

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee

From: Sandra Datars Bere
City Manager

Subject: Micro-Modular Shelter Site

Date: October 8, 2025

Recommendation

That, on the recommendation of the City Manager, the following actions be taken with respect to the Micro-Modular Shelter Site:

- a) the Micro-Modular Shelter Site implementation plan as described in this report **BE ENDORSED**;
- b) the Civic Administration **BE AUTHORIZED** to finalize 1710 Wilton Grove Road as the location for an up to 2-year temporary Micro-Modular Shelter Site subject to obtaining required permits and approvals;
- c) the Civic Administration **BE AUTHORIZED** to undertake procurement for all structures and services required to implement the Micro-Modular Shelter Site;
- d) funding for the costs of the Micro-Modular Shelter Site through April 2027 **BE APPROVED** from the Operating Budget Contingency Reserve;
- e) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- f) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into all necessary agreements and contracts noting that Civic Administration will report back to Council on the outcome of the negotiated agreements and formal contract awards;
- g) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations; and
- h) the Civic Administration **BE DIRECTED** to report back to Council upon the start of operation of the Micro-Modular Shelter Site and to provide an update after one year of operation of the site.

Linkage to the Corporate Strategic Plan

The proposed Micro-Modular Shelter Site report is aligned with the following strategic areas of Municipal Council's 2023-2027 Strategic Plan:

Housing and Homelessness

- Decreased number of Londoners at risk of or experiencing homelessness
- Improved safety in London's shelters system

Wellbeing and Safety

- Londoners have safe access to public spaces, services, and supports that increase wellbeing and quality of life

Executive Summary

On September 22, 2025, Mayoral Direction 2025-006 was issued, directing Civic Administration to develop a plan to implement a temporary 60 micro-modular shelter site. The Mayoral Direction further directed the plan to be brought forward for Council approval as soon as possible to facilitate implementation by December 31, 2025.

This report outlines the requested implementation plan including site selection, procurement processes, potential operational plan, and financing of the proposed micro-modular shelter site.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- [Agenda Item 2.2 - Quick Communities Update](#) (July 15, 2025, PEC)

1.2 Mayoral Direction

On September 22, 2025, Mayoral Direction 2025-006 was issued, which directed:

1. That Civic Administration **BE DIRECTED** to develop a plan to implement a temporary (up to two years) 60 micro-modular shelter site in the City of London;
2. That locations considered for the micro-modular shelter site must strive to minimize the impact on surrounding residential and commercial properties; and
3. That due to the urgency of the homelessness crisis, the plan is to be brought forward for Council approval as soon as possible so that it can be implemented by December 31, 2025.

The Mayoral Direction is in response to increasing rates of homelessness across the province and in the City of London. It is noted in the Direction that homelessness presents an urgent threat to public health and safety for both the unhoused community and the wider community, and that there is an immediate need to provide services directly to individuals.

2.0 Discussion and Considerations

The proposed plan for the implementation of the micro-modular shelter site has three components: physical site requirements, operational requirements, and the safety and security of the site.

2.1 Site Requirements

Civic Administration convened to determine the basic site requirements to facilitate appropriate sites and structures for the Micro-Modular Shelter site. As directed by the Mayor, the urgency of identifying a site and ability to deliver the micro-modular shelters in a short time frame is the most vital criteria.

To support this, Civic Administration prioritized:

- A site that is at least 1.5 acres.
- City-owned lands.

- Lands with fewer regulatory restrictions, e.g. clear of archeological potential or ecological significance.
- Lands without an existing City operation on-site, e.g. operations center, pump station, etc.
- Lands that are not currently shovel ready, or part of a planning application for new industrial or affordable housing sites.
- Lands that are not parks, sports fields, or planned for these uses.
- Sites not within 400m of a school or registered daycare.

Planning Considerations

From a planning perspective, several factors were considered in evaluating potential sites for a temporary micro-modular shelter. Lands should be able to accommodate a temporary municipal use without undermining long-term planning objectives. Preference was given to sites that minimize impacts on both residential and commercial properties.

Key considerations include:

- Temporary nature – the use is limited in duration to ensure long-term land use objectives are preserved.
- Compatibility – sites should minimize conflict with surrounding residential and commercial areas.
- Authority – the use is consistent with the City’s authority to provide facilities for municipal purposes.
- Urgency – recognizing the need to deliver the shelters quickly, reliance on public use is the most practical and appropriate planning approach.

Physical Site Requirements

Along with the need for the site to be readily available and appropriate for this use, the following physical requirements were determined:

- sufficient physical space for 60 individual shelters plus structures for washrooms, laundry facilities, food preparation and serving, office space, outdoor common space, staff parking space, storage, and emergency and maintenance access
- shelters must be able to accommodate couples and pets
- water/sewer/hydro readily available
- location to minimize impact on residential and commercial areas
- limited site grading or alteration required.

Shelter Requirements

Specific requirements of the micro-modular shelters include:

- Less than 10 square meters (108 square feet) and no foundation required
- Heat and air conditioning
- Building, fire code compliant
- Accessible
- Short delivery timeline
- Highly durable
- Easy to clean and maintain

Other Building & Site Requirements

In addition to the individual micro-modular shelters, several support buildings will be required on-site. This includes washroom and shower trailers, a staff office, and a common area for food service. For the temporary site, these buildings will be portable trailers that can be connected to water and sewer.

Other site considerations include:

- Designed for community building with outdoor space for pets, and units placed to allow for varying support functions (such as couples, pet owners, those seeking recovery and abstinence)
- Adequate garbage collection program and space allocation
- Adequate storage space for personal belongings.
- Outdoor common space for individuals, e.g. picnic tables, chairs, etc.

2.2 Services and Operations

Site safety and security along with effective measures to minimize any potential impacts to the surrounding area will be of priority. Ensuring this will require a hybrid approach of both site security and the necessary safety measures with supportive direct service offerings for the individuals residing at the site. Specific requirements of the site operator are discussed in Section 3.3.

2.3 Safety and Security

Site requirements related to safety and security considered include:

- Full site fencing
- Security lighting
- 24 hour a day security services
- Emergency access routes throughout the site
- Winter maintenance including snow storage area
- Secure storage

3.0 Procurement Process

3.1 Site Selection

Considerations of Market Offerings (Non-City owned sites)

In order to ensure a comprehensive look at options for the site of the micro-modular shelter site, a review of current market offerings was considered. No currently available parcels reviewed were considered suitable. Furthermore, engaging market participants requires more time than is currently available to achieve the desired objectives. The general principle of a fair, open, transparent method of acquisition such as a request for proposal is not possible given the abbreviated timelines.

Identified suitable sites would require a period of negotiation, legal reviews, insurance reviews, document execution through various governance structures including Council to ultimately achieve an outcome. This process requires a measure of time that doesn't align with the anticipated time required for the commencement of procurement activities, as typical due diligence periods for property acquisition start at approximately 90 days.

The market for non-standard uses is limited and not all market participants are receptive to all forms of permitted uses. A micro-modular shelter site may not be supported. Appropriate risk and indemnification likely preclude simplified property rights agreements leading to more complex forms of agreement.

Market participants seek to maximize their return through maximum utilization; partial acquisition or use may not be an option. They are also typically seeking an unfettered sale of their property which doesn't readily support interim or partial uses as well as being generally more receptive to longer term uses than shorter term ones, given potential initial investments and fit-out considerations.

Lastly, fair market value considerations apply potentially increasing overall project costs. As such, staff recommend using City-owned property.

Unsuitable Sites

As noted above, the primary site selection criteria centred on the ease of implementation of a temporary micro-shelter development. Although the approval is temporary in nature, there are still many aspects of the Planning Act and Ontario Building Code that must be adhered to. There are also operational realities that must be considered. In some cases, the site may be appropriate for a permanent site, but the planning or permitting requirements do not lend themselves to a rapidly implemented temporary site. Although there is no “perfect” site in the city there are a number of current uses or other attributes that resulted in certain types of sites being considered unsuitable for the temporary micro-modular shelter site. These included:

- City facilities such as operations centers, pump stations, treatment plants, reservoirs, etc. were reviewed as potential locations. Many of these sites offer large areas with hard surfaces, potential office space and bathrooms. They were ultimately excluded as existing operations would be significantly impacted with no new locations available for any displaced staff or services.
- Proximity to dense residential and/or commercial neighbourhoods was a consideration in the assessment.
- Where there was archaeological potential, these sites were generally excluded. These reports and studies can take time to complete and, in some cases, lead to more detailed reports and studies.
- Shovel-ready or under development sites – There are a number of vacant industrial properties owned by the City under the Industrial Land Development Strategy (ILDS). These sites were excluded from consideration as they are specifically intended to provide opportunity for economic growth and job creation. The same consideration was made for sites currently planned for affordable housing and these were deemed unsuitable for the micro-shelter location.
- Parkland was not evaluated for a site location. These sites are typically near or in the center of a neighbourhood and would not meet the Mayoral direction to minimize the impact on surrounding residential uses.
- Lands planned for future stormwater facilities were reviewed, but many of the remaining locations are within the Dingman Screening Area and presented a regulatory challenge to approval of even a temporary use.
- Any site less than 1.5 acre (0.6 ha) in size was excluded from consideration as not being large enough for the 60-micro units or supporting trailer operations.

Recommended Site: 1710 Wilton Grove Road

Located in Ward 14, 1710 Wilton Grove Road is a City-owned parcel planned for future industrial growth located east of Highbury Avenue, adjacent to Cheese Factory Road. The proposal is to use the northern portion of the site, bounded by the Highway 401 corridor to the north and a municipal drain to the south. This portion of the site has ready access to water, sewer, and high voltage hydro service. Because the site is slated for future industrial development, an Environmental Impact Study has been completed. The area proposed for the temporary shelter site does not require any archaeological study work. The site is near some industrial sites but not near any residential or commercial areas.

Because this site is currently under agricultural contract, notice to the farmer will be required. It is anticipated that crops will be removed by the end of October. Staff would attempt to negotiate earlier access to the land than the 60-day notice required, given the timing of the removal of the crops. Once the site is accessible, full preparation for the micro-modular shelters via the construction of a gravel surface area would be required.

Lastly, because the site is within 800m of the Ministry of Transportation (MTO) corridor, a permit from the Provincial ministry is required, even for temporary use. Upon selection of this site, staff would apply for consultation on the development and then submit a complete permit application through the MTO online portal.

3.2 Shelter Procurement

To deliver 60 modular shelter units by December 31, 2025, Civic Administration assessed all available procurement options under the City's updated Procurement of Goods and Services Policy. Conducting a new open competition was ruled out, as the time required for posting, evaluation, negotiation, and contract award would extend well beyond the Mayoral deadline. Similarly, the circumstances do not meet the criteria under Section 13 (Limited Tendering) because multiple suppliers exist in the market, and this is not an unforeseeable emergency but rather a directive with a fixed implementation date.

To meet this timeline, Civic Administration recommends leveraging cooperative purchasing arrangements. The Ontario Education Collaborative Marketplace (OECM) Modular Buildings Vendor of Record (RFSQ #2023-415) will be used to secure the modular units, and the Canoe Procurement Group Job Order Contracting (JOC) program may be used to complete site preparation, utility connections, civil works, and other unit-price construction tasks. These cooperative agreements were established through fully compliant open competitive processes and provide immediate access to pre-qualified suppliers with pre-negotiated terms and pricing.

This approach is also consistent with Section 12.6 of the Policy, Utilization of Established Vendors of Record (VOR), Standing Offers, and Qualified Supplier Rosters, "If a suitable VOR or Standing Offer Agreement is in place, the City shall utilize the arrangement to procure the required Deliverables"

Section 20 (Cooperative Purchasing and Buying Groups), which permits the City to participate in buying-group arrangements where the lead entity has conducted a compliant competitive process

Section 29.1 (Contract Management and Supplier Performance) further requires that "The City will manage Contracts and the performance of Suppliers and their subcontractors under such Contracts in accordance with the Supplier Code of Conduct"

Since OECM suppliers and Canoe Suppliers have already been pre-qualified for financial stability, technical capacity, and past performance, this framework provides a lower-risk path to meeting the City's obligations under Section 29.0 for supplier oversight, monitoring, and audit readiness.

Finally, this procurement path reflects Council's February 11, 2025, direction on Canadian business preference. In the *Procurement Strategy: Prioritizing Canadian Business* report, Council endorsed the strategy that "Procurement of goods, services, and construction would be prioritized from Canadian businesses, while also identifying any potential barriers and ensuring compliance with trade agreements."

Consistent with this Council-approved direction, Civic Administration will seek to source Canadian-built modular units under the OECM/Canoe framework wherever legally viable. This ensures that the project strengthens local supply chains, supports Canadian economic recovery, and meets urgent housing needs while remaining fully compliant with the City's procurement policy and applicable trade agreements (Canadian Free Trade Agreement (CFTA) and Canada-European Union Comprehensive Economic and Trade Agreement (CETA)).

Accordingly, Civic Administration will proceed to secure the necessary modular units directly through the OECM Modular VOR framework supported by Canoe JOC. This

method balances the urgency of addressing the homelessness crisis with the City's obligations to maintain fair, transparent, and fully compliant procurement practices.

3.3 Operator Selection

The service delivery model for the site will require flexibility and is intended to be a response augmented with security. Organizations familiar with these types of operations have and will continue to provide valuable information on measures that should be adopted or at least considered when operating. Lead Agencies will be implementing a model that allows for individuals to be supported in a way that promotes stabilization and connecting them to additional services, ultimately with the goal of helping individuals take the next step in their housing goals, be it through development of social skills and roles, housing preparedness, or steps towards recovery.

As per Schedule B item k) of the City's Procurement Policy, "the delivery of social and health services" is an exemption from the competitive procurement requirements of the Policy and is consistent with exclusions permitted under trade agreements such as CFTA and CETA. On this basis, Civic Administration is authorized to select an appropriate operator(s) of the site without undertaking a competitive process. The successful operator(s) must have a proven history of providing similar services to community and demonstrate their ability and meet the following criteria:

- Direct experience or demonstrated related, transferable skills that adequately support the participants,
- Demonstrated ability and experience working successfully with individuals who are experiencing homelessness including those with high needs,
- Strong relationships with other agencies and partners,
- Values-based leadership model, including collaboration, respect, mutual accountability including operational policies and practises that address;
 - Governance
 - Intake
 - Paper Readiness
 - Roles of Staff
 - Confidentiality and Privacy
 - Service Restrictions
 - Health and Safety
- Incident management and crisis management experience including reporting of incidents in accordance with the City's current Housing Stability Service Standards,
- Demonstrated history of strong financial management and clear commitments to the development of a high functioning team,
- Appropriate staffing levels are maintained to ensure adequate levels of support to participants, and
- Use of HIFIS by the agencies for data collection will also be required and the agency will ensure appropriate staff are trained to support data collection.

3.4 Other Procurements

Several other procurements must be completed in order to prepare and operate the site. Aside from the physical site, the shelters, and the operator, rentals or purchases of the following will be necessary:

- Ancillary building trailers (including washrooms, office, etc.)
- Laundry service
- Site preparation
- Food provision
- Winter maintenance

- Security services
- Garbage Collection
- Fencing
- Lighting

Civic Administration will endeavour to utilize City Operations staff, existing contracts, and Requests for Quotes to ensure the timely and transparent procurement of these items and services. If the goods or services cannot be procured in this manner within the required timelines, Civic Administration may leverage OECM or Canoe partner offerings to ensure the work proceeds without delay.

4.0 Next Steps

Upon approval of the micro-modular shelter plan and confirmation of the preferred site, Civic Administration will initiate the required procurements. Concurrently, work to finalize the site plan including servicing designs for permitting, and submission to the MTO will go forward. It is anticipated that site preparation can commence in November.

5.0 Financial Considerations

As noted in the 2025 Mid-Year Operating Budget Monitoring Report (Infrastructure and Corporate Services Committee, October 6, 2025), a very preliminary cost estimate for the implementation of a 60-unit Micro-Modular Shelter Site is approximately \$3 million of one-time capital costs and operating costs of approximately \$3 million per year. These are 'order of magnitude' preliminary cost estimates based on the experience of other municipalities who have implemented similar projects and will be refined over the coming weeks. The total estimated cost of the initiative through winter 2026/2027 (April 2027) is approximately \$7 million (\$3 million capital cost + \$4 million of operating costs for 16 months).

Civic Administration recommends funding these costs from the Operating Budget Contingency Reserve. As outlined in the above noted report, funding from the City's projected 2025 operating budget surplus will be retained in the Operating Budget Contingency Reserve (in accordance with the Surplus/Deficit Policy) to backfill for the costs of this initiative.

Funding for this initiative beyond April 2027 will need to be considered through the 2027 Annual Budget Update.

Conclusion

Following the Mayoral Direction issued on September 22, 2025, the plan provided in this report will facilitate the implementation of a temporary 60-unit micro-modular shelter site. Authorizing the plan and approving the proposed location will allow the Civic Administration to prepare the site and procure the required structures and services. These authorizations are essential to ensure that the project is both strategically located and optimally designed to support vulnerable residents.

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