
2019 OPERATING BUDGET BRIEFING NOTE

Refugee Claimant Flows to Toronto and Associated Pressures on the Shelter System

Issue:

- Up until November 2016, approximately 10% of the City's permanent shelter system (450 beds) accommodated refugees in need of emergency housing, at an annualized cost of \$12 million per year.
- However, since 2016, there has been a steady increase in the number of refugee claimants in Toronto, a trend that has surged throughout 2017 and 2018, and has remained consistently high for over a year. This has resulted in a significant increase in refugee claimants accessing emergency shelter services, stretching Toronto's shelter system to its limit.
- In summer 2018, the City of Toronto requested that regional local governments assist in managing the influx of refugee claimants to Ontario. This included outreach by the Mayor to the Large Urban Mayor's Caucus of Ontario (LUMCO) and City Manager outreach to the Regional and Single Tier CAOs (RSTCAOs).

Key Messages:

- Immigration is a federal responsibility, with the provincial government providing certain income and health supports. Toronto City Council requested that both federal and provincial governments provide funding for:
 - Cost recovery for 2017 and 2018, which to date amounts to \$43.121 million net

In \$000s

Refugee Expenses 2017 and 2018 (see table A)	67,139
Regional Response (see table B)	4,982
Less: Provincial assistance received to date	3,000
Federal assistance received to date	26,000
Total City Claim Outstanding	43,121

- \$45 million to cover 2018 costs of accommodating refugee claimants in the Toronto shelter system to maintain the 2018 level of accommodation in 2019.

- A regional strategy to locate refugee claimants outside the Toronto shelter system.
- The City has added over 2,500 motel beds at its own cost to respond to this increased demand. From 2016 to the end of 2018, the City incurred over \$65 million in costs to fund these additional beds. Given the consistently high flow of refugees into the city for over a year, the City will need to maintain these additional beds in 2019 and into future years. The annual cost of maintaining these additional beds is \$45 million per year. This cost is in addition to the \$12 million per year the City funds, and will continue to fund, to support the 450 permanent shelter beds occupied by refugees.
- Despite success in assisting more than 5,636 refugee claimants to find housing and move out of shelter accommodation, a steady flow of new arrivals continue to fill any available space and the placement list continues to grow.
- The number of refugee arrivals continues to outpace the rate at which people can find housing. The shelter system is now full and at risk of being overwhelmed. Additionally, the City cannot sustain the financial resources required to respond to the surge in demand.
- The Mayor has requested that the Government of Canada provide funding for costs incurred; \$43.1 million net incurred from 2017 to 2018, and \$45 million for 2019 and future year costs.

	November 2016	January 2019	Change
Total # of Refugee Claimants in the Shelter System	459	2,522	+2,063
% of Shelter System demand generated by Refugee Claimants	10%	40%	+29%
Average # of Daily Arrivals into the Shelter System	18 new people per day (current)		

Note, the table above was updated on January 17, 2019 to reflect the point-in-time number of refugee claimants receiving shelter services.

Background:

Increased Demand from Refugee Claimants

- The City of Toronto has always provided shelter services to refugee claimants. Prior to 2016, refugee claimants accounted for 10% of the shelter clientele (see Appendix A). The related costs were funded through Shelter, Support and Housing Administration's base budget. However, since early 2016, the average number of refugee claimants using the shelter system has increased significantly. In January 2016, refugee claimants comprised over 10% of total system demand, a proportion

that is consistent with historic norms. As of January 17, 2019, the refugee population comprised 40% of total system demand.

- The City responded to the increases in 2018 by adding an additional \$18 million to the operating budget of SSHA (\$3 M from reserve and \$15 M from tax base). The assumption being that in 2018 the refugee population in shelters would range from 20% to 25% of the total shelter clients. However, going forward, to match the current demand of 40%, another \$27.4 million in funding is required (\$25 million for refugee response and \$2.4 million for waiting list accommodation) bringing the total increase to \$45.4 million in two years.

Table A: Incremental Refugee Expenditures

In \$000s

Expense Category	2016 Budget	2016 Actual	2017 Budget Incr.	2017 Actual Incr.	2018 Budget Incr.	2018 Actual Incr.	2018 Variance	Total Expense
Food				6,975	8,400	16,823	(8,423)	23,798
Accommodation				6,354	7,500	20,500	(13,000)	26,854
Support Services				2,302	2,100	8,081	(5,981)	10,383
Total	12,000	12,000	0	15,631	18,000	45,404	(27,404)	61,035
							plus 10% admin	67,139
Average nightly Refugee claimants	450			1,140*		2,091*		
*% of Shelter Capacity as at year ending 2017, 2018	10%			21%		40%		

- Chart 1 below shows the increasing trend in refugee/asylum claimants in Toronto's shelter system since November 2016. Refugee claimants have also been placed into existing regular permanent shelter programs across Toronto where possible, and currently account for 15% (717 beds) of the base shelter population, resulting in additional pressure on the shelter system and the City's ability to respond to homelessness.
- While Chart 1 shows a decrease in the number of refugee claimants in Toronto shelters over the autumn months, it should not be interpreted to mean a reduction in pressure on the shelter system. The fall in numbers is due to the opening of temporary college programs and refugee relocation to other jurisdictions as part of a temporary regional response in July and August 2018 (the costs of the regional response are shown in Table B). The City is currently in the same position it was

prior to the need for these temporary interventions – the system is full and new refugee/asylum claimants continue to arrive daily.

Chart 1

Average Nightly Refugee Claimants Accessing Emergency Shelter

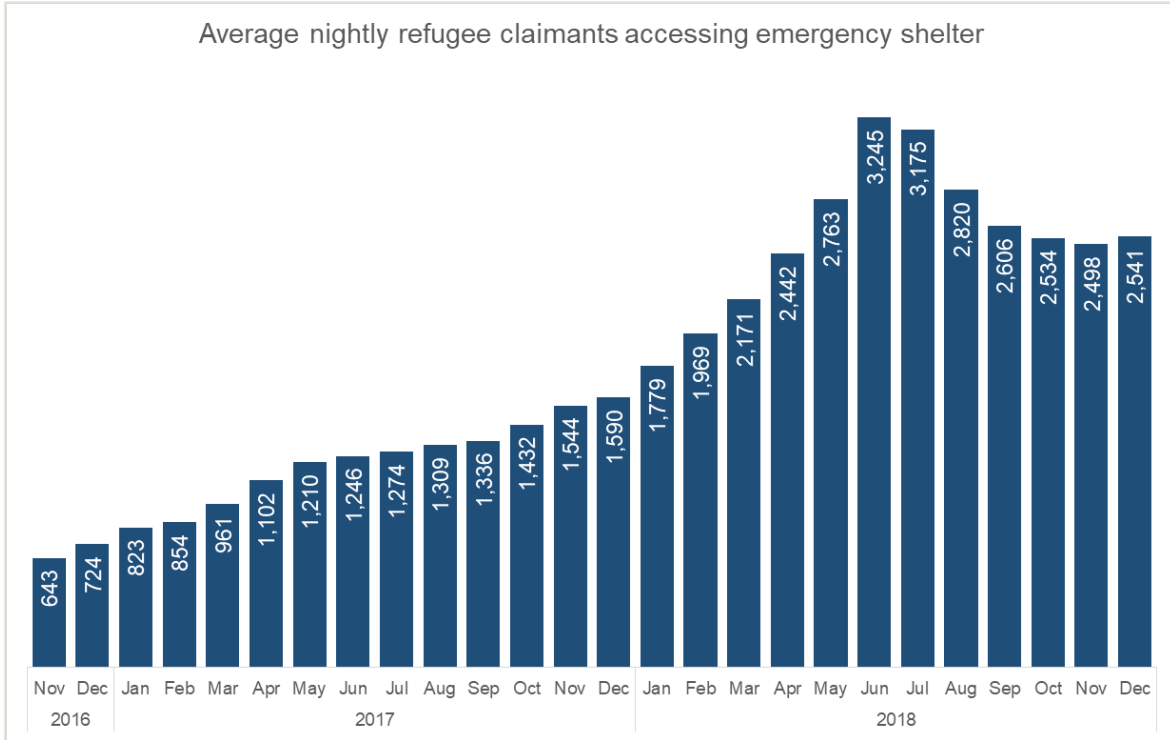


Table B: Regional Response

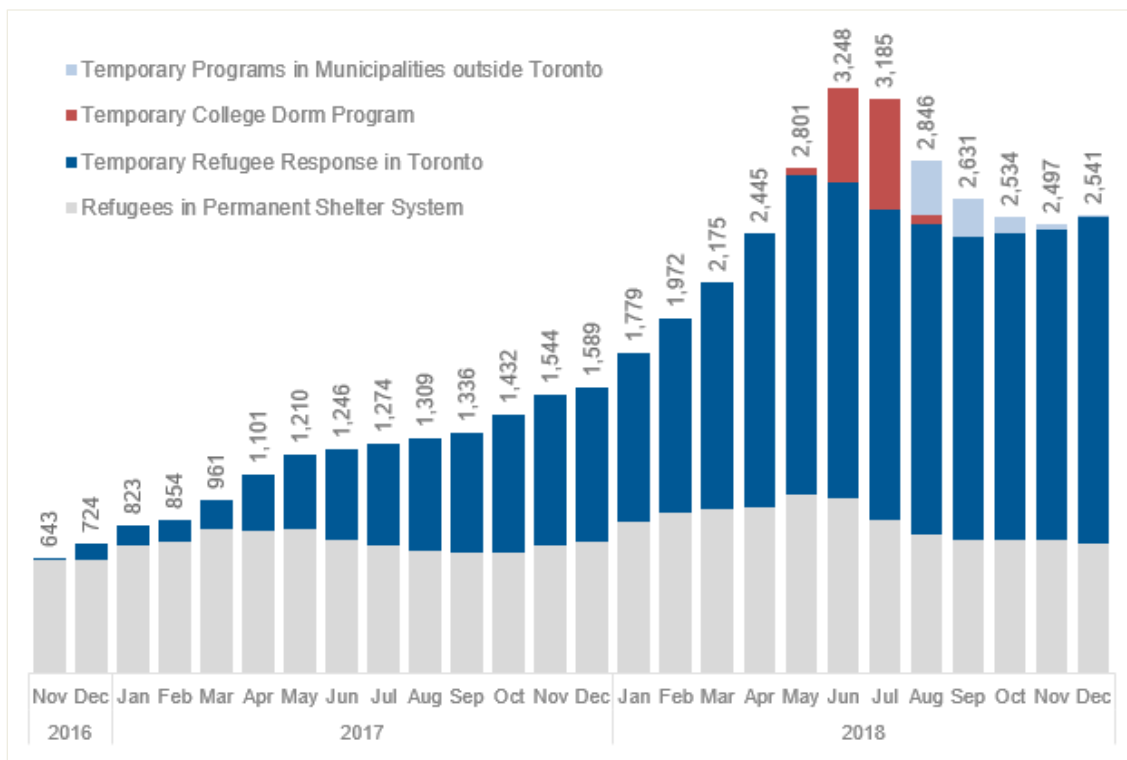
In \$000s

Expense Category	2018 Actuals
Food	444
Accommodation	2,938
Support Services	1,600
Total	4,982

- The response to the surge of refugee claimants, if not reimbursed by other governments, creates a negative financial impact to the City. Typically, the unplanned spending must be matched with a reserve draw which jeopardizes the City's resiliency and makes future service levels unsustainable. There is also an opportunity cost, as over \$60 million could have been applied towards other services that help people find housing.

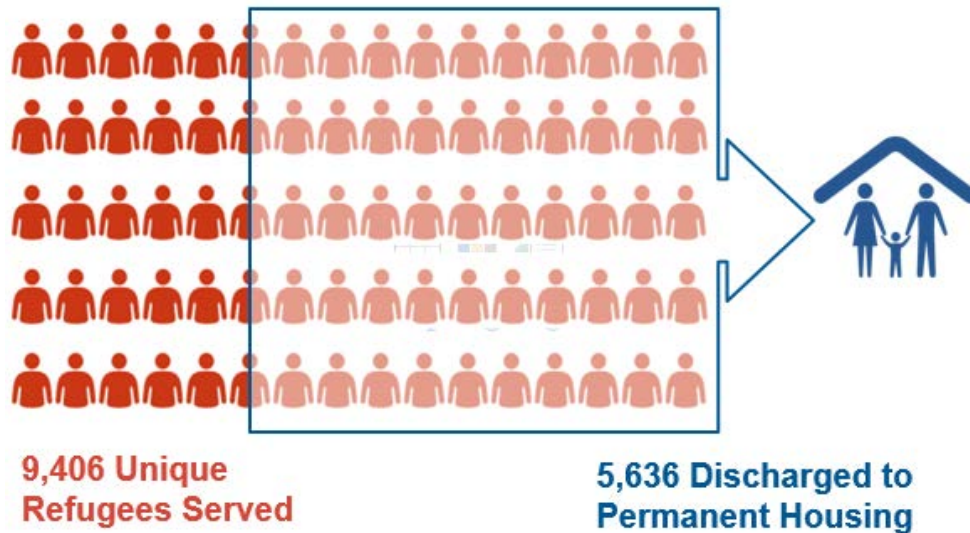
Shelter Capacity Increases to Respond to Demand

- Since December 2016, over 2,500 beds have been added to Toronto's system to manage the increase and flow of refugee claimants seeking shelter services in Toronto.
- By early May 2018, the City's expanded shelter system was full, and the City's Contingency Plan for Emergency Social Services was activated to provide temporary accommodation for the ongoing and increasing numbers of refugee claimants arriving in Toronto.
- With \$3 million from the Province of Ontario, the City secured temporary beds at select Toronto college dormitories to house arriving refugee claimants. By mid-July, there were 653 refugee claimants staying in temporary beds in college dorms in Toronto, in addition to 2,460 refugee claimants staying in the City's shelter and motel bed programs.
- As the chart below details, the City transferred almost 400 refugee claimants out of Toronto to temporary motel beds (secured by the federal government) to accommodate returning college students in early August.
- This immediately relieved some pressure on the system, however the influx of refugee claimants to Toronto has continued at a steady rate.



Housing Successes Outpaced by New Arrivals

- In 2018 alone, the City served 9,406 total refugee claimants in its shelter system.
- Shelter staff have worked extremely hard to transition refugee claimants out of the shelter system and into permanent housing as quickly as possible and have successfully discharged 5,636 refugee claimants from the temporary refugee response program into housing.



- There is a current average of 18 new refugee claimants seeking shelter per day. From September 1 to December 31, alone, 2,066 refugee claimants have presented themselves at shelters across the city.
- The waitlist for shelter spaces also continues to grow. As of January 9, 2019, there are 330 individuals on Toronto's shelter waitlist, including 59 refugee claimant families and 84 non-refugee families & individuals.
- As daily inflows continue at a steady rate, Toronto's shelter system is in immediate danger of being overwhelmed. The City can no longer accommodate a continued influx of refugee claimants seeking shelter.

Need for additional federal and provincial response

- The City has worked closely across divisions and with community partners to coordinate a local response to the influx of refugee claimants to Toronto since the beginning of 2017.
- In July 2018, the federal government funded the relocation and shelter costs of approximately 400 refugee claimants from Toronto to hotel sites in York and Peel region. The federal government also provided \$11 million to the City to put toward the costs of temporarily housing refugee claimants.
- The federal government in a recent letter to the Mayor has confirmed funding to the City of an additional \$15 million in financial assistance towards the refugee response effort while also committing to continue discussions on further assistance to the City and the development of a regional response in coordination with the government of Ontario
- The City continues to request the provincial and federal governments establish an effective regional strategy in Ontario to locate arrivals outside of the Toronto shelter system, and relieve associated pressures. While a limited federal pilot program was established, it has only housed approximately 5-10 families.
- In May 2018, the province contributed \$3 million dollars toward the cost of temporarily housing refugee claimants in Toronto college dorms. It has since signaled it will not financially support or participate in any further action, including the development of a regional response program in Ontario. The federal government has stated it will not establish a regional response in Ontario without the provincial government at the table.
- The City has effectively been left to shoulder the costs and to manage the continued influx of refugee claimants seeking shelter in a system that has reached saturation point.

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Date: January 27, 2019

Appendix A

