

Immediate Federal Government Support Required for Refugee Claimants in Toronto

Date: September 5, 2023

To: City Council

From: City Manager and Deputy City Manager, Community and Social Services

Wards: All

SUMMARY

The City's shelter system is full and has no additional capacity to support people experiencing homelessness. The number of refugee claimants in the City of Toronto's shelter system has dramatically increased to 3,300 (with almost 1,200 more supported outside the shelter system), and the proportion of the refugee claimant occupancy continues to grow. Shelter, Support and Housing Administration (SSHA) projects there could be as many as 4,500 refugee claimants in the City's shelter system by the end of the year, which would equal 50 percent of the City's total shelter space.

Despite over a year of discussions with our intergovernmental partners, the funds provided to date are not enough to support our shelter demands and, in fact, do not come close to covering costs already spent. This has put the City of Toronto in an ongoing financial situation that is unsustainable.

The City of Toronto has already taken significant actions to address this severe crisis, including: expanding capacity by 250 beds at local hotels through a contract with Canadian Red Cross in response to [MM8.29](#); cost sharing with the provincial government an expansion to the Canada-Ontario Housing Benefit (COHB) for up to 1,350 households; activating the Refugee Capacity Plan to coordinate City staff, resources, and community partnerships, including new interdivisional tables and an updated [DonateTO Website](#); and strengthening intergovernmental advocacy and regional engagement.

Despite these actions, current demand for shelter space is so high that every night the City is unable to provide shelter to hundreds of people (both refugee and non-refugees) requesting a space.

In response to the recent increase in refugee claimants, community churches have stepped up and made space available for recently arrived refugee claimants. This report recommends providing up to \$750,000 to churches and community organizations for

expenses incurred towards providing temporary shelter to refugee claimants. This recommendation is in addition to the \$150,000 in emergency funding that was authorized for release to three churches last week.

Through the ongoing work of staff, the City of Toronto has identified options that could immediately be actioned by the Federal government to assist refugee claimants in their critical immediate shelter and housing needs. Without the Federal contribution to the solutions identified, refugee claimants will have no place to go once they leave temporary accommodations such as the churches. Further, many of these newcomers will find themselves on the street as the City shelters are full. Increasing shelter options will require looking at opportunities outside of Toronto and as such the action on these options should be coordinated and funded by the Federal government. Moving forward on additional shelter options is especially important as we approach the winter months.

Finally, it is important to contextualize this report as a response to the current crisis driven by the latest surge in refugee claimant arrivals, which impact not only Toronto, but has expanded into neighbouring municipalities and is showing signs of continued growth.

The City's homelessness service system works but it is at capacity. Right now, the pressures being placed on the system far exceed anything experienced previously due to an inability to meet unprecedented demand and an increasingly disproportionate share of care required throughout the region.

RECOMMENDATIONS

The City Manager and Deputy City Manager, Community and Social Services recommends that:

1. City Council request the Federal Government to fund and implement a regional response in municipalities in the Greater Toronto and Hamilton Area and beyond that provides adequate shelter and support for refugee claimants, including:

- a) the full reimbursements to the City of Toronto for the estimated \$200 million in expected 2023 costs to support the refugee claimants in Toronto's shelter system, inclusive of the \$97 million in funding already announced through the Interim Housing Assistance Program (IHAP);
- b) an ongoing commitment of Interim Housing Assistance Program (IHAP) funding to address the estimated \$250 million annual costs for refugees in 2024 and commit to future funding until the demand for shelter returns to sustainable levels;
- c) Increase the Canada-Ontario Housing Benefit (COHB) allocations in municipalities across Ontario to allow refugee claimants to improve access to housing throughout the province, including \$6.67 million to Toronto and a prorated amount to other municipalities;

- d) Fund the Canadian Red Cross and Toronto-based representatives of the Ontario Coalition for Refugee Claimants to establish and manage a reception centre for refugee claimants who arrive in the GTHA;
- e) Secure and fund the operation of all-season mobile health units to create capacity for up to 200 spaces; and
- f) Identify and purchase/retrofit existing hotels and other suitable buildings to provide accommodation to refugees.

2. City Council increase the 2023 Operating Budget for Shelter, Support, and Housing Administration by \$0.750 million gross and \$0 net fully funded by a one-time draw from the Tax Stabilization Reserve Fund and authorize the General Manager, Shelter, Support, and Housing Administration to (a) provide further compensation of up to \$750,000 to churches or community organizations selected by the General Manager, Shelter, Support, and Housing Administration for expenses incurred towards providing temporary shelter to refugee claimants and (b) enter into agreements with the churches and community organizations selected by the General Manager, Shelter, Support, and Housing Administration to distribute the compensation on terms and conditions satisfactory to the General Manager, Shelter, Support, and Housing Administration.

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. Ensuring people experiencing homelessness have access to safe, high quality emergency shelter, and access to permanent housing opportunities is an important social determinant of health.

FINANCIAL IMPACT

This report increases the 2023 Operating Budget for Shelter, Support, and Housing Administration by \$0.750 million gross and \$0 net fully funded by a one-time draw from the Tax Stabilization Reserve Fund in 2023 to provide a further one-time compensation of up to \$0.750 million to churches or community organizations which have an existing relationship with the City of Toronto, for expenses incurred towards providing temporary shelter to refugee claimants.

Furthermore, with the number of refugee claimants in the City's shelter system now at 3,300, and the continued growing demand that projects the number of refugee claimants in the City's shelter system could reach as much as 4,500 by the end of the year, this report also recommends that Council reiterate the need for the full reimbursement from the Federal Government for the \$200 million in estimated 2023 costs to support the refugee claimants in Toronto's shelter system, inclusive of the \$97 million in federal funding previously announced through the Interim Housing Assistance

Program. Note this figure will continue to grow without immediate intervention by the Federal Government.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact section.

DECISION HISTORY

At its meeting on July 19, 2023, City Council adopted MM.8.29 - "Securing Shelter and Support for Refugees", including a recommendation for the City Manager to make available temporary shelter for a minimum of 150 refugees and further find locations for an additional 100 refugees thereafter. City Council also requested the City Manager continue to provide refugee-serving shelter spaces to meet the unique needs of refugees while also ensuring everyone, regardless of status, is able to access the City's shelter system as spaces become available and to explore partnerships with individuals, non-profit organizations, faith groups and other community agencies who are offering shelter and assistance to unhoused refugees and request the Provincial and Federal Governments join in this support. <https://secure.toronto.ca/council/agenda-item.do?item=2023.MM8.29>

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

Shelter Pressures and Refugee Crisis

The City shelter system is full and has no additional capacity to support people experiencing homelessness. As of September 2023, the City is sheltering over 10,000 people, with almost 9,000 people in the shelter system. Approximately 35 per cent of these individuals are refugee claimants, and that percentage is growing (See Appendices 1 and 2). Current demand for shelter space is so high that every night the City is unable to provide shelter to hundreds of people (both refugee and non-refugees) requesting a space.

Since September 2021, the City has seen a considerable increase in refugee claimants seeking access to shelter services. Demand has increased from 550 new refugee claimants seeking shelter per month in July 2022, surging to over 1,400 new refugee claimants seeking shelter in July 2023. There are currently over 3,300 refugee claimants in the City of Toronto's shelter system. This includes nearly 1,300 refugee claimants sheltered in programs that are not resourced to provide refugee-specific services and supports. This puts additional pressure on shelter availability for all Toronto residents and results in less targeted service for refugee claimant settlement needs. At this rate of growth and without immediate support, the City projects there could be as many as 4,500 refugee claimants in the City's shelter system by the end of the year, 50 per cent of all shelter spaces available in Toronto.

There are an additional 1,200 refugee claimants being supported outside of the shelter system in churches, bridging hotels and in hotels supported by the Canadian Red Cross. The City of Toronto is funding these programs either directly or indirectly.

Toronto's emergency shelter system is not designed or resourced to prop up and support the current actions being taken via the immigration system in Canada.

Options Identified by Toronto for Regional and Federal Response

The City has been continually working to find solutions, including space options, to assist refugee claimants in Toronto and the Greater Toronto and Hamilton Area. These options must be actioned by the Federal government immediately to prevent a worsening humanitarian crisis. This current crisis driven by the ongoing significant surge in refugee claimant arrivals not only affects Toronto, but neighbouring municipalities and beyond.

The City of Toronto has identified options the Federal Government can implement immediately to support refugee claimants with shelter needs, including:

| Options | Potential Capacity | Estimated Cost |
|--|---|---|
| Hotel spaces available outside Toronto | Hotel options are available outside of Toronto. These could be stood up by regional partners or the Federal Government. | Approximately 500 spaces at estimated 3 month cost of \$6M |
| Increase the Canada-Ontario Housing Benefit (COHB) | An investment from the Federal Government would provide support towards permanent housing to another 675 households in Toronto. | \$6.67M |
| Mobile Health Unit tents | The Federal Government to secure all-season Mobile Health Units to create capacity for up to 200 spaces. | Cost estimates for operating costs for 3 months at \$2.5-3M and initial setup of \$4-5M |
| Reception Centre | <p>Federal Government to establish a 24/7 reception centre as a welcoming space to offer centralized services for newly arrived refugee claimants.</p> <p>Canadian Red Cross and Toronto-based representatives from the Ontario Coalition of Agencies Serving Refugee Claimants have been identified to support operations.</p> | Annual costs TBD |
| Purchase of hotel or retrofitting a building | Shelter and/or housing for refugee claimants in Toronto or GTHA | TBD |

The Federal Government should also explore federally-owned and available land options that could potentially be used for emergency shelter options for refugees (i.e., Mobile Health Units).

The City continues to advocate for Federal investment and support to address the current surge of refugee claimants, and to develop a formal inter-governmental strategy for dealing with unplanned and sudden large-scale arrivals in order to appropriately welcome the new arrivals and prevent similar crisis situations in the future.

Actions Taken by City of Toronto and Community Support

In the refugee crisis, the City of Toronto undertook immediate action. As border restrictions eased after the COVID-19 pandemic, additional investments were scaled to open new programs and services to meet the growing number of new refugee arrivals. Thousands of refugee claimants have been housed, many with the support of Canada Ontario Housing Benefit. On July 19, 2023, Toronto City Council authorized the City Manager to immediately make available up to 250 spaces to support refugee claimants in Toronto experiencing homelessness. To meet this direction, the City of Toronto contracted Canadian Red Cross to secure hotel rooms to accommodate refugee claimants and their families with a contract end date of December 2023. In addition, the City activated its Refugee Capacity Plan to coordinate City staff, resources, and community partnerships, including new interdivisional tables and an updated [DonateTO Website](#), and strengthened intergovernmental advocacy and regional engagement.

However, the hotel rooms were quickly filled and there were hundreds of remaining refugee claimants in need of spaces that were not available within the City's shelter system. Black led Churches in the community stepped up and made space available.

In late August 2023, the City was aware of approximately 390 refugee claimants being supported across the city at other sites, including Dominion, Revivaltime Tabernacle and Pilgrim Feast churches. On August 25, the City committed \$150,000 in funding to Dominion, Revivaltime Tabernacle, and Pilgrim Feast to alleviate some of the financial pressures experienced by these churches. Churches continue to incur costs in sheltering refugee claimants. To further provide assistance to the churches, this report recommends reimbursement of churches and community organizations that have assisted in this specific situation in an emergency capacity, up to a total of \$750,000.

SSHA has facilitated moves for 82 people from Revivaltime Tabernacle to spaces created within existing shelter locations by reprioritizing space within the shelter system. This will result in increased pressures on calls to Central Intake and reduced options for outreach teams engaging with people in encampments and on the TTC. There also remain many refugee claimants still in churches and new people arriving every day.

Funding history for temporary shelter spaces

For several years now, the Federal Government through its Interim Housing Assistance Program (IHAP) supported provinces and municipalities with the actual cost of providing emergency shelter to refugees. It was a cost-shared program where every year the City of Toronto recovered the actual costs of sheltering refugees above the 500 beds the City funded. In preparation for 2023, the City established a budget where it anticipated that this funding relationship would continue. Without consultation or notification, the Federal Government ended the funding of that program in its March 2023 budget announcement. This created an immediate pressure on the City's 2023 budget of \$97 million for those 1,500 refugee beds originally budgeted for by the City in February 2023.

At the time it was estimated that the City would be sheltering about 2,000 refugees per night and that the Federal Government through the IHAP program would fund 1,500 of those beds at a cost of \$97 million.

On July 18, 2023, the Federal Government through Immigration, Refugees and Citizenship Canada committed \$97 million to the City of Toronto to provide shelter for refugee claimants through a one-time extension of the Interim Housing Assistance Program until March 2024. While the announcement by the Federal government to reinstate the IHAP program is welcomed by the City, the cap of \$97 million that has been applied to Toronto only addresses the original budget pressure and not the City's actual experience to date.

The City was not only left with that original budget pressure from the ending of the IHAP program, but since establishing the original forecast, the actual number of refugees the City is sheltering in its emergency shelter system every night has grown from the original estimate of 2,000 to more than 3,300. In addition, there are another 1,200 people being supported outside of the shelter system in hotels and churches and people continue to arrive daily.

The total cost for providing programs and services for refugee claimants is project to be \$200 million in 2023. These figures represent the needs at present and occupancy numbers and corresponding costs continue to grow. The City is requesting the Federal Government to provide the City with full funding for providing emergency housing to refugee claimants beyond 500 beds.

Additional funding for housing supports

To relieve the pressures in the shelter system due to the increasing demand for shelter spaces, it is essential to have a housing allowance program like the Canada-Ontario Housing Benefit (COHB) to enable people in shelters to quickly access housing.

In July 2023, the Provincial Government committed an additional contribution of \$6.67 million to the Canada-Ontario Housing Benefit. The City matched the provincial contribution through a one-time draw of \$6.67 million from the Tax Stabilization Reserve Fund. The combined contribution of \$13 million will provide permanent housing to upwards of 1,350 households. This funding is instrumental in supporting refugee claimants to exit shelter and secure housing, however it is not sufficient to meet the demand of all those eligible for COHB.

The City of Toronto calls on the Government of Canada to join the Government of Ontario and the City of Toronto to provide its historical funding to top up the COHB, to secure permanent housing for thousands more households. An additional investment of \$6.67 million from the Federal Government would provide permanent housing to another 675 households. A federal contribution to the COHB will contribute to relieving the pressure on the shelter system in Toronto by enabling people to quickly access housing.

CONTACT

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SIGNATURE

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APPENDIX 1: TOTAL OVERNIGHT ACCOMMODATION

Figure 1: Total overnight accommodation on the evening of August 27, 2023

| Program | People |
|---------------------------------------|---------------|
| Shelter system | 8,847 |
| Family placement list | 983 |
| Red Cross - Refugee claimant response | 218 |
| Red Cross - Ukraine response | 196 |
| Total accommodated | 10,244 |

Retrieved from SMIS & DOC direct reporting.
Data current as of August 28, 2023.

APPENDIX 2: OCCUPANCY TRENDS FOR REFUGEE CLAIMANTS

Figure 2a: Nightly shelter occupancy

August 27, 2023 3,344

September 1, 2021 537

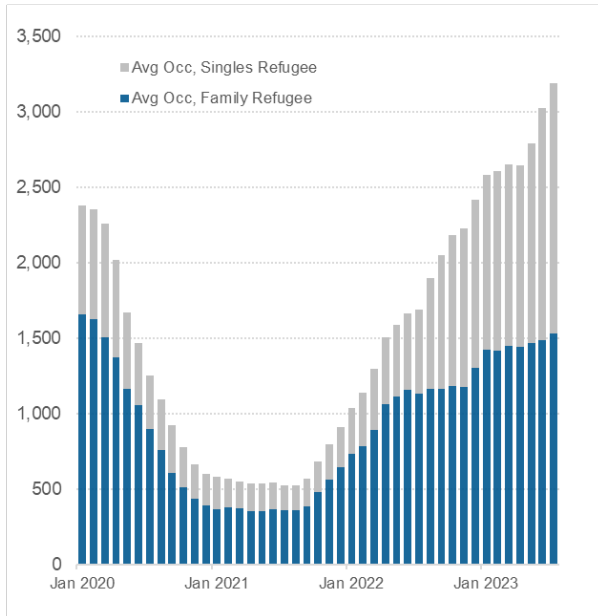


Figure 2b: Monthly new admissions

July 2023 323

% of new admissions 54%

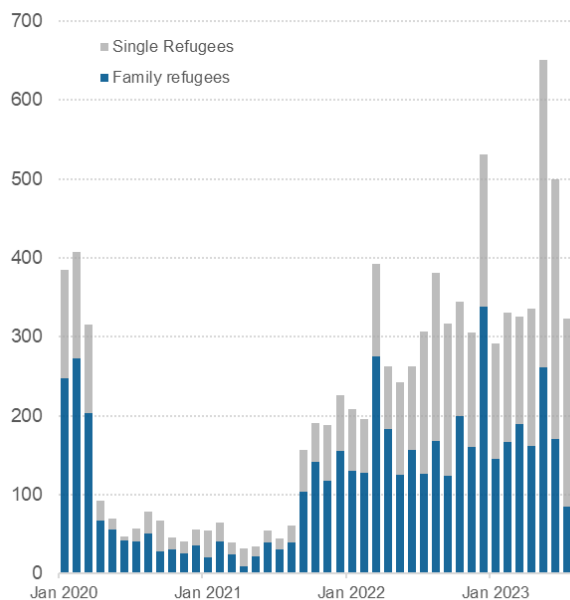
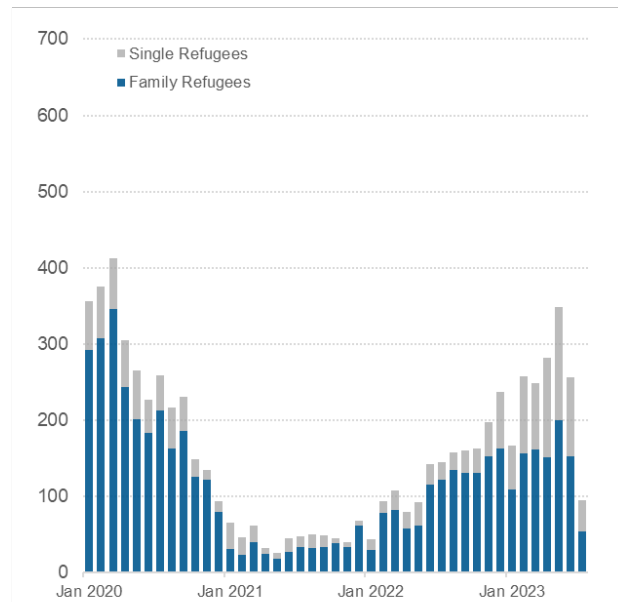


Figure 2c: Monthly moves to housing

July 2023 95

% of all housing discharges 38%



All counts refer to individuals identified as refugees or refugee claimants on their current program intake. Data retrieved from SMIS database, current as of August 28, 2023.