



REPORT FOR ACTION

2019-20 Funding Allocations for Shelter and Related Services

Date: June 11, 2019

To: Economic and Community Development Committee

From: General Manager, Shelter, Support and Housing Administration

Wards: All

SUMMARY

The City of Toronto's Shelter, Support and Housing Administration division (SSHA) provides funding to 56 shelter sites operated by 32 community not-for-profit agencies through purchase of service contracts. All programs must meet the operating requirements set out in both the Toronto Shelter Standards (TSS) and the purchase of service contracts, and the programs are evaluated using a quality assurance review process.

This report provides recommendations on the 2019 and 2020 funding allocations for the purchase of service shelter system and funding levels for other related operating contracts, and requests authority to enter into licence or sub-lease agreements with service providers for provision of shelter and related services.

RECOMMENDATIONS

The General Manager, Shelter, Support and Housing Administration, recommends that:

1. City Council approve the recommended 2019 bed capacities and annual funding allocations as set out in Appendix A, which are in accordance with the 2019 Approved Operating Budget for Shelter, Support and Housing Administration;
2. City Council approve the recommended 2020 bed capacities and annual funding allocations as set out in Appendix A, subject to approval of SSHA's 2020 Operating Budget;

3. City Council authorize the General Manager, Shelter, Support and Housing Administration, or her designate to:

- a. enter into agreements with community agencies for the provision of shelter services for up to the annual funding allocation as outlined in Appendix A or up to the total approved in the 2019 Operating Budget for SSHA, as may be required, and subject to approval of SSHA's 2020 Operating Budget;
- b. enter into an agreement with the Ministry of Health and Long-Term Care to receive \$9.214 million annually in 2019 and 2020 for the provision of housing and supports for psychiatric consumer survivors living in Habitat Services contracted boarding or rooming houses, as approved in SSHA's 2019 Operating Budget and subject to approval of SSHA's 2020 Operating Budget;
- c. enter into an agreement with Mental Health Program Services of Metropolitan Toronto (Habitat Services) and issue payments up to \$11.099 million gross and \$1.885 million net in 2019 and \$11.099 million gross and \$2.220 million net in 2020 for the provision of housing and supports for psychiatric consumer survivors living in Habitat Services contracted boarding or rooming houses as outlined in Appendix B, subject to approval of SSHA's 2020 Operating Budget;
- d. enter into an agreement with, and issue payments to the Toronto Hostels Training Centre (THTC) for the administration and provision of training for shelter, drop-in and other agency staff up to a maximum amount of \$0.271 million gross and \$0.135 million net in 2019 and 2020, as outlined in Appendix B, subject to approval of SSHA's 2020 Operating Budget; and

4. City Council authorize the General Manager, Shelter, Support and Housing Administration, or her designate to:

- a. enter into agreements with Mental Health Program Services of Metropolitan Toronto (Habitat Services) and to issue payments up to \$0.490 million gross and net in 2019 and \$1.358 million gross and net in 2020 for the provision of housing and supports for psychiatric consumer survivors living in Habitat Services contracted boarding or rooming houses for the George Street Revitalization initiative as outlined in Appendix C, subject to approval of SSHA's 2020 Operating Budget; and
- b. enter into agreements with community agencies on such terms and conditions as are satisfactory to the General Manager, SSHA for the provision of shelter services or housing for George Street Revitalization throughout 2019 and 2020, as shelter or housing sites are identified and as shelter operators are identified through a competitive process;

5. City Council authorize the General Manager, Shelter, Support and Housing Administration, or her designate, in support of SSHA's efforts to open 1000 beds, to:

- a. enter into agreements with community agencies for the provision of shelter services for up to the annual funding allocation as outlined in Appendix C or up to

the total approved in the 2019 Operating Budget for SSHA, as may be required, and subject to approval of SSHA's 2020 Operating Budget; and

b. enter into agreements with community agencies on such terms and conditions as are satisfactory to the General Manager, SSHA for the provision of shelter services to open 1000 new beds throughout 2019 and 2020, as shelter sites are identified and as shelter operators are identified through a competitive process;

6. City Council authorize the Director, Real Estate Services to approve, execute and administer any licence or sublease agreements with a service provider of City owned or leased respite, emergency shelter, or transitional shelter space at less than market value, for a term that corresponds with the applicable operating agreement, and on such other terms and conditions deemed appropriate by the Director, Real Estate Services, and in a form acceptable to the City Solicitor.

FINANCIAL IMPACT

Funding for the recommendations of \$88,626,538 gross and \$42,721,385 net is included in the 2019 Approved Operating Budget for SSHA as noted in the following allocations table:

2019 Allocations	Provincial	City	Gross
Appendix A			
Shelter Allocations (rec 1, 3a)	36,555,654	29,388,653	65,944,306
Appendix B			
Mental Health Program Services of Metropolitan Toronto (Habitat Services) (rec. 3b, 3c)	9,214,160	1,884,740	11,098,900
Toronto Hostels Training Centre (rec. 3d)	135,340	135,340	270,680
Appendix C			
George Street Revitalization - Replacement Sites (rec. 4)		490,195	490,195

2019 Allocations	Provincial	City	Gross
New Shelter Sites (rec. 5)		10,822,457	10,822,457
Total	45,905,154	42,721,385	88,626,538

SSHA operates within its funding authorities up to the approved Operating Budget. Appendix A outlines the annualized impact of the service provider agreements. 2020 allocations are included in this report, subject to approval of SSHA's 2020 Operating Budget, and any in-year adjustments, including new programs, additional beds and emerging needs, and any annualized impacts will be included in the 2020 budget process.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT

The emergency shelter system in Toronto serves equity-seeking groups such as seniors, people with disabilities, individuals with mental health issues, the working poor, Indigenous peoples, people who identify as LGBTQ2S and other vulnerable groups. Effective operation of the shelter system is important in ensuring that temporary accommodation is available to a variety of equity seeking groups and is an important component of the City's efforts to address poverty.

DECISION HISTORY

Reports are prepared annually by the General Manager, SSHA, to make funding allocations for shelter and related services. A copy of the 2018 Funding Allocations Report for Shelter and related Services can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.CD29.7>

On February 12, 2018, City Council adopted EX31.2 "2018 Capital and Operating Budgets" and requested the General Manager of SSHA to expand the number of permanent new shelter beds by 1,000 over three years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX31.2>

At its meeting of December 5, 6, 7, and 8, 2017, City Council adopted the 2018 Shelter Infrastructure Plan and authorized the General Manager, Shelter, Support and Housing Administration to enter into agreements, as required, to implement shelters outlined in the Plan. City Council also authorized the Interim Chief Financial Officer to transfer \$10.6 million from the Tax Stabilization Fund to the Social Housing Reserve for the provision of the services including the addition of motel beds, addition of beds in all

available spaces, and the addition of low-barrier winter respite sites, including dedicated women-only spaces, with a target of providing 400 beds/spaces as soon as is practically possible. The report also identified the capacity requirements in the system due to the George Street Revitalization and other planned shelter relocations.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD24.7>

At its meeting of November 7, 8, and 9, 2017, City Council adopted a number of actions to increase and extend existing contracts with hotels to continue supporting services for refugees through to December 31, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD23.12>

At its meeting of July 4, 5, 6, and 7, 2017, City Council adopted the Proposal for Youth Transitional Housing at 747 Warden Avenue. The youth transitional program will include 51 new beds and will be operated by YouthLink in Ward 35, scheduled to open in the first quarter of 2019.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD21.14>

At its meeting on October 2, 3 and 4, 2017, City Council adopted EX27.12, which provided delegated authority pertaining to certain real estate matters. This delegated authority was amended by GM27.12, adopted by City Council on May 22, 23 and 24, 2018 or, where applicable, by EX28.8, adopted by City Council on November 7, 8 and 9, 2017.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX27.12>

COMMENTS

SSHA is responsible for administering social housing programs, providing emergency shelter, managing programs to help people experiencing homelessness move from the streets or shelters into permanent housing, and assisting those at risk of homelessness to maintain their housing.

SSHA delivers housing and homelessness services in partnership with community agencies by providing program funding and coordinating services based on a Housing First model. This model is aimed at ending homelessness through a range of approaches, partnerships and supports that help people to find and keep housing. Access to emergency shelter and related supports is an important part of the overall Housing First service system.

As of May 26, 2019, there were 65 shelter locations in the City, comprised of over 7,600 beds, and additional motel programs. Of these, 56 shelter sites operated by 32 community not-for-profit agencies were funded through purchase of service contracts with the City, representing over 3,150 beds. All programs must meet the operating requirements set out in both the Toronto Shelter Standards (TSS) and the purchase of service contracts, and they are evaluated using a quality assurance review process.

In addition to emergency and transitional shelters, the City also funds complementary allied low-barrier services that provide people with a safe, warm place indoors and

connections to other supports. These services include two 24-hour women's drop-ins that operate year round, seven 24-hour respite sites, and additional Warming Centres during extreme cold weather alerts. These services are not contemplated in this report. In addition, the City provides funding to Dixon Hall to provide coordination support to the Out of the Cold program, which is operated by faith-based volunteer groups.

Emergency shelters that provide services specific to the needs of women fleeing domestic abuse are funded and administered directly by the Ministry of Community and Social Services.

Purchase of Service Rates and Bed Capacities

2019 and 2020 Recommended Funding Allocations and Bed Capacities

This report recommends annual funding allocations for purchase of service shelters for 2019 and 2020, which are outlined in Appendix A. The 2019 Approved Operating Budget includes a 1% increase for shelter providers. A recommended increase of 1% for 2020 is also included in Appendix A, subject to approval of SSHA's 2020 Operating Budget.

SSHA has traditionally prepared purchase of service agreements for shelter providers for one year at a time, following approval of SSHA's Operating Budget for that year and Council approval of SSHA's annual shelter allocations report. This leads to delays in executing agreements and providing payment, and creates an administrative burden for contracts that remain relatively static year-over-year. This report recommends allocations in 2019 and 2020 in order to execute 2020 agreements prior to the funding start date of January 1, 2020.

Other Service Contracts

a. Mental Health Program Services of Metropolitan Toronto (Habitat Services)

Habitat Services is a housing and support subsidy program that is funded by the Ministry of Health and Long-Term Care (MOHLTC) and the City. On an annual basis the program provides a housing subsidy for up to 931 units of private and not-for-profit boarding homes, rooming houses and apartments for people with psychiatric illnesses.

The City of Toronto and MOHLTC cost share payments to Habitat Services boarding home owners. Although the cost share ratio was originally set at 20% City and 80% MOHLTC, unilateral funding increases by MOHLTC have changed the ratio to 17% City and 83% MOHLTC. Rebalancing this cost sharing in 2020 would result in an increase of \$335,040 in the City's contribution and a corresponding decrease in provincial funding.

b. Toronto Hostels Training Centre

The Toronto Hostels Training Centre (THTC) was created in 1997 following the recommendations made by a Coroner's jury regarding the need for staff training in shelters. The City provides \$270,680 in annual funding to assist THTC and provide specialized training and associated services in a cost effective manner for staff and

board members of shelters and others working with homeless people. THTC offers nearly all of the mandatory and suggested training outlined in the TSS and are in the process of developing or acquiring new training content to meet requirements introduced in the recently updated TSS.

On an annual basis, City operated shelters purchase training from THTC in order to meet the training requirements under the TSS. The Centre offers 114 different training courses and six certificate programs that support agencies in meeting the TSS and allow staff to develop skills related to the provision of services to homeless individuals.

Other Shelter Programs

a. George Street Revitalization Replacement Sites

Opening replacement shelters and creating new housing options for the current facilities on George Street are a critical component of revitalization. A number of sites opening in 2019 will be City operated. One community operator will begin operations in 2019 - Fife House transitional housing program, funded through a partnership with Habitat Services, as described in Appendix C.

b. New Shelters

Through the 2018 budget process, and in response to the unprecedented demand for shelter, City Council approved the capital and operating funds required to open 1,000 new shelter beds over 2018-2020. By the end of 2019, 47% of the 1,000 new beds will be operational and another 36% will be confirmed and planned for future opening, for a total of 83% beds confirmed.

Three new purchase of service shelters operated by community agencies, in addition to one temporary site, became operational in 2019, as described in Appendix C. Additional sites that were previously operational are included in Appendix A and marked accordingly. An update on SSHA's 2020 Shelter Infrastructure Plan was presented to Economic and Community Development Committee in June 2019 and includes additional information on new and planned shelter sites and service providers.

The Council Approved 2019 to 2028 Capital Plan includes an incremental net operating impact of \$12.7 million for the annualization of the programs that have opened in 2019 as well as the new programs that will open later in 2019 and 2020.

License Agreements for Shelter Service Providers

Purchase of service shelter service providers provide services and operate emergency and transitional shelters throughout the city. The locations currently being operated by service providers are outlined in Appendices A and C. Sites may be owned or leased by the service providers directly, or owned or leased by the City. When a service provider enters into an operating agreement for a site that is owned or leased by the City, a license to operate in the space or a sub-lease agreement is required. As the service providers are funded by the City through the operating agreement, the license or sub-lease would be for nominal consideration or less than market value. Currently,

delegated authority as it pertains to certain real estate matters only allows for agreements to be entered into if the rent is at market value, or for less than 12 months.

There has been an increase in the number of City owned and leased facilities used for emergency shelter being obtained by the City and operated through purchase of service agreements as a result of Council's direction to add 1,000 new shelter beds. To increase stability for the sector and predictability in the services available to clients, authority is being requested to enter into and amend as required, license agreements with service providers for less than market value for periods of potentially more than 12 months. The term of the license agreement will be tied to the term of the operating agreement for each service provider.

CONTACT

Gordon Tanner
Director, Homelessness Initiatives & Prevention Services
Shelter, Support and Housing Administration
Tel: 416-392-5417
Email: Gordon.Tanner@toronto.ca

SIGNATURE

Mary-Anne Bédard
General Manager (I)
Shelter, Support, and Housing Administration

ATTACHMENTS

Appendix A: 2019-20 Shelter Allocations

Appendix B: 2019-20 Other Service Contracts

Appendix C: 2019-20 Other Shelter & Related Programs