

# Progress Update on Drop-In Sector Stabilization Efforts

Economic and Community Development Committee  
June 9, 2026



# Council Motion – CC38.1

- City Council request the General Manager, Toronto Shelter and Support Services, to work with the drop-in sector to assemble a working group to review core wage principles, adequate resourcing and overall stabilization of the sector to help inform the 2027 budget, with a progress report back to the June 9, 2026 meeting of the Economic and Community Development Committee.

# Daytime Drop-Ins in the Homelessness Services Ecosystem

## Homelessness Support Services



Central Intake



Street Outreach & Encampment Response



Emergency Shelter and Allied Services



Refugee Service System



Daytime Drop-In Services

## Impacts

Homelessness Prevention & Diversion

Housing Stabilization & Outcomes

Health & Wellbeing

Stronger, More Cohesive Communities

# Growing Demand & Pressures

Daytimes drop-ins are seeing increased demand, driven by:

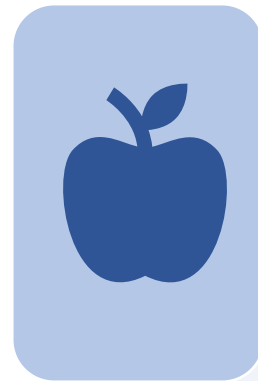
- Affordability crisis;
- Food insecurity;
- Increasing complexity of needs;
- Reduced access to community/clinical services with ongoing supervised consumption site closures;
  - Two additional closures expected on June 13, 2026.



Visits to City-funded daytime drop-ins have increased:

9% (2022-23 to 2023-24)

18% (2023-24 to 2024-25)



April-Sept 2026, daytime drop-ins provided:

618,430 drop-in visits

536,432 meals served on-site

163,432 take-out meals

# Current City Response – Existing Stabilization Measures

Current Investments	Additional Stabilization Supports
<ul style="list-style-type: none"><li>• \$8.2M in base grant funding for daytime drop-ins annually</li><li>• \$1.3M for Creating Health Plus food procurement program for all drop-ins (incl. non-City-funded)</li><li>• \$0.5M targeted harm reduction funding for daytime drop-ins most impacted by SCS closures**</li></ul>	<ul style="list-style-type: none"><li>• Coordination through Toronto Drop-In Network (TDIN)</li><li>• \$100K investment in winter and hygiene supply distribution across drop-ins (incl. non-City-funded), exploring best-fit procurement approach</li><li>• 4% grant funding enhancement across all drop-ins in 2026 &amp; 2% COLA adjustment</li></ul>

Current stabilization efforts detailed through this report are focused on sustaining the existing drop-in service model and supporting operational continuity.

\*\*Funding is being extended from some, most-impacted daytime drop-ins as part of planned \$1.2 million investment to address emerging issues/service gaps from additional SCS closures on June 13. Majority of funding will be allocated to daytime drop-ins.

# Working Group & Preliminary Findings

- TSSS partnered with TDIN to convene a working group of 12-15 senior leaders from drop-in organizations and developed a structured engagement plan to guide working sessions.
- Since March 2026, the working group completed seven working sessions to confirm scoping, objectives and identify areas of consensus, with a focus on coordination, resourcing, and policy alignment towards sector stabilization.

## Preliminary resourcing related findings:

1. Addressing wage levels in the drop-in sector can improve recruitment, retention, and staff wellbeing, strengthening overall workforce stability; and
2. Funding models that are transparent, flexible, and/or have extended funding timeframes may support collaboration, responsiveness to emerging needs, and longer-term planning.

## Preliminary systems strengthening and coordination findings:

1. Sector stabilization can be improved through increased awareness, recognition, and integration of the role of drop-ins in the housing and homelessness continuum and within other relevant sectors (i.e. health services); and
2. Ongoing communication, collaboration, and system-level planning are key to achieving sustainable improvements.

# Considerations for Stabilization Plan Development

- Potential budget pressures associated with forthcoming recommendations, specifically around core wage enhancements, will need to be addressed through budget 2027 or future budgets.
- A "one-size fits all" approach to core wage enhancements will not account for the diversity of drop-in programs/structures.
- A stable daytime drop-in sector can strengthen the communities where drop-ins are located.

Daytime drop-ins help keep people housed and support connections to health, mental health and other supports.

If not resourced, instability of the drop-in sector may increase pressure on:

- emergency shelters
- outreach services
- emergency services
- emergency departments and other health systems

# Next Steps

- Spring/Summer 2026
  - Continuing working group sessions and Indigenous engagement
  - Validating findings with broader drop-in sector
  - Refining draft recommendations and implementation considerations
  - Developing drop-in sector stabilization plan, including actions, responsible leads, timelines and accountability measures
- Fall/Winter 2026
  - Assess resource and policy implications to inform next drop-in grant funding call
  - Launch funding call in Q4 to align daytime drop-in service model with current service needs/pressures and provide opportunity for all organizations to apply for City funding

# Thank you

