

COVID-19 Shelter Transition and Relocation Plan Update

Date: March 14, 2022

To: Economic and Community Development Committee

From: General Manager, Shelter, Support and Housing Administration, Executive Director, Corporate Real Estate Management and Chief Procurement Officer, Purchasing & Materials Management

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

Confidential Attachment 1 refers to a position, plan or instruction to be applied to negotiations carried out or to be carried out by or on behalf of the City of Toronto.

SUMMARY

This report provides an update on the COVID-19 Shelter Transition and Relocation Plan and outlines a phased workplan over the next 24 months. It requests the authorities required to implement this plan for 2022 and 2023, including the authority to enter into lease/licence extensions and agreements at emergency shelter program hotels and services to support those programs.

Over the past two years, the shelter system has undergone significant and dramatic transformation to respond to the unprecedented situation caused by the COVID-19 pandemic. These actions have undoubtedly saved the lives of people experiencing homelessness, some of the most vulnerable people in our community.

While many of the pandemic measures introduced in the broader community are now lifting as a result of the provincial re-opening plan, or are anticipated to change in the coming months, in high-risk congregate settings like emergency shelters, similar to Long-Term Care Homes, continued measures are still recommended and a cautious approach is needed both to ensure continued vigilance against any future resurgence of COVID-19 and to ensure that learning from the pandemic contributes to a stronger and more effective shelter system going forward.

The significant changes introduced within the shelter system to respond to the pandemic while maintaining capacity – including opening of 27 new shelter locations for

physical distancing - were implemented over the past two years and are not possible to suddenly reverse overnight but will require a planned and gradual transition. The events of the past two years have also created significant resource and staffing capacity challenges across the sector, similar to those challenges facing many other sectors, and further change, while required as part of the transition, needs to ensure the homelessness sector is not further destabilized. For these reasons, the transition plan outlined in this report is recommended to be phased in over the next 24 months.

There are currently 27 temporary shelter sites supporting the City's emergency COVID-19 response, serving approximately 3,200 people nightly to support physical distancing and to provide spaces for people to move indoors from encampments. These temporary sites are now providing approximately 40% of the total spaces in the City's shelter system. Approval of the recommendations in this report will ensure that these critical emergency shelter spaces are available for those in need beyond April 30, 2022, while the phased transition plan is implemented.

Along with the need for a gradual transition from the temporary sites, this report is not recommending a full return to the pre-COVID situation in the shelter system. While many of the restrictions in the broader community are being lifted, within congregate living settings like shelters, continued measures to protect against the spread of COVID-19 and other diseases is needed to protect vulnerable people. A vision for the future of the shelter system, based on learning from the experience of the pandemic and building on the [Shelter Design and Technical Guidelines](#) and the housing-focused service model set out in the [Homelessness Solutions Service Plan](#) will guide this transition, and capitalize on the opportunity to shape a housing and equity focused recovery. Investments in new affordable and supportive homes through the [24-Month Housing and Homelessness Plan](#) are a significant opportunity to provide better outcomes for people, and shift from emergency responses to more permanent solutions.

At the same time, the shelter system continues to face significant pressures. The anticipated number of new arrivals of refugee claimants may surpass what was seen in 2018 and 2019. Ongoing uncoordinated release of people from provincial institutions like correctional and health facilities without adequate housing plans in place contribute to these pressures. In addition, economic uncertainty, eviction rates and a continuing worsening in housing affordability are putting more people at risk of homelessness.

This report identifies a recommended approach to transition that includes six core components of work which are currently underway and form the basis for the transition workplan. The report seeks City Council approval to extend the use of sites currently serving as temporary shelters for COVID-19 response that have lease or agreement end dates in 2022. Another 10 temporary shelter sites that have existing authorities will continue operating as needed in 2023 and beyond. As part of phase 1 of the transition plan over the next 12 months, up to five temporary sites will be decommissioned. Based on learning from the first phase, decommissioning more sites is planned for phase 2 in 2023. If current projections change, the timelines for the plan will be revisited.

As part of the first phase, key indicators will be monitored and tracked to measure shelter demand and progress in implementing the transition plan. As new supportive and affordable housing opportunities become available for people experiencing chronic

homelessness, existing shelter capacity will be freed up to be used for its originally intended purpose of short-term, emergency shelter, and advancing the City's goal of ensuring homelessness is rare, brief and non-recurring.

RECOMMENDATIONS

The General Manager Shelter, Support and Housing Administration, the Executive Director, Corporate Real Estate Management, and the Chief Procurement Officer, Purchasing & Materials Management recommends that:

1. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the General Manager of Shelter, Support and Housing Administration, to exercise any options to extend currently included in the existing lease and licence agreements for the properties identified in Attachment 1, Table 1, and on such other or amended terms and conditions as may be deemed appropriate by the Executive Director, Corporate Real Estate Management, in consultation with the General Manager of Shelter, Support and Housing Administration, and in a form acceptable to the City Solicitor.
2. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the General Manager, Shelter, Support and Housing Administration, to negotiate and approve further lease/licence extensions in relation to any property identified in Attachment 1, Table 1, in a form satisfactory to the City Solicitor, provided that the proposed business terms for any such future lease/licence extensions generally reflect the terms and conditions contemplated for that property in Confidential Attachment 1, and on such other or amended terms and conditions as may be deemed appropriate by the Executive Director, Corporate Real Estate Management, in consultation with the General Manager, Shelter, Support and Housing Administration, provided that required funding is available in an approved budget and that no such extension shall extend later than April 30, 2023 without securing further City Council approval.
3. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the General Manager of Shelter, Support and Housing Administration, to negotiate and settle the terms and amount of restoration costs, as may be required for any of the 13 leases and license agreements listed in Confidential Attachment 1, and on such other or amended terms and conditions as may be deemed appropriate by the Executive Director, Corporate Real Estate Management, in consultation with the General Manager of Shelter, Support and Housing Administration, and in a form acceptable to the City Solicitor, provided that funding is available in an approved budget, subject to the instructions to staff for such costs, as set out in Confidential Attachment 1.
4. City Council authorize the public release of Confidential Attachment 1 to the report upon the expiration of the last agreement of the leased and/or licensed premises, as Confidential Attachment 1 contains instructions to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto.

5. City Council authorize the General Manager, Shelter, Support and Housing Administration and/or the Executive Director, Corporate Real Estate Management to enter into the necessary amending agreements on terms and conditions satisfactory to the General Manager, Shelter, Support and Housing Administration and/or Executive Director, Corporate Real Estate Management and in a form satisfactory to the City Solicitor to increase the value and extend the term of the fifteen (15) existing non-competitive blanket contracts/purchase orders and five (5) existing competitive blanket contracts outlined in Attachment 1, Table 3, 4 and 5.

6. City Council, in accordance with Section 195-8.5E of City of Toronto Municipal Code Chapter 195, Purchasing, authorize the General Manager, Shelter, Support and Housing Administration to enter into and execute an agreement with the successful proponent below who has satisfied all requirements set out in Request for Proposal Document Number 3002340572 for the provision of short-term accommodations for shelter clients through the use of hotel/motel services for operated shelters, on terms and conditions set out in the Request for Proposal and satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form satisfactory to the City Solicitor, as follows:

a. Kingston Residence Inc. (formerly New Lido Inc.) for an initial term of one year from the date of award in the amount of \$1,000,000 excluding all taxes (\$1,017,600 net of Harmonized Sales Tax recoveries), with the option to renew for four separate additional one-year periods in the amount of \$1,000,000 each excluding all taxes (\$1,017,600 net of Harmonized Sales Tax recoveries), for a total potential contract value of \$5,000,000 excluding all taxes (\$5,088,000 net of Harmonized Sales Tax recoveries)

7. City Council, in accordance with Section 71-11.1C of City of Toronto Municipal Code Chapter 71, Financial Control, authorize the Executive Director, Corporate Real Estate Management to enter into the necessary amending agreements on terms and conditions satisfactory to the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor to increase the value (and extend the term, as outlined in Recommendations 7.a to 7.b below) of the following contracts:

a. Blanket Contract Number 47023936 with Star Security Inc. in the amount of \$19,543,536 net of all taxes (\$19,887,502 net of Harmonized Sales Tax Recoveries) for the provision of contracted security guard services, increasing and extending the contract value from \$9,957,677 to \$29,141,213 net of all taxes (\$29,647,098 net of Harmonized Sales Tax Recoveries) for the period ending October 10, 2023; and

b. Blanket Contract Number 47023937 with Garda Canada Security Corporation in the amount of \$8,134,715 net of Harmonized Sales Tax (\$8,277,886 net of Harmonized Sales Tax Recoveries) for the provision of contracted security guard services, increasing and extending the contract value from \$6,255,564 to \$14,390,279 net of all taxes (\$14,643,548 net of Harmonized Sales Tax Recoveries) for the period ending October 10, 2023.

8. City Council authorize the General Manager, Shelter, Support and Housing Administration, to enter into grant agreements as needed with at least three non-profit organizations to provide temporary accommodation and related supports for approximately 750 refugee claimants outside of the base City's emergency shelter system, with a total expenditure of up to \$15,169,745, on such terms and conditions as are satisfactory to the General Manager, and in a form approved by the City Solicitor.

9. City Council direct the General Manager, Shelter, Support and Housing Administration, to report back to Economic and Community Development Committee in the first quarter of 2023 with an update on phase 1 of the Shelter Transition and Relocation Plan outlined in this report and next steps for phase 2 of the plan in 2023.

10. City Council direct the General Manager, Shelter, Support and Housing Administration to amend the Toronto Shelter Standards Directive related to physical distancing to introduce safe, moderate increase of capacity in base shelter sites where feasible, while maintaining public health measures to reduce the spread of COVID-19.

11. City Council direct the General Manager, Shelter, Support and Housing Administration to update and implement changes to the Toronto Shelter Standards as needed to strengthen safety and quality in the shelter system with a lens on equity and inclusion.

12. City Council reiterate its requests to the Federal and Provincial Governments to:

a. continue to provide funding to deliver the COVID-19 response for people experiencing homelessness to allow for the implementation of the phased implementation of the transition plan while ensuring stabilization of the homelessness service system through to recovery;

b. provide ongoing and sustainable funding to ensure that appropriate primary health care, harm reduction, overdose prevention and mental health case management services are available to adequately support individuals who are homeless and implement the shelter health services framework to provide a coordinated and consistent approach to health services across the shelter system;

c. Establish and implement an immediate federal and provincial intergovernmental strategy for large scale arrivals of refugee claimants to ensure appropriate supports are in place across Ontario, including reception programs and facilities outside of Toronto (especially near ports of entry), coordination to refer new arrivals across the province, and providing direct funding to refugee houses and refugee specific shelter providers in strategic locations across Ontario, including Toronto; and

d. recognize that permanent solutions to ending chronic homelessness are not possible without increased, long-term funding commitments and provide the capital and ongoing operating funding needed to meet the City of Toronto's supportive housing targets of 1,800 new supportive housing units every year for 10 years.

FINANCIAL IMPACT

This report requests Council authority to:

- Amend and extend leases and licences at twelve (12) emergency shelter program hotels to support the City's COVID-19 shelter response at a total estimated cost of up to \$49.13 million net of HST recoveries in 2022 and up to \$26.84 million net of HST recoveries in 2023;
- Amend fifteen (15) existing non-competitive blanket contracts and purchase orders for various services supporting the operation of the City's COVID-19 shelter response at a total estimated cost of up to \$45.86 million net of HST recoveries in 2022 and up to \$22.93 million net of HST recoveries in 2023;
- Amend three (3) existing competitive blanket contracts for various services supporting the operations of the City's COVID-19 shelter response at a total estimated cost of up to \$4.75 million net of HST recoveries in 2022 and up to \$2.37 million net of HST recoveries in 2023; and
- Amend two (2) existing competitive blanket contracts for security services supporting the operations of the City's COVID-19 response initiative at a total estimated cost of up to \$14.36 million net of HST recoveries in 2022 and up to \$13.81 million net of HST recoveries in 2023.
- Enter into and execute an agreement with the successful proponent below who has satisfied all requirements set out in Request for Proposal Document Number 3002340572 for the provision of short-term accommodations for shelter clients through the use of hotel/motel services for operated shelters

Enter into grant agreements with three (3) not-for-profit entities and/or organizations to provide the temporary accommodation of up to 750 refugee claimants who are experiencing homelessness in Toronto in an effort to avoid needing to utilize the emergency shelter system, for a total expenditure of up to \$15.17 million net of HST recoveries in 2022. There are no added costs in 2023.

The total cost for 2022 is up to an estimated \$130.29 million net of HST recoveries and up to an estimated \$66.97 million net of HST recoveries in 2023. See Table 1 below for details.

Table 1: Total Estimated Costs of Requested Extensions, Should All Options be Exercised

Cost in Millions	Total Costs for 2022 Net of HST Recoveries	Total Costs for 2023 Net of HST Recoveries
Extending Lease and Licences for 12 Temporary Shelter Sites	49.13	26.84
Amending 15 Non-Competitive Blanket Contracts/Purchase Orders	45.86	22.93
Amending and Extending 3 Competitive Blanket Contracts	4.75	2.37
Amending 2 Competitive Contracted Security Guard Blanket Contracts	14.73	13.81
Enter into 1 Competitive Contract for the provision of short-term accommodations for shelter clients through the use of hotel/motel services	1.02	1.02
Enter into grant agreements with three (3) not-for-profit entities and/or organizations to support new refugee program	15.17	0
Total	130.29	66.97

Funding of \$288.34 million is included in the 2022 SSHA Approved Operating Budget to support the City's COVID-19 shelter response operations and has been allocated to the various cost items summarized in Table 2. Accordingly, the request to extend twelve (12) hotel leases and to extend fifteen (15) non-competitive blanket contracts and five (5) competitive contracts and three (3) grant agreements estimated up to \$130.29million is covered by SSHA's remaining uncommitted 2022 budget of \$192.22 million.

Table 2: Total Estimated Costs of 2022 COVID-19 Shelter Response Operations

Cost in Millions	2022 Budget	January 1st to April 30th Committed	May 1st to Dec 31st 2022 Uncommitted
Staffing	24.56	8.19	16.37
Room Rent	110.77	36.92	73.85
Food	26.28	8.76	17.52
Security	24.87	10.51	14.36
Others (PPE, rental of equipment, laundry, etc.)	101.86	31.74	70.12
Total	288.34	96.12	192.22

The extension of the twelve (12) hotel leases and the extension and amendment of the fifteen (15) non-competitive blanket contracts and five (5) competitive contracts into 2023, if required, will result in \$66.97 million net of HST recoveries impact in 2023 if all options are exercised. The financial implications of continuing the City's COVID-19 Shelter Response will be considered for funding along with other City priorities, public health requirements and available federal-provincial funding through the 2023 budget process.

Refer to Confidential Attachment 1 and Attachment 1 for additional details on the extension agreements and non-competitive blanket contracts/purchase orders and competitive blanket contract amendments.

Refer to Attachment 1 for additional details on the award of RFP Number 3002340572.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impacts associated with this report as contained in the Financial Impact Section, Confidential Attachment 1, and Attachment 1 to this report.

DECISION HISTORY

At its meeting on January 21, 2022, The Economic and Community Development Committee requested the General Manager, Shelter, Support and Housing Administration and the Chief Procurement Officer to report back to the March 24, 2022 meeting of the Economic and Community Development Committee, prior to the award of the contract to New Lido Inc., on how to address cleanliness, security and safety of the property and proposed improvements before entering into an agreement with New Lido Inc.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EC27.9>

At its meeting on January 17, 2022, Board of Health requested the Medical Officer of Health to work with the City Manager and the General Manager, Shelter, Support and Housing Administration to urgently explore and implement plans to address shelter safety, including through immediately expanding the capacity of recovery and non-congregate shelter beds. The Board of Health also expressed support for the Federal Government to fully utilize the powers under the Federal Emergencies Act to support efforts to secure and prolong new or existing shelter hotel space, as necessary.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.HL33.3>

At its meeting on December 15, 16 and 17 2021, City Council adopted GL27.16 "Extensions, Amendments and Update for Shelter, Support and Housing Administration COVID-19 Response Sites". It included several recommendations, including authorizing leases and licence extension and/or amendment agreements for eleven sites, additional expenditures at 45 The Esplanade, and confidential instructions to staff.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.GL27.16>

At its meeting on November 9, 2021, City Council adopted EC25.6 2022 "Shelter Infrastructure Plan, Community Engagement Review and Amendments to Contracts

and Purchase Orders to Support Shelter Services", which granted authority to amend various existing non-competitive blanket contracts/purchase orders established to support the COVID-19 response, as well as authority to open and operate shelters and to take appropriate measures to provide adequate shelter capacity in response to unanticipated demands on the system.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EC25.6>

At its meeting on November 9, 2021, City Council adopted EC25.5 "Results of the 2021 Street Needs Assessment and Shelter, Support and Housing Administration's Homelessness Solutions Service Plan" which identified six implementation priorities that will guide the City and its partners over the next three years in further strengthening a housing-focussed approach to homelessness. A key action identified as part of the Service Plan is development of an operational plan to transition out of COVID-19 hotel response sites.

<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. 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 on October 27, 2020, City Council adopted EC16.1 "Interim Shelter Recovery and Infrastructure Implementation Plan". It included several recommendations, including authorizing the General Manager, Shelter, Support and Housing Administration to receive funding and enter into new or amend existing agreements, subject to the approval of Shelter, Support and Housing Administration's 2021 Operating Budget, to continue to provide the City of Toronto's response for the homelessness service system

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC16.1>

In March 2020, additional authority was delegated to staff under Municipal Code Chapter 59, Emergency Management as a result of the COVID-19 pandemic. Along with the typical authorities that allow City staff to locate shelters in locations that meet zoning by-laws further emergency authorities have been granted under these emergency orders to allow/enable City staff to rapidly expand the shelter system to ensure the safety of staff and residents.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RM20.1>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC20.3>

At its meeting on October 02, 2015, City Council adopted CD6.5 "Updated Toronto Shelter Standards". The report included the current version of the Toronto Shelter Standards that present City of Toronto-funded shelter providers and clients with a clear set of expectations, guidelines and minimum requirements for the delivery of shelter services in Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD6.5>

COMMENTS

This report provides a comprehensive update on the shelter system and current trends, outlines the phased 24 month transition plan for temporary shelter sites and identifies options to maintain shelter capacity while continuing efforts to reduce chronic homelessness.

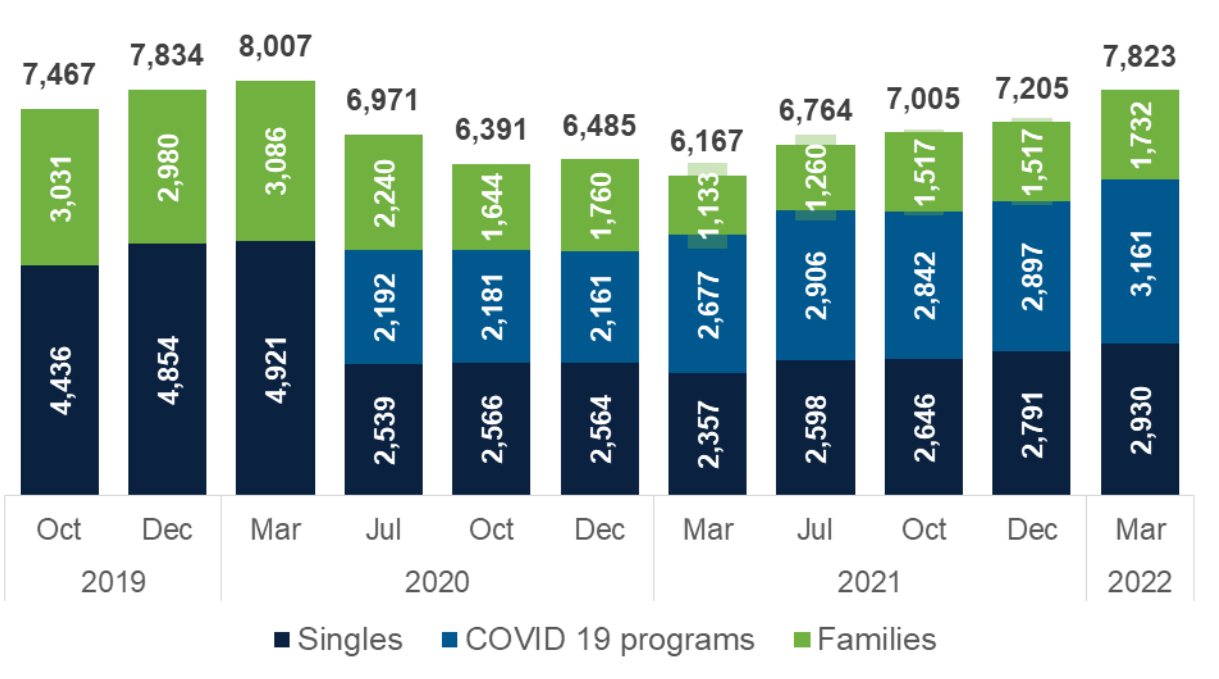
1. Shelter System Update

Throughout the pandemic, the City has taken a comprehensive approach to mitigate the impacts of COVID-19 on the shelter system and people experiencing homelessness, including rigorous infection, prevention and control (IPAC) measures, establishing a COVID-19 Isolation and Recovery program, physical distancing, providing Personal Protective Equipment, and mobilizing vaccination efforts. Over the past two years, the shelter system has undergone significant and dramatic transformation to respond to the unprecedented situation caused by the COVID-19 pandemic. These actions have undoubtedly saved the lives of people experiencing homelessness, some of the most vulnerable people in our community.

As part of this comprehensive response, temporary shelter sites were opened to create physical distancing in the shelter system. There are currently 27 temporary shelter sites supporting the City's emergency COVID-19 response, along with an additional program that operates as a partnership with an Indigenous service provider independent of the City's shelter system. Of these, 23 sites are in hotels or motels, and the remaining are in other types of buildings. These locations provide shelter spaces for approximately 3,200 people nightly to support physical distancing. The temporary sites are operated by a mix of City staff and 14 non-profit service providers.

These temporary sites are now providing approximately 40% of the spaces in the City's shelter system, while the 75 base shelter sites across Toronto provide the remaining 60%. Since the start of the pandemic, shelter system capacity has been maintained and slowly increased to respond to demand and to provide space for people to move indoors from encampments. Figure 1 shows shelter system capacity over the past two years and demonstrates that as a result of the opening of these temporary programs, capacity for single individuals and couples increased by 25% between March 2020 and January 2022. The City is providing shelter and 24-hour respite spaces for more than 6,100 people in the singles sector per night, compared to 4,900 spaces in the singles sector in March 2020. Approximately 2,000 spaces were moved to temporary sites to ensure physical distancing in the base shelter system, and an additional 1,200 spaces were added to provide additional capacity to respond to demand in the singles sector.

Figure 1: Shelter System Capacity 2019 - 2022



Shelter System Trends and Demand for Services

Demand for emergency shelter has continued to increase over the past year as a result of a combination of pressures from new arrivals of refugee claimants, uncoordinated release of people from provincial institutions like correctional and health facilities without adequate housing plans in place, as well as economic uncertainty, eviction rates and a continuing worsening in housing affordability.

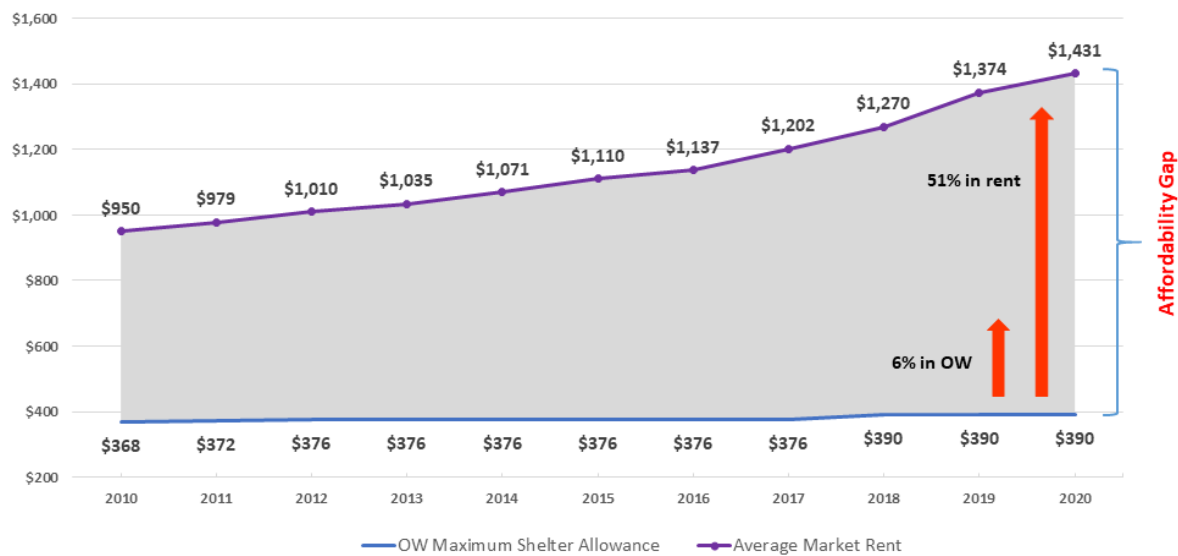
Data from the City's [Shelter Flow Dashboard](#) shows that the number of new people becoming homeless for the first time has increased over the past year. The average number of new individuals to shelter per month in 2021 was 691, an increase from 635 on average in 2020. In January 2022 there were 741 newly identified individuals. At the same time, the number of people exiting to housing has decreased.

Data on where people are coming from when they enter the shelter system is limited from the existing intake form in SMIS, however, enhancements are rolling out in the coming months that will improve the quality of data in future. From a sample of data available from in December we can estimate that approximately 25% of people entering the shelter system were moving from outdoors, 15% indicated an eviction as their reason for homelessness and 34% were refugee or refugee claimants.

From the [Street Needs Assessment](#), we know that the most common reasons for people to become homeless are those related to evictions, including having not enough income for housing, which was the most frequently reported reason for homelessness, along with landlord/tenant conflict, and unfit/unsafe housing conditions. Other top reasons reported included substance use issue, conflict with spouse/partner, and mental health issue.

The underlying cause of homelessness is the housing affordability gap in Toronto, particularly for the lowest income households, which has continued to worsen. For those on income support programs including Ontario Works and the Ontario Disability Support Program, this gap is particularly pronounced – for single individuals the shelter benefit amount is \$390 while average rent for a 1 bedroom unit is \$1,431 in Toronto. In addition rising inflation continues to increase the prices of groceries and other basic necessities for those living in poverty and contributes to growing housing instability and food insecurity.

Figure 2: Affordability Gap between OW Shelter Allowance and Average Market Rent for a 1 bedroom Unit in Toronto



Current data also demonstrates that approximately 90% of people experiencing homelessness have lived in Toronto for the past year. A small but not insignificant number of people may come to Toronto from other communities in Ontario (4%) or Canada (3%) to access services here. It is worth noting that other GTA municipalities also report individuals relocating from Toronto to other municipalities to access services where they may be available, and the movement of people experiencing homelessness is fluid.

While most of those newly experiencing homelessness are people becoming homeless from within Toronto or Ontario, a growing number are refugees and refugee claimants.

Changes in Refugee Claimant in need of emergency shelter

Since September 2021, Toronto has experienced a notable increase in the number of refugee claimant arrivals in need of emergency housing. This increase is largely due to the border reopening and easing of international travel restrictions after more than two years. On September 1, 2021, there were 507 refugee clients in Toronto's shelter system. This figure jumped to 1,176 as of March 6, 2022; an increase of more than 100%. Further, an average of 50-60 new refugee arrivals have been accessing the

shelter system per week in the first two months of 2022, with approximately 75% of those accessing services in the family sector.

It is anticipated that new arrivals of refugee claimants to Ontario may surpass even what was seen in 2018 and 2019. The City has requested, on numerous occasions, immediate and urgent action from the federal and provincial governments to plan for the large-scale increase in refugee claimant arrivals in order to avoid a potential crisis. The City's shelter system continues to be strained by the pressures related to the pandemic response and increasing demand for services. Many of the hotel programs that were previously used for refugee response in 2019 are now being used as part of the temporary pandemic response sites and staffing resources are overextended across the sector already. As a result, the base shelter system does not have capacity to expand as it has in the past to provide additional housing supports to refugee families.

Given the increasing pressures and the number of refugee families in particular seeking access to temporary accommodation, in early March, SSHA worked with the Toronto Newcomer Office to increase services available for refugee claimants by providing temporary grant funding to three community-based refugee service providers, COSTI Immigrant Services, The Coalition and Red Cross, to increase their capacity. These additional programs will provide support to up to 750 people while they secure permanent housing in the community, and will free up shelter capacity in the base shelter system.

With the projections for increasing refugee claimant arrivals and current global instability, including the unfolding Ukrainian humanitarian crisis, addressing this urgent issue requires not only federal financial support of \$61 million needed in 2022, but an ambitious federal and provincial intergovernmental strategy for large scale arrivals. This must include a range of urgent measures to ensure that appropriate supports are in place right across Ontario including reception programs and facilities outside of Toronto (especially near ports of entry), coordination to refer new arrivals across the province, and providing direct funding to refugee houses and refugee specific shelter providers in strategic locations across Ontario, including Toronto.

Ongoing pressures from provincial systems and reduced capacity of health, social and treatment programs

Since the start of the pandemic, an increase in people discharged from provincial institutions, including correctional and health facilities, without adequate housing plans in place has also places significant pressures on the City's shelter system. For example, according to data from Statistics Canada, between February and April 2020 alone the number of adults in provincial custody declined by 29% in Ontario which is more than 2,300 people. This, as well as the closure or reduction in service of other provincial programs and services (i.e. withdrawal management programs, violence against women's programs, safe beds and mental health and substance use treatment facilities) has continued to increase pressure on the homelessness service system in Toronto.

The ongoing opioid crisis has also continued to have a devastating impact on people experiencing homelessness and who use substances. Data from the [Toronto Overdose](#)

[Information system](#) shows a substantial rise in non-fatal and fatal opioid overdoses within the overall community, which has been mirrored [within the shelter system](#), with a notable increase during the COVID-19 pandemic. There were tragically 67 opioid overdose deaths that occurred in 2021 in Toronto shelters - a 45 per cent increase over the number of deaths (46) in 2020. It is a testament to the harm reduction response measures in place and the quick action of trained staff, clients, community partner and City first responders that an average of 125 toxic overdoses per month were reversed in 2021 (1,496).

The experiences of the past two years, including movement of individuals from encampments into new shelter programs, has highlighted the complexity of support needs for these individuals, and the significant health, mental health and harm reduction supports that are needed to provide safe and stable shelter and housing that meets their needs. In 2020, SSHA launched iPHARE (Integrated Prevention and Harm Reduction initiative), a multi-pronged effort by the City and community agencies to address opioid-related deaths in Toronto's shelter system. Some of the actions taken through the iPHARE initiative include expanding funding for harm reduction and mental health case management supports to community partner agencies to provide services within shelters. In total, from March 2020 through December 2021, SSHA provided \$5.1 million in funding to support iPHARE efforts by the City and community agencies.

Data from the 2021 Street Needs Assessment found that 33% of respondents who are not currently in treatment for a substance use issue are interested in accessing treatment, pointing to a significant gap in access to provincial health services for substance users. As City Council and the Board of Health have previously requested, there is an urgent need for a comprehensive Federal and Provincial plan to address the opioid crisis and tragic loss of life across Toronto and beyond.

COVID-19 accelerated collaborative problem solving between the health and shelter systems and showed that partners in both systems have the ability to work together to develop quick, creative responses to meet need. The City and our community health partners have acted quickly to provide these services that are generally provided through the provincial health funded system, and will need ongoing sustainable funding from the provincial government to continue these critical supports beyond the temporary COVID-19 funding current being utilized.

The collaboration that has taken place during the pandemic has also highlighted existing areas for improvement in how people experiencing homelessness receive care within the health and shelter systems. SSHA has been collaborating with Ontario Health Toronto Region (formerly the Toronto Central LHIN) and Inner City Health Associates, with representation from a range of health service providers, homelessness services and shelter operators through a joint planned table to develop a Shelter Health Services Framework. The work relates to three streams of health services: primary care; mental health supports and case management (including psychiatry); and harm reduction (overdose prevention, safe supply and peer support). The goal of the Framework is to ensure a coordinated and consistent approach to health services across the homelessness system, and to develop a sustainable implementation plan, including articulating the required resources to operationalize this new service model.

Critical to this work is the improved relationships between the homelessness services system and health partners, which build on the partnerships formed during the pandemic. Flexible funding from the provincial and federal governments for health partners and community agencies that support them will be essential to scale up this approach to all existing shelter locations and improve health and housing outcomes for service users.

Housing Opportunities Planned

The experiences of the pandemic have made clear that the best way to prevent the spread of the virus and the solutions to homelessness are the same – by providing people with safe and adequate housing. The City's investments in creating new affordable and supportive housing are guided by the HousingTO 2020-2030 Action Plan ("HousingTO Plan"). The City has taken immediate action to create new affordable and supportive housing opportunities for people experiencing homelessness, through the 24-month COVID-19 Housing and Homelessness Recovery Response Plan aimed at expediting delivery of the HousingTO Plan as an urgent response to the pandemic. Continuing to build and strengthen a responsive and person-centred homelessness service system is also a key priority of the [Homelessness Solutions Service Plan](#) approved by Council in November 2021.

Success of the Shelter Transition and Relocation Plan is dependent on availability of additional affordable and supportive housing opportunities for people to move out of shelter more quickly. The City's 24-month Housing and Homelessness Plan aims to create more than 3,000 new affordable housing opportunities by the end of year, including 2,000 with supports attached, to meet the needs of marginalized and vulnerable people experiencing homelessness. The new homes opening in 2022 can also support the transition out of the existing COVID-19 response locations. Staff provided an update on the status of this work to Council on November 8, 2021 ([2021 EC25.5a](#)). In addition, in February 2022, Council approved an Accelerated Housing Plan to provide an additional 300 housing opportunities through partnerships with housing providers and private market landlords. An initial webinar with the Greater Toronto Apartment Association was held in early March to outline the new accelerated housing program and identify potential partnerships with private market landlords, and a number of potential opportunities are underway.

Through the 24-Month Plan, the City is on track to exceed its targets and create over 3,300 new affordable housing opportunities. In 2022, with the support of its non-profit partners and investments from the Federal government the City will deliver more than 2,800 homes including:

- 150 supportive homes through new partnerships with non-profit housing providers and private market landlords
- 50 additional homes through rent supplements
- 550 homes through the TCHC Rapid Rehousing program (including 100 units as part of the accelerated housing plan)
- over 1,000 new supportive homes through the Modular Housing Initiative and Rapid Housing Initiative)
- 1,000 Canada-Ontario Housing Benefits

These housing and supports resources being delivered in 2022 are intended to provide housing opportunities for people experiencing chronic homelessness throughout the shelter system and those living outdoors, and contribute to the City's overall goal to reduce chronic homelessness. The housing opportunities listed above will not all go directly to people staying in temporary sites that need to be decommissioned in 2022. A prioritization approach will be used to match units with people experiencing homelessness staying in the City's shelter system as units become available. The principles of the City's prioritization approach are outlined in the [Homelessness Solutions Service Plan](#) adopted by City Council in November 2021. A prioritization approach helps to establish transparent processes for decision making and is a federal and provincial requirement. This ensures housing and support opportunities are targeted to achieve shared system goals, ensures that all resources aren't targeted on one specific population group while leaving others with no options, and addresses the systemic barriers to housing that are often felt by those disproportionately represented in Toronto's homeless population. Prioritization is especially necessary in a system where demand outweighs supply, as is the case in Toronto.

As the City develops the Shelter Transition and Relocation Plan and determines how housing resources will be allocated, it is clear from the experiences of other cities like San Francisco (see Attachment 5), that is critically important to balance the need to move people in temporary sites into housing as sites are decommissioned, with the commitment to distribute housing equitably and transparently to people experiencing homelessness according to the City's prioritization approach.

2. Transition Workplan

This report makes recommendations for a phased approach to transition over the next 24 months. This approach includes six core components of work which are currently underway and form the basis of Phase 1 of the transition workplan in 2022, as outlined below:

1. Engagement process and learning from other cities
2. Extending temporary shelter locations while the phased transition plan is implemented
3. Decommissioning up to five sites in 2022, with a focus on housing and offsetting shelter capacity
4. Restoring Temporary Sites as they are decommissioned
5. Creation of a dedicated refugee shelter sector to free up existing shelter capacity
6. Develop decommissioning plan for more sites in 2023, based on learning from the first phase and monitoring of key indicators

1. Engagement process and learning from other cities

The City has launched an engagement process with temporary site operators, service providers, and people staying at temporary sites, to inform the development of the transition and relocation plan. This engagement process will be completed by May 2022 and the results will be shared publicly. An overview of the advisory group and engagement process, as well as a summary of early feedback from initial workshops is included in Attachment 5. Themes from early engagement include:

- Coordinate closure of temporary shelter spaces with the opening of new affordable and supportive housing.
- Provide as much notice as possible when needing to decommission a site.
- Plan collaboratively with people experiencing homelessness, services providers and the homelessness sector.
- Communicate clearly and openly with local Councillors and community about future plans for temporary shelter sites.
- Relocate shelter residents to housing wherever possible and provide notice for transitions to happen gradually for both clients and staff in programs that will be closing.
- Allow for flexibility in response to fluctuating shelter demand.
- Learn from the operation of temporary shelter sites and work towards building back better as part of the shelter system's COVID-19 recovery

To inform the City's planning efforts, staff conducted a jurisdictional scan to identify important components and learnings of COVID-19 transition and relocation plans from major North American cities, including San Francisco, Los Angeles, New York, Chicago and Vancouver. A summary of findings is included in Attachment 5. Jurisdictions varied in terms of implementation stage of their transition and relocation plans, however most cities aim to combine a number of strategies for hotel transitions, including extending hotel leases where possible, acquiring hotels for conversion into permanent supportive housing, and/or gradual closure of the sites where leases cannot be extended.

Plans to increase or decrease total capacity of shelters in comparison to pre-COVID-19 capacity varied in other jurisdictions as well. These decisions depended on local factors such as pre-existing shelter demand/capacity, homelessness trends, and housing availability. No other Canadian jurisdictions reviewed had introduced or maintained a strict adherence to a 2m distancing requirement in all shelter locations. For more information on learnings from other cities, see Attachment 5.

2. Extend temporary shelter locations while the phased transition plan is implemented

The significant changes introduced within the shelter system to respond to the pandemic while maintaining capacity – including opening of 27 new shelter locations to provide physical distancing that are currently providing accommodation to close to 3,200 people - were implemented over the past two years and cannot be suddenly reversed overnight but will require a planned and gradual transition.

Staff plan to continue to use the majority of the City's temporary shelter sites to the end of 2022, with options to extend their use by varying periods to the end of April 2023 as recommended in this report. Continued use of the temporary sites allows the City to determine options to gradually return some shelter capacity to the base shelter system, assess ongoing demand for shelter, and prepare plans for decommissioning throughout 2022 and 2023. Refer to Attachment 2 for a full list of all temporary COVID-19 shelter sites.

Given the continued need for temporary shelter sites, this report seeks authority to extend existing leases and licences for the 12 emergency shelter hotels as outlined in

Attachment 1. One leased/licenced hotel site does not require authority to extend as it has existing options to extend until May 2023. SSHA has confirmed that the terms and conditions of the options to extend are fair, reasonable and aligned with the service needs required to support the City's response efforts to the COVID-19 pandemic. Corporate Real Estate Management staff consider the terms and conditions of the potential options to extend, outlined in Confidential Attachment 1, to be fair, reasonable and reflective of market rates.

There are three temporary shelter sites procured through non-competitive procurement that are currently supporting the COVID-19 temporary response with agreement expiry dates of June 30, 2022. Non-competitive procurements enabled continuity of service and supported the health and safety of people experiencing homelessness at existing and new locations during the City's emergency response to COVID-19. Staff are recommending that these sites be extended to April 30, 2023.

There is also one shelter site at 4540 Kingston Rd that the City was using through a non-competitive procurement before the COVID-19 pandemic that will also need to be extended, as outlined in Attachment 1. Staff are recommending that this site also be extended to April 30, 2023 to support the ongoing operation of the shelter system. This site is not part of the City's COVID-19 response and is not included in the 27 COVID-19 temporary shelter sites.

As a result of the City's COVID-19 pandemic response continuing longer than anticipated, the target values for these non-competitive blanket contracts/purchase orders established for these various services have been or are near being exceeded in 2022 and into early 2023.

Should Council not approve the recommended options for extension, these programs would need to immediately close at the end of their current agreements starting April 30, 2022. This could result in a reduction in more than 1,800 shelter spaces. Given current shelter system demand, there is a very high likelihood that our system would not be able to offer an alternative space for these displaced clients to go to.

In addition to these sites that require action to extend as identified in this report, there are 10 temporary shelter sites that have existing authority to continue operating as needed in 2023 and beyond, and are likely to continue to be used as temporary shelter sites into 2023 given ongoing demand for shelter and the pandemic.

3. Decommission up to five sites in 2022, with a focus on housing and offsetting shelter capacity

While staff are seeking authorities to extend the use of existing temporary shelter sites beyond their current contract or lease end dates as outlined in this report, it is important to also prepare plans to decommission sites to ensure the best possible outcomes for people staying at sites, service providers, and the broader community. Given the factors related to shelter system demand and the need to maintain adequate shelter capacity outlined above, staff are preparing plans to decommission up to 5 temporary shelter sites in 2022, while focussing on a range of options to offset this shelter capacity and increase housing opportunities.

Decisions about which locations to decommission will be based, as a first consideration, on continued availability of sites to operate as shelters and willingness of the property owners to continue existing arrangements. These lease negotiations are currently underway. Staff are currently aware of at least two sites that need to close in Q2 of 2022 due to the end of current agreements. These two sites are at 195 Princes' Blvd and 1684 Queen St East, which will be decommissioned by May 15, 2022. Based on results of negotiations for options for lease extensions to April 2023 for the remaining locations, additional sites may be identified that will be required to be decommissioned as a priority in 2022.

Of the remaining sites where extensions can be secured, additional criteria for determining sequencing of decommissioning will include a range of considerations including operational suitability, current state of good repair, cost, and geographic location.

Staff will share details of these site closures ahead of decommissioning, providing as much notice as possible where outcomes of lease negotiations allow. Staff will work to establish transition plans for each of the programs to be decommissioned, in partnership with site operators and will be working to move service users into housing wherever possible. While these plans are still being established and will continue to change based on input from shelter providers and service users, transition plans will include:

Communications

- Providing as much notice as possible of a site closing, ideally 90 days where possible
- Provide early communication regarding the decommissioning of site to affected Councillors, ideally five days prior to the general public where possible
- Communicate the decommissioning of site to key stakeholders and the general public with regular updates through www.toronto.ca/physicaldistancingshelters
- Suspending new admissions of referrals to the program as the decommissioning plan is initiated and close beds once vacated to decrease occupancy gradually

Client Transition and Relocation

- Working with the service provider to establish transition plan for each service user
- Identifying housing resources available that can be matched to meet the needs of service users
- Building on the success of existing collaborative Housing First approaches, ensure access to supports like ID clinics, tax clinics, income supports and housing applications are available on site wherever possible, as well as providing supports and training to housing workers at each program to expedite housing
- Based on prioritization of available housing resources across the system, identifying shelter spaces in other temporary hotel sites that become available when people move into housing that service users could move into, if no other housing options are available for that individual within the available timeframe

Site Restoration

- Remove required physical infrastructure in line with contractual agreements
- Restore site in line with contractual agreements, to return the site back to the property owner after decommissioning is complete

4. Restoring Temporary Sites as they are decommissioned

Leased/licensed hotels require the City to restore the premises to as close as reasonably possible the condition prior to City or shelter provider occupancy, subject to reasonable wear and tear. Some hotel sites had existing plans to restore the hotel or redevelop the site and do not require the City to coordinate restoration. SSHA and Corporate Real Estate Management, are developing a comprehensive framework to support restoration negotiations with the owners of the hotel sites on required restoration costs. To support this framework, SSHA has hired an external consultant to conduct thorough walk-throughs of all properties to develop cost estimates for required restoration costs based on observations.

The details and potential costs for restoration of the 13 sites are included in Confidential Attachment 1. The details of these costs are confidential as negotiations with property owners are ongoing.

5. Creating a dedicated refugee shelter sector to free up existing shelter capacity

As part of the transition plan proposed in this report, a specific refugee shelter sector will be established that will operate in parallel to the existing base shelter system. Refugee serving programs are distinct in many ways from services provided in the rest of the shelter system – they offer specialized services and serve a population with distinct needs. Creating a distinct refugee service sector will allow us to better understand and monitor demand for services from very different causes. It will also allow better tracking of financial impacts of providing these services, and coordination with the federal government for distinct funding streams, like the Interim Housing Assistance Program (IHAP) which previously support the City in providing this service

Creating a new refugee shelter sector will include both the existing dedicated refugee programs in the base shelter system and new programs being initiated now in partnership with the Toronto Newcomer Office to respond to increasing demand. Currently, approximately 750 spaces for families and individuals are being initiated through partnerships with refugee serving organizations in Toronto. Refugee claimants currently being accommodated through the base shelter system will be offered the opportunity to move into these new programs, with a target of freeing up capacity of 200 spaces in the base shelter system, as well as being available for new arrivals. This plan will help to support the increased demand for shelter services while providing temporary emergency accommodation and better outcomes for refugee claimants.

6. Develop decommissioning plan for more sites in 2023, based on learning from the first phase and monitoring of key indicators

Based on learning from the first phase of the transition plan, a plan for phase 2 to decommission more sites will be developed for 2023. As part of the first phase, key indicators will be monitored and tracked to measure shelter demand and progress in implementing the transition plan, as outlined below. If current projections change, the timelines for the initial phase of the plan will be revisited.

In 2022, the reduction in shelter system capacity related to the decommissioning of up to five sites is planned to be offset through:

- Increase in specialized refugee programs, of approximately 750 spaces in total, with a target of freeing up capacity in the base system of 200 spaces by moving individuals to the newly created spaces
- Re-opening a shelter program at the hotel which operates the COVID-19 Isolation and Recovery program. A smaller Isolation and Recovery program will continue to be available with flexibility to expand in the fall and winter months.
- Increase occupancy in remaining temporary sites, where feasible
- Housing outcomes through new supportive housing planned to open in 2022 and the accelerated housing plan approved by Council in February 2022 to create 300 housing opportunities through partnerships with housing providers and private market landlords.

More details on options for maintaining shelter capacity and measuring progress in achieving housing outcomes is outlined below.

3. Maintaining Shelter System Capacity while Reducing Chronic Homelessness

The scenarios in Attachment 4 outline the range of possible options for the future of the shelter system capacity. The proposed workplan presented in this report is based on the recommendation to proceed with option 4 by maintaining current shelter system capacity through moderate increase in base system capacity and continued use of some temporary sites in 2022.

Current Shelter Directive on physical distancing

In May 2020, the City issued a Toronto Shelter Directive confirming that all shelter sites are required to maintain physical distancing of 2 metres laterally between beds, consistent with Ministry of Health guidance for shelter settings during the pandemic. If the current Shelter Standards Directive providing 2 metres lateral separation between beds remains an ongoing requirement, there will be a significant reduction in shelter capacity in the base shelter system as temporary response programs are wound down. Given the ongoing demand for shelter, this would potentially result in a lack of adequate emergency shelter for those in need.

There are a range of options available to ensure adequate shelter capacity is maintained as the temporary sites are decommissioned, including returning some shelter capacity to the base shelter system, increasing capacity at some temporary

sites, freeing up existing capacity through creation of a dedicated refugee shelter sector to respond to the distinct needs of that population, and exploring options to acquire sites for permanent shelter or housing.

Options for returning some capacity to the base shelter system

SSHA has begun exploring various options for revised personal space standards in shelters to introduce a safe, moderate increase of capacity in base shelter sites where feasible. While a full return to the pre-COVID situation in the shelter system is not a recommended approach, a moderate increase in shelter capacity in the base shelter system may be possible while maintaining public health measures to reduce the spread of COVID-19.

New [Shelter Design and Technical Guidelines](#), released in 2021, identified best practice design guidelines for new and renovated shelters that promote dignity, comfort and choice for clients. The guidelines emphasize design features that increase client privacy while promoting smaller sleeping rooms and fewer large congregate dorms. The design guidelines also recommend smaller size shelters, with a recommended size of 80-100 beds per site.

Before COVID-19, shelter providers were required to provide a minimum of 3.5 m² of personal space, and maintain a lateral separation of at least 0.75 m between beds/resting spaces. The current Directive increased the lateral separation between beds/resting areas to at least 2.0 m. This change reduced the capacity in the base shelter system by approximately 40% from 4,900 spaces to 2,900 spaces.

In order to return a moderate increase in base system capacity, SSHA will work with Toronto Public Health to develop a revised Shelter Standards Directive that allows for a safe increase of capacity within those existing sites. A new Directive will build on the existing Shelter Design and Technical Guidelines for shelters which move away from large dorm settings and encourage the use of fewer beds per sleeping area. A return to previous standard of 0.75m laterally between beds is not contemplated at this time, however revising the existing Directive to, for example, 1.5m lateral distance between beds would enable a moderate increase in base shelter system of approximately 400 beds, or 20% of the reduced number of spaces. A revision to 1.0m lateral distance would allow for return of approximately 1,100 beds, or 50% of the reduced number of spaces.

Key considerations to best assess which option would provide the most benefit to shelter users and staff while balancing operational costs and constraints include:

- The importance of ongoing IPAC measures in preventing and reducing the transmission of communicable diseases, particularly in larger congregate sleeping areas;
- The well-being of people experiencing homelessness and staff: More space has been reported to improve sense of security and community, reduce altercations among clients, and improves outcomes;
- Risk of overdose through use of single rooms: while providing people with their own sleeping room has benefits from an infection prevention lens and increases client privacy, the experience of the past two years also shows that without comprehensive

harm reduction supports it significantly increases the risk of overdose for people who use substances.

- Financial implications: A reduced number of beds within base shelters on a permanent basis will affect a shelter's financial viability and operational costs. Due to efficiencies of scale, smaller number of beds per site will increase the per bed average cost within the base shelter system. In addition, the costs of providing emergency shelter by using temporary hotels has more than doubled in the past two years, from \$110 per night on average to more than \$250 per night.

Increasing capacity in some temporary sites as others are decommissioned

Currently, most of the rooms in temporary shelter sites in hotels are being used by one person or household. Staff have explored whether it is possible to convert rooms to have two people in one room and meet current physical distancing requirements of 2m laterally between beds. A preliminary review of 15 of the 23 hotels shelters found that this could provide up to approximately 500 additional spaces if all existing beds were removed from the site and replaced with two single beds. This option requires the City to invest in converting these rooms through purchasing additional beds and furnishings and also requires the City arrange for storage of existing beds and mattresses. The majority of potential new spaces are in locations that already serve over 150 people. Adding in additional shelter users to these sites would increase occupancy in sites that already provide shelter to a significant number of people. Because of the above challenges, staff do not recommend increasing capacity in existing temporary sites where there are more than 100 beds already in use.

Assess opportunities to acquire temporary locations for shelter to increase permanent shelter capacity

As the transition plan continues to unfold and key assumptions are determined, such as proposed changes to shelter standards, and availability of supportive housing, Corporate Real Estate Management will continue its work with Shelter Support and Housing Administration and the Housing Secretariat in providing strategic real estate advice based on their requirements. Site acquisition continues to be explored and is primarily dependent on the availability of funding to the City.

Shelter Support and Housing Administration would work with the Housing Secretariat, CreateTO and Corporate Real Estate Management under the City-Wide Real Estate Model and in alignment with the HousingTO plan and the Homelessness Solutions Service Plan, to put forward a business case to acquire hotels for shelter purposes should the need be defined. Any business case would include comprehensive costs including estimates on the cost of conversion. Conversion costs differ depending on the intended use, such as a shelter site versus a housing site. In addition, zoning requirements, legislative and code requirements, carrying costs and operating costs will also be considered in any business case developed. Any decision(s) on the potential acquisition of a hotel may include the consideration of lease costs incurred to date, although it would not constitute the primary consideration for acquisition. Such business case may be brought through the 2023 budget process or sooner if federal/provincial funding opportunities become available or if there are planned capital projects that can be repurposed.

Acquiring hotels would accommodate some shelter spaces outside of the base shelter system, and would also provide potential opportunities for future conversion to permanent supportive housing. The City purchased one hotel previously used as a temporary COVID-19 shelter, for conversion into approximately 84 housing units with supports at 222 Spadina Avenue and one motel for conversion into approximately 83 housing units with supports at 4626 Kingston Road. More information about these sites is available on the [City's webpage](#). A number of other Canadian cities have purchased hotels to be converted into shelter and housing during the pandemic, more details of which are provided in Attachment 5 - Transition Plan Background.

Increasing housing outcomes to reduce demand for shelter

As part of the first phase on the transition plan, additional indicators based on available Shelter Flow Data will be monitored and tracked to measure shelter demand and progress in reducing chronic homelessness. As set out in the HousingTO plan and the Homelessness Solutions Service Plan, by increasing available supportive and affordable housing opportunities and reducing the length of time that people spend in shelter, existing shelter capacity will be freed up to be used for its originally intended purpose of short-term, emergency shelter.

SSHA is investing in a multi-year strategy to increase funding allocations to non-profit shelter service providers to help increase capacity to deliver housing focussed services and establish housing outcome focussed performance metrics, as identified as a priority in the Homelessness Solutions Service Plan. This investment will create greater equity and stability in staffing levels, and more consistent service levels across the shelter system (whether City-operated, or purchase of service sites), and support the City's commitment to reduce chronic homelessness in the HousingTO Plan.

The increase in funding to contracted shelter and respite providers will begin in 2022 be phased in over 5 years to 2027. The expected return on investment is based on factors, including focusing on chronically homeless shelter users driving demand and costs, improvement in housing outcomes, and freeing up shelter capacity as a result.

In 2021, 19,605 different people used the shelter system. On average, 6,393 individuals a night stayed in the shelter system in 2021. This means that on average, each bed was used by 3 people through the course of the year. Some programs within the shelter system (approximately 15% of spaces) are transitional programs and intended for longer period of stay. Accounting for those programs, a rate of 4 people per emergency shelter space could be assumed.

In total 3,409 people were recorded as exiting the shelter system to housing in 2021, an average of 284 per month. At the same time, 8,297 new people entered the shelter system for the first time, an average of 691 per month. This trend has been increasing, and in January of 2022, 741 newly identified individuals entered the shelter system for the first time and 235 moved to housing (see Attachment 3 for more details). In order to achieve reductions in shelter capacity and reduce demand for shelter services, the number of people exiting the shelter system each month to housing needs to increase to be greater than the number entering the system each month.

Therefore the rate of people moving to housing from shelter needs to increase by three to four times, or approximately an additional 400 people per month to begin freeing up shelter spaces and successfully begin reducing shelter capacity.

Of those moving to housing, on average 160 were people experiencing chronic homelessness per month in 2021. At the same time, 310 people per month on average passed the threshold to become chronically homeless. The number of people experiencing homelessness has increased steadily over the past several years (see Attachment 3, Table 4). Based on the available data on shelter flow, this means that the number of supportive housing opportunities available in particular each month needs to double over the current rate in order to begin achieve the goal of reducing chronic homelessness. In order to achieve this, additional capital and operating funding from the federal and provincial governments will be required to create new supportive housing opportunities through both new and existing housing supply.

This scenario also assumes that demand for shelter, and the number of people becoming homeless remains consistent and does not continue to increase. Homelessness prevention is also an important component of shelter system demand, and SSHA will work with the Housing Secretariat to track key trends related to prevention through the EPIC and Rent Bank program, as well as other available data through the Landlord and Tenant Board, to monitor impacts and anticipated future changes in inflow to the shelter system.

Continuing to improve delivery of high quality services

Award of Request for Proposal to New Lido Inc.

SSHA has used hotel and motel spaces to supplement the base amount of shelter beds available in the shelter system and provide additional surge capacity when required for many years, including using rooms at the Lido Motel for families for at least 30 years. The New Lido Inc. was recently one of two successful applicants for Request for Proposal (RFP) Document Number 3002340572 for the provision of short-term accommodations for shelter clients. At its meeting on Jan 21, 2022, the Economic and Community Development Committee requested a report back to the March 24, 2022 meeting, prior to the award of Request for Proposal to New Lido Inc. on how to address cleanliness, security and safety of the property and proposed improvements.

The site is currently operating under a bridge contract expiring in March pending the award of the RFP. The award of this contract is important so staff can continue to provide emergency shelter to families in need at the Lido Motel. SSHA has taken a number of steps to address cleanliness, security and safety at Lido Motel Site, which are highlighted in Attachment 1. SSHA staff continue to regularly conduct facility inspections, including daily room inspections and are committed to working with the new owners of the Lido Motel to immediately address issues brought to the attention of staff by clients. Future RFPs for shelter hotels will include additional details on monitoring of property/ housekeeping standards to ensure compliance in hotel shelters.

Updating Toronto Shelter Standards

The [Homelessness Solutions Services Plan](#) prioritizes a commitment to safety and quality in shelter services, including a commitment to regularly update the Toronto Shelter Standards. All emergency and transitional shelters funded or directly operated by the City of Toronto are required to adhere to the Toronto Shelter Standards, which provide a clear set of expectations, guidelines and minimum requirements for the provision of shelter services in Toronto.

The current Shelter Standards were created in 2015 and require updates in a number of areas. A 5 year review process planned in 2020 was postponed due to the pandemic. Given the length of time since the Shelter Standards were first approved, and the changing circumstance in that time, an administrative review and basic update of the Toronto Shelter Standards will be completed in 2022 which incorporates City-issued Toronto Shelter Directives, benchmarks from the Toronto Respite Standards, revised health and safety practices, as well as changes that have taken place to overall shelter systems and processes (e.g. updates in the Shelter Management Information System) since the Standards were first created.

A broader review the Toronto Shelter Standards, based on engagement with shelter providers, service users and stakeholders is planned for 2023 that will incorporate further changes that ensure a high quality of services, informed by the advice and guidance of people with lived experience and service users, continues to be achieved in the City's homelessness service system. This review will also include applying an anti-Black racism lens as per SSHA's action 10.2 in Toronto's Action Plan to Confront Anti-Black Racism.

Next steps

The City has launched an engagement process with temporary site service providers, people experiencing homelessness staying at temporary sites, and the homelessness sector, to inform further development of the Shelter Transition and Relocation Plan. This engagement process will be completed by May 2022 and the results will be shared publicly

As the transition plan is implemented, staff will provide regular updates to ensure consistent messaging and a singular point of reference for key stakeholders and the public at www.toronto.ca/physicaldistancingshelters.

Staff will report back to Economic and Community Development Committee in the first quarter of 2023 with an update on the first phase of the Shelter Transition and Relocation Plan and next steps for phase 2 of the plan in 2023. This will include an update on key indicators to measure shelter demand and progress in implementing the transition plan and in increasing housing outcomes in order to free up existing shelter capacity to be used for its originally intended purpose of short-term, emergency shelter, and advancing the City's goal of ensuring homelessness is rare, brief and non-recurring.

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ATTACHMENTS

Confidential Attachment 1 – Confidential Information or Advice (restoration costs)

Attachment 1 - Details of Leases/Licenses, Non-Competitive and Competitive Contract Amendments, and Award of Request for Proposal Document Number 3002340572

Attachment 2 – Temporary COVID-19 Sites Summary

Attachment 3 - Shelter System Trends

Attachment 4 – Shelter Capacity Scenarios

Attachment 5 - Transition Plan Background – Early Engagement Feedback and Learning from Other Cities