

Federal and Provincial Investments in Affordable and Supportive Housing

Date: November 8, 2021

To: City Council

From: Executive Director, Housing Secretariat

Wards: All

SUMMARY

On October 21, 2021, the Economic and Community Development Committee adopted Item [EC25.5](#) - "Results of the 2021 Street Needs Assessment and Shelter, Support and Housing Administration's Homelessness Solutions Service Plan", and requested that staff report directly to City Council on November 9 and 10, 2021, with details on contributions made by the federal and provincial governments towards the City's [24-month COVID-19 Housing and Homelessness Recovery Response Plan](#) and the overall [HousingTO 2020-2030 Action Plan](#).

The Committee also requested that staff provide details on opportunities to accelerate or expand City Council's targets for building affordable housing to functionally end chronic homelessness in Toronto as a result of COVID-19, evictions, housing unaffordability and other upstream contributors to homelessness. This report responds to Council's requests.

RECOMMENDATIONS

The Executive Director, Housing Secretariat, recommends that:

1. City Council request the federal and provincial governments to provide additional investments to fully fund the City of Toronto's 24-month COVID-19 Housing and Homelessness Recovery Response Plan outlined in Item PH16.8 - "Addressing Housing and Homelessness Issues in Toronto through Intergovernmental Partnerships", including:

- a. capital funding to create the remaining 517 new supportive homes; and
- b. \$48 million in annual ongoing operating funding beginning in 2022 to ensure the homes created result in 2,000 new supportive housing opportunities for

vulnerable and marginalized individuals, including people experiencing homelessness.

2. City Council request the Canada Mortgage and Housing Corporation ("CMHC") to approve all Rapid Housing Initiative Phase Two applications in Toronto currently being considered.

3. City Council re-iterate its requests for the federal and provincial governments to provide new, enhanced and accelerated investments and policy tools to help deliver the City's HousingTO 2020-2030 Action Plan by 2030.

FINANCIAL IMPACT

There are no financial impacts arising from the recommendations in this report.

EQUITY IMPACT STATEMENT

The HousingTO Plan envisions a city in which all residents have equal opportunity to develop to their full potential, and is centred on a human rights-based approach to housing. This approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building inclusive, healthy, sustainable and liveable communities.

A key objective of the HousingTO Plan is to increase the supply of permanent affordable rental and supportive housing to help our most vulnerable and marginalized residents, including Indigenous Peoples, Black people, seniors, women, 2SLGBTQ+ persons, and those from other equity-deserving groups, live in dignified housing with appropriate supports.

Access to good quality, safe, affordable housing is an important determinant of health and also improves the social and economic status of an individual. In addition, good quality, affordable housing is a cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region, and country as a whole.

DECISION HISTORY

At its meeting of October 21, 2021, the Economic and Community Development Committee adopted item EC25.5 "Results of the 2021 Street Needs Assessment and Shelter, Support and Housing Administration's Homelessness Solutions Service Plan", and requested the City Manager, in consultation with the Executive Director, Housing Secretariat, report directly to City Council at its meeting of November 9 and 10, 2021, on contributions of other levels of government to the City's HousingTO Action Plan and 24-Month COVID-19 Housing and Homelessness Recovery Response Plan, and on

opportunities to accelerate or expand City Council targets for building affordable housing to functionally end chronic homelessness.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EC25.5>

At its meeting of December 16, 17, and 18 2020, City Council adopted Item No. PH19.11, "Emergency Housing Action" which included the City's 24-month COVID-19 Housing and Homelessness Response Plan to create 3,000 new permanent affordable and supportive housing units, and directed staff to expedite the delivery of 670 housing opportunities over an 8 to 12 week period. It also reiterated various requests of other orders of government to improve program delivery and ensure the success of new residents of these homes. The City Council decision can be found at:

<https://www.toronto.ca/legdocs/mmis/2020/cc/bgrd/backgroundfile-159533.pdf>

At its meeting of October 27, 28 and 30 2020, City Council adopted the item PH17.3, "Taking Action to Increase Affordable and Supportive Housing Opportunities", which included an update on actions taken to-date by staff to proactively prepare to take advantage of the federal Rapid Housing Initiative. The City Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH17.3>

At its meeting of September 30 and October 1, 2020, City Council adopted, with amendments, Item No. PH16.8, "Addressing Housing and Homelessness in Toronto through Intergovernmental Partnership" which described needed investments from both the Provincial and Federal governments. The report also outlined the City's 24-Month COVID-19 Housing and Homelessness Recovery Response Plan aimed at providing dignified, stable permanent housing options for 3,000 people experiencing chronic homelessness within the shelter system, with the support of the Federal and Provincial governments. The City Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.8>

At its meeting of December 17-18, 2019 City Council adopted PH11.5 "HousingTO 2020-2030 Action Plan" as the framework to address Toronto's housing and homelessness challenges by 2030. This Plan includes a number of actions and targets to address critical needs across the housing spectrum including emergency shelters and transitional housing, social and supportive housing, market and affordable rental housing and home ownership. The City Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

COMMENTS

HousingTO 2020-2030 Action Plan

The HousingTO 2020-2030 Action Plan ("HousingTO Plan") was approved by Council in December 2019 and provides a blueprint to guide the City of Toronto's actions and investments across the housing continuum. Implementation of the HousingTO Plan will support over 341,000 households by 2030 through a number of actions and initiatives including through the approval of 40,000 new affordable homes, including 18,000 supportive homes.

Achieving these ambitious goals requires significant investment from all orders of government. It also requires investments and participation from the community and private sectors. It is estimated that the HousingTO Plan will cost approximately \$27.7 billion to be delivered by 2030, with a required commitment of approximately \$11.8 billion from the City, and approximately a combined \$15.9 billion in required investments from the federal and provincial governments.

24-Month COVID-19 Housing and Homelessness Recovery Response Plan

The 24-Month COVID-19 Housing and Homelessness Recovery Response Plan ("24-Month Plan") was approved by Council in October 2020 to accelerate the implementation of the HousingTO Plan in response to the ongoing COVID-19 pandemic. The 24-Month Plan aims to create 3,000 permanent housing opportunities for people experiencing homelessness through 2,000 new supportive homes, and 1,000 new portable and flexible housing benefits.

In order to deliver the 24-Month Plan, City Council requested the federal and provincial governments to provide:

- An estimated \$675 million in capital funding to deliver 2,000 new homes through modular construction and acquisitions and conversions;
- \$48 million annually and ongoing in operating funding for support services to create 2,000 new supportive homes; and
- \$7 million annually for 1,000 new Canada-Ontario Housing Benefits ("COHB").

Progress to-date on Delivering the 24-Month Plan

Through federal, provincial and City investments in 2020 and 2021, commitments have been secured to deliver 74% of the 24-Month Plan targets. More specifically, through these combined investments, 1,583 people will be able to move into permanent homes, including 1,483 supportive housing units, as outlined in Table A below.

However, to ensure that residents remain successfully housed long term and prevent a return to homelessness, it is critical that the provincial government commit to providing ongoing operating funding for these new homes beginning in 2022. This operating funding is required to provide a range of wrap-around housing, health and social supports onsite. It will also help to improve housing, health and socio-economic outcomes for vulnerable residents while reducing costs to the public sector from reduced use of costly emergency services such as shelters, hospitals and jails.

Table A- Summary of 24 Month Plan (2021 and 2022) and Progress to-date

<p>What we asked for</p>	<p>3,000 housing opportunities:</p> <ul style="list-style-type: none"> • 2,000 new supportive homes through modular construction and/or acquisitions; • \$48 million annually and ongoing to provide support services in 2,000 supportive homes; and • 1,000 affordable housing opportunities through portable housing benefits.
<p>What we secured to-date</p>	<ul style="list-style-type: none"> • 1,583 permanent housing opportunities: • 1,483 new supportive homes through: <ul style="list-style-type: none"> • 150 new supportive homes through Modular, Housing Initiative Phase 2, • 450 supportive homes using Toronto Community Housing vacant units and layering support services • 860 new supportive units through Rapid Housing Initiative (RHI) Phases 1 & 2*, and, • 23 new supportive homes through an upcoming City acquisition; • \$15.4 million in one-time funding for 2021 to provide support services; and • 1,000 new affordable housing opportunities using Canada-Ontario Housing Benefits.
<p>Outstanding for 2022</p>	<ul style="list-style-type: none"> • 517 new supportive homes to be created through modular and/or acquisitions; and • \$48 million annually and ongoing to provide support services in 2,000 supportive homes.

* This includes projects currently awaiting decisions from CMHC, with funding for 233 units guaranteed.

Federal and Provincial Investments for the 24-Month Plan

In total, the City has secured approximately \$353 million in capital funding and \$15.4 million in operating funding from the federal and provincial governments for the 24-Month Plan as outlined above. Funding envelopes are described further below:

Federal Government

- \$18.75 in capital funding and financing through the Affordable Housing Innovation Fund to support the City's Modular Supportive Housing Initiative; and
- \$335 million in capital funding through the Rapid Housing Initiative (Major Cities Stream), including approximately \$203 million in Phase 1 and approximately \$132 million in Phase 2.

As also noted above, Toronto's allocation for Phase Two of the Rapid Housing Initiative is approximately \$132 million under the 'Major Cities' stream, with a requirement to create a minimum of 233 new affordable rental units. In addition to this guaranteed allocation, working with Indigenous and non-profit housing providers, the City has

requested funding for a number of projects under the 'Projects Stream' representing a total of almost 1,000 potential new affordable homes. This report recommends that Council request CMHC to approve all projects that are currently under review.

Provincial Government

- \$15.4 million in one-time operating funding for 2021.

Joint Federal and Provincial Investment

- Approximately \$7.4 million for 1,000 new Canada-Ontario Housing Benefits beginning in April 2022. This was received as part of a total \$12.25 million commitment to COHB for 2022-23.

Outstanding Requests

In order for the City to meet its 24-Month Recovery Plan targets, it will require:

- \$305 million in capital funding to support the creation of the remaining 517 new supportive homes; and
- \$48 million per year and ongoing to provide support services for the 2,000 new supportive homes created in 2021/22.

Over the next nine years, the City will require approximately an additional \$10.3 billion in capital and operating funding from both federal and provincial governments to meet its target of approving 18,000 supportive homes.

Ending Chronic Homelessness in Toronto

Permanent supportive housing is the long-term solution to ending chronic homelessness. However, emergency responses like shelters and low barrier 24-hour respite services are essential to respond to the immediate needs of people experiencing homelessness. Programs that help to prevent homelessness where possible, and housing-focused services which ensure that when homelessness does occur, the experience is rare, brief and non-recurring, are also critical.

Since the onset of the pandemic, in addition to creating new affordable and supportive housing, the City has also scaled up its homelessness prevention efforts through programs such as the Toronto Rent Bank and Eviction Prevention in Community program. These programs provide financial assistance to households at risk of eviction and in 2021 alone, helped prevent eviction for over 1,300 households.

Additionally, the City continues to provide support services to residents where they currently live. These support services help address physical and mental health issues and support vulnerable people to maintain their homes particularly as their needs change over time. Layering support services to our existing supply of homes also helps to prevent homelessness and reduced use of emergency services such as shelters and hospitals.

Solving homelessness requires an integrated systems approach with leadership and collaboration across all orders of government, sectors and communities. Besides building new supportive housing, other opportunities to help people exit (or prevent their entry into) homelessness include:

- An increase to the benefit amount provided to households receiving social assistance (i.e. Ontario Works/Ontario Disability Support Program) at rates that recognize the high housing cost in major cities such as Toronto;
- Increased coordination and an integrated service approach with federal and/or provincial child welfare, corrections social services, immigration and health systems to reduce discharges into homelessness; and
- Enhanced investments in affordability measures such as housing benefits and mental health and addiction support services that can help maintain housing stability where people currently live.

Conclusion

As the pandemic continues, there is an urgent need to expedite the delivery of supportive housing to help address the city's challenging homelessness situation. While significant progress has been made with the help of the federal and provincial governments towards delivery of the 24-Month Plan, additional investments are needed to fully fund the plan by the end of 2022.

In addition, a longer term commitment is needed from both the federal and provincial governments to support delivery of the City's HousingTO 2020-2030 Action Plan aimed at approving 18,000 supportive homes by 2030. In the absence of immediate action and increased investments, vulnerable and marginalized people will continue to be underserved by our housing and health systems, and limited public investments will continue to be diverted to costly emergency measures as opposed to permanent solutions.

Increasing the supply of supportive housing will help improve housing, health and socio-economic outcomes for residents, strengthen our public systems and expedite recovery from the pandemic. Increasing the supply of supportive housing is also essential for all orders of government to achieve their common goal of ending chronic homelessness by 2030.

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SIGNATURE

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