

**Municipality of Chatham-Kent**

**Health and Human Services**

**Housing Services**

**To:** Mayor and Members of Council

**From:** Kim Crew, Director, Housing Services - Operations

**Date:** May 12, 2025

**Subject:** Lease Extension for 185 Murray Street, Chatham

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**Recommendations:**

It is recommended that:

1. The Director, Housing Services – Operations and municipal Clerk, be authorized to enter into a lease extension satisfactory to the Director, Legal Services for the property at 185 Murray Street, Chatham at a cost of \$35,595 (inclusive of H.S.T.) from May 20, 2025, through August 20, 2025.
2. That ten (10) part-time shelter support worker contracts be extended from May 31 up to August 20, 2025. The total operating expenses of the shelter including the ten (10) part-time contract positions totaling \$260,000 would be funded from existing Victoria Park Place shelter and Homelessness Prevention Program funding.

**Background**

In March 2022, through a report titled [Chatham Emergency Shelter Location](#), Council approved Administration entering into a lease agreement up to May 31, 2025 with the owners of the property at 185 Murray Street, Chatham for the purposes of providing emergency housing.

Subsequently, a lease agreement was signed, and Victoria Park Place (VPP) began operations providing emergency housing to unhoused individuals in the community. With the subsequent growth in homelessness across Chatham-Kent, in January 2024, Council received a report titled [Municipal Options to Address Growing Housing and Homelessness Crisis](#). The following recommendations were approved from that report:

1. Housing Services be directed to complete a Request for Proposal (RFP) to secure 50 transitional cabins to replace Victoria Park Place. The final capital costs, along with recommended locations, will be returned to Council for final authorization.

2. Housing Services complete an RFP for 24/7 security services at the future cabin location to ensure that occupants are provided a safe and secure location. The approved cost would be included in the final operational budget for Council approval.
3. Housing Services be authorized to operate this site providing 24/7 case management staffing that focuses on securing community housing, life skills training, and community referrals. Updated operational costs would return to Council for approval.

In April 2024, Council approved the [Emergency Transitional Cabin Program Location](#) report, and work on the project began.

On [September 9, 2024](#), Council approved the award of the supply and installation of the structures associated with the emergency transitional cabins (the cabins) project. The original proponent was unable to meet bonding requirements, and Administration returned to Council on [October 21, 2024](#) to request a rescission of the original award along with an award to the next bidder from the RFP. At the time, Administration believed the original project schedule and associated deadlines could be met; however, construction delays caused by weather, as well as material shipment delays, created additional pressures that have resulted in a new project completion date of July 31, 2025. To date, the following work has been completed:

- I. Site Services
  - a. Grading has been completed.
  - b. Electrical cables installation near completion.
  - c. Site was setup with proper construction safety fence.
  - d. Site removals & excavations have been completed.
- II. Cabins – Supply and Install
  - a. Cabin building permit received.
  - b. Helical piles foundation work near completion.
  - c. Delivery of cabins to site has begun.
  - d. Install of cabins begins in May.

The proposed lease extension date of August 20, 2025, provides three weeks of additional time to complete all necessary moves of furniture, equipment, and people.

The purpose of this report is to request an extension on the current lease at VPP while the cabins project is completed, and to secure staffing for this extension period.

### **Comments**

Staff are preparing a comprehensive plan to move those accessing the shelter, as well as certain furniture and equipment from the shelter to the cabins once they are completed. The projected date of this completion is July 31, 2025, which leaves approximately two months between the expiry of the current lease at VPP and the availability of the cabins.

Since its inception in 2022, the 44 beds at VPP have routinely been at or near capacity each night. The demand for emergency housing services in Chatham-Kent is showing no signs of slowing down. A service gap of approximately two months would significantly impact vulnerable, unhoused individuals.

Administration has explored other options for shelter provision aside from the lease extension at 185 Murray Street, including the use of motel rooms across Chatham-Kent and moving to another site. The high costs and lack of availability made these options less feasible.

Twelve full-time permanent case managers hired to support the cabin project starting June 1, 2025, will staff VPP for the lease extension period. Extending the ten part-time contract positions will supplement these full-time staff to provide an appropriate staffing complement for a 24/7 shelter operation.

All terms in the lease agreement would remain the same with the exception of the rate of remuneration as detailed in the Financial Implications section of this report.

### **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>   |
|  | <b>2 a</b>   | <b>1 a</b>  |  |

### **Consultation**

Legal Services drafted the lease renewal.

The Director, Municipal Housing Development provided information regarding the cabin project construction timelines.

A Budget and Performance Analyst has reviewed the staff costing and account information.

The Director, Housing Services – Operations contacted the Tecumseh Park Neighbourhood group to provide them with an update on the lease extension and give them an opportunity to have any specific questions or concerns addressed.

The neighbours surrounding the cabin site have been and will continue to be engaged and updated on the project, with opportunities to speak with Administration regarding any specific questions or concerns.

### **Communication**

Communication is proposed to be through the inclusion of this report on the Council agenda and minutes. Updates regarding this project will be shared with the community when/as appropriate.

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

Emergency and transitional housing must be a safe, welcoming space that recognizes and responds to the diverse needs of the individuals served, ensuring that all people regardless of race, gender identity, sexual orientation, age, ability, religion, cultural background, or socioeconomic status are treated with dignity and respect.

Applying the principles of DEIJ to emergency housing means acknowledging systemic barriers and addressing the unique challenges faced by marginalized populations. Tailoring supports to meet people where they are, ensuring fair access to resources, services, and opportunities as they rebuild their lives is crucial.

Renewing the lease agreement at VPP would address several barriers often faced by unhoused individuals, allowing for continuity of location, uninterrupted access to case managers and other community supports, and retaining a sense of community and belonging.

### **Financial Implications**

| Item  | Description  | Cost   | Notes  |
|---|--|--|--|
| Renewal of lease agreement for 185 Murray Street, Chatham | Renewal of the agreement for a period of May 20, 2025, to August 20, 2025. | $\$9.00/\text{sq. ft.}/\text{year} \times 14,000 \text{ sq. ft.} = \$126,000/\text{year}$<br>$\$126,000/\text{year}/12 \text{ months} = \$10,500.00/\text{month}$<br>$\$10,500.00/\text{month} \times 3 \text{ months} = \$31,500$<br>$\$31,500 + \text{HST} = \$35,595$ | The current lease amount is \$1.00/month, plus operating expenses. This new amount was suggested by the ownership group of 185 Murray Street and is a significant increase from the previous rent charged for the space. |

| Item   | Description                              | Cost      | Notes  |
|--|--|-----------|--|
| Additional operational costs including extending 10 part-time contract shelter support workers | Extension from May 31 to August 20, 2025 | \$260,000 |  |
| Total Costing  |  | \$295,595 | Funding would be through existing VPP shelter and Homelessness Prevention Program funding. |

Based on current commercial rental rates across Chatham-Kent, the proposed rental amount represents a very fair rate for a building of this type and use.

Prepared by:

Kim Crew, 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:

Dave Taylor, Director, Legal Services

Ray Harper, Director, Municipal Housing Development

Ryan Blair, Supervisor, Accounting and Systems Support, Employment and Social Services

Sandra Holmes, Budget and Performance Analyst, Budget & Performance Services

Attachment(s): None

c. Dave Taylor, Director, Legal Services

Ray Harper, Director, Municipal Housing Development

Ryan Blair, Supervisor, Accounting and Systems Support, Employment and Social Services

Sandra Holmes, Budget and Performance Analyst, Budget & Performance Services