



UNITE HERE Local 75

895 Don Mills Road, Suite 900, Toronto, ON, M3C 1W3

Guled Warsame, President | Shelli Sareen, Secretary-Treasurer | Valrie Lue, Vice-President

March 23, 2022

To: Economic and Community Development Committee Members:

UNITE HERE is a labour union that represents 300,000 working people across Canada and the United States. Our members work in the hotel, gaming, food service, manufacturing, textile, distribution, laundry, transportation, and airport industries. In the Greater Toronto Area, we are a proud local of 8000 members with a diverse membership contributing significantly to Toronto's economy, and in particular businesses that rely on tourism.

Over the past 2 years, our members have been amongst the hardest hit due to the pandemic and continue to face ongoing hardships. When COVID-19 first hit us, city governments partnered with hotels to contract/lease their properties to use them as shelters to safely house vulnerable homeless people, /and we supported this endeavour. While we applaud the Shelter, Support & Housing Administration Division which through their efforts was able to substantially increase the level of support for homeless people, given that we are now almost on the other end of this pandemic, we do not believe the solution for people experiencing homelessness includes extending the lease/license for any of our hotels further beyond April 30, 2022. Just as Priority 7.2 of the Final Report: COVID-19 Interim Shelter Recovery Strategy: Advice from the Homelessness Service System conducted in collaboration with the United Way Greater Toronto and presented to Council in October 2020 states: *"Ensure those in COVID response programs including hotels are assisted to move into permanent housing"*, we firmly believe that the solution to chronic homelessness lies in assisting people to transition into more permanent and sustainable living arrangements. Tackling the national and city-wide crisis should not be at the expense of job loss of unionized hotel workers and the actual hotels that are a critical part of Toronto's tourism infrastructure. This will simply make a bad situation worse while having only a minimal impact on the homelessness/housing crisis.

The following leased hotel sites form the roster of hotels represented by us:

1. 45 The Esplanade
2. 30 Norfinch Drive
3. 60 York Street
4. 556 Sherbourne Street (lease expiration date of Jan 31, 2023)
5. 808 Mt. Pleasant Road

Out of the hotel sites secured through RFP contract pricing, the following are hotels represented by us:

1. 185 Yorkland Blvd.
2. 2035 Kennedy Road
3. 50 Estate Drive
4. Four Points by Sheraton Toronto Airport East (Islington) (not mentioned in this report)

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The prolonged layoffs at hotels being used as shelter properties has caused damaging effects to hotel workers. Members on layoff are not eligible for benefits or pension contributions, not to mention any income support from the Government has not been nearly sufficient. Our union's vision has always been to raise up an entire industry of the service sector in our city, to provide a middle-class standard of living. We have been able to achieve this through the power, strength, and determination of thousands of workers over decades. The workers at our hotels with their fighting spirit have organized together to win a standard contract that includes wages of over \$22+/hr, decent benefits, a pension, workload language, and job security. They live in every neighbourhood of the city. They are part of the Toronto economy and community. They have led the struggle for good jobs for many of the city's low wage earners and families, the majority of whom are immigrants, women, and people of colour. They are living proof of attaining a better future with income security which is critical in order to strengthen their families, communities and our city. Now, if hotel work slides into precarious work, real incomes for hotel workers will plummet and families will struggle. In addition to the loss of rooms for the tourism sector, if another extension is allowed, it would mean many good-paying unionized jobs will also be lost which will further fuel the housing crisis.

Research from industry and analyst sources (CBRE Market Update Q1 2022) reveals that hotel industry prospects are looking up in the coming years. Industry analyst CBRE noted in its Market Update Q1 2022 *"Toronto's RevPar (Revenue per Available Room) expected to grow 50% to \$85 as the downtown core recovers and suburban markets build on 2021 performance"*. As a result of COVID policies less focused on public health, the U.S. has reopened faster than Canada. Led by a record boom in leisure travel, U.S. hotels are now serving as many guests as they did before the pandemic. Industry analyst CoStar recently reported that room demand in December 2021 matched December 2019.

The City's own report in 2017 states that *"the hotel room supply has been stagnant in the city of Toronto."* As a matter of necessity, Toronto removed an additional 13 hotels from operations during the pandemic to meet the crisis of homelessness. Despite significant development activity, we risk reopening Toronto this summer to a flood of tourists who may not be able find hotel rooms.

As tourism and hotel occupancy return to pre-pandemic levels, a full and robust economic recovery is not possible without the full slate of hotels re-opening for tourism, big meetings, and conventions. Hotel workers need to get back to work and the industry needs capacity. The current use of hotels as a stop gap measure is not sustainable for homeless residents of Toronto, hotel workers, the hotel industry and travelers who are vital to our economy.

If some hotels are going to be converted to use as permanent shelters, workers who have waited patiently for 2 years with inadequate income support need to know immediately that their jobs are gone. Otherwise, we urge the City of Toronto to implement permanent measures to house homeless people who desperately need services as soon as possible and not continue using hotels as stop gap measures for shelter purposes.

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As the industry rebounds and profits return, hotel workers believe that the path to a shared recovery depends on them being back at work where they belong and providing the exceptional service that hotel guests have come to expect from them as ambassadors of the city. With our Collective Bargaining Agreement expired at majority of our hotels at the end of Jan 2022, we are now also in the midst of negotiating a new Agreement. We will fight to secure a fair contract for all workers and their families to demand the dignity and respect they deserve. Toronto's hospitality industry is just too important for this city's economy to jeopardize income security for workers and compromise quality and service for hotel guests.

Sincerely,

Amarjeet

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CC: Councillor Anthony Perruzza, Ward 7
Councillor Josh Matlow, Ward 12
Councillor Kristyn Wong Tam, Ward 13
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