



REPORT FOR ACTION

Implementing the Toronto Modular Housing Initiative as an Urgent Response to the COVID-19 Pandemic

Date: April 27, 2020

To: City Council

From: City Manager

Wards: All

SUMMARY

This is to advise that the report entitled, "Implementing the Toronto Modular Housing Initiative as an Urgent Response to the COVID-19 Pandemic" will be on the agenda of City Council at its April 30, 2020 meeting.

This report will seek the required approvals to deliver modular housing on an expedited basis, to be used as permanent supportive housing for individuals experiencing homelessness, within the City's shelter system.

Staff are continuing to work with other orders of government to secure formal support for delivery of this initiative and the full report will be made available once received. The report will be completed and circulated in time for the meeting of City Council.

COVID-19 and Housing & Homelessness

At its meet on June 18 and 19, 2019, City Council requested staff to report to the Planning and Housing Committee with a plan to implement a new modular supportive housing initiative. In response to this request, staff prepared a report for the March 23, 2020 meeting of the Planning and Housing Committee which was subsequently cancelled due to suspension of Council and Committee meetings due to the COVID-19 emergency. This report includes the content of that planned report with an added urgency to add affordable housing as soon as possible, in response to the COVID-19 pandemic.

Prior to the onset of the COVID-19 pandemic, Toronto was already experiencing an unprecedented demand for homeless services due to various factors including a lack of affordable housing options in the city. Despite adding 3,000 shelter spaces since 2015, shelter occupancy remains at capacity with over 8,000 shelter users each night.

The current COVID-19 pandemic has quickly amplified the pre-existing challenges within Toronto's housing and homeless systems. In addition, it has caused considerable added strain on the emergency shelter system largely due to requirements around physical distancing and isolation.

In response to the health emergency impacting the well-being of residents in the city, and the urgent need to find suitable accommodation for the City's homeless population, staff have been working to find ways to expedite the delivery of modular supportive housing, with the aim of getting 110 new homes ("Phase One") open by September 2020 and another 140 homes open in early 2021.

Modular housing, which is prefabricated housing built in a factory and then transported to the site where it is assembled, is considered a faster and a more cost-effective construction option than conventional construction methods. As showcased in many jurisdictions in North America, modular housing provides an opportunity to respond rapidly to the city's urgent homelessness situation.

By implementing modular supportive housing to provide homes for those living outside or in our shelter system, the City is creating permanent housing solutions to help some of our most marginalized residents live in dignified housing with supports. During the COVID-19 pandemic, this initiative will also save lives by providing individuals with safe spaces to exercise physical distancing and self-isolation.

Much like other investments in infrastructure, affordable housing also has an economic stimulus effect in terms of jobs created due to design, manufacture, construction or renovation, etc. which would also help "jump start" economic recovery from the COVID-19 pandemic.

Partnership to Deliver Modular Housing

Staff have been in active discussions with the Canada Mortgage and Housing Corporation (CMHC) to secure funding and financing to support delivery of this project by way of submission of an application to the CMHC Innovation Fund. CMHC has responded favourably and is currently working with the City to formalize support for the delivery of Phase One plus an additional 140 units as part of a future phase ("Phase Two").

Operating funding for health related support services and housing subsidies will also be requested from the Province, so that deeply affordable supportive homes can be delivered at the sites. It should be noted that there is a risk of not being able to operate these units as deeply affordable supportive housing in the absence of financial support from other orders of government.

The report also seeks authority for the Housing Secretariat, Corporate Real Estate Management and CreateTO, in consultation with other City divisions, to identify sites appropriate for the modular housing initiative. Additionally, it seeks approval for City funding and financial incentives to support the creation of up to 250 modular supportive homes, with 110 homes to be delivered by the end of September 2020 and the

remaining 140 homes to be delivered in 2021. The modular housing initiative will be the subject of a further report to Council to obtain the required authority to enter into the leases with the chosen non-profit housing providers for the City sites to be identified.

The partnership model proposed in this report for developing and operating new supportive homes, through support from all orders of government and community partners, is critical to reducing chronic homelessness. Providing permanent affordable housing, including supportive housing, would also reduce overall costs to the public sector. And, as the COVID-19 pandemic has clearly shown, having a home is essential to the health and well-being of individuals and society as a whole.

COMMENTS

HousingTO 2020-2030 Action Plan

In December 2019, City Council adopted the HousingTO 2020-2030 Action Plan which proposes a number of actions to address critical needs across the housing spectrum including emergency shelters and transitional housing, social and supportive housing, market and affordable rental housing and homeownership.

Recognizing the need to provide permanent housing with supports to effectively reduce homelessness, the HousingTO 2020-2030 Action Plan established an approval target of 18,000 supportive housing opportunities, including a minimum of 1,000 modular rental units, over the next ten years.

Due to the health risks posed by COVID-19, the City is urging other orders of government to help expedite delivery of permanent affordable, including supportive rental homes to protect vulnerable residents. This includes scaling up the delivery of modular housing on an expedited basis.

Guiding Principles for Implementing Modular Supportive Housing

- Provide a rapid, dignified response to connect people experiencing homelessness with homes and appropriate supports to help them achieve housing stability.
- Develop a supportive housing model based on partnerships with other orders of government, the non-profit and the private sectors.
- Create permanent, high quality, energy efficient modular homes to ensure that people can establish housing stability and connect to their local community.
- Prioritize the selection of sites that are close to public transit and the provision of community and social services.
- Prioritize the retention of City-owned sites by negotiating long-term land leases.

- Achieve highest possible public benefits from City-owned land.
- Commit to dialogue and engagement with City Councillors and the local community.

Delivery Framework

The Housing Secretariat as program owner, will oversee implementation of this initiative with support from an interdivisional working group comprised of staff from CreateTO, Corporate Real Estate Management, City Planning and Toronto Buildings. This interdivisional working group has already been established and is actively working to expedite delivery of Phase One as an urgent response to the COVID-19 crisis.

Conclusion and Next Steps

The COVID-19 pandemic has highlighted that the lack of suitable, adequate and affordable housing is as much of an individual health risk as it is a larger public health risk. The lack of permanent housing has also resulted in costly emergency responses from all orders of government as cities work around the clock to protect the homeless population from the spread of the virus.

Although ensuring adequate emergency shelter response for people in immediate need is important, providing appropriate permanent housing opportunities with supports is critical to reducing homelessness. As such, immediate action is required to create new supportive homes for people experiencing chronic homelessness.

Subject to Council approval of this report, staff will move ahead with efforts to implement Phase One of the modular housing initiative.

In addition to support from other orders of government, support from the private and non-profit sectors is essential to scaling up the initiative and delivering new supportive housing options on both City and non-profit owned land.

The modular supportive homes created through this initiative will contribute to the targets set under the HousingTO 2020-2030 Action Plan which includes the approval of 40,000 new affordable rental units (including 18,000 supportive homes), and increasing housing stability for Toronto residents over the next ten years.

CONTACT

Giuliana Carbone
Deputy City Manager, Community and Social Services
Tel: (416) 338-7205; email: giuliana.carbone@toronto.ca

Josie Scioli
Deputy City Manager, Corporate Services
Tel: (416) 397-4156; email: josie.scioli@toronto.ca

SIGNATURE

Chris Murray
City Manager