



Council Report

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Date: January 20, 2026 **File No:**2026-01-20 441 Dawson
To: Anthony Haddad, City Manager
From: Blake Laven, GM of Development Services
Address: 441 Dawson Avenue (Parent Property 402 Warren Avenue E)
Subject: **Direction on the Dawson Avenue Temporary Emergency Shelter**

Staff Recommendation

THAT Council direct staff to proceed with steps to support the extension of the 24/7, year-round, emergency shelter operating at 441 Dawson Avenue, including the following:

- Engage with the property owner to extend the current lease for a 3-year period, under similar lease conditions as currently in place;
- Prepare applications for a temporary use permit for an 'emergency shelter and associated homelessness services' at 441 Dawson Avenue, for a 3-year period
- Work with the Province on a funding strategy for the shelter operations

AND THAT Council refer the issue to the Public Safety Advisory Committee for comment prior to consideration of the temporary use permit

Strategic priority objective

Safe & Resilient: The City of Penticton will enhance and protect the safety of all residents and visitors to Penticton.

Background

On October 1, 2024, City Council approved Temporary Use Permit PL2024-9888, authorizing the use of 441 Dawson Avenue as an "emergency shelter and associated homelessness services." The permit was issued for a five-month term, covering November 2024 through March 2025 and was intended to accommodate emergency shelter services for the winter months. The shelter, whose operations are managed and funded by BC Housing, opened in mid-November 2024, by the Penticton Overdose Prevention Society (POPS), under contract with BC Housing.

At the March 18th, 2025 Regular Meeting of Council, an extension to that permit was approved, allowing the shelter to operate at the location for an additional year, through the end of March 2026, running 24/7, year-round (79/2025), subject to provincial funding. The proposal to support the shelter for an additional year was supported by the Public Safety Advisory Committee who considered the item on their Special Meeting of March 10th, 2025. The province supported additional funding to keep the shelter open during the spring, summer and fall to supplement the winter shelter funding that was previously in place.

The industrial warehouse unit is space that is leased by the City of Penticton. The lease was originally negotiated to run out in April 2026 to align with the Temporary Use Permit, but includes a mutual option to extend.

Shelter operations

The shelter, which has 40 beds total, has been running at near occupancy since originally opening in November 2024, with few documented incidents of negative neighbourhood impact. Data from the RCMP, Fire and Bylaw services looking at the industrial area before and after the shelter opened, has shown a general decline in calls for service. In a presentation to Council in April 2025, providing a yearly update on the shelter operations, staff shared that calls for service for Bylaw Services in the industrial area fell by 61% year over year from before the shelter was opened to after. Over that same period, calls to the RCMP declined by 2% and calls to Fire Services dropped by 29%. Staff do note that in the data shared with Council in December (Q3 reporting), Fire Service calls have increased year over year to the Industrial area from 2024 to 2025.

According to the data shared with Council in December 2025, since opening in November 2024, the shelter has supported 161 unique individuals. Some of the key outcomes that were shared with Council included 7 individuals who have entered detox and treatment programs and 28 individuals that were permanently housed.

In addition to the operators and BC Housing providing support at the site, Interior Health (IH) regularly provides staff and resources to the facility and has signaled a desire to continue supporting the vulnerable population of individuals staying at the shelter.

Proposal

Staff are recommending that Council give direction to begin steps to keep the shelter operating for an additional 3-year period on a 24/7, year-round basis. This proposal includes negotiation with the property owner to extend the lease over the 3-year period, preparing an application for a new temporary use permit, and initiating conversations with the province on a funding strategy.

Provincial Response

Currently there is no provincial funding stream for year-round temporary shelters. Funding does exist for temporary winter shelters that operate during the winter months. The shelter was funded in the

summer of 2025 through the Heart and Hearth Program, which the City is no longer participating in. BC Housing has expressed a willingness to work towards a funding strategy for a year round shelter, but have not provided any guarantees that funding will be available. Should Council support the staff recommendation, staff will work with BC Housing and the Ministry of Housing on funding options for the shelter operations on a year round basis.

Financial implication

Lease payments on the shelter are currently budgeted at \$120k a year, but are only reflected to March of this year in the 2026-2030 Financial Plan in alignment with the current TUP. Should Council decide to extend the TUP for a further three years, and continue to pay the lease costs, the remaining costs for the lease would need to be funded in 2026 through General Surplus and referred to the 2027 budget process future years. Staff expect new lease payments to be adjusted for inflation moving forward. All costs related to the shelter operations are the responsibility of the province. Part of the discussions with the province will be around the lease payments and who is the most appropriate organization to pay these moving forward – the City or the province.

Analysis

Over the past 18 months, the Dawson Avenue emergency shelter has supported 161 unique individuals, helping many stabilize and connect with essential services and has operated within expectations and within the conditions of the TUP and TUP extension (24/7 safety plan in place).

While the City and BC Housing are advancing numerous initiatives to improve housing affordability and availability in Penticton, and Interior Health is working on mental health and addictions services to address other root causes of homelessness, emergency shelter remains a critical last safety net for those in immediate need. While these types of facilities can sometimes have an impact on the surrounding area, the success seen in this location with the operations and oversight by the City and it's partners, staff can confidently recommend it's extension, as part of the proposed process.

Given this ongoing need, staff recommend that Council support maintaining the Dawson Avenue Emergency Shelter for an additional three-year term. This timeframe was selected to allow staff and partners to focus on developing longer-term solutions without the recurring cycle of annual winter shelter planning and spring closures. Avoiding this yearly process will reduce operational challenges and free up valuable staff time and resources.

To support this initiative, staff are recommending directing staff to negotiate a longer-term lease with the property owner, commencing steps for obtaining a new Temporary Use Permit, and working with the province to secure sustainable funding for this period. Staff also recommend that this matter be referred to the Public Safety Advisory Committee for review prior to consideration of the Temporary Use Permit.

Next steps

Should council support staff's recommendation, this item will be presented to the Public Safety Advisory Committee at their next available meeting. Staff will also prepare a report considering a temporary use permit for an upcoming Regular Meeting of Council. In advance of the meeting, notification will go out to all properties within 100 m of the subject site. Staff will also do more robust notifications, including engaging the business community (PIDA, Chamber and the businesses in the immediate area).

Alternate recommendations

Council may consider that the year round 24/7 shelter model is not servicing the community in an appropriate manner. If that is the case, staff recommend that Council pass the alternative recommendation. Staff do note though that the closure of this emergency shelter will likely lead to a rise in street homelessness in Penticton.

Alternative Recommendation 1: THAT Council direct staff to work with BC Housing and the shelter operators on an orderly closure of the Dawson Avenue Emergency Shelter.

Alternatively, Council may wish to only support a seasonal winter shelter, which was the original plan for this location. If that is the case, staff recommend Alternative 2. On this alternative, staff note the challenges with staffing and managing a winter only shelter and the disruption that model creates in the spring when the shelter closes.

Alternative Recommendation 2: THAT Council direct staff to negotiate a lease at 441 Dawson Avenue to support a winter only shelter in that location for the next 2 winter seasons (2026/27 and 2027/28), to proceed with a Temporary Use Permit application to support that initiative, and to work with BC Housing and the operator on an orderly closure until November 2026.

Attachments

N/A

Respectfully submitted,

Blake Laven, RPP, MCIP
General Manager of Development Services

Concurrence

<p>City Manager</p> 
