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REPORT TITLE: **Ukrainian Humanitarian Response in Peel Update**

FROM: Sean Baird, Commissioner of Human Services

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## RECOMMENDATIONS

1. That staff proceed with a wind down of the Region of Peel's dedicated emergency housing response for Ukrainian arrivals on or before June 30, 2023; and
2. That should a new funding agreement be reached with the federal government prior to April 30, 2023, the Director of Housing Services be granted authority to extend existing contract agreements, to match with the duration of the federal funding agreements, in accordance with Procurement By-Law 30-2018, as amended; and
3. That the Director of Procurement and the Director of Housing Services be authorized to increase existing contracts in support of the Ukrainian Humanitarian Response on an as required basis until such time as additional federal funding may be secured or, in the absence of federal funding support, until June 30, 2023, in accordance with Procurement By-Law 30-2018, as amended.

## REPORT HIGHLIGHTS

- A growing proportion of Canada Ukraine Authorized Emergency Travel visa holders arriving at Pearson International Airport (20-30 per day) require emergency housing and other basic need supports.
- Housing, both temporary and longer-term, continues to be the single biggest issue hindering the settlement of Ukrainian arrivals coming to the Greater Toronto and Hamilton Area (GTHA).
- The Region of Peel (Region) activated a hotel site on Monday, June 6, 2022, to provide emergency housing and basic needs support while Ukrainian arrivals get independently established in Canada.
- Negotiations with the federal and provincial governments to provide financial support for the response have not resulted in any municipal funding support.
- The total cost incurred by the Region as of December 31, 2022, approximately \$5.7M for which there is no guarantee of financial support from other levels of government, **has been funded through the Region's Tax Rate Stabilization reserve.**
- The ramp up of the federal Immigration, Refugees and Citizenship Canada (IRCC) Hotel Stay Program to 585 rooms in the GTA signals an opportunity for Peel Region to wind down our response and allow the federal government to assume jurisdiction for this response.
- While the IRCC Hotel Stay Program provides up to two weeks of support, it falls short of the 44 day average length of stay experienced in Peel's program. If IRCC had classed

## Ukrainian Humanitarian Response in Peel Update

Canada Ukraine Authorized Emergency Travel (CUAET) visa holders as Government Assisted Refugees, they would be able to access up to twelve months of supports.

- **The estimated cost to continuing the provision of housing and other basic supports until June 30, 2023, is estimated to be \$5.2 million which will drive a deficit in the Housing Support service. No funding has been announced at the time of preparing this report.**
  - Growing numbers of asylum seekers and special visa holders from multiple countries are arriving in Canada in need of supports. Municipalities are increasingly being drawn into these responses without additional federal funding.
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## DISCUSSION

### 1. Background

Over the course of June – December 2022, approximately 200 CUAET Visa holders arrived daily at Toronto Pearson International Airport (Pearson Airport). The volume of arrivals decreased slightly through the fall due to the high cost of commercial flights. In the first month of 2023, volumes have increased though it is unclear whether this will form a trend. These individuals typically have contacts in Canada and are being supported by them. The proportion of arrivals that require supports with housing, emergency financial assistance and other social service needs is trending up from 5 per cent in the early months of the response to 10-15 per cent currently. This means on average, 20 to 30 CUAET Visa holders a day land at Pearson Airport and require emergency housing and other supports.

In 2022, 143,000 Ukrainians arrived in Canada with 52 per cent arriving at Pearson Airport. CUAET visa applications now total 922,386 of which 603,681 visas have been approved. There continues to be the prospect of high volumes of Ukrainians arriving in Canada as they flee the conflict. To put this in perspective, the 2015/2016 Syrian refugee movement saw 25,000 refugees arrive in Canada within 5 months, 45,000 total over five years. The recent Afghan refugee operation welcomed 10,500 refugees to Canada. If a high number of CUAET visa holders decided to come to Canada in a short period of time, this could very quickly overwhelm the capacity of systems that are already stretched.

Approximately 35 per cent of CUAET Visa applicants have indicated an interest in coming to the GTHA, of which 85 per cent intend to stay in Canada indefinitely. While many of the applicants are currently in Poland, it is unclear how many will utilize the CUAET Visa to travel to Canada as this is largely dependent on the conditions inside Ukraine and neighbouring countries. The top three destinations within Canada for arrivals thus far continue to be Toronto, Ottawa and Mississauga. Secondary migration to smaller, more affordable areas outside of the GTHA has begun for small numbers of CUAET arrivals.

### 2. Temporary Accommodation and Basic Needs Support

Municipalities across the GTA have expanded emergency shelter systems to assist Ukrainian arrivals while they get established in Canada. Currently there are dedicated emergency shelter responses in Toronto, Peel, Durham, York and Halton. Hamilton now operates on an as needed basis when CUAET visa holders present themselves. Without additional financial support from the federal or provincial governments, municipalities may decide they can no longer continue these programs in 2023. Unbudgeted expenses totaled \$15M across the GTHA in 2022 including \$5.7M for Peel's response. The Region was the

## **Ukrainian Humanitarian Response in Peel Update**

first municipality to operationalize an emergency shelter with dedicated hotel space at a cost of approximately \$820K per month funded from the Tax Rate Stabilization Reserve. Without this municipal support, many Ukrainian newcomers would have been at risk of becoming homeless prior to federal supports being put in place.

The Peel hotel site has assisted 759 Ukrainian arrivals since the response began with 456 moving through the hotel into independent housing. The average length of stay has increased to 44 days, up from 35 days in the first three months of the response. This can be attributed to a higher concentration of youth coming to Peel who take longer to find safe and appropriate housing. The high cost of rental housing is also an impediment to Ukrainians being able to exit emergency hotel accommodations across the GTHA.

Agencies providing onsite support report that arrivals are motivated and have been active in seeking out employment opportunities and housing so they can live independently. Most have utilized the federal government's Canada-Ukraine Transitional Assistance initiative for financial support (one-time provision of \$3000 per adult, \$1500 per child) however, due to the high cost of living in the GTHA, rent deposits and other startup expenses exhaust these funds quickly.

On average, 56 applicants per week have turned to Ontario Works Emergency Income Assistance in Peel to sustain themselves financially while they get established. Recent trends of smaller numbers of CUAET visa holders accessing programs like child care fee subsidy and Peel's Affordable Transit Program are indicative of Ukrainians moving along their settlement journey in Canada.

IRCC began scaling up a two-week hotel program for Ukrainian arrivals in October and is now operating 585 hotel rooms in the GTHA. While this has been a welcome resource, the limited 2-week timeframe means many arrivals transition to municipally-run emergency shelters at the end of the two weeks. As noted, a transition to independent living is taking most CUAET visa holders one to two months. COSTI Immigrant Services is also conducting a host home program that has successfully placed 65 Ukrainian newcomer families in host homes across the GTA. Private sponsors and corporate partners like Airbnb have also helped by providing short-term accommodations for Ukrainians fleeing the conflict.

Peel's Refugee Settlement Planning Table has been meeting to focus on coordination of supports related to government assisted refugees, including Afghans, as well as displaced persons arriving on temporary permits, such as Ukrainians. The working group is co-chaired by the Region of Peel and Peel Newcomer Strategy Group. This community table includes Peel settlement services providers, IRCC, community agencies, the Canadian Ukrainian Congress and others that respond to Ukrainian newcomers. Recent feedback from the group has highlighted the ongoing challenges with housing, as well as the need for faster language assessments, need for mental health supports and high costs of childcare in Canada.

### **3. Limited Support from Other Levels of Government**

Regular meetings have taken place with federal staff from IRCC, provincial staff from Ministry of Labour, Immigration, Training and Skills Development and municipal staff from the GTHA. Although valuable information has been shared, these discussions have not yielded any financial commitments to assist municipalities with our response. GTHA Mayors and Chairs have also been engaged on the issue and have pressed the federal government on the need for more municipal support through letters and other advocacy efforts. To date,

## Ukrainian Humanitarian Response in Peel Update

IRCC maintains that the federally funded two-week hotel program, one-time financial support payment and additional funding to settlement services agencies is sufficient. Municipal staff have not received substantial indications that federal funding support is forthcoming.

The provincial government has also shown interest in the file and has amended several social service support programs to permit service provision to CUAET visa holders. At this time, the Ministry of Municipal Affairs and Housing is aware of the housing and shelter challenges facing municipalities but has not announced any dedicated funding support.

In Peel, there are no existing sources of funding to support the extraordinary emergency shelter costs the Region is taking on to support Ukrainian arrivals. As a result, the Region has continued to fund this response from the Regional Tax Rate Stabilization Fund. However, this approach is not sustainable indefinitely, especially under the current environment of heightened inflation and other pressures on Peel's finances. Peel and other GTHA municipalities have exhibited a great deal of goodwill to this point however, given the extraordinary costs associated with the response, municipal councils in the GTHA will be determining how long they can sustain their response without dedicated funding.

### 4. Moving Forward in 2023

The ramp up of the IRCC Hotel Stay Program to 585 rooms in the GTA signals an opportunity for Peel Region to exit this response and allow the federal government to rightfully assume full responsibility. Although the two weeks offered through the federal program appears to offer an inadequate amount of time for CUAET visa holders to transition to independence, staff have conveyed advice based on the experience of operating Peel's response and have encouraged IRCC to address this shortfall in their program.

The operational response in Peel has yielded good outcomes for Ukrainian newcomers. Although the average length of stay in Peel's emergency hotel shelter has increased to 44 days on average, that is a relatively short amount of time for newcomers to get established independently.

For the majority of CUAET visa holders that do not require emergency housing support, they have stretched the capacity of the settlement services system but appear to be moving along the settlement journey into language training and employment supports. Considering that Government Assisted Refugees, a federal classification which does not apply to CUAET visa holders, receive twelve months of financial and settlement supports from IRCC, CUAET visa holders appear to be finding independence much quicker.

Geopolitical instability appears to be leading to larger and more frequent refugee movements. Asylum seekers and special visa holders do not qualify for the same level of federal supports as other classes of newcomers and are left to rely on provincial and municipal programs that are not well resourced to accommodate these populations. Staff anticipate that this is likely becoming a regular feature of the clients served through our emergency shelter system. Toronto is now seeing approximately one thousand refugees per night in their shelter system and is in the process of creating a dedicated shelter system for refugees. In Peel in 2022, staff tracked 298 stays of refugees (non-Ukrainian) plus an additional 724 Ukrainian CUAET visa holders in our shelter system. Staff are now evaluating how the Region might respond to these challenges in the future and will return to Council with recommendations on emergency housing responses for refugees, asylum seekers and other temporary permit holders (i.e. CUAET visa) in 2024.

## Ukrainian Humanitarian Response in Peel Update

### RISK CONSIDERATIONS

If the Region were to continue providing temporary accommodation and other supports to Ukrainian arrivals, the Region is taking on a significant and growing financial liability in the absence of a funding agreement with the federal or provincial government. As the response continues, it seems increasingly unlikely that either the federal or provincial government will provide sufficient financial support or back payments for expenses incurred in 2022 and, to date, there has been no commitment of funding for 2023.

Not proceeding with an active response could result in Ukrainian arrivals accessing Peel's emergency shelter system and other emergency supports. The capacity of our existing shelter system is already stretched because of intake from the domestic population. A situation where Ukrainians must access support from this system is undesirable from both a system capacity perspective, as well as generating subpar outcomes for Ukrainians trying to get settled in Canada. IRCC has remained steadfast that their Hotel Program is only for a two-week duration and needs to revisit this approach to avoid Ukrainian arrivals turning up in Peel's emergency shelter system.

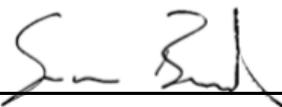
### FINANCIAL IMPLICATIONS

The 2022 cost of providing the housing and other supports was \$5.7 million. As reported to Council on June 9, 2022, these costs would be funded in the interim through a draw from the Tax Rate Stabilization Reserve with the expectation that the federal government would ultimately fund the costs.

For 2023, there will be additional costs as the current contracts require at least 60 days' notice to terminate as well as a wind down period to get CUAET visa holders placed in alternate accommodations. The estimated costs to end the contracts on June 30, 2023, would be approximately \$5.2 million in total for operations for 2023 and, as there is currently no funding source, this will likely drive a 2023 deficit in the Housing Support service.

Overall, the total combined cost for Peel's response will be \$10.9 million for 2022 and 2023. At the time of the writing of this report, no funding announcement has been made.

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Sean Baird, Commissioner of Human Services

*Authored By: Jason Hastings, Director, Social Development, Planning and Partnerships*