



Managing Refugee Flows

Date: October 11, 2017
To: Community Development and Recreation Committee
From: Executive Director, Social Development, Finance and Administration, General Manager, Shelter, Support and Housing Administration, and Director, Purchasing and Materials Management
Wards: All

SUMMARY

Over the past two decades, there have been significant fluctuations in the number of refugee claimants coming to Toronto. From a considerable decline some five years ago, there has been a marked increase in arrivals that started in late 2015, and intensified in 2017. These surges and their unpredictability create significant pressures on the shelter system, often stretching the system's capacity beyond its limits. More recently, these surges have also exposed the need for the City to create capacity to deal with them in a more systemic way.

The purpose of this report is to provide City Council with an update on the City's response to the significant increase in the number of people arriving to Toronto to make a refugee claim and the particular impact on the emergency shelter system. The report also seeks City Council authority to amend five (5) existing non-competitive documents - 3 purchase orders (#'s 6044837 and 6045120, 6045121) and two (2) blanket contracts (#47020322 and 47020406) - to allow the City to continue the response needed to support refugees claimants for the period November 1, 2017 to December 31, 2018 for \$19,600,000 net of HST (\$19,944,960 net of HST recoveries). In addition, it seeks Council authority for SSHA to amend its existing agreement with COSTI Immigrant Services (a community agency) to oversee the operations at two hotel sites.

This report also includes information about purchase order amendments, currently being reviewed for approval amending the above noted aforementioned purchasing documents in the total amount of \$4,300,000 net of HST (\$4,375,680 net of HST recoveries).

City Council approval is required for the estimated value of \$19,600,000 net of HST (\$19,944,960 net of HST recoveries). City Council approval is required in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Purchasing Official's authority of the cumulative five year commitment limit for each vendor under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds

the threshold of \$500,000 net of HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71-Financial Control, Section 71-11A.

RECOMMENDATIONS

The Executive Director, Social Development, Finance and Administration, General Manager, Shelter, Support and Housing Administration, and Director, Purchasing and Materials Management recommend that:

1. City Council direct the Executive Director, Social Development Finance and Administration to develop a refugee capacity plan, in consultation with appropriate City staff, provincial and federal representatives and report back in 2018.
2. City Council authorize the General Manager, Shelter, Support and Housing Administration, or his designate, to take the following actions:
 - a. increase and extend the existing purchase order with Quality Hotel and Suites (Purchase Order 6044837) by \$9,700,000 from November 1, 2017 until December 31, 2018 for the provision of hotel and food service
 - b. increase and extend the existing contract with Alternative Living Solutions Inc.– Toronto Plaza Hotel (Contract 47020406) by \$1,400,000 from November 1, 2017 until December 31, 2018 for the provision of hotel service
 - c. increase and extend the existing contract with Alternative Living Solutions Inc. – Toronto Plaza Hotel (Contract 47020322) by \$2,300,000 from November 1, 2017 until December 31, 2018 for the provision of food service
 - d. increase and extend the existing contract with Radisson Hotel (Contract 6045121) by \$3,100,000 from November 1, 2017 until December 31, 2018 for the provision of hotel service
 - e. increase and extend the existing contract with Radisson Hotel (Contract 6045120) by \$3,100,000 from November 1, 2017 until December 31, 2018 for the provision of food service
 - f. enter into an agreement with COSTI Immigrant Services to increase and extend by \$1,200,000 to staff and manage the shelter programs being run out of the Quality Hotel and Suites and Radisson Hotel for the period until December 31, 2018
3. City Council request the Federal Government increase its capacity to process refugee claims so that it can meet the legislated timelines.
4. City Council request the Provincial Government re-introduce funding mechanisms to offset the cost of sudden and prolonged increases in demand for emergency shelter space in Toronto.

FINANCIAL IMPACT

The sharp increase in the number of refugee claimants seeking shelter services triggered a human service response starting in late 2016. This response has comprised of the expanded use of motels for temporary accommodation. The second quarter 2017 Operating Budget variance report noted a projected net overspend of \$10.33 million for Shelter, Support, and Housing Administration (SSHA) predominately due to the expansion of hotel/motel contracts as detailed in the charts below:

Table 1: Service Area Summary

Service Area	Gross Expenditures	Revenue	Net
Hostel Services	(14,229,070)	1,310,892	(12,918,178)
Social Housing Administration	35,569,785	(32,350,024)	3,219,761
Housing Stability Policy & Strategic Investments	(151,430)	90,603	(60,827)
Affordable Housing Programs	1,520,900	(1,520,900)	-
Policy Development and Program Support	(594,194)	15,307	(578,887)
Total Yearend Variance Projection	22,115,991	(32,454,122)	(10,338,131)

Table 2: Service Area Detailed

Hostel Services Breakdown	Gross Expenditures	Revenue	Net
Hostel Services (= A+B)	(14,229,070)	1,310,892	(12,918,178)
Hostel Services - Refugees			
Motels for Refugees	(4,793,670)		(4,793,670)
Food Allowance for Refugees	(4,926,210)		(4,926,210)
Purchase of Service Support	(718,022)		(718,022)
Total (A)	(10,437,902)	-	(10,437,902)
Base Operations			-
Payroll Expenses	(1,290,766)	-	(1,290,766)
Non-Payroll Expenses*	(2,500,402)	1,310,892	(1,189,510)

Hostel Services Breakdown	Gross Expenditures	Revenue	Net
Hostel Services - Regular Operations (B)	(3,791,168)	1,310,892	(2,480,276)
Social Housing Administration	35,569,785	(32,350,024)	3,219,761
Housing Stability Policy & Strategic Investments	(151,430)	90,603	(60,827)
Affordable Housing Programs	1,520,900	(1,520,900)	-
Policy Development and Program Support	(594,194)	15,307	(578,887)
	36,345,061	(33,765,014)	2,580,047
Total Yearend Variance Projection	22,115,991	(32,454,122)	(10,338,131)

The length of this heightened activity is undetermined. Through the proposed hotel/motel contract amendments and extensions recommended in this report, SSHA is seeking approval to extend the contracts/purchase orders, which currently expire at the end of October 2017, until December 31, 2018 as per Table 3 below. The use of the purchase orders/contracts is contingent upon the funds being available in 2018.

Table 3: Summary of Amendment to Existing Hotel Contracts/Purchase Orders

Hotels	August to October 31, 2017	November to December 31, 2018	Total
Quality Hotel & Suites PO #6044837	2,100,000	9,700,000	11,800,000
Alternative Living Solutions Inc. – Toronto Plaza Hotel – Lodging Contract #47020406	300,000	1,400,000	1,700,000
Alternative Living Solutions Inc. – Toronto Plaza Hotel – Food Contract #47020322	500,000	2,300,000	2,800,000
Radisson Hotel – Lodging PO #6045121	700,000	3,100,000	3,800,000
Radisson – Food PO #6045120	700,000	3,100,000	3,800,000
Total	4,300,000	19,600,000	23,900,000

In addition to the hotel/food purchase orders and contract extensions for accommodation, SSHA will amend the existing agreement with COSTI Immigrant Services (a community agency) to oversee the operations at 2 hotel sites. The amendment will increase the agreement by \$1.2 million and extend until December 31, 2018.

The amendments and extensions will provide the division with a sufficient amount of time to monitor the demand and likelihood of continuance. Any future impacts beyond 2018 will be reported to Council. SSHA is also working with Financial Planning to address any financial impacts that will cross over into the 2018 budget year.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT

Refugee populations in Toronto face barriers that may challenge their ability to access municipal and other services. In 2013, Toronto City Council approved the Toronto Newcomer Strategy, as well as Access to City Services for Undocumented Torontonians in recognition of the important role the City of Toronto plays in providing supports to all Torontonians. Targeted efforts will ensure that these vulnerable groups are able to access programs and services, including shelter and housing supports, and improve their quality of life in Toronto.

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

DECISION HISTORY

At its meeting of May 24, 25 and 26, 2017, City Council adopted CD20.6, "2017 Funding Allocations for Shelters and Related Services." The report authorized the General Manager, Shelter, Support and Housing Administration, to enter into agreements with community agencies to provide shelter service for 2017. Additionally, the report authorized the General Manager, to take the necessary actions required for the hotel services expansion to address the higher demand from homeless refugees.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD20.6>

At its meeting of April 26, 27 and 28, 2017, City Council adopted CD19.9 "Refugees, Refugee Claimants and Undocumented Torontonians - Recent Trends and Issues." The report provided an update to City Council on recent trends related to the refugee, refugee claimant and undocumented populations in Toronto, and the related impacts on City services, in particular the emergency shelter services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD19.9>

ISSUE BACKGROUND

Refugee Flows in Toronto

Historically, the number of people arriving to Canada to seek refugee status has varied, often significantly and unexpectedly. Since early 2016, there has been a sharp increase in the number of refugee claimants in Toronto, a trend that intensified in 2017 and is likely to continue into 2018.

Similar spikes in refugee claimant arrivals have happened in 2001 and 2007. They each created different challenges, depending on the particular circumstances of each cohort, and the situation at the time. Although immigration policy is under federal and provincial jurisdiction, it is municipal governments that carry the primary responsibility for responding to these fluctuations and providing services to these new arrivals.

For greater clarity on terminology, a Glossary of Terms has been provided as an attachment (Attachment A). For the City's purposes and to avoid misunderstanding, the term "refugee" is most appropriately used when a person has been recognized as "a refugee" by the Canadian government. Refugees have the same rights to access government services as permanent residents or citizens (other than the right to vote). A refugee claimant, on the other hand, is a person that has applied for refugee protection status while in Canada and is waiting for a decision on their claim from the Immigration and Refugee Board of Canada. Refugee claimants do not have the same rights to access government services.

Whether these new clients are refugees or refugee claimants does not play a role in their eligibility to receive shelter accommodation, and both groups are eligible to receive OW. But their immigration status is relevant for future case planning and management, and will determine if they are eligible to receive other supports that are provincially or federally funded. Generally, unlike refugees, refugee claimants are only eligible to receive provincially- and municipally-funded services, not federally-funded services. Other than the health coverage through the Interim Federal Health Program, refugee claimants are not eligible to receive federally-funded services.

The City's emergency shelter system has always provided services for this population. SSHA funds several shelter programs that have a mandate to specifically serve refugee populations including: Sojourn House, Christie Refugee Welcome Centre, and Toronto Community Hostel. Additional refugee shelter programs exist outside of the City's administration, but are small in scale and are accessed through self-referral or referrals within the community.

The spikes in both 2001 and 2007 resulted in increased demand for emergency shelter services that were met through the expanded use of hotel and motel contracts. Motels have been used to increase the capacity of the family shelter system since the late 1980's as they provide the most effective way to flex the emergency shelter system, especially for families.

In 2001, family shelter bed usage climbed to a peak of almost 2,000 individuals, with 39% of them being refugee claimants. The response included maximizing motel space along Kingston Rd. and expanding services outside of Toronto to motels in St. Catharines, Burlington and Hamilton. SSHA funded a program, "Housing Contacts," which deployed staff remotely to support clients sheltered outside of Toronto and assisted them to find housing in these communities.

The number of refugee claimants started to decrease after the Federal Government introduced new visitor visa requirements for a number of countries. This combined with global events after 9/11 reduced the demand for family shelter space and the programs outside of Toronto were ramped down after all the families were housed.

Again starting in 2007, there was an increase in the number of refugee claimants arriving in Toronto from Europe and Mexico. At its peak in 2009, there were over 1,100 individuals being sheltered in the family system. The response increased the use of motels mainly on Kingston Rd.

COMMENTS

Current Human Services Response

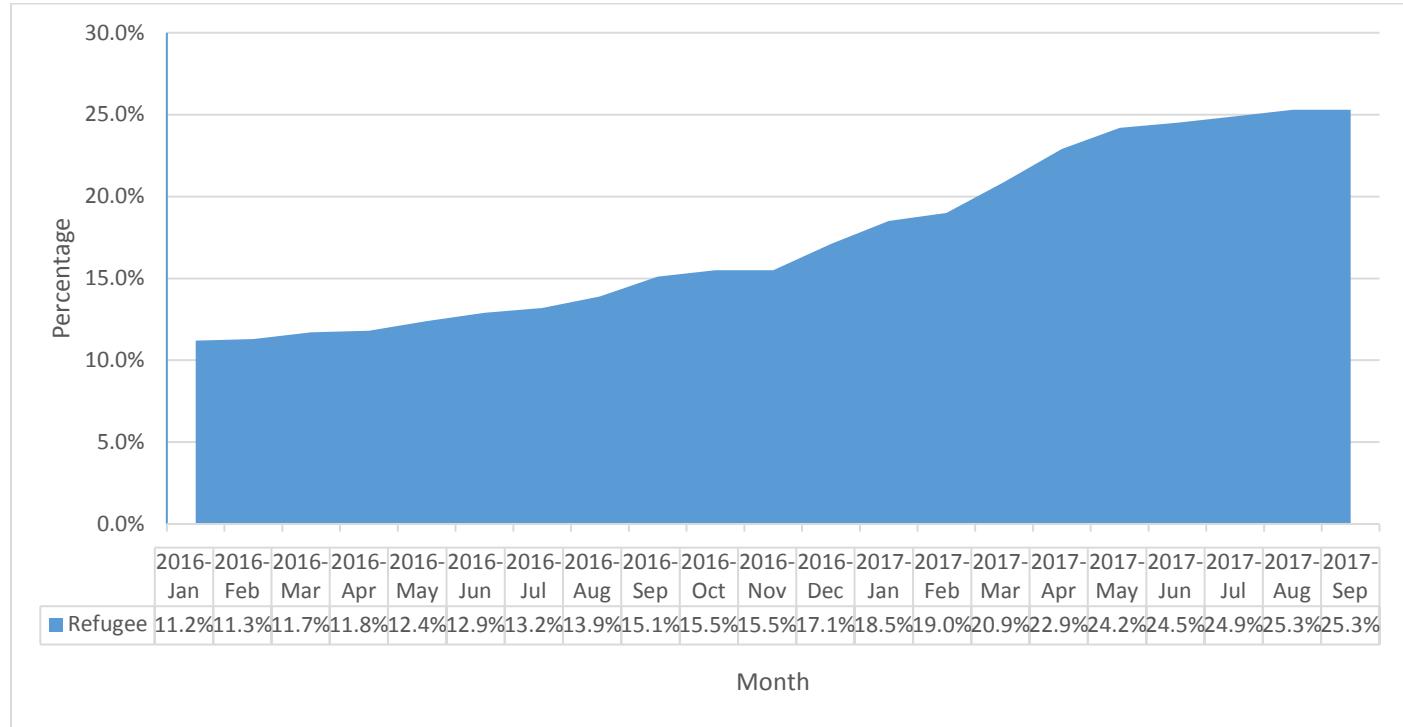
The City of Toronto is committed to meeting the shelter needs of refugees and refugee claimants who find themselves homeless in Toronto.

Since early 2016, SSHA has been experiencing an increase in the demand for shelter services from refugee claimant families and singles. In February 2016, the average daily refugee bed night consumption was 456. Within 18 months, this number increased close to three times and stands at 1,271 in September 2017. In the same period, the total percentage of refugee bed night consumption has gone from 11.2% to 25.3%.

Over this time, SSHA's existing family shelters and motel programs reached full capacity and the division expanded its response to include three additional large motel programs adding 275 rooms with approximately 890 beds to the system.

The prior spikes in refugee claimants in 2001 and 2007 lasted about one year. However, given the current spike is almost at the one-year mark and ongoing geopolitical instability, the City anticipates this spike to continue into 2018.

Figure 1: Percentage Refugee Bednight Consumption



Emergency Shelter System Access for Refugee Claimants

Access to the emergency shelter system for refugee claimants is managed through Central Intake, a phone intake service operated by SSHA. Given the extraordinary demand, there is currently a placement list of families awaiting intake into the shelter system. Families must register and maintain contact with Central Intake while waiting for shelter space to become available. The current length of time for admission to shelter is between one and five days.

If space is not immediately available when families contact Central Intake, a referral is made to Toronto Employment and Social Services (TESS) who conduct an eligibility assessment for basic or emergency assistance. This protocol was developed to ensure families are not staying outside or in unsafe situations. In some cases, families have shown up directly at emergency shelters or at TESS offices looking for shelter space. It has become regular practice for shelter staff to make provisions for families to sleep in administrative offices or other program room until appropriate space becomes available in the shelter system.

Demand has been driven mostly by families although both single men and women are also seeking assistance with shelter. In August 2017, of the 239 refugee claimant intakes 152 were for families, 51 for single women, 36 for single men. Given that demand is driven predominately by families, over 50% of the refugee claimant clients being served through the motel programs are children and youth under the age of 24 and over 25% are young children under the age of 6.

Table 4: Motel Program Admissions by Gender and Age

Total Clients Admitted (a, b, c)	Male (a)	Female (b)	Transgender (c)	0 – 6 years	7 – 15 years	16 – 24 years	25 – 60 years	61 years and up
1188	563	623	2	299 25.2%	268 22.6%	93 7.8%	522 43.9%	6 0.5%

The top three countries of origin in August 2017 recorded by Central Intake for families was: Nigeria, Eritrea and Ethiopia; for single women it was Nigeria, Eritrea and Ethiopia and for single men it was Nigeria, Eritrea and Columbia.

Housing Access for Refugee Claimants in Shelters

Once clients are receiving shelter services, staff work to link them to health care, settlement support, the education system, income supports, as well as initiate the search for housing. Specifically with refugee claimants, staff also refer them to service providers that can assist with the filing of their refugee claim.

Once a refugee claimant has made a claim for refugee protection, they can apply to receive Ontario Works (OW) provided they have the appropriate documentation and meet other eligibility requirements/conditions. With income supports secured, case management staff at the shelter can initiate the search for housing. The surge in arrivals has also impacted the federal government's processing times, which in turn has impacted the length of time between a claimant's arrival and their eligibility to receive OW and eventually move out of the shelter system.

Affordable housing options are scarce in Toronto's housing market given the limited amount of affordable units in a rental market characterised by high rents and low vacancies. Families are now travelling beyond the borders of the city to access more affordable rents. As of September 10, 2017 almost 400 people have moved into housing from the motel programs with an average length of stay just over three months.

Financial Pressures due to Increased Flow

Since December 2016, SSHA has brought online three new motel/hotel programs to help meet the demand for shelter space in the family and to a lesser extent singles sector due to a surge of refugee claimants. These programs are as follows:

- Alternative Living Solutions Inc. - Toronto Plaza Hotel – Opened in December 2016, operated by City staff and includes a total of 70 rooms: 52 for families and 18 for single men (double occupancy).
- Quality Hotel & Suites – Opened in March 2017, originally operated by City staff and subsequently transferred to COSTI Immigrant Services (under contract with SSHA).

It includes a total of 105 rooms: 85 for families and 20 for single men and women (double occupancy).

- Radisson Hotel – Opened in May 2017, operated by COSTI Immigrant Services (under contract with SSHA) and includes a total of 70 rooms. All rooms are programmed to receive families. SSHA will be expanding the number of rooms available at this site to 100 by mid-November.

SSHA has worked with a number of other City divisions to support this enhanced response. TESS has provided streamlined services to people awaiting access to the shelter system. Children's Services has provided staff time as well as furniture and supplies to set up child minding and recreation space for the large number of children at the hotels. Toronto Public Health has also responded with immunizations clinics and provided information to clients on a range of public health services and programs.

These three motel programs are substantially contributing to a projected overspend of \$10.33 million by the end of the 2017. The financial pressures from these programs are not just from the room cost but are also due to food and staffing costs, with COSTI providing oversight and staff at two of the sites.

These financial pressures were not as acute during prior influxes of refugee claimants as emergency shelter services were funded differently then. Prior to 2013, the emergency shelter system was funded through a provincial-municipal cost shared per diem arrangement. At that time, when a bed was added to the system the Province paid for 80% of the bed's per diem rate up to a maximum set per diem price. As the system expanded in volume, the provincial contribution also expanded mitigating some cost pressures.

In 2013, the Province consolidated a number of provincial funding streams including the Hostels Per Diem into one fixed funding envelope while providing Service Managers flexibility to decide what service areas to invest their funding to better meet local needs. The greater flexibility through this consolidated funding was welcomed by the City. However, this capped system means there is no additional provincial funding should there be a surge in demand for shelter services. In 2017, this has placed increasing pressure on SSHA's budget due to the expanded shelter programs.

It is anticipated the need for the three motel programs will continue through to December 31, 2018. Additionally, the target values for the contracts and/or purchase orders that were established for these services were exceeded by August 2017. Using the emergency authority of the General Manager of Shelter, Support and Housing Administration related to the shelter capacity level, the five purchase order/blanket contract amendments referenced in Table 3 in the Financial Impact section, totalling \$4,300,000 to cover costs from August 1, 2017 to October 31, 2017 were approved by the City Manager.

Given the further dollar value increase, City Council approval is required to amend these purchasing documents. As noted in recommendation 2, staff are also recommending that the purchasing documents be amended until December 31, 2018.

The Fair Wage Office has reported that each recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Next Steps

There will always be fluctuations and surges in refugee arrivals to Toronto. It is anticipated that the current demand for shelter access will continue into 2018, and possibly beyond. The City needs to develop its capacity to respond more efficiently and in a systemic way, and facilitate a more seamless and faster mobilization of resources and supports. The following are proposed steps needed to achieve that:

Engage with other orders of government:

- At the federal level, to influence their capacity to process refugee claims more responsively to sudden increases in refugee flows, so that it can meet the legislated timelines.
- At the provincial level, to re-introduce funding mechanisms for shelters that would facilitate an adequate flow of funding, in response to sudden increases in demand for shelter space
- To establish a framework and mechanism for a tri-level intergovernmental response and surge capacity
- To establish effective information sharing, including of city-level data.

Within the City, to:

- Create capacity, including a financial mechanism, for City divisions to deal with unexpected and unplanned surges and fluctuations in refugee arrivals
- Continue strengthening partnership with sector partners, including service providers with expertise in dealing with refugee claimants
- Explore opportunities for emergency housing outside of the City's shelter system, such as alternatives to shelter placement and expansion outside of Toronto
- Identify ways of capturing statistics related to immigration status of shelter users, that do not contravene the City's policy on undocumented Torontonians

Conclusion

While immigration policy is under federal and provincial jurisdiction, it is municipalities who are responsible for providing services to all their residents, regardless of their immigration status. The recent surge in arrivals demonstrated the need for the City to create a capacity for a more efficient and appropriate response.

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ATTACHMENTS

Attachment 1 – Glossary of Terms

Appendix A - Glossary of Terms

(Unless noted otherwise, the source of definitions is Immigration, Refugees and Citizenship Canada's glossary.)

Access T.O.: A City of Toronto policy that allows a Toronto resident without status (undocumented) to access select City services. For more information refer to:

toronto.ca/accessTO

Source: City of Toronto

Blended Visa Office-Referred (BVOR) Program

The Blended Visa Office-Referred (BVOR) Program matches refugees identified for resettlement by the United Nations Refugee Agency (UNHCR) with private sponsors in Canada. The Government of Canada gives up to six months of income support, and private sponsors give another six months of financial support. They also give up to a year of social and emotional support.

Government-Assisted Refugee (GAR)

A person who is outside Canada and has been determined to be a Convention refugee and who receives financial and other support from the Government of Canada or Province of Quebec for up to one year after their arrival in Canada. GARs are selected from applicants referred by the United Nations High Commissioner for Refugees (UNHCR) and other referral organizations.

Immigration Status

A non-citizen's position in a country—for example, permanent resident or visitor.

Newcomer

Refers to immigrants who arrived in Canada within the last five years. This term is also referred to "recent immigrant" which Statistics Canada uses to refer to those who landed within the last five years. Some definitions use a timeframe of ten years.

Source: TNO & Statistics Canada – 2011 National Household Survey (NHS)

Permanent Resident

A person who has legally immigrated to Canada but is not yet a Canadian citizen.

Precarious Status

A person who was granted temporary status or is a refused refugee through the Immigration and Refugee Protection Act.

Source: FCJ Refugee Centre

Privately Sponsored Refugee (PSR)

A person outside Canada who has been determined to be a Convention refugee or member of the Country of Asylum class and who receives financial and other support from a private sponsor for one year after their arrival in Canada. Private sponsors are Sponsorship Agreement Holders (SAHs), Groups of Five or Community Sponsors.

Refugee

A person forced to flee their home country to escape persecution, war or violence.

Source: UNHCR – The UN Refugee Agency

(Note: For the purposes of the provision of City services, the most important consideration is whether a person has been recognized as a refugee by the Canadian government.)

Refugee and Humanitarian Resettlement Program

The Government of Canada's program under which refugees from abroad, who meet Canada's refugee resettlement criteria, are selected and admitted to Canada.

Refugee Claimant

A person who has applied for refugee protection status while in Canada and is waiting for a decision on his/her claim from the Immigration and Refugee Board of Canada.

Refugee Protection Status

When a person, inland or overseas is determined to be a Convention refugee or protected person, they are said to have refugee protection status in Canada. Refugee protection is given to a person in accordance with the *Immigration and Refugee Protection Act*.

Sanctuary City

A municipal government that has implemented policies to demonstrate they are committed to ensure that its residents are not afraid to access city services for which they are eligible, regardless of their immigration status.

Source: City of Toronto

Undocumented Person

Someone is undocumented when said person was not authorized to enter and remain in Canada under the Immigration and Refugee Protection Act. An undocumented person may have a legal and valid document from the national government of another country. Other terms that are used are: Non-status, without status or without full status.

Source: Based on the Immigration and Refugee Protection Act