

Intergovernmental Advocacy Efforts on Toronto's Refugee Claimant Shelter Response

Date: March 28, 2023

To: City Council

From: City Manager

Wards: All

SUMMARY

The City of Toronto is facing ongoing challenges and occupancy issues in the shelter system. Toronto has exhausted its resources and is unable to support an ongoing, dedicated response to refugee claimant (asylum seeker) arrivals in our shelter system without adding to our operating budget gap and/or making cuts to the capital budget.

The City greatly appreciates the commitment from the Federal Government to reimburse \$71.3 million through the Interim Housing Assistance Program for expenses related to shelter for asylum seekers for 2022, which represents approximately 98 percent of the City's ask for 2022. The City looks forward to further securing funding for 2023, which is a projected \$97 million. The current pattern – where the City responds to successive crises by providing assistance with the promise of being reimbursed by Immigration, Refugees and Citizenship Canada (IRCC) at a future date – is not sustainable, efficient, or optimal.

There is a funding risk as the Interim Housing Assistance Program is scheduled to end on March 31, 2023, and the Federal government has not yet indicated how or if it will fund these costs beyond March 2023. Without continued federal funding support for 2023, the City will be required to reduce programming for this vulnerable population in advance of 2024 and rely on limited City reserves intended to address emergencies. Doing so will deplete City funds and affect other commitments to service delivery in 2024 and COVID-19 related impacts, for which the City will no longer have funding.

The City continues intergovernmental advocacy for tri-level collaboration to address the current surge of arrivals made possible by Federal policies, and to develop a formal inter-governmental strategy for dealing with unplanned and sudden large-scale asylum seeker arrivals.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council request the Government of Canada to extend funding for shelter for asylum seekers in Toronto through the Interim Housing Assistance Program (IHAP) beyond March 31, 2023, and for program funds to be delivered via pre-established and sustainable budgets.
2. City Council reiterate its requests to the Federal and Provincial governments to establish and implement an intergovernmental and cross-departmental strategy for large scale asylum seeker arrivals; create or improve capacity in locations across Ontario to provide shelter as well as other supports to asylum seekers in their journey to claim refugee protection; and provide additional dedicated allocations as part of the Canada-Ontario Housing Benefit to support opportunities for permanent housing.
3. City Council reiterate its requests to the Federal government to urgently implement measures to ensure that the processing of refugee protection claims is brought to the legislated timelines.

FINANCIAL IMPACT

Funding of \$97 million to sustain the City's Refugee Response Initiative in 2023 is included in Shelter, Support and Housing Administration's (SSHA) 2023 Approved Operating Budget with full reimbursement for program expenditures expected from the Federal government. Actual spending in 2023 will be limited to the approved budget for this initiative in SSHA's 2023 Council Approved Operating Budget.

In total, the current funding requirement for the City's Refugee Response Initiative is \$97 million for 2023. In the absence of timely and sufficient funding support commitments from the federal government, the City will need to review current programming levels and be prepared to adjust or reduce programming in advance of 2024. The City does not have adequate funding provisions to continue to deliver the Refugee Response Initiative without sustainable funding commitments from the federal government. It is important to note that use of the City's emergency provisions will fully exhaust the City's one-time backstop strategy and will mean funds are no longer available for other ongoing commitments, COVID-19 impacts or service delivery in 2024.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as contained in the Financial Impact Section.

EQUITY IMPACT

Toronto's homelessness service system serves a range of equity-deserving groups, including people experiencing chronic homelessness, seniors, low-income households, people with disabilities, Indigenous people, Black people, 2SLGBTQ+ people, women and youth. Toronto's dedicated shelter system for refugee claimants operates in parallel to the existing base shelter system, to provide better access to refugee-specific services and supports (e.g., legal and settlement services).

Refugees face many challenges while adapting to Canada, including navigating systemic and institutional barriers. Post-migration stressors significantly impact their health, wellbeing, and their access to housing and employment. Ensuring that refugees have access to safe, high quality emergency shelter, access to permanent housing opportunities, and access to other essential services is an important determinant of health and can help refugees successfully rebuild their lives in Canada.

DECISION HISTORY

At its meeting on February 7, 2023, City Council adopted EC1.5 – "COVID-19 Shelter Transition and Relocation Plan Update 2023", including a recommendation for Shelter, Support and Housing Administration to work with regional Greater Toronto and Hamilton Area partners to establish a coordinated regional response to support the arrival of refugee claimants and to work with the Federal and Provincial Governments to provide funding for this purpose. City Council also requested the Federal and Provincial Governments to provide support for the planning, programs and services related to large-scale refugee claimant arrivals, including additional dedicated allocations as part of the Canada-Ontario Housing Benefit. <https://secure.toronto.ca/council/agenda-item.do?item=2023.EC1.5>

At its meeting on April 6 and 7, 2022, City Council adopted EC28.9 "COVID-19 Shelter Transition and Relocation Plan Update", which consisted of six core components, including the creation of a refugee specific shelter sector which would operate in parallel to the existing base shelter system. City Council also requested the Federal and Provincial Governments for support, including the establishment and implementation of an immediate federal and provincial intergovernmental strategy for large scale arrivals of refugee claimants.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EC28.9>

COMMENTS

Refugee-related pressures in Toronto's shelter system

Since September 2021, the re-opening of Canadian borders post-COVID-19 related closures has resulted in a multifold increase in demand for shelter services from asylum seekers. Over the past year, the number of asylum seekers in Toronto's shelter system has increased by more than 2,000 people per night, from a low of about 530 in September 2021 to over 2,700 per night in February 2023. Trends in demand show a dramatic increase throughout 2022 which have already exceeded pre-2020 levels.

In April 2022, City Council approved SSHA's phased COVID-19 Shelter Transition and Relocation Plan ([EC28.9](#)), and provided direction to create a dedicated shelter system for refugees, operating in parallel to the existing base shelter system. A dedicated shelter system for this population allows better access to appropriate services and supports, increasing the likelihood of exiting the shelter system to housing; enabling the City to better understand and monitor demand for services; and adding capacity in the base shelter system to support local referrals.

In 2022, SSHA added approximately 790 new spaces to support the arrival of asylum seekers through the expansion of existing programs. Additionally, SSHA extended funding to FCJ Refugee Centre's shelter diversion program which diverted over 900 individuals from entering shelter in 2022. Asylum seekers residing in the base shelter system programs were relocated to these newly added spaces.

However, new asylum seeker arrivals to the City's shelter system are currently averaging between 300 and 400 people per month. Despite best efforts, new asylum seeker arrivals are outpacing exits to housing, particularly for asylum seekers being served in the singles sector (i.e., singles or couples).

As of March 2023, all shelter spaces available for asylum seekers in Toronto are full.

Federal government support for asylum seekers

While immigration remains a shared responsibility between federal and provincial/territorial governments, Toronto has always provided shelter services to all Torontonians, including newcomers. Prior to 2016, asylum seekers accounted for 10% of shelter capacity (500 beds) and the related costs of providing shelter and housing help for these newcomers (approximately \$12 million) was included in SSHA's base operating budget. The City sought federal reimbursement each year for spending above this budgetary allocation through the Federal funding program, the [Interim Housing Assistance Program \(IHAP\)](#). This program supports asylum seekers only and is set to expire at the end of March 2023. The program pays out on actual costs only after they have been incurred.

The Federal funding program provides funding to help alleviate the pressures that provinces/municipalities are facing in providing services to asylum seekers. Between 2018 and 2021, the City received \$127.1 million from the Federal government through the Interim Housing Assistance Program for direct costs for temporary emergency shelter for asylum seekers.

The City has received confirmation that it will be reimbursed for \$71.3 million through the Interim Housing Assistance Program for expenses related to shelter for asylum seekers for 2022. The City continues to work with Immigration, Refugees and Citizenship Canada to fully secure funding for 2023 (projected \$97 million).

While the City greatly appreciates the reimbursements of 2022 funding, the pattern in which the City responds, with the promise of being reimbursed at a future date, is not efficient or sustainable. Currently, there is a funding risk as the Interim Housing

Assistance Program is scheduled to end on March 31, 2023, and the Federal government has not indicated how or if it will fund these costs beyond March 2023.

Without continued federal funding support, the City would be required to reduce programming for this vulnerable population or rely on limited reserve funding to temporarily continue operating the program.

Need for Urgent Action

The City continues to see increasing challenges and occupancy issues in Toronto's shelter system. The opening of Canada's borders means more people need the City's services than ever before. This demand trend among asylum seeker arrivals is projected to continue, particularly considering global developments.

This pressure is also being experienced by other municipalities across Ontario, particularly those in the Greater Toronto and Hamilton Area, southern Ontario, and eastern Ontario. Statistics Canada estimates that over two-thirds of asylum seekers that arrive to Canada will end up residing in Ontario. In 2022, Immigration, Refugees and Citizenship Canada has relocated thousands of asylum seekers from Quebec to various locations in Ontario, and over 8,000 since the start of 2023.

In response to the continued surge, the City of Toronto is engaging regional partners in the Greater Toronto and Hamilton Area to identify opportunities for a Coordinated Regional Response for asylum seekers. A coordinated regional response provides opportunities for the City and local municipalities to jointly engage the Federal and Provincial governments to provide funding for these services; to have an organized and proactive approach to housing asylum seekers; and to streamline access to services for asylum seekers, while providing options for families looking for shelter and permanent housing across the GTHA.

Continued coordination, with the acceleration of existing programs is needed to successfully support asylum seekers. This includes:

- An early financial commitment and flow of funding in 2023 would support the City's immediate cash flow challenges, and allow the City to sustain current shelter capacity for the dedicated refugee shelter system within the City;
- Ramping up the Canada-Ontario Housing Benefit (COHB) with an additional dedicated allocation for refugee claimants (e.g., an additional 100 COHB allocations per month) could significantly ease the current overflow pressure on the shelter system. Recent experience has shown the COHB to be a particularly effective strategy for refugee claimant households, allowing them to resettle in communities across the province that best suit their needs and in housing markets that may be more affordable; and
- A higher level of cooperation and communication from the Federal and Provincial governments, including regular planning calls, and data sharing, is needed to enable us to work quickly and effectively within formally established roles, and for the City to monitor the situation and adjust course as necessary.

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SIGNATURE

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