



REPORT FOR ACTION

Addressing Housing and Homelessness Issues in Toronto through Intergovernmental Partnerships

Date: September 8, 2020

To: Planning and Housing Committee

From: Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration

Wards: All

SUMMARY

In December 2019, City Council adopted the HousingTO 2020-2030 Action Plan to address housing and homelessness challenges in the City of Toronto. The HousingTO 2020-2030 Action Plan, which is premised on intergovernmental partnerships, has an ambitious aim to help over 340,000 households through the approval of over 40,000 new affordable rental homes, including 18,000 supportive housing units over the next 10 years. It also proposes a range of actions to increase housing stability for Toronto residents.

As part of Council's approval, staff were directed to establish an Intergovernmental Working Group with the federal and provincial governments to develop a six-month action plan to address the urgent issue of homelessness in the City. On February 20, 2020, City Council further directed staff to establish an Inter-divisional Working Group and work with stakeholders to develop a six-month action plan to address homelessness.

Due to the emergence of the COVID-19 pandemic in March, the formal working groups were delayed and are now in the process of being established. However, staff have been actively engaged and working with all orders of government, and across City divisions, agencies and corporations to respond to the pandemic and lay the foundation for recovery. These partnership efforts have focused on supporting our most vulnerable and marginalized residents, including a significant expansion of the emergency shelter system to create spaces for physical distancing and isolation and moving clients from the shelter system into permanent housing where possible.

This report provides an update on some of the actions taken to date in response to the pandemic. It also provides a summary of the Housing and People Action Plan developed by the Mayor's Recovery Task Force as well as the joint Shelter Support and Housing Administration (SSHA)/United Way of Greater Toronto (UWGT) COVID-19 Interim Shelter Recovery Strategy. These reports' recommendations are aligned and

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support the request for a new tri-government partnership to expedite investments under the National Housing Strategy and other programs to accelerate the actions of the HousingTO 2020-2030 Action Plan, and support a 24-month plan for the delivery of 3,000 affordable and supportive homes as part of recovery planning. Both documents provide a roadmap for governments to address housing and homelessness challenges now while concurrently taking action to pivot away from emergency measures towards stable permanent housing solutions as part of recovery. The actions in both reports complement and support the goals of the City's HousingTO 2020-2030 Action Plan.

RECOMMENDATIONS

The Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration recommend that:

1. City Council endorse the Housing and People Action Plan (Attachment 1) and the COVID-19 Interim Shelter Recovery Strategy (Attachment 2) as the framework for prioritization of the City's Intergovernmental advocacy work on housing and homelessness over the next 24 months, and to complement the City's HousingTO 2020-2030 Action Plan.
2. City Council urgently request that the Federal and Provincial governments support the City's 24-month plan (Attachment 3) to deliver 3,000 affordable rental and supportive homes comprised of:
 - a) 1,000 permanent modular homes;
 - b) 1,000 new homes through acquisitions, renovations and "shovel ready" projects; and
 - c) 1,000 additional new portable (and flexible) Canada-Ontario Housing Benefits (COHB) to help households secure housing available for rent in Toronto and across the region.
3. City Council request the Provincial and Federal Governments to urgently allocate funding for additional mental health care, and a continuum of substance use treatment and overdose prevention supports delivered by health and community partners, as part of an integrated enhanced service model to meet the increasingly complex needs of individuals that are currently experiencing homelessness to help transition them into permanent housing.

FINANCIAL IMPACT

There are no financial implications for the City resulting from the recommendations included within this report.

EQUITY IMPACT STATEMENT

The HousingTO 2020-2030 Action 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 human rights-based 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 component of the HousingTO 2020-2030 Action Plan is to increase the supply of permanent affordable rental and supportive housing to help our most vulnerable and marginalized residents, including equity-seeking groups, live in dignified housing with appropriate supports.

Access to good quality, safe, affordable housing is an important social determinant of health and also improves the social and economic status of individuals and families. Good quality, affordable housing is also the cornerstone of vibrant, healthy neighbourhoods and supports the environmental and economic health of the city, region and country as a whole.

DECISION HISTORY

On December 17, 2019 Council adopted recommendations as part of the HousingTO 2020-2030 Action Plan that called for increased intergovernmental collaboration to develop a six-month action plan to address homelessness in the City of Toronto. The recommendations called for the creation of a Federal-Provincial-City table to identify solutions.

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

City Council on February 20, 2020 adopted a motion to immediately establish a City of Toronto Interdivisional Task Force to End Homelessness with the senior divisional staff in partnership with community organizations, corporate partners, plus other appropriate stakeholders. A report back was requested to the April 16, 2020 meeting of the Planning and Housing Committee with a Terms of Reference and Six-Month Action Plan to accelerate, coordinate and triage resources to quickly move people out of homelessness and to forward all outcomes to the Intergovernmental Housing Working Group for consideration of funding and resources required for implementation.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH13.6>

COMMENTS

The HousingTO 2020-2030 Action Plan ("HousingTO Plan")

The HousingTO Plan sets out 13 key strategic directions and 76 actions to assist over 340,000 households and guide housing investments by all three orders of government away from costly emergency measures to sustainable long-term housing solutions.

Achieving the targets in the HousingTO 2020-2030 Action Plan will require continued contributions/programs as well as new and enhanced investments from all orders of Intergovernmental Update - Housing & Homelessness

government. Contributions from the non-profit and private sectors will also be necessary to achieve the targets. Achieving these targets would produce major positive outcomes for Toronto residents. In particular, emergency shelter clients would have greater access to supportive housing; tenants paying more than 50% of their income on housing would get support to stabilize their housing situation; residents of Toronto Community Housing would live in better maintained and safer homes; and residents would have access to new affordable, supportive and ownership housing opportunities.

Implementing the HousingTO Plan is estimated to cost all orders of government \$23.4 billion, and below is a summary of investments required by each order of government plus commitments to date:

- City investment of \$8.5 billion (\$5.5 billion already committed)
- Federal request of \$7.9 billion (\$1.5 billion already committed)
- Provincial request of \$7.0 billion (\$148 million already committed)

While the need to address the housing and homeless situation in the city was urgent prior to the onset of the COVID-19 pandemic, it has become even more critical due to the general economic downturn and resulting loss of employment associated with the pandemic. This further amplifies the need for delivery of the HousingTO Plan.

COVID-19 Impacts

The COVID-19 pandemic continues to have a significant impact on the health and socio-economic well-being of residents in cities across Canada. The pandemic has quickly exposed pre-existing gaps and vulnerabilities in the housing and homelessness systems. In particular, residents hardest hit by the pandemic disproportionately lack appropriate housing and are often economically and socially vulnerable and marginalized, including members of seniors, Indigenous and Black communities.

In addition, COVID-19 has shown that the lack of access to affordable, suitable and adequate housing is as much of an individual health risk, as it is a wider public health risk. It has also highlighted the fundamental interdependencies of our housing, health (including mental health), social and economic systems and heightened the need to expedite delivery of the Housing 2020-2030 Action Plan.

Intergovernmental Action and Collaboration During COVID-19

Due to the urgency of intergovernmental collaboration during the pandemic in response to the evolving needs of residents, senior staff have been in discussion with counterparts in the federal and provincial governments on a regular basis. These discussions have focused on the immediate emergency response, including resolving operational issues such as the need to quickly expand the shelter system and manage inflows (such as from provincial institutions), as well as longer term recovery including the need to quickly accelerate modular housing. This frequency of collaboration and discussions exceed what a formal staff level working group would have achieved during this same period of time. However, the process to set up a formal working group is now underway.

In addition, all orders of government have during this time taken quick and essential actions, based on these discussions, to support residents during this challenging time. For example, from a housing and homelessness perspective:

- To create safe, physical distancing spaces in shelters, and with the support of community partners, the City has moved more than 3,500 people into more than 30 new sites as well as permanent housing. As of August 2, 2020, the City has incurred costs of \$69 million (over 140 days). It is projected that by December 31, 2020, the City will have spent \$169 million (over 291 days) and that the cost to maintain the service level standard of 3,000 spaces over 2021 (365 days) will be an additional \$215 million. The City has also partnered with Ontario Health and Inner City Health Associates to develop innovative and collaborative approaches to delivery of needed services for people experiencing homelessness, including isolation and recovery programs, enhanced health services in new sites and mobile testing in shelters.
- The Federal government has implemented the Canada Emergency Response Benefit and other income supports, provided funding directly to women's shelters and programs for domestic violence, committed approximately \$25 million in additional funding under the Reaching Home program to the City of Toronto, as well as accelerated \$18.75 million in grants and loans to help the City fund 250 permanent modular housing units.
- The Province of Ontario had, until recently, placed a moratorium on residential evictions, implemented the roll-out of the Canada-Ontario Housing Benefit, and provided \$39 million to the City under the Social Services Relief Fund (SSRF) (distributed via the Community Homelessness Prevention Initiative). The Province has also committed a further \$118 million to the City under a subsequent phase of funding through the SSRF.

These quick actions by all orders of government were focussed on immediate challenges. They have saved lives, and supported the City and its community partners as they work on the front lines around the clock to support residents during this challenging time. The rapid collaboration during the pandemic has provided a foundation for governments to align future actions.

Recovery through Strong Federal-Provincial-City Partnership

As governments shift from a COVID-19 response to recovery, there is a strong social and economic case to support alignment of resources and increased investments to transition people experiencing homelessness into permanent housing with appropriate supports. Not only does permanent housing improve the overall health and housing outcomes for individuals, it also reduces costs to the public sector and increases resilience in our public systems.

A cost analysis completed by staff shows significant cost-savings to be realized by providing permanent supportive housing for individuals currently using the emergency shelter system. The average cost to operate a shelter bed in Toronto was over \$3,300

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per month pre-COVID-19. This cost has now doubled as a result of the increased response required to protect clients from COVID-19. By moving 3,000 people out of shelters and into permanent housing with supports, and being able to close those shelter beds as demand is reduced, the public sector could realize cost savings of up to \$15 million per month (\$180 million per year) assuming COVID-19 physical distancing standards remain in place for the foreseeable future.

There are additional savings to be realized by governments through providing permanent supportive housing opportunities. People experiencing chronic homelessness are more likely to be involved in the justice system and/or be high users of hospitals and emergency care facilities than people who are housed with appropriate supports. This is costly for governments and has a negative impact on individual health and well-being as opposed to providing permanent housing with onsite supports. In fact, it is estimated that every \$1 invested in supportive housing creates \$4-\$5 in social and/or economic value.

Additionally, due to COVID-19, many households are now faced with unemployment and income instability. As the cost of rents in the city are high and insufficiently addressed through currently income support programs, if households are also faced with rent escalations, many could be at risk of losing their homes. Investing now in affordable housing as part of a stimulus package is essential to creating employment opportunities to help get people back to work and achieve housing stability. At the same time, these investments will protect residents against the coronavirus and other vulnerabilities while reducing the strain on our public health and homeless systems. For every \$1 million invested in residential construction, a total of 10 jobs are created including five direct jobs and five additional indirect and induced jobs.

Expediting and Enhancing Investments in the HousingTO Plan

The feedback from stakeholders in developing the Housing and People Action Plan and the COVID-19 Interim Shelter Recovery Strategy, as well as the social, health and economic benefits of providing permanent housing, indicate a need to expedite and accelerate the delivery of the HousingTO 2020-2030 Action Plan ("HousingTO"). The City has established a 24-month plan which seeks to do this while being focused on recovery and building resilience.

Specifically, the 24-month plan calls for the delivery of 3,000 affordable rental and supportive homes through: the provision of housing benefits and support services; the acquisition of buildings and sites for affordable homes as well as investment in "shovel-ready" projects; and the development of modular housing. The 24-month plan has been communicated to the federal and provincial governments, and early discussions have occurred with federal and provincial officials on how to expedite investments under the National Housing Strategy to accelerate these actions rooted in HousingTO.

The 3,000 units are comprised of:

- 1,000 permanent modular homes;
- 1,000 new homes through acquisitions, renovations and "shovel ready" projects;
- and

- 1,000 additional/new portable (and flexible) Canada-Ontario Housing Benefits (COHB) to help households secure housing available for rent in Toronto and across the region.

Ongoing annual funding to maintain the new COHB benefits plus funding for supportive housing to help vulnerable tenants maintain stable homes is also required to ensure long-term success of this 24-month plan.

Existing government programs such as the National Housing Strategy, the Canada-Ontario Housing Benefit, the Community Homelessness Prevention Initiative (CHPI), the Home For Good supportive housing program, the Interim Housing Assistance Program (via Immigration, Refugees and Citizenship Canada), and funding through the Canada-Ontario Home and Community Care and Mental Health and Addictions Services Funding Agreement could be enhanced to support this partnership. They also present the opportunity for governments to align efforts and expedite the city, region and country's recovery while strengthening public systems to protect against future waves of the pandemic and other vulnerabilities. The City itself will invest land, incentives and administration resources to support this plan.

In early September, the Federation of Canadian Municipalities and the Big City Mayor's Caucus similarly highlighted the need for the federal government to partner with municipalities and housing providers to urgently and cost-effectively expand Canada's stock of affordable and supportive housing.

City of Toronto Stakeholder Engagement in Response and Recovery

Stakeholder engagement is integral to the City's COVID-19 response and recovery. While the formal Inter-divisional Task Force with stakeholder representation has yet to be established, several tables have been convened during COVID-19 that have led to the development of immediate and longer-term action plans to address homelessness and housing challenges in the city. These tables include:

- The Deputy City Manager, Community & Social Service's Housing Lead Committee which includes senior City staff responsible for managing emergency shelters and overseeing social housing, regulating short-term rental and multi-tenant homes, managing and modernizing long-term care facilities, and the planning and delivery of affordable and supportive housing.
- The City's Advisory Committee on the Protection of Affordable Rental Housing and the City-Community Response Tables which were developed to identify issues and solutions as they relate to immediate response and longer-term recovery for renters and community partners.
- The Housing Action Team, as part of the Mayor's Recovery Task Force, chaired Deputy Mayor Bailão, was established to identify issues related to housing, develop immediate responses to help people in the short term, and develop and recommend longer term systemic solutions. This group developed a policy document called the 'Housing and People Action Plan'.

- SSHA partnered with the United Way of Greater Toronto and homelessness service stakeholders to develop a COVID-19 Interim Shelter Recovery Strategy to help people experiencing homelessness in the immediate term and over the next 6 to 12 months.

This Housing and People Action Plan and the COVID-19 Interim Shelter Recovery Strategy both supplement HousingTO and with Council's endorsement, will form the foundation of the City's intergovernmental partnership on housing and homelessness as it relates to COVID-19 response and recovery. The focus on permanent affordable housing delivery is a deliberate effort to pivot away from emergency short-term responses to more socially and economically sustainable solutions, focused on improving lives.

The Housing and People Action Plan: Responding to the COVID-19 Crisis while Planning for a More Resilient Future

Shortly after the onset of the COVID-19 pandemic in March 2020, under the leadership of Deputy Mayor Ana Bailão, the Housing and People Recovery Team was established. The multidisciplinary Team comprised of representatives from various sectors including housing, community service providers, the development industry, civil society organizations, housing policy experts, homelessness service experts, poverty reduction experts, landlord and tenant associations and City staff. With the input and direction from the Team, the Housing and People Action Plan was developed.

The Housing and People Action Plan outlines issues, identifies solutions, and plans for recovery as it relates to people (people experiencing homelessness, renters and operators/landlords) and the creation of a diverse set of affordable and market rental housing opportunities. It also complements and support the goals of the City's Housing TO Plan.

The policy actions and considerations in the Housing and People Action Plan are aimed at: 1) providing stability for cities and people; and 2) stimulating economic recovery and building resilience through protecting and increasing the supply of housing across the housing continuum.

In addition, the Housing and People Action Plan includes the following guiding principles and considerations to guide and inform ongoing decision-making by governments:

- Advance housing as a human right;
- Meet the urgent and critical needs of those without homes;
- Provide immediate housing stability for existing renters;
- Expedite and improve coordinated access to permanent homes;
- Increase supply of permanent affordable housing as a recovery stimulus;
- Expedite the approval and delivery of affordable housing projects;
- Strengthen the Community Housing Sector;
- Deepen the collaboration with partners;

- Align housing, economic and health resources and policies; and
- Commit to a new "fiscal deal" with municipalities.

The Plan also recommends that the federal and provincial governments support vulnerable communities by enabling the City of Toronto and other municipal governments through the following policies/programs/actions:

Part A: Immediate Actions: Housing Emergency Response

1) Provide Emergency Funding for Cities and Community Agencies, including further expansion of funding under the:

- Federal Reaching Home program; and
- Ontario government's Community Homelessness Prevention Initiative (CHPI) program.

2) Provide Urgent Renter Assistance through the following, time-limited measures:

- Federally or provincially led temporary rental assistance support;
- Expand and enhance rent bank programs;
- Establish an emergency housing benefit (for people who don't qualify for CERB); and
- Extend rent arrears eviction moratorium post-COVID (for arrears incurred during the pandemic by tenants who were in good standing pre-COVID-19).

Part B: Immediate Actions: Housing Recovery

3) Expedite and expand delivery of the Canada Housing Benefit

4) Accelerate and expand funding for new affordable homes under the National Housing Strategy

5) Establish dedicated funding for a Modular Rental Housing Program

6) Fund acquisitions and renovations/conversions

7) Provide operating funding to create supportive housing

8) Consider right of first refusal authority/ approach for strategic acquisitions

9) Increase investments in permanent affordable housing, including:

- Creating affordable housing opportunities for Indigenous Peoples and organizations; and
- Housing retrofit programs.

10) Increase Supply of Rental Housing through Other Policy and Financial Tools

COVID-19 Interim Shelter Recovery Strategy

Shelter, Support and Housing Administration (SSHA) partnered with the United Way to develop an Interim Shelter Recover Strategy to identify specific actions needed over the next 6 – 12 months to strengthen effective shelter service delivery to minimize the spread of COVID-19 in the shelter system over the coming months, ensure coordination with the health system, continue protection of vulnerable clients and to ensure the shelter system is prepared for a potential second wave of the pandemic.

Sector stakeholders were engaged through a Task Force to help guide the strategy development which includes representatives from the Toronto Shelter Network, Toronto Drop-In Network, Toronto Alliance to End Homelessness, Ontario Health Toronto Region, Community Health Centre Network, Toronto Public Health and the Housing Secretariat as well as a range of community partner organizations. The COVID-19 Interim Shelter Recovery Strategy report was developed by an external consultant, BGM Strategy Group, building on the contributions of the Task Force and consultation participants. The full report is included as Attachment 3.

An implementation plan specific to measures needed to protect homeless clients and to continue to provide shelter services safely through any possible resurgence in the next 12 months will be brought forward to Council in October. That report will address the Task Force recommendations with specific actions related to Infection Prevention and Control measures, deepening collaboration with health partners and maintaining the recovery and isolation program and continuation of physical distancing sites including hotel programs.

While there is need for the City to continue to be vigilant in its emergency response to protect people experiencing homelessness, who are at higher risk of COVID related harms, the pandemic has magnified the issue of homelessness and the urgent need for permanent housing solutions to protect the health and well-being of this population.

Additionally, while there is an acute need for dedicated supports to deal with complex mental health challenges faced by people in the shelter system, the City cannot afford to continue to use its limited shelter and housing recovery funds on health services. Federal and provincial support is required to ensure that resources are available to supplement the City's efforts, rather than limited funding for housing and homelessness being diverted to health services. This would also support the HousingTO recommendation to increase partnerships with health providers and improve coordination and integration of health services, while leading towards the long-term solution of permanent housing for all.

Through the Interim Shelter Recovery Strategy engagement process, Task Force members demonstrated consistently that the overwhelming advice from community stakeholders is that permanent solutions to homelessness are the highest priority. The Task Force report therefore also identifies a number of recommendations that support and are consistent with the actions outlined in the 24-month Housing and People Action Plan including:

- Invest in housing and supports to decrease the volume and duration of the need for emergency shelter by:
- Developing and acting on an acquisition strategy for hotels, rooming houses, and other buildings such as office spaces or residential buildings.
- Conducting a redevelopment plan to repurpose shelter space that is no longer viable into permanent housing infrastructure.
- Expediting development of modular housing units and work with community agencies to expedite housing already in the pipeline
- Prevent entries into the shelter system due to evictions and discharges from other system

Conclusion

It has been evident during the COVID-19 pandemic that responses to housing and homelessness are richer and well-informed when all governments and community stakeholders work together. During these unusual times, the City has enhanced its relationships with other orders of governments and stakeholders. As directed by City Council, staff will continue discussions with federal and provincial counterparts to formally begin the inter-governmental working group. Both provincial and federal officials have positively responded to the request and are keen to open up dialogue on shared priorities and goals. City staff will also move forward with its Inter-divisional working group with stakeholders.

In addition, while the pandemic has resulted in tremendous socio-economic challenges for individuals, the private and non-profit sectors as well as all orders of governments, it also presents an opportunity to improve the way housing and social services are delivered. The City plans to build on the relationships fostered with government partners and stakeholders during COVID-19 as it re-imagines how to build back better. It is clear that rapidly housing those experiencing homelessness needs to be central to recovery efforts by all orders of government and aligns with the City and Federal governments' commitment to the progressive realization of the right to adequate housing. All orders of government also have policy and program goals to reduce/end chronic homelessness but more intergovernmental collaboration and investments are essential to meeting this collective goal.

The pandemic highlights both the necessity and the opportunity for all governments to accelerate investments and act now. Providing permanent supportive housing opportunities would improve the health and socio-economic well-being of individuals, reduce wider public health risks and generate significant cost-savings for the public sector.

A significant investment in affordable and supportive housing will also propel Canada's recovery from the pandemic and help cities to attract and retain workers needed to grow local economies.

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ATTACHMENTS

Attachment 1: Housing and People Plan: Responding to COVID-19 Crisis while Planning for a More Resilient Future

Attachment 2: COVID-19 Interim Shelter Recovery Strategy

Attachment 3: City of Toronto 24-Month Housing Plan