction of these, Chatham-Kent transparently and fairly ensures access to appropriate and affordable housing to all residents including racialized groups, those requiring accessible and modified units, and marginalized people with mental illness or who use substances and are at greatest risk of experiencing homelessness.

### **Financial Implications**

The true financial costs of this event have yet to be finalized as we await numerous invoices. In addition, the length of time needed for assistance is unknown for approximately half of the residents who reside in Sections A and B. A second report will be provided to Council at the conclusion of the displacement.

The following chart lists estimates:

Description	Estimated Cost
Insurance Deductible	\$250,000
Emergency Supports to Residents	\$51,500
Hotel Costs	\$210,000
Pet and Wildlife Rescue	\$20,000
Evacuation Center and Food	\$200,000
Fire Resources	\$47,360
Security Costs for 99 McNaughton (6 months)	\$240,000
Park St Place (3 months)	\$306,000
Retirement Home placements (6 months)	\$400,000
Private Market Rentals	\$56,000
Loss of Rental Revenues	\$308,000
Total	\$2,088,860

Staff have submitted a business case and formal request to the Province requesting financial assistance and are also working with the Municipality's insurance provider to pursue every available option to help recoup costs.

The emergency purchase agreements with Red Cross and Park St. Place were signed by the CAO.

Prepared by: Josh Myers, Director – Housing Services. Operations

Reviewed by:

Jodi Guilmette, General Manager, Health and Human Services

Consulted and confirmed the content of the consultation section of the report by:

Gord Quinton, General Manager, CFO/Treasurer, Finance, Budget and Information Technology and Transformation

Attachment(s): None