

MOTION WITHOUT NOTICE

Reimbursing Certain Reasonable Legal Expenses of Shelter Operators and Consultants

Moved by: Councillor Fletcher

Seconded by: Councillor Pasternak

SUMMARY:

The City has committed to a comprehensive plan to build new affordable and supportive housing as part of its HousingTO 2020-2030 Action Plan. The City has also committed to the expansion of its purpose-built emergency homeless shelters through the Homelessness Services Capital Infrastructure Strategy (HCSIS). This expansion is necessary as the City's shelter system is at capacity, people are turned away from full shelters on a nightly basis, hundreds of individuals are sleeping in encampments, and thousands more are chronically underhoused.

While new shelters have been met with mixed response in their planned locations, a small group of people are forcing the City to defend itself in court. This civil litigation has been brought by various plaintiffs wishing to arrest new housing and shelter projects, including at locations on Cummer Avenue, Adelaide Street West, Wardlaw Crescent, Sheppard Avenue East and Third Street.

Shelter operators and community engagement consultants contracted by the City of Toronto have also been named as defendants in these cases. These operators and consultants have been acting in the public interest, as directed and required pursuant to their contracts with the City of Toronto. In several cases, the plaintiffs are newly created non-profit organizations without assets and may in fact meet the test of a "straw man" for the purposes of bringing litigation and may never be able to pay costs if they are awarded by the court. There is also some evidence that the various plaintiffs in these separate actions are in fact working in concert and retaining the same legal counsel.

This effort to systematically attack shelter operators and consultants is meant to send a message to all potential operators and consultants that they should stay away from this vitally important work to help those who need it most gain shelter. Reimbursing reasonable legal fees of these operators and consultants is in the City of Toronto's interest to ensure current and future shelter capital projects can move forward and help people experience homelessness access their right to housing.

REASON FOR URGENCY:

Legal proceedings have been commenced against certain shelter operators and consultants.

RECOMMENDATIONS:

1. City Council directs the City Solicitor to continue to vigorously oppose these nuisance legal proceedings.
2. City Council direct the Chief Financial Officer to provide a grant to reimburse Consultants named in these legal proceeding for up to \$50,000 for their legal fees and disbursements incurred in defending these nuisance actions which are not covered by their insurance underwriters (the “Reimbursement”), provided that:
 - a) The allegations in the legal proceeding relate to work performed by the Consultant under their respective contract with the City;
 - b) The Consultant seeking reimbursement provides proof that they carried an appropriate insurance policy that may have been required as part of their contractual relationship with the City;
 - c) The Consultant provides evidence that they made all reasonable efforts to have their insurance underwriter cover the costs of defending one or more of these actions, including, but not limited to commencing an application for a determination of coverage;
 - d) The Consultant submits itemized invoices or other detailed billing documents, and proof of payment to the satisfaction of the Chief Financial Officer; and
 - e) The Chief Financial Officer, in consultation with the City Solicitor, determines that, based on the itemized invoices or other billing documents, the Consultant’s expenses are reasonable given market rates for legal services.
3. City Council deem the Reimbursement made in accordance with Recommendation 2 to be in the interest of the City.
4. The Chief Financial Officer be directed to report through quarterly variance reports from time to time to update Council on any payments of Reimbursements made to Consultants.

November 13, 2025