

Reimbursement for Churches and Community Organizations Supporting Refugee Claimants

Date: March 28, 2024

To: Economic and Community Development Committee

From: General Manager, Toronto Shelter and Support Services

Wards: All

SUMMARY

The unexpected and unprecedented surge in the number of refugee claimants arriving in Toronto has placed significant strain on the City's shelter and other systems. These pressures spiked in late spring and summer 2023, resulting in groups of refugees staying outside the City's assessment and referral centre on Peter Street, with no space available in the shelter system.

In response, many Black-led churches and community organizations stepped up, opening their doors to provide emergency shelter and supports to hundreds of refugee claimants who were arriving in Toronto homeless.

In late summer, the City provided \$150,000 to three leading churches. Additionally, in September 2023, City Council authorized that up to \$750,000 be provided to churches and community organizations for eligible expenses incurred by September 30.

The recommendations in this report will ensure that Black-led churches and community organizations are fully reimbursed for costs previously determined eligible and that options for their further reimbursement are identified for City Council's consideration.

RECOMMENDATIONS

The General Manager, Toronto Shelter and Support Services recommends that:

1. City Council authorize the General Manager, Toronto Shelter and Support Services to:
 - a. Provide the remaining reimbursement of a total of \$1,440,401 to churches and community organizations who previously received a partial reimbursement for their eligible expenses incurred to September 30, 2023, based on City Council's

direction [CC10.2 Immediate Federal Government Support Required for Refugee Claimants in Toronto](#) on September 6, 2023.

b. Explore options for one-time extension of reimbursement to churches and community organizations selected by General Manager, Toronto Shelter and Support Services for eligible expenses incurred towards providing temporary shelter to refugee claimants incurred until December 31, 2023 and provide an update to Council as part of scheduled reports on the City of Toronto's Homelessness Services Capital Infrastructure Strategy in Q3 2024.

c. Should federal funding not fully cover the funding in part a and b above, City Council authorize the use of any operating surplus realized by the City at the 2023 Year-End, subject to the Surplus Management Policy.

2. City Council direct the General Manager, Toronto Shelter and Support Services to explore opportunities where appropriate to respond to the continued high level of need for shelter from refugee clients and to report back to the Council as part of scheduled reports on the City of Toronto's Homelessness Services Capital Infrastructure Strategy in Q3 2024.

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, refugees and refugee claimants, 2SLGBTQ+ people, women and youth.

Refugees and refugee claimants face many challenges while adapting to Canada, including navigating systemic and institutional barriers. Post-migration stressors significantly impact health, well-being, and access to housing and employment. Ensuring that refugees and refugee claimants 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 them successfully rebuild their lives in Canada.

FINANCIAL IMPACT

The total federal funding commitment to support refugee populations up to March 2024, including funding through the Interim Housing Assistance Program (IHAP) is \$240 million. The funding approved by the Federal Government for the 2023 claim is \$192.4 million, which leaves a required City of Toronto contribution of approximately 5 percent to cover the 2023 total cost of \$202.4 million.

The January to February 2024 claim for IHAP is \$41.7 million, with an expected cost forecast of approximately \$60 million for Q1 2024. The Federal Government will fund \$47.6 million in Q1 from the remaining \$240 million balance.

The City of Toronto's original estimate and Federal Government commitment to support refugee populations in shelters in 2024 was \$250 million. The balance of the federal commitment is expected to be announced in the Federal Budget on April 16, 2024. With respect to IHAP claims, the Federal Government has accepted the initial payments in 2023 as eligible. Therefore, going forward, City of Toronto expects the 2024 claims to be eligible. Based on current demand, the City's actual costs are likely to increase above \$250 million in 2024. If additional funding is not received, the churches and community organizations payments could create a net pressure on the City. Through the 2023 Year-End Operating Variance Report, if surplus is available, funding may be allocated for the payments, as part of the Surplus Management Policy.

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

DECISION HISTORY

At its meeting on November 8 and 9, 2023, City Council adopted EX9.19 - "Need for Long-Term Investments to Address Refugee and Humanitarian Crisis," including a request to the Federal Government to share with the City of Toronto the federal response plan for providing appropriate support services for refugee claimants. City Council also requested the Federal Government to reimburse the City for the full costs incurred supporting refugee claimants and to ensure that funding through the Interim Housing Assistance Program is allocated based on the number of refugee claimants requiring support in each municipality or region.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX9.19>

At its meeting on September 6, 2023, City Council adopted CC10.2 - "Immediate Federal Government Support Required for Refugee Claimants in Toronto," including a request that the Federal Government fully reimburse the City of Toronto for the estimated \$200 million in expected 2023 costs to support the refugee claimants in Toronto's shelter system and an ongoing commitment of the Interim Housing Assistance Program funding to address the estimated \$250 million annual costs for refugees in 2024. City Council also adopted that the General Manager, Toronto Shelter and Support Services reimburse up to \$750,000 to churches and community organizations for expenses incurred towards providing temporary shelter to refugee claimants and to enter into agreements with the churches and community organizations to distribute the compensation. <https://secure.toronto.ca/council/agenda-item.do?item=2023.CC10.2>

At its meeting on July 19 and 20, 2023, City Council adopted MM8.29 - "Securing Shelter and Support for Refugees - by Mayor Olivia Chow, seconded by Deputy Mayor Jennifer McKelvie," where Council expressed its gratitude to the Federal Government for providing \$97 million in funding through the Interim Housing Assistance Program and reiterated its request for the full \$157 million needed to cover the costs of supporting existing refugee claimants in Toronto's shelter system.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM8.29>

COMMENTS

Issue Background

Toronto's shelter system continues to be full. As of March 25, 2024, the City is supporting 12,295 people across the base shelter system and other programs; over 50 percent (6,312) are refugee claimants. Compared to September 2021, when the number of refugee clients in the shelter system was 546, the increase has been multifold.

The system was particularly tested in late spring and summer of 2023, when the speed and scope of refugee claimant arrivals far exceeded the City's capacity to respond. This contributed to unfortunate circumstances in front of the City's assessment and referral centre on Peter Street.

Amid these enormous pressures, it was Black-led churches and community organizations that stepped up, opening their doors to provide shelter and supports to hundreds of refugee claimants who were arriving to Toronto immediately homeless.

In recognition and gratitude for these supports, City Council provided direction in September 2023 that up to \$750,000 should be reimbursed to churches and community organizations for eligible expenses incurred by September 30th, and towards providing temporary shelter to refugee claimants. This was in addition to \$150,000 in funding previously provided to the three leading churches, Dominion Church International, Pilgrim Feast Tabernacles and Revivaltime Tabernacle.

The City received 25 applications for this funding. After a review, 21 applications were deemed eligible, with the total eligible reimbursement request of \$2,190,401. The Council-approved, reimbursement budget only covered 34.34% of this total, leaving \$1,440,401 in unreimbursed expenses to be borne by community partners. Some of these churches and organizations have continued to provide shelter and supports to refugee claimants, despite their financial hardship.

The Federal Government has committed \$240 million to the City of Toronto under IHAP funding for costs incurred in 2023 and the first quarter of 2024. This was a welcome announcement from both the City of Toronto and community partners, who made a significant contribution to the efforts to support refugee claimants in 2023. The announcement prompted renewed calls from the churches and community organizations for full reimbursement of their expenses and provided an opportunity for the City to further strengthen our relationship and support their capacity building.

The number of new refugee claims made in Ontario continues to increase, and new records have already been set in January and February this year. As the City continues to build readiness and capacity to respond, strengthening the ability of our community partners to support and contribute is a priority.

CONTACT

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SIGNATURE

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