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2022 OPERATING BUDGET BRIEFING NOTE

Opportunities to increase immediate access to housing solutions for people in shelters

Issue/Background:

- On February 7th, 2022, the Budget Committee requested the General Manager, Shelter, Support and Housing Administration to prepare a Briefing Note on opportunities to increase immediate access to housing solutions for people living in shelters. This Briefing Note responds to the Committee's request and was developed in collaboration with the Executive Director, Housing Secretariat.
- Toronto – like most major urban centres across Canada – continues to experience significant demand for emergency shelter. Toronto's shelter system is the largest in Canada, currently providing safe shelter to more than 7,700 people each night. Over the past five years, the City has continuously added and maintained new capacity in the shelter system. As a result, the number of beds currently available for single individuals or couples experiencing homelessness is at a five-year high.
- Emergency responses are critically important to fill the gap when people are in immediate housing crisis. However, the real solution to ending chronic homelessness is creating more permanent supportive homes. In addition to improving housing, health, and socio-economic outcomes for people, investments in permanent supportive housing results in significant cost savings to the public sector through reduced use of hospitals, emergency services, and the justice system. In Toronto, the average cost of operating a supportive housing unit is approximately \$24,000 annually, while the average pre-pandemic cost of operating a single shelter bed is \$40,000—which has nearly doubled to \$80,000 during the COVID-19 pandemic. This is why the HousingTO plan calls for the approval of 40,000 new affordable rental homes, including 18,000 new supportive homes, by 2030.
- Work is ongoing to implement the Council-directed [24-Month COVID-19 Housing and Homelessness Recovery Response Plan](#) to expedite the creation of 3,000 new permanent affordable housing opportunities by the end of 2022, including 2,000 new supportive homes and delivery of 1,000 new housing benefits. With the help of the federal and provincial governments, the City is on track to exceed this target and

create 3,089 new supportive and affordable housing opportunities for people experiencing homelessness by the end of 2022, including:

- In 2021 with the support of the federal and provincial governments, the City delivered 561 new supportive homes; and
 - In 2022, the City will deliver over 1,500 additional new supportive homes, and 1,000 new affordable rental housing opportunities through the Canada-Ontario Housing Benefits Program. The necessary housing supports are included in the 2022 budget but will require funding commitments from the Province to be implemented. The Provincial commitments are also required for ongoing sustainable funding for supportive housing.
- In early 2021, the City also opened 120 self-contained permanent supportive homes at 389 Church Street for women experiencing homelessness. The YWCA will operate this Toronto Community Housing building for a 50-year term and, through partnerships with various community sector partners, will provide deeply affordable housing with a range of wraparound social and health supports for tenants.

Key Points:

- Despite the City's significant efforts to-date, demand for emergency shelter services continue. In addition to the 3,089 permanent affordable and supportive housing opportunities to be delivered by the end of 2022, staff have identified opportunities to expedite up to 300 additional housing opportunities for people experiencing homelessness in the shelter system for immediate implementation over the next 6-12 weeks through three approaches:
 - Increased partnership with TCHC through the Rapid Rehousing program (100 homes);
 - Creating new partnerships to expand Supportive Housing units (150 homes); and
 - Expanding access to Rent Supplement units (50 homes).
- In addition to these three approaches, staff will also work to accelerate planning for the new Canada Ontario Housing Benefit allocation to expedite take-up of these additional more than 1,000 housing benefits when the program begins in April.
- While the City is fully committed to these solutions, new capital investments and ongoing operating funding from the federal and provincial governments are necessary and required to advance and further expedite current efforts and deliver the City's [HousingTO 2020-2030 Action Plan](#) goal of approving 18,000 supportive housing units by 2030.
- To meet the increasingly complex needs of individuals experiencing homelessness, especially those with overlapping mental-health and substance-use issue challenges, an enhanced level of health and social supports integration will also be

needed. This integration is also critical to help people maintain their housing stability in the long-term and prevent returns to homelessness.

1. Increased partnership with TCHC through the Rapid Rehousing Program (RRH) (100 homes)

- The current Rapid Rehousing program has had success in moving more than 1,000 people since the start of the pandemic into vacant TCHC units with appropriate supports. Currently, 450 units are planned for phase 3 of this program in 2022 as part of the current 24-Month Recovery Response Plan.
- Through increased partnership with TCHC, an additional 100 vacant units with Rent-Geared-to-Income (RGI) benefits and housing supports can be accelerated within a 6-12 week timeline.
- To support individuals experiencing chronic homelessness within shelter system with low to moderate support needs.

2. Create new partnerships to expand Supportive Housing units (150 homes)

- The creation of supportive housing through layered supports in scattered-site rental units is a proven best practice through initiatives like the [At Home/Chez Soi project](#). This can be achieved through both non-profit housing partners, and creating new partnerships with private market landlords.
- Through partnerships with current non-profit providers and the existing housing portfolio, staff will work with current supportive housing service partners to expand access to units that can be used as supportive housing by up to 50 units within 6-12 weeks.
- Creating new partnerships with private market landlords through Greater Toronto Apartment Association to access up to 100 units within private sector buildings, within 6-12 weeks at market rates by:
 - Coordinating partnerships between landlords and supportive housing providers (i.e. head-lease and/or referral agreements)
 - Providing housing benefits and supports for all units secured and exploring use of incentives such as vacancy loss, damages, rental deposits, etc.
- To support individuals experiencing chronic homelessness within shelter system with moderate to high support needs.

3. Expand access to Rent Supplement Units (50 homes)

- The City has existing relationships with private market landlords through the Commercial Rent Supplement program. Private market building landlords own and manage the housing units and the City administers the ongoing RGI eligibility. There are currently over 2,500 households supported through partnerships with 150 landlords in 350 buildings.
- Staff will work to leverage an additional 50 RGI units within a 6-12 weeks from existing private sector rent supplement landlords by expanding the number of units available within existing and new agreements and prioritize these units to people within the shelter system with low or no support needs.

4. Accelerate planning for the Canada-Ontario Housing Benefit (1,000 housing allowances)

- The Canada-Ontario Housing Benefit is a portable housing allowance program administered by the Province of Ontario that provides flexibility for the individual to find housing in their preferred location.
- The benefit is based on formula set by the Province that is calculated based on the difference between 80% of Average Market Rent, as reported by the Canada Mortgage and Housing Corporation, and 30% of the household's annual income. The average benefit amounts for households from the 2020/21 COHB program range from \$605 to \$923 a month.
- Staff will accelerate access to the additional approximately 1,000 COHB housing allowances that will be available as of April 1, 2022 through the new 2022/23 allocation of the federal/provincial program by:
 - Expediting the planning process to allow for applications starting in March 2022. This will enable housing workers to support people in shelter to start their housing search for private market rental units for move-ins to start April 1 once program begins;
 - Continuing to advocate to Province for flexibility to deepen affordability to reflect true cost of available housing in Toronto;
 - Providing eligible households with support for first and last month rent deposits; and
 - Layering in referrals for follow-up supports where required to support individuals experiencing chronic homelessness within shelter system.

Financial Impacts

- Implementation of the opportunities outlined above can be operationalized by leveraging resources within SSHA's 2022 Recommended Operating Budget to expedite access to housing secured through innovative partnerships and accelerated planning for new programs.
- The provision of supportive housing will require \$27 million from the provincial government in 2022, and annualized cost of \$48 million for full 2,000 units beginning in 2023, which is yet to be confirmed by the provincial government. Without this funding, the units will operate as affordable housing, though the lack of supports will compromise the City's ability to house households who require ongoing supports, including those who are chronically homeless.
- Any ongoing annualized costs for future years will be reported through the 2023 Budget process, along with updates on additional federal and provincial funding for supportive housing that may be available to offset these costs.

Implementation Considerations

- Timelines and targets are dependent on ability to quickly negotiate access to additional rental units, including the willingness of private market landlords to make units available for people exiting the shelter system. Staff have had initial engagement with the Greater Toronto Apartment Association to explore opportunities to partner, and what incentives may be needed as part of this approach.
- Staffing resources across many partner organizations, including City staff, TCHC, housing support providers and the private sector have been stretched due to the pandemic and, in particular, the recent Omicron variant. Achieving the ambitious timelines outlined above is dependent on staff capacity across these partnerships, and ability to prioritize available resources to achieve expedited housing outcomes.
- Given the City's goal of ending chronic homelessness identified in the HousingTO Plan and the recent [Homelessness Service Plan](#) approved by Council in November 2021, the actions identified above will support progress towards the outcome of ensuring homelessness is rare, brief and non-recurring.
- The goal of ending chronic homelessness is also shared by all orders of government and City staff will continue to leverage intergovernmental partnerships and funding opportunities to advance our shared objectives.
- Reducing chronic homelessness by moving long-term shelter users into housing also frees up existing shelter beds for their originally intended emergency use and reduces pressures to expand shelter system capacity to keep up with demand.

Further information:

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Date: February 10. 2022