



OLIVIA CHOW MAYOR

September 26, 2025

Dear Members of the Executive Committee,

Re: Cuts to Federal and Provincial Support for Housing

The City of Toronto is facing two funding cuts that threaten our ability to bring people off the streets, out of encampments, and into shelter and housing.

On September 18, the Province of Ontario informed the City that our allocation of the Canada-Ontario Housing Benefit (COHB) for 2026 has been reduced to \$7.95 million, compared to \$19.75 million for 2025 and \$38 million for 2024.

COHB is the single most effective tool we have for freeing up beds in our shelter system so that more people can come indoors from streets and parks. COHB helps people leave shelters, afford their own housing, become independent, and eventually no longer rely on the government to stay housed.

Earlier this year, facing provincial delays and uncertainty, City Council decided to front some of the COHB funding. That was \$4.815 million to help 570 households move into housing, therefore freeing up more shelter beds for people on the street. Now, the province has said we can only allow for 40 more households to move into housing between now and March 2026 within the funding they've provided.

That means all funds will be spent by the end of October, just when the weather turns cold and we need to bring homeless people on the street into shelters or homes.

Previously, I shared the troubling news that the federal government is making significant changes to the Interim Housing Assistance Program (IHAP) which would see the City receive funding for just 26% of what we have projected to spend this year to shelter refugees and asylum seekers. Ontario Big City Mayors unanimously adopted a motion calling on the federal government to reinstate this funding as sheltering refugees is a federal responsibility. The Toronto and Region Board of Trade has written to the Minister in support of the City's position.

The City and federal government are in agreement that we need more robust, permanent and lower-cost solutions to sheltering refugee claimants and asylum seekers. At the peak of the refugee response the City was sheltering 6,490 people in this stream each night. As the situation has stabilized, through successful collaboration

with federal partners, we now have 3,420 claimants in our shelter system. The City is developing plans for a scaled, 2,000-bed refugee shelter system including expanding the refugee house model in partnership with frontline agencies and winding down the use of shelter hotels. But this work cannot continue if we are facing a \$107 million in-year cut to the IHAP program, while we are still providing shelter support for 3,450 refugee claimants every night.

Together, these two funding cuts from the federal and provincial government place tremendous stress on those who found themselves homeless. We do not want to see a repeat of people sleeping in front of the city's homeless shelter placement office at Peter Street.

The federal government has the power and the responsibility to regulate the refugee application processes and the rate of work permit approvals. The provincial government determines how much financial support is provided to the most vulnerable such as those living with disabilities.

Emergency shelter and assisted housing for refugee claimants and those with complex needs should not be shifted onto the City and the property tax base.

Recommendations:

- 1) City Council request the Federal Government ensure that transitional funding of \$107 million is flowed for 2025-2026 to support housing costs for refugee claimants and asylum seekers already in the City's emergency shelter system; and
- 2) City Council reiterate the request to the Provincial and Federal governments in MM20.38 to increase Toronto's allocation through the Canada-Ontario Housing Benefit to \$54m to allow 300 households to continue to secure permanent housing each month.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Olivia Chow', with a long horizontal flourish extending to the right.

Mayor Olivia Chow

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