

Mr. John Elvidge, City Clerk
City Clerk's Office
100 Queen Street West
12th Floor, West Tower
Toronto, ON M5H 2N2

Dear Mr. Elvidge,

Re: Administrative Inquiry Regarding the Feasibility of Micro-Shelters

Councillor Chris Moise submitted an Administrative Inquiry to seek information on the feasibility and planning for micro-shelters. This letter provides a response to this request. It has been developed in collaboration with Corporate Real Estate Management (CREM) and CreateTO.

Response

Please find below responses to each of the questions submitted.

1. What is the status of increasing shelter/respite capacity, including temporary modular and micro-shelter options, required to fully accommodate everyone living in an encampment?

Current Number of Encampments

As of March 14, 2025, there were 283 encampments across Toronto.

Update on Shelter Capacity

As part of the Homelessness Services Capital Infrastructure Strategy (HSCIS), in 2024, Toronto Shelter and Support Services (TSSS) acquired six locations, including four City lands for shelter development purposes. Design and development of the first six shelters has started, with site openings planned to begin in 2027 and 2028. The acquisition of at least 5 additional HSCIS shelter locations is also in progress and will be announced later in 2025. In total, the 20 new sites will provide approximately 1,600 shelter spaces.

In addition to the upcoming HSCIS sites, construction continues for the relocation sites at 629 Adelaide Street West, 2299 Dundas Street West and 233 Carlton Street. These planned site openings will provide updated spaces to better meet the needs of individuals experiencing homelessness. A new shelter at 67 Adelaide St E for Indigenous men providing approximately 75 shelter spaces is currently under design as well.

Update on Temporary Modular and Micro-Shelter Options

In response to Council direction, TSSS has undertaken a preliminary analysis of micro-shelter feasibility, including engagement with Corporate Real Estate Management (CREM), City Planning, Toronto Building, and Toronto Fire Services. It was determined that a micro-shelter pilot site be developed as a municipally operated shelter program where short-term emergency accommodation and associated support services are provided. The preliminary analysis includes a high-level overview of site requirements, planning considerations, recommendations for site design, and the program

model. A cost-benefit analysis of a micro-shelter program versus a larger, traditional emergency shelter was also reviewed. A suitable and available location for a micro shelter pilot has not yet been identified. Details on site design, size, and functionality will need to be investigated in collaboration with divisional City partners and will be provided in the TSSS Annual Infrastructure Report to Council in July 2025.

2. What are the limitations and barriers preventing staff from prioritizing the development of immediate rapid shelter program models? What are staff doing to overcome those limitations and barriers?

Availability, size, and planned use of potential sites have emerged as the three primary constraints impacting development of a micro-shelter program.

The City has explored vacant lots as potential temporary locations for micro-shelters. CreateTO conducted a detailed feasibility analysis of micro-shelters across City-owned lots. Even at the largest lot that might be available for this purpose, the fit tests show that the site could only accommodate 20 micro-shelter units (see Appendix 1). Alternatively, the opportunity cost for this site would be a purpose-built mixed adult shelter program providing up to 80 spaces.

Additionally, City lands identified for potential micro-shelter usage are generally smaller in size than locations used for micro-shelters in other jurisdictions. Many micro-shelter communities are developed on at least one acre of land, for every 50 micro-shelter units. City-owned lots in Toronto that are larger in size have already been identified as better suited for permanent, supportive or affordable housing use. Utilizing sites earmarked for supportive housing development for an interim micro shelter pilot could also interfere with pre-construction activity and delay progress.

Based on these limitations, a micro shelter pilot has not been recommended at any potential sites identified to date.

CreateTO continues to explore locations to accommodate a potential micro-shelter program and will provide additional details to Council as part of the TSSS Annual Infrastructure Report in July 2025.

3. If there are zoning limitations, why haven't staff brought a report to City Council to request temporary exemptions and/or changes to our zoning bylaw?

Following the preliminary review for micro-shelter feasibility, the City has not identified any major zoning limitations with respect to siting a micro-shelter pilot. The micro-shelter program model being considered will be a municipal shelter under the City's zoning by-law definitions. The locations where municipal shelters are permitted is governed by City-wide Zoning By-Law 569-2013 or Municipal Shelter Zoning By-law 138-2003 in areas that are not yet subject to the City-wide Zoning By-law. Municipal shelters are permitted in almost all areas of the city, with the exception of certain Employment Industrial (E, EL, EH, UT) and Open Space (O, ON, OG, OM & OC) zones under City-wide Zoning By-law 569-2013.

Development of any site where municipal shelters are a permitted use may be able to proceed with only a building permit, or potentially involve Site Plan approval or minor variances depending on the individual site circumstances. City Planning staff are available to assist with identifying any zoning standards that may need to be varied or receive a temporary exemption, as work proceeds on location selection and site design.

Development of lands designated and/or zoned for employment and industrial uses to allow a municipal shelter would require demonstration of conformity with provincial planning policies, a redesignation under the Official Plan and rezoning. This would be a lengthy and complex process where the need to locate a shelter in that location would be weighed against other planning priorities, potential hazards, and the operating needs of other facilities within the area and would not be guaranteed to be approved.

Additional details related to zoning exemptions and/or necessary approvals if required for micro-shelters can be presented to City Council as part of the TSSS Annual Infrastructure Report.

4. If there were funding limitations, has this funding been requested in the 2025 budget?

The acquisition and development costs for new shelters as part of HSCIS, including a potential micro shelter pilot, was approved City Council in November 2023. City Council has requested \$674.5 million from the Government of Canada to support the delivery of the Homelessness Services Capital Infrastructure Strategy (HSCIS) project with the objective to deliver 1,600 shelter beds to the City's shelter system on a priority basis.

Of the \$674.5 million, the 2025 budget includes new funding of \$168.6 million for advancing the HSCIS, funded from City Building Fund under Service Improvement and Growth. Design and build for a micro-shelter pilot would utilize a portion of this funding.

If a location for a micro-shelter pilot is identified by July 2025, a request for operational funding will be included in the TSSS 2026 Annual Infrastructure Report and considered through the 2026 budget process.

5. Have staff explored and/or applied for funding from the provincial and federal governments for the purposes of creating temporary shelter spaces as well as housing individuals living in encampments?

- a. In January 2025, the Provincial Government announced \$20 million for municipalities to expand shelter capacity and create additional temporary accommodation.
- b. In that same announcement they also committed \$5.5 million to top up the Canada-Ontario Housing Benefit (COHB) to immediately free up emergency shelter spaces for people living in encampments by helping people living in shelters move into longer-term housing.

Staff have explored intergovernmental funding to support temporary shelter operations and housing individuals living in encampment, as described below.

Federal funding

Through the federal Unsheltered Homelessness and Encampments Initiative (UHEI), the City received \$25.8M in funding over two years to address the urgent issue of unsheltered homelessness and encampments.

The City will use this funding to expand outreach work and contribute to the creation of low barrier shelter spaces and housing opportunities designated for people living in encampments.

This funding will also support a joint, multi-sectoral Housing First pilot initiative between the City, Centre for Addiction and Mental Health (CAMH), Unity Health, and University Health Network (UHN) for people in encampments with complex mental health and substance use issues. As part of this initiative, up to 100 individuals living in encampments will be transitioned to supportive housing with intensive wraparound clinical supports.

Provincial Funding

Through the provincial Last Mile funding, the City received \$2.1M to support a housing project to create 95 units of affordable housing.

The City of Toronto was not included in the distribution of the \$5.5 million to top up the Canada-Ontario Housing Benefit (COHB) given the New Deal funding agreement already in place between the City of Toronto and the Province of Ontario, which includes funding to support people experiencing homelessness in shelters and encampments.

6. When will a staff report be coming to give all necessary authorities and budget to implement a micro-shelters pilot?

In collaboration with CreateTO and Corporate Real Estate Management (CREM), TSSS is actively exploring locations that will meet requirements for a micro-shelter pilot.

TSSS is assessing the program model for a micro shelter pilot and CreateTO have engaged a consultant to perform a detailed evaluation of micro-shelter viability.

Updates on a micro-shelter pilot site selection and service model will be provided to City Council in July 2025 as part of the TSSS Annual Infrastructure Report.

Sincerely,

Gordon Tanner
General Manager
Toronto Shelter and Support Services
City of Toronto

cc:

Tom Azouz, Interim Deputy City Manager, Community & Social Services
Patrick Matozzo, Executive Director, Corporate Real Estate Management

Appendix 1

Feasibility Review for Micro-Shelter Program of a 22,900 sq ft Vacant Lot

