



REPORT FOR ACTION

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

Date: December 17, 2020

To: City Council

From: Executive Director, Housing Secretariat

Wards: All

SUMMARY

Since the onset of the COVID-19 pandemic, the City has moved expeditiously to add new affordable rental and supportive housing options for people experiencing homelessness. In total, almost 2,000 new permanent housing opportunities were created between March and December. This includes an initial 100 modular supportive homes, over 350 new homes through the Open Door program and over 1,500 households (2,850 people) assisted to move from shelter into housing through a combination of rent-geared-to-income units and housing allowances.

In October, City Council requested federal and provincial investments to accelerate an additional 3,000 permanent housing opportunities over the next 24 months as part of the COVID-19 Response and Recovery Plan, 2,000 of which are intended to have supports attached reflecting the complex needs of people experiencing homelessness in our city.

On December 8, 2020, the Planning and Housing Committee directed staff to report directly to the December 16 and 17, 2020, City Council meeting with a review of any programs, funding sources, and legislative tools available to the Government of Canada, the Province of Ontario and the City of Toronto, to increase the supply of housing in the next several weeks, particularly housing suitable for those experiencing chronic homelessness within the shelter system. Moving people successfully out of shelters into housing will free up space within the shelter system for those living outside to move indoors.

This report responds to the Committee's request and outlines a plan for the City to accelerate 150 new supportive housing opportunities within 8 to 10 weeks, and a further 510 housing opportunities within 10 to 12 weeks for people experiencing homelessness, based on the availability of funding for supportive services. Firstly, 150 new rental homes with appropriate supports can be delivered within 8 to 10 weeks through operating funding already committed. However, the remaining 510 affordable homes will require an immediate commitment of \$12.24 million annually from the federal and

provincial governments for operating funding to create these new housing opportunities. This \$12.24 million per year is part of the federal and provincial request previously made for \$48 million in annual operating funding for 2,000 supportive units (of the 3,000 affordable homes) as part of the 24-month COVID-19 Housing and Homelessness Plan. Constraints on City staff's ability to deliver within an expedited timeframe include expectations of community engagement, capacity in the non-profit sector to operate the new homes and provide the necessary wraparound support services to residents, City staff capacity, transaction and construction/conversion risk, and the necessary operating funding to operationalize these units.

The new opportunities are proposed to be delivered through a combination of vacant Toronto Community Housing Corporation (TCHC) units located across the portfolio plus new acquisitions and renovations. Staff are recommending Council's approval to use up to \$47 million in funding from the Shelter, Support and Housing Administration's capital budget, plus approximately \$3.5 million in Open Door incentives to support these housing efforts.

In addition to these 150 new housing opportunities proposed to be created over the upcoming weeks, and a further 510 homes subject to securing additional operating subsidies from other governments, a minimum of 588 additional affordable rental homes can be made ready for occupancy later in 2021. These additional 588 affordable rental homes will require a further commitment of \$14 million annually in operating funding from the federal and provincial governments to create supportive housing opportunities for people experiencing homelessness and to help them maintain stable housing in the longer term.

An immediate expansion of the Canada-Ontario Housing Benefit as previously requested by Council, enhanced and more flexible funding under the Rapid Housing Initiative, and increased City staff and non-profit sector capacity to deliver and operate the new housing are all required to further increase the supply of affordable rental housing. These and other tools, actions and considerations are outlined in this report.

While it is feasible to significantly accelerate and increase the supply of new affordable rental housing options to be delivered in the upcoming weeks and months, is critical that the federal and provincial governments commit additional and immediate funding to providing ongoing operating funding which will allow residents to be successful in these new homes. Specifically, housing benefits to deepen affordability; funding for continuous wraparound support services that are essential to help people achieve and maintain housing stability and improve their overall health and wellbeing; and ongoing funding for mental health, substance use and harm reduction services as well as social supports.

Enhanced, targeted and combined investments in housing, healthcare and social services are also essential for all governments to address the long-standing systemic health and socio-economic inequities associated with poverty, racism, and other forms of discrimination which have been underscored and amplified during the pandemic.

This report was prepared in collaboration with the City Manager's Office, Shelter, Support and Administration, Corporate Real Estate Management, Financial Planning, Corporate Financial Strategy and Policy, and the Legal Services Divisions.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

Intergovernmental Considerations

1. City Council thank the federal and provincial governments for already committing operating funding that the City will use to create 150 new supportive homes in 2021, and re-iterate its request that the Province of Ontario and Government of Canada provide \$48 million in annual ongoing operating funding to create and maintain 2,000 new supportive housing opportunities for vulnerable and marginalized individuals experiencing homelessness, with \$14 million per year starting in September 2021 (and ongoing annually) to operationalize 588 affordable rental homes, and \$12.24 million per year required immediately for 2021 (and ongoing annually) to operationalize 510 additional homes.
2. City Council request the City Manager establish a Housing and Homelessness Action Table with representation from the Ministry of Municipal Affairs and Housing, Ministry of Health and Long-term Care, Ministry of Children, Community and Social Services, Ministry of Children and Youth Services, Health Quality Ontario, Ontario Health Toronto Region, Toronto Central Local Health Integration Network, The Access Point, the United Way, the University Health Network, Parkdale Queen West Community Health Centre and the Toronto Alliance to End Homelessness for the purpose of developing a comprehensive plan and aligned funding approach, to help people experiencing homelessness access and maintain housing and supports.
3. City Council request the federal government to expand the Rapid Housing Initiative and enhance the eligibility criteria to include: all types of construction; acquisition of residential properties that are at risk of being lost due to sales or conversions; administrative costs; plus longer project delivery timelines.
4. City Council request that the federal government support the operating costs of affordable housing, in addition to provincial investments, by increasing the Reaching Home program by approximately \$300 million per year nationally and accelerating the amount of portable housing benefits.

Financial Approval Considerations

5. City Council approve up to \$47 million (net \$0) fully funded the 10-Year Capital Plan and cash flowed in 2021 to be used to secure real estate interests suitable for creating new affordable rental housing, including related pre-development, renovation and/or construction costs (e.g. planning, communications, environmental site assessments, cost consultant reports, permits, architectural or engineering reports, appraisals, legal/closing costs related to acquisition and/or leasing of land and buildings, remediation, construction, renovation) and all other costs required create affordable

housing, in each instance on terms satisfactory to the Executive Director, Housing Secretariat, and the Executive Director, Corporate Real Estate Management, in consultation with the General Manager, Shelter, Support and Housing Administration.

6. City Council delegate approval and signing authority to the City Manager or a Deputy City Manager designated by the City Manager for the acquisition or lease of property for housing purposes, provided the total compensation for each property acquisition or lease does not exceed \$15 million, and subject to compliance with the General Conditions set out in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property, with such delegated authority to remain in effect until June 30, 2021.

7. City Council direct the City Manager or designate to report to the appropriate standing committee in fall 2021 on the exercise of any delegated authority in Recommendation 6 above.

8. City Council authorize the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration, as appropriate, to enter into agreements or other suitable arrangements with City divisions, agencies, the Government of Ontario and/or its agencies/corporations, the Government of Canada and/or its agencies/corporations, health care partners, community agencies, private entities and/or individuals to allocate funding and deliver new affordable rental housing that are part of the City's 24-Month Housing and Homelessness Plan.

9. City Council exempt up to 83 of the 510 affordable rental homes to be developed from development charges, planning and permit fees and parkland dedication fees.

10. City Council authorize the Executive Director, Corporate Real Estate Management, to administer and manage all transactions in consultation with the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration, including the provision of any consents, approvals, waivers, and notices, provided that they may, at any time, refer consideration of any such matters (including their content) to City Council for consideration and direction.

11. City Council authorize the Deputy City Manager, Corporate Services (and for required legal services, the City Solicitor) to negotiate and enter into any necessary non-competitive agreements, including those with a value exceeding \$500,000 for which Council approval would normally be required under City of Toronto Municipal Code Chapter 195, Purchasing, for the provision of construction and professional services needed to complete the acquisition of suitable real estate interests and to carry out any necessary pre-development, pre-construction, construction, renovation or conversion of properties for the development of affordable housing, provided that:

- a) non-competitive procurement is necessary to meet the timelines of the Rapid Housing Initiative and the 8-12 week timeline outlined in this report;
- b) the costs are eligible for and will be funded through the federal Rapid Housing Initiative and re-allocated Shelter, Support and Housing Administration Capital Budget; and
- c) the terms and conditions of any such agreements are acceptable to the Deputy City Manager, Corporate Services and in a form satisfactory to the City Solicitor.

Expediting Implementation of Affordable Supportive Housing

12. City Council request the General Manager, Shelter, Support and Housing Administration, in consultation with the Chief Executive Officer, Toronto Community Housing Corporation, to further expedite efforts to allocate and prepare vacant units to provide permanent housing for individuals and families to exit homelessness as outlined in this report

13. City Council authorize the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration to work with the Toronto Alliance to End Homelessness and Indigenous partners to engage the non-profit sector and select suitable operators, subject to operating funding, to operate the all new affordable homes prior to occupancy, through a non-competitive process for an initial two-year term (prioritizing those with operating funding and extensive supportive housing management experience), and subsequently conduct a competitive process to select operators for longer term operation of the properties.

14. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the Executive Director, Housing Secretariat, to negotiate, approve and execute, on behalf of the City, below market and/or nominal rent leases for up to three (3) years, together with any ancillary agreements, with each of the non-profit operators chosen pursuant to Recommendation 13, for the five (5) sites to be acquired pursuant to this report, on terms and conditions acceptable to the Executive Director, Housing Secretariat, and in a form satisfactory to the City Solicitor.

15. City Council authorize the Executive Director, Housing Secretariat to negotiate and execute on behalf of the City, municipal housing facility agreements (the City's "Contribution Agreement") with the non-profit housing providers selected through the processes referred to in Recommendation 14 above, or a related corporation, to secure the financial assistance being provided and to set out the terms of the operation of the new affordable rental housing, on terms and conditions satisfactory to the Executive Director, Housing Secretariat and in a form approved by the City Solicitor.

16. City Council request the Chief Planner and Executive Director, City Planning, in consultation with the Executive Director, Housing Secretariat, the Executive Director, Corporate Real Estate Management and the Chief Building Official and Executive Director, Toronto Building to prioritize the review of sites identified as suitable for leases, acquisitions, construction and renovations, and the future conversion of existing buildings to affordable housing, and identify ways to expedite the necessary building and planning approvals.

17. City Council authorize the General Manager, Shelter, Support and Housing Administration to negotiate and enter into any agreements with the non-profits housing providers selected, for any operating funding that may be available, including, but not limited to rent supplement or grant funding agreements, on terms and conditions agreed to by the General Manager, Shelter, Support and Housing Administration and in a form approved by the City Solicitor.

18. City Council direct General Manager, Shelter, Support and Housing Administration, and the Executive Director, Housing Secretariat, to ensure that access plans and referral pathways for new supportive affordable housing opportunities with appropriate supports, are established to prioritize people exiting chronic homelessness and in alignment with the City's Coordinated Access to Housing and Supports system.

19. City Council authorize the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration, in consultation with the Chief Financial Officer and Treasurer to execute, on behalf of the City, any security or financing documents required by the non-profit housing providers, including any postponement, confirmation of status, discharge or consent documents where and when required during the term of the municipal housing facility agreement, as required by normal business practices, and provided that such documents do not give rise to financial obligations on the part of the City that have not been previously approved by City Council.

20. City Council request the Executive Director, Housing Secretariat, in consultation with the Executive Director, Corporate Real Estate Management and the General Manager, Shelter, Support and Housing Administration to inform local Councillors in advance of any property addresses being publicly released, and to work with local Councillors on communication, and community engagement where possible, prior to occupancy.

FINANCIAL IMPACT

City of Toronto

Converting Shelter Capital Funding

On October 27, 2020, City Council approved re-directing of previously approved capital funding for the construction of shelters to create new affordable rental and supportive housing. To support the efforts outlined in this report, \$47 million in approved Shelter, Support and Housing Administration capital funding cash flowed in 2021 will be applied towards acquisitions, renovations and conversions to create new homes opportunities for people experiencing homelessness.

Open Door Program Incentives

This report recommends Open Door Affordable Rental Housing Program incentives of up to \$3.51 to support the creation of up to 83 affordable rental homes, as outlined in Table 1 below. Once the properties are identified, staff will seek authority for a property tax exemption for the term of the municipal housing facility agreement.

For clarity, of the new housing opportunities proposed in this report, 577 have either already received Open Door incentives or are existing affordable rental homes that do not require incentives.

Table 1 – City Financial Incentives

Affordable Rental Homes	Estimated Development Charges*	Estimated Planning Fees and Charges**	Estimated Total Value of Incentives
83	\$2,870,588	\$641,735	\$3,512,323

*calculated using November 2020 Rates

**Includes estimated 2020 building permit fees of \$85,863, planning fees of \$140,872, and parkland dedication fees of \$415,000.

The City's financial incentives include relief from development charges, building permit fees, planning application fees and parkland dedication fees.

Operating Funding for Supportive Housing

As detailed in the City's 24-month COVID19 Housing and Homelessness Response Plan, an annual ongoing investment of \$48 million is required to support the operating costs for the 2,000 supportive housing units to be created as part of the Response Plan.

- Of the \$48 million in annual funding required for 2,000 supportive housing opportunities:
 - \$12.24 million is needed immediately in 2021 to initiate 510 new homes; and
 - Funding has already been committed to for 150 new housing opportunities in 2021.

A further ongoing annual investment of \$14 million will be required for the 588 new supportive housing units coming online as part of the City's Modular Housing Pilot Phase 2 (150 homes) and the Rapid Housing Initiative (438 homes).

- Of the \$14 million in annual funding required to initiate the 588 new homes, \$3.3 million is needed initially for anticipated 2021 expenses, with full annual funding to begin in 2022.

It is recommended that the Province of Ontario and Government of Canada provide an investment of \$15.5 million in 2021 to create and maintain new supportive housing opportunities for vulnerable and marginalized experiencing homelessness, increasing to \$48 million annually beginning in 2022 to create 2,000 new supportive housing opportunities in total.

Federal and Provincial Funding

The City acknowledges and is thankful for the range of federal and provincial initiatives that are already helping to address the city's housing and homelessness challenges as outlined below. One-time funding has been critical in responding to the emergency and spurring new affordable and supportive housing opportunities.

The City continues to encourage the rapid deployment of increased investments by both levels of government to address both COVID-19 pressures and our broader housing crisis.

Rapid Housing Initiative

On October 27, 2020, the Federal Government allocated \$203 million in capital funding to the City of Toronto to create new housing as part of the COVID-19 Housing & Homelessness Response Plan. As previously reported to City Council, subject to final approval from Canada Mortgage and Housing Corporation (CMHC), this allocation will allow the City to create 540 new permanent affordable rental homes for people experiencing homelessness.

Federal Reaching Home Funding

Reaching Home (RH) is the federal government's homelessness strategy and provides funding for community-based initiatives aimed at preventing and reducing homelessness. Funding is provided to urban, Indigenous, rural and remote communities.

As the designated Community Entity, the City has invested RH funding in a variety of community-based programs that help people find and keep housing, including:

- Community-based housing help
- Housing help in shelters
- Drop-in services
- Employment supports
- Streets to Homes outreach and housing support services
- Trusteeship
- System supports and shared resources, such as sector networks

The federal government's Fall Economic Statement noted an additional \$299.4 million would be provided through the Reaching Home program in 2021-22. The City awaits further details including its allocation. The Federal Government's September 2020 Speech from the Throne noted that the federal government is focused on entirely eliminating chronic homelessness in Canada.

In recognition of the needs highlighted in this report and the ambitious federal goal of ending chronic homelessness, it is recommended that City Council request that the federal government provide additional funding through the Reaching Home program. This is aligned with the request of the Federation of Canadian Municipalities.

Provincial Social Services Relief Fund (SSRF)

To-date, the City has received \$39.19 million in phase one and a further \$118.77 million in phase two as part of SSRF funding within the Safe Restart Agreement. On December 16, 2020, the province also committed an additional \$31.36 million in funding to be spent prior to March 31, 2021. This welcomed and much-needed funding has helped

offset unfunded COVID-19 related shelter costs that are expected to total \$171 million by year-end in 2020 and forecast at an added \$276 million in 2021.

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with the recommendations contained in this report for consideration through the budget process.

EQUITY IMPACT STATEMENT

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

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

As a result of this pandemic, access to good quality, safe, affordable housing is now recognized as being an even more important social determinant of health as well as also stabilizing and improving the social and economic status of individuals and families. Good quality, affordable housing is also a cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

DECISION HISTORY

At its meeting of December 8, 2020, the Planning and Housing Committee considered Item PH19.11, "Emergency Housing Action" and directed staff to report directly to the December 16 and 17, 2020 City Council meeting with a review of any programs, funding sources, and legislative tools available to the Government of Canada, the Province of Ontario, and the City of Toronto to provide housing in the next several weeks.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH19.11>

At its meeting of October 27, 2020, City Council adopted MM25.32, "Implementation of the Federal Rapid Housing Initiative" and authorized staff to submit an Investment Plan under the new federal Rapid Housing Initiative to access capital funding to create a minimum of 417 new permanent affordable rental homes.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.MM25.32>

At its meeting of October 27, 2020, City Council adopted EC16.1 "Interim Shelter Recovery and Infrastructure Implementation Plan" and authorized staff to develop a plan to convert existing and planned funding through the 1,000 shelter beds initiative to

create new supportive housing units and report back with details, including any requests for Open Door incentives to support this plan.

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

At its meeting of September 30, 2020, City Council adopted, with amendments, Item No. PH16.8, "Addressing Housing and Homelessness in Toronto through Inter-governmental Partnership" which described the advocacy the City was undertaking to secure additional investment from both the Provincial and Federal governments. The report also outlined the City's 24-Month COVID-19 Housing and Homelessness Recovery Response Plan aimed at providing dignified, stable permanent housing options for 3,000 people experiencing chronic homelessness within the shelter system, with the support of the Federal and Provincial governments.

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

At its meeting of December 17 and 18, 2019, City Council adopted, with amendments, Item No. PH11.5, "HousingTO 2020-2030 Action Plan" and its recommended actions as a strategic framework to guide the City's programs, policies and investments on housing and homelessness needs over the next ten years.

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

COMMENTS

Progress on the COVID-19 Housing and Homelessness Recovery Response Plan

In September 2020, City Council adopted the Housing and Homelessness Recovery Response Plan, which is a 24-month plan to create 3,000 permanent affordable and supportive housing units with the support of the federal and provincial governments.

The 3,000 affordable homes are proposed to be comprised of:

- 1,000 permanent modular homes;
- 1,000 new homes through acquisitions, renovations and "shovel ready" projects; and
- 1,000 additional new portable Canada-Ontario Housing Benefits (COHB) to help households secure housing available for rent in Toronto and across the region.

Of the 3,000 new homes, 2,000 are intended to be homes with supports.

On October 27, 2020, the federal government committed \$203 million in capital funding under the Rapid Housing Initiative (RHI) Major Cities Stream for the City to create new permanent rental homes within 12 months. Through this welcomed allocation, the City will create 540 permanent affordable homes in 2021.

As part of its Investment Plan submission to Canada Mortgage and Housing Corporation, the City in collaboration with its non-profit housing partners has also recommended that the federal government consider funding an additional 1,000

permanent affordable rental housing units that can be created by non-profit partners within 12 months. If approved, this would be funded through the Project Stream of the RHI and help contribute to this target.

While some capital funding has been received thus far, as noted earlier and further detailed below, operating funding and housing benefits are still required to fulfil the Plan.

Expediting the Delivery of New Affordable and Supportive Housing in Response to COVID-19

Since the beginning of the pandemic, all orders of government plus community sector and healthcare partners have moved quickly and collaboratively to increase and expedite access to affordable and supportive housing for vulnerable and marginalized residents. The City has also made significant progress in expediting the delivery of permanent affordable and supportive housing opportunities for people experiencing homelessness.

2020 Completed Projects

Between March and December, almost 778 new permanent affordable housing opportunities were created for people experiencing homelessness through various initiatives as outlined below.

These housing opportunities are in addition to the 3,000 affordable and supportive homes proposed under the 24-month Housing and Homelessness Recovery Response Plan.

Table 2 –New Housing Opportunities Delivered in 2020

Program/Initiative	No. of Housing Opportunities Delivered in 2020	Construction Completion and/or Occupancy
Modular Housing - Phase One	100	December - early January 2021
Open Door Program	353	July - December
Toronto Community Housing	325 (450 people)	April – December
Total	778 homes	

In addition to the units identified above, more than 1,200 households (2,350 people) experiencing homelessness were assisted through other housing benefits, including housing allowances to secure private market rental housing.

2021 Planned Projects

8-12 Week Plan -Accelerated Supportive Housing Opportunities

This report proposes to expedite the delivery of new permanent housing opportunities in 2021, with 150 affordable rental and supportive housing opportunities planned to be delivered within the next 8 to 10 weeks and a further 510 homes within 10 to 12 weeks, subject to the availability of operating funding. To date, operating funding has only been secured for 150 supportive homes. Details are noted in table 3.

Table 3 – Summary of Supportive Housing Opportunities in 8-12 Week Plan

Type	Timeline for Occupancy	Category	No. of Properties	No. of Homes	Operating Funding Secured (housing benefits + support services)
Homes with Committed operating Funding	8 - 10 weeks	Toronto Community Housing Units	Various	150	Yes
Homes pending operating funding*	10 – 12 weeks	Toronto Community Housing Units	Various	300	No
	10 – 12 weeks	Acquisitions	5	210	No

*510 homes could be available within 10-12 weeks subject to operating funding being secured from the federal and provincial governments.

Subject to Council's approval of the recommendation in this report and including the 150 homes available immediately, and the 510 pending supportive homes outlined above, a minimum of 1,248 new affordable rental homes could be delivered and ready for occupancy in 2021. Details are noted in table 3.

Total Planned Affordable Supportive Housing Units for 2021

The table below provides an overview of the total planned supportive housing units for 2021, including the homes shown above.

Table 4 – Total New Housing Opportunities to be Delivered in 2021

Program/Initiative	No. of New Homes Planned to be Delivered in 2021	Anticipated Occupancy	Operating Funding Secured (housing benefits + support services)
8-10 week plan – TCHC units (150)	150	January - March	Yes
10 – 12 week plan – Acquisitions, renovations/conversions, TCHC units (300) and RHI units (127 units)	510	January – March (subject to available operating funding)	No
Modular Housing Phase Two (already approved by Council)	150	September (subject to available operating funding)	No
RHI (additional units) (already approved by Council)	438	December (subject to available operating funding)	No
*Total	1,248 homes		

**Operating funding will need to be secured from the federal and provincial governments for 1,098 of the 1,248 to make these into supportive housing opportunities.*

Through the City's Open Door program, additional affordable homes with supports may also become available in 2021.

Scaling Up Affordable and Supportive Housing - City, Provincial and Federal Actions and Tools Required

Below is a list of financial, legislative, policy and program tools which are necessary to significantly expedite and scale up the supply of affordable and supportive housing across the city.

1) Enhanced Non-Profit Capacity to Operationalize and Manage New Affordable and Supportive Housing

As new affordable and supportive housing opportunities become available over the next 8-12 weeks, additional capacity will be needed to manage the properties, provide support services and ensure stable tenancies. Through collaboration with the Toronto Alliance to End Homelessness and Indigenous partners, staff will work to optimize capacity within the non-profit sector, plus identify resources required to respond to and manage this increased volume. Many non-profit partners staffing capacity is stretched to capacity through the existing response to the pandemic. Providing adequate notice to agencies will be required to recruit and train new staff. Building on existing initiatives with Toronto Employment and Social Services for coordinated recruitment job fairs may be one option to scale up the sector's capacity to support these new projects.

As outlined in the Interim Shelter Recovery and Infrastructure Implementation Plan, staff will also develop a new standardized and coordinated funding framework for supportive housing operators to deliver the increased volume of supportive housing with a consistent funding and accountability framework. Part of this work will also focus on helping traditional shelter operators build capacity and expand their operations to manage supportive housing.

2) Enhanced Staff Capacity to Operationalize and Manage New Affordable and Supportive Housing

Given the current demand for supportive housing in order to free up emergency shelter capacity for those most in need, the plan proposed has very ambitious timelines to create 150 housing opportunities within 8 - 10 weeks and a further 510 within an unprecedented 10-12 weeks, subject to available operating funding. This will require mobilizing significant staff resources to achieve these goals.

Building on the successful approach used in the first phase of the pandemic to match people in shelters and living outdoors to available TCHC units, additional staffing resources will also be required to scale up capacity and expedite the number of people who can be assessed and prioritized for these new opportunities through the City's Coordinated Access system. Scaling up approaches through the furniture bank and Toronto Office of Partnerships to furnish new units to ensure they are ready for occupancy will also be required.

Moving many households successfully into housing will not happen in one go. People will need to be assisted to ensure they have all the housing essentials in place to be prepared to sign a new lease including securing ID and income supports. People will also need to be accompanied to view homes, a move-in schedule will need to be established to stagger new tenancies to maintain COVID protocols, and arrangements for moving belongings and furnishings will need to be made.

Additionally, if all the necessary operating funding should become available for the 510 unfunded homes, re-deployment of non-essential City staff in the near term to manage operations while more permanent measures are being established, may be necessary.

3) Operating Funding to Create New Supportive Housing

The City has previously requested \$48 million per year in ongoing operating funding from the federal and provincial governments to assist approximately 2,000 individuals and continues to re-iterate this request. Providing a range of supports for individuals with more complex challenges such as serious mental health issues, substance use and other disabilities alongside facing systemic racism and discrimination, will be critical to ensuring success in alleviating chronic homelessness, reducing demand on emergency services and supporting housing stability.

As new affordable and supportive housing units become available, it is critical that the federal and provincial governments provide immediate and ongoing operating funding to support residents in these new homes. This is particularly the case as the City and housing providers are already scaling up the affordable housing stock (including with a significant federal capital commitment under the Rapid Housing Initiative).

Operating funding for support services must be layered onto the affordable rental homes to create the new supportive housing. However, these support services, requested as part of the City's 24-month COVID-19 Housing and Homelessness Recovery Strategy, remain outstanding.

4) Immediate Expansion of the Canada-Ontario Housing Benefit (COHB)

New and enhanced investments in the Canada-Ontario Housing Benefit (COHB) are urgently required to help more people exit homelessness and move into permanent housing by deepening affordability. In recognition of our shared regional housing market the COHB is a useful tool that facilitates a regional approach to housing as the benefits are portable and can help residents find housing no matter where they wish to live in Ontario, particularly as other cities/regions build new affordable housing across the province (including through federal investments in the Rapid Housing Initiative). The City's current allocation under COHB has supported approximately 1,000 households to achieve greater housing affordability from the centralized waiting list. However, this allocation does not meet the significant, urgent demand for housing benefits within Toronto.

Through the COVID-19 Housing and Homelessness Recovery Plan, the City has requested that the federal and provincial governments provide an immediate allocation of 1,000 additional new benefits to move people out of homelessness and into housing. This remains outstanding.

5) Integrated Service Model and Enhanced Funding for Health and Community Partners

The integration of harm reduction and overdose prevention services, health supports and safer supply as part of the COVID-19 recovery shelter sites has proven successful in supporting shelter residents and saving lives.

To meet the increasingly complex needs of individuals that are currently experiencing homelessness and help transition them into permanent housing, City Council has requested that provincial and federal governments urgently allocate funding for additional mental health services and a range of substance use treatment and overdose

prevention supports delivered by health and community partners, as part of an integrated enhanced service model. While a number of investments have been committed by the federal and provincial governments, there continues to be service gaps requiring additional support. Increased coordination between and within governments will also be necessary to enhance existing service and meet the changing and complex needs of people experience homelessness.

New flexible funding from the provincial and federal governments for health partners and community agencies that support them will be vital to enhancing and sustaining the integrated service model.

This report recommends that the City Manager establish a Housing and Homelessness Action Table with representation from various provincial ministries, health and community partners for the purpose of developing a comprehensive plan and aligned funding approach, to help people experiencing homelessness access and maintain housing and supports.

6) Expansion of the Federal Rapid Housing Initiative

Given the scale and scope of need for affordable and supportive housing in Toronto as described in the 24-month COVID-19 Housing and Homelessness Recovery Plan and the 10-year HousingTO 2020-2030 Action Plan, it is recommended that the federal government expand and scale up the Rapid Housing Initiative through additional funding and expand eligibility so that additional permanent affordable rental homes can be acquired and all types of construction can be built. Additional program flexibility to permit "shovel ready" projects, acquire residential properties that are at risk of being lost due to sales or conversions, an allocation for administrative costs, and other flexibilities including increasing the delivery period beyond 12 months are also recommended.

7) Making Federal and Provincial Surplus Lands Available for Housing

As part of the HousingTO 2020-2030 Action Plan, City Council has already requested that the federal and provincial governments publicly identify and dedicate surplus lands in Toronto for the development of affordable and supportive housing.

In addition to Toronto, making more land available to municipalities and the non-profit and co-operative housing sector to build affordable housing in Toronto and across Greater Toronto and Hamilton Area (GTHA), will support a regional approach to the affordable housing crisis. This approach will also help to improve local economies and support recovery efforts.

8) Expropriations

Expropriation by the City:

Expropriation by the City is governed by the Expropriations Act, R.S.O. 1990, c. E.26, which set out the steps which the City must follow in order to expropriate land, including compensating the owner for the market value of the land. As each step has a legislated

timeframe, it generally takes 12 to 18 months for the City to expropriate. Legislative change would be required to significantly shorten these timelines for the City.

Emergency Expropriation Powers:

The Federal Emergencies Act, R.S.C., 1985, c. 22 (4th Supp.), provides the ability to order property to be used for various forms of declared emergencies if there are reasonable grounds, to believe such steps are necessary for dealing with the matter declared as an emergency. Certain steps are required to allow the implementation of these powers, and the necessary steps, including a federal declaration of emergency, are not in place. Additionally, any Federal action needs to be able to be implemented without unduly impairing the ability of any province to utilize provincial legislation to address an emergency.

The Provincial Emergency Management and Civil Protection Act, R.S.O. 1990, c. E.9, allows the Province to appropriate or use property for the purposes of preventing, responding to, or alleviating the effects of, an emergency. This requires a declaration of emergency to be in place. There had been a declared emergency for the purposes of Emergency Management and Civil Protection Act, but it is now expired. It is only the provincial declaration of an emergency as defined that allows for these orders to be made. A declaration by a municipality does not assist in this regard.

Municipal expropriation powers are restricted by legislated timelines, generally requiring 12-18 months to complete, and federal/provincial emergency expropriation powers require federal and/or provincial declarations of emergencies, which are not currently in place.

City staff have reviewed both the City of Toronto's expropriation powers, as well as the federal and provincial expropriation powers, and have determined that negotiated acquisitions are currently the timeliest way to quickly activate these new housing sites. Given the current willingness of the property owners to negotiate, staff are confident that they can reach timely negotiated agreements in securing the identified sites to deliver on the homes identified in this report that could potentially be open in 2021, subject to the necessary operating funding becoming available.

CONCLUSION

The COVID-19 health crisis has disproportionately impacted residents who are vulnerable and marginalized, including people experiencing homelessness, seniors, women and those in low-income racialized communities across the city. Increasing the supply of safe, secure, affordable and supportive housing is fundamental to driving the structural and systemic changes needed to address the health inequities related to poverty, racism, and other forms of discrimination which have been exposed by COVID-19.

This report outlines a number of recommendations for Council's consideration which will enable staff to deliver new affordable and supportive housing opportunities within the next 8 to 12 weeks to help people exit chronic homelessness. The report also

recommends that Council re-iterate its requests to other orders of government to provide operating funding for support services, which is essential for the City to be able to deliver on this plan. The operating funding is necessary to help people achieve and maintain housing stability as they transition out of homelessness.

Subject to Council's approval of this report, staff will immediately begin to ramp up efforts to deliver on this target. However, as noted earlier, in addition to a commitment for operating funding from the federal and provincial governments, other risks associated with staff's ability to deliver within this timeframe include expectations of community engagement; capacity in the non-profit sector to operate the new homes; City staff capacity; acquisition and construction and conversion risks.

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ATTACHMENTS

Attachment 1 - Update on the Ongoing COVID-19 Emergency Shelter Response