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## 2021 OPERATING BUDGET BRIEFING NOTE

### COVID-19 Budget Implications: Shelter, Support & Housing Administration Division

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#### Issue/Background:

- On January 22, 2021, the Budget Committee requested the Shelter, Support & Administration Division (SSHA) to provide details on:
  - How many additional hotel units or COVID-safe spaces are needed to accommodate everyone sleeping outside, and to account for flex space as necessary?

#### Key Points:

##### *Summary of COVID-19-Related Spending*

- The total cost of COVID related spending for the period of March 15 to December 31, 2020 was \$170.85 million. In addition to the direct shelter expenses, the Shelter, Support Housing & Administration Division (SSHA) also spent approximately \$12.95 million under Toronto Pandemic Pay program to provide a \$4/hour top up and up-to a \$1,000 lump sum to eligible frontline workers for the period of April 24 to August 13, 2020 which was fully funded by the provincial government.
- In 2020, \$170.85 million provided an average of 2,600 spaces for physical distancing.
- The 2021 Budget includes a further \$276.3 million in expected COVID related expenditures. This projection factors in:
  - A full 3,000 space occupancy, due to the winter season (in 2020 SSHA only utilized 2,600 spaces)
  - Ongoing resurgence of COVID-19, as anticipated by our Medical Officer of Health;
  - Enhanced services at five sites, due to an increase in higher acuity clientele;
  - Replacement staffing model that allows redeployed City staff to return to their base position; and
  - A 5% in inflation of costs for services (e.g., hotel rates, cleaning, food, laundry, transportation).
- To accommodate the estimated 500 individuals who are sleeping outside each night, SSHA will create 400 new spaces in the process of ramping up to a full 3,000 spaces by March 2021. Only 2,600 of the 3,000 proposed spaces were operationalized in 2020.
- SSHA will also be continuing the Toronto Community Housing Corporation Rapid Rehousing Initiative and the development of new supportive housing units. To date, 459

shelter clients have moved into permanent rent-geared-to-income housing through the Rapid Rehousing Initiative creating more space in the shelter system. Additionally, there will be 220 supportive housing units opening in 2021 that will create more space in the shelter system.

- The 2021 Staff Recommended Budget for SSHA that includes funding for 2021 Winter Respite Space can accommodate spaces for all 500 people who are sleeping outside.
- It is important to note that even with the adequate budget for spaces for the 500 individuals sleeping outside, the remaining challenge has been the ability to find willing hotel vendors to participate in the shelter system.

#### *Summary of COVID-19 Direct Funding*

- To date, the City has received a total funding commitment of \$257.79 million to help address \$447.15 million pressure created by the COVID-19 pandemic in 2020 and 2021. The City of Toronto has not received any further commitment for the remaining funding pressure to date.
- SSHA anticipates utilizing \$39.11 million in 2021 from existing funding commitments (Reaching Home and SSRF grants confirmed in 2020). It is also expected that unspent 2020 funding will increase by up to \$10 million, making further funds available in 2021, subject to year-end reconciliation of federally & provincially funded programs.
- In addition to direct funding, the City has also received \$12.40 million from the Ministry of Municipal Affairs and Housing (MMAH) and \$0.54 million from the Ministry of Health (MOH) in Toronto Pandemic Pay (TPP) funding to provide a \$4/hour top-up and up to a \$1,000 lump sum to eligible frontline workers for the period of April 24 to August 13, 2020.

#### *Impacts of COVID-19 Projected Spending*

- The City of Toronto has used a combination of Federal Reaching Home, SSRF, and tax-levy funding to cover the costs associated with its COVID-19 response. As such, there have been minimal interruptions to the planned investments under the Ontario Priorities Housing Initiative (OPHI); the Canada-Ontario Community Housing Initiative (COCHI); and the Community Homelessness Prevention Initiative (CHPI) funding streams, as a result of the implementation of the COVID-19 response.

#### **Questions and Answers:**

*How much was spent on hotel programs in 2020, and how much is projected to be spent in 2021?*

In 2020 SSHA spent \$59.64 million on hotels and other open spaces. In 2021 SSHA projects it will spend \$103.19 million on hotels and other open space options.

*Is sufficient funding available in the 2021 Staff Recommended Budget to fund an additional 500 spaces?*

- Yes. The current budget as presented can address the added 500 spaces that would be needed. It is important to note that even with the adequate budget for the 500 individual sleeping outside spaces, the remaining challenge has been the ability to find willing hotel vendors to participate in the shelter system.

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