

Taking Action to Increase Affordable and Supportive Housing Opportunities

Date: October 5, 2020

To: Planning and Housing Committee

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

Wards: All

SUMMARY

On September 30, 2020, City Council adopted Item No. "PH16.8 - Addressing Housing and Homelessness Issues in Toronto through Inter-governmental Partnerships" and directed the Executive Director, Housing Secretariat and the General Manager, Shelter, Support and Housing Administration to report to the October 20, 2020 meeting of the Planning and Housing Committee on a plan to shift future capital and operating funding from shelters to create permanent supportive housing and to include the plan as part of the 2021 Capital and Operating Budget submission.

At that meeting City Council also directed staff to develop an affordable housing acquisitions strategy to support the City's COVID-19 Housing and Homelessness Recovery Response Plan, and to report back to the October 20, 2020 meeting of the Planning and Housing Committee with recommendations to activate the strategy to take advantage of the federal Rapid Housing Initiative and ensure that the City is well-positioned to move quickly to acquire properties for people experiencing homelessness.

This report responds to Council's direction and provides details on actions taken to-date by staff to proactively prepare to take advantage of the federal Rapid Housing Initiative. It also provides details on how the City plans to pivot to permanent housing solutions while also maintaining capacity in the shelter system for its intended short-term emergency use.

RECOMMENDATIONS

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

1. City Council receive this report for information.

FINANCIAL IMPACT

There are no financial implications arising from 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 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 (HousingTO Plan) is to increase the supply of permanent affordable rental and supportive housing to help our most vulnerable and marginalized residents, including Indigenous Peoples and those from 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 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 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

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. Residents hardest hit by the pandemic disproportionately lack appropriate housing and live in low-income racialized communities. These include seniors, women, Indigenous Peoples, Black People, and People of Colour.

As the pandemic continues, there is an urgent need to expedite the delivery of safe, secure and affordable housing targeted to vulnerable and marginalized residents. In the absence of immediate action, lives will continue to be at risk and limited public investments will continue to be diverted to costly emergency measures as opposed to sustainable permanent solutions. Investments in permanent housing solutions will not only strengthen our housing and homeless systems, they will also help expedite recovery from the pandemic.

Toronto's COVID-19 Housing and Homelessness Recovery Response Plan

On September 30, 2020, through Item No. PH16.8, "Addressing Housing and Homelessness Issues in Toronto through Inter-governmental Partnerships", City Council adopted, with amendments, the City's COVID-19 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 rental and supportive 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 (and flexible) Canada-Ontario Housing Benefits (COHB) to help households secure housing available for rent in Toronto and across the region.

While the COVID-19 Housing and Homelessness Recovery Response Plan re-iterates the City's previous requests to federal and provincial governments to partner on the City's HousingTO 2020-2030 Action Plan ("HousingTO Plan"), it urges expedited support to protect vulnerable and marginalized residents as the COVID-19 health crisis continues.

Through Item PH 16.8, City Council also endorsed the Housing and People Action Plan and the COVID-19 Interim Shelter Recovery Strategy. These two documents, developed with extensive stakeholder input, supplement the HousingTO Plan and form the foundation of the City's intergovernmental partnership on housing and homelessness as it relates to COVID-19 response and recovery. Both documents also focus on permanent affordable housing solutions and outline actions for the City and

other orders of government to pivot away from emergency short-term responses to more socially and economically sustainable long-term measures.

Federal Rapid Housing Initiative

On September 21, 2020, the Federal government announced a new Rapid Housing Initiative which will invest \$1 billion nationally to support the construction of modular housing, as well as the acquisition of land and the conversion of existing buildings to affordable housing.

An additional \$236.7 million through Reaching Home: Canada's Homelessness Strategy will be provided to help extend and expand the emergency response to the COVID-19 outbreak.

To-date, no further details about the new program and its roll-out by Canada, Mortgage and Housing Corporation have been released.

Pro-active Preparation to take advantage of the Federal Rapid Housing Initiative

Since the announcement of the Rapid Housing Initiative (RHI) in late September, an interdivisional City and CreateTO staff team has been meeting on a regular basis to compile a list of properties and sites that could potentially be purchased or rapidly developed to quickly create new permanent housing options.

The team has compiled an extensive list of sites (including both buildings and land), comprising of properties owned by both the City, as well as those currently being rented by the City to provide short-term accommodation for people experiencing homelessness, e.g. hotels, motels, apartment buildings, etc.

Sites for possible conversion from shelter to permanent housing, or sites that could accommodate both uses to provide a continuum of housing, are also being assessed by the staff team.

While the City awaits further details on the RHI from the federal government, staff will continue to refine the existing list and work with the non-profit sector to also review their proposed sites.

As noted in the September 30, 2020 supplementary report, Item PH16.8a, staff have also proactively developed a list of key criteria to assess sites that may be suitable for the RHI.

This criteria includes but is not limited to:

- cost per unit;
- return on investment (including ability to offset existing costs);
- location (vicinity to transit, services);
- number of units per building;
- size of units; and
- timing and availability (i.e. to purchase/develop and create permanent housing opportunities)

The initial assessment of sites against the above-noted criteria will enable staff to prioritize opportunities and make strategic recommendations to Council and the federal government regarding priorities for investments.

Additional proactive planning and assessment is underway with respect to site-specific due diligence, including zoning and environmental reviews, property conditions inspections, appraisals, etc.

Shifting future capital and operating funding from shelters to create permanent supportive housing

Shelters are an emergency option for people experiencing homelessness. The goal is that homelessness is prevented whenever possible and when it does occur, the experience is rare, brief and non-recurring. In 2019, more than 26,000 different people used the shelter system, and each bed was used on average by more than 3 people.

A small number of clients within the shelter system stay for very long periods of time, sometimes ten years or more, and effectively use the shelter system in lieu of housing. For some of these individuals, the services provided in shelter provide a form of de facto supportive housing that meets some of their immediate needs. However, emergency shelter facilities are more expensive to administer than supportive housing, and do not require payment of rent through the social assistance shelter benefit to offset costs.

The HousingTO Plan previously identified that staff would explore opportunities to leverage existing shelter properties for development of supportive housing. In the context of the pandemic, where physical distancing measures have resulted in reductions to the capacity of some shelter sites by more than 50% and the costs to provide shelter as a result of expanded facilities has almost doubled, the case for this approach is even stronger.

Since March, approximately 2,300 spaces have been moved out of existing shelter programs to achieve physical distancing. Some of these shelters operating at reduced capacity may not be financially viable in the long-term. This creates an opportunity to repurpose shelters that are no longer viable into transitional or permanent supportive housing.

The average cost for a shelter bed pre-COVID-19 was \$110 per day per client (\$40,000 per year). This cost has now grown to approximately \$220 per day per client (\$80,000 per year) as a result of the increased response and physical distancing required to protect clients from COVID-19 until the pandemic is resolved. These amounts include all required supports including lease, staff, laundry, security, case management, etc. This compares to approximately \$24,000 per year per unit for supportive housing, in part because some of the operating cost is offset by rent paid through social assistance shelter benefits.

The current estimated average capital costs for supportive housing are between \$266,000 and \$355,000 per unit. Prior to the pandemic, the average capital cost for a

shelter bed was less, at approximately \$190,000, however with COVID-19 physical distancing in place this could as much as double and is therefore comparable in cost to a supportive housing unit.

Through a portfolio review of existing shelter facilities, staff will identify two to three pilot projects to be implemented in the next 6-12 months to convert shelter sites to supportive housing for long-term shelter stayers, and identify the cost-benefit of an alternative service model through use of existing shelter operating funding plus the use of rent payment and housing allowances to assist in covering costs. Pilot projects will be identified based on the suitability of the current facility for use as supportive housing, any renovations or retrofits required, as well as the program's current service model and client population and any transition process required to the new service model. This process will be done in collaboration with the Toronto Shelter Network and the community shelter providers that deliver two-thirds of the shelter system and who have expressed their support for this approach to working in partnership with the City to develop permanent housing solutions to chronic homelessness. Staff will report back to on the plan through the 2021 Capital and Operating Budget submission.

In addition, there are three additional sites (251 beds) that are not yet in development or are unsecured as part of the 1,000 beds initiative. The implementation plan for the Interim Shelter Recovery strategy recommends that staff will explore opportunities to convert the remaining unsecured new shelter sites through the 1000 beds initiative to supportive housing for long-term shelter stayers and report back through the budget process on impacts. One of these options may be the proposed shelter at 2950-2970 Lake Shore Boulevard West. The City has begun preliminary investigations into the feasibility of locating permanent affordable supportive housing at the site. The review is being conducted by third party Consultant, Hilditch Architect Inc. If deemed feasible, Shelter, Support and Housing Administration will work with the Housing Secretariat to develop a proposal and report back to Planning and Housing Committee at the appropriate time with further details on implementation.

Conclusion

While data and evidence have always shown that access to safe, secure and affordable permanent housing is the key to ending chronic homelessness and providing stability for people that are precariously housed, the COVID-19 pandemic has re-enforced this fact. Toronto and cities across Canada must take action to support vulnerable and marginalized residents during health crisis, and these actions must focus on permanent solutions. Strong support and increased investments from the federal and provincial governments is also needed to increase the supply of affordable housing, connect people to the appropriate services and supports, and re-build our social systems in the process. While the current financial situation is challenging for all orders of government, investments in permanent housing and supports will reduce costs to the public sector in the longer term, and provide employment opportunities at this critical time.

CONTACT

Valesa Faria, Director, Housing Secretariat, 416-392-0602, valesa.faria@toronto.ca

Laural Raine, Director, Service Planning and Integrity, SSHA, 416-392-0546,
laural.raine@toronto.ca

SIGNATURE

Abigail Bond
Executive Director, Housing Secretariat

Mary-Anne Bédard
General Manager, Shelter, Support and
Housing Administration