

For Information

REPORT TITLE: Peel's Asylum Claimant Response

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OBJECTIVE

To provide an overview of Peel's response to homelessness amongst asylum claimants, including recent stakeholder engagement efforts with a focus on the Black community; and, to highlight the housing risks and challenges this population will encounter if the Region does not obtain additional funding for housing assistance and settlement supports to ensure exits from the emergency shelter system.

REPORT HIGHLIGHTS

- Since spring 2023, Peel Region has experienced an unprecedented increase in asylum claimants in need of emergency shelter and supports. In 2023, asylum claimants represented about 71 per cent of the total shelter population, compared to a historical average of 4-5 per cent. The majority of these asylum claimants are from African countries.
 - Peel is implementing a new asylum claimant response service model to manage the high demand, including dorm-style temporary shelters for up to 1,280 claimants per month and a dedicated GTHA Reception Centre for intake and support.
 - The GTHA Reception Centre site has been secured, with renovations underway and phased occupancy beginning this fall.
 - Partial funding has been secured for Peel's new model from Immigration, Refugees and Citizenship Canada (IRCC), however, additional financial support is needed for settlement supports and housing subsidies to cover gaps in funding.
 - Peel is prioritizing equity and anti-racism by developing a Stakeholder Engagement Plan for the GTHA Reception Centre and shelters, including feedback from Black community members and other marginalized groups to inform service design and implementation.
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DISCUSSION

1. Background

Since spring 2023, Peel Region has faced an unprecedented increase in port-of-entry and in-land asylum claimants, driven by factors such as poverty, famine, civil war, climate change, and discriminatory laws against LGBTQI+ individuals, particularly in African countries.

Unlike conventional refugees, including Government-Assisted Refugees (GARs), who receive extensive federal support for settlement, employment, health, and housing services

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immediately upon arrival, asylum claimants must go through a lengthy process with limited initial access to government services until their claims are processed. This disparity in support has led asylum claimants to increasingly seek assistance from local social service providers, including the Region of Peel.

From January 1, 2023 to July 31, 2024, Peel provided emergency shelter to over 4,000 individuals, with significant numbers from Nigeria (35 per cent), Kenya (35 per cent), Uganda (14 per cent), Ghana (2 per cent), and Tanzania (1 per cent). During this period, asylum claimants represented approximately 71 per cent of Peel's total shelter population, a dramatic increase from the historical average of 4-5 per cent.

In response to this surge, Peel implemented temporary housing solutions, including providing shelter in hotels, to address the immediate needs of this population. This approach, though standard for short-term relief, was expected to stabilize as pressures eased. However, the volume of asylum claimants continued, placing unexpected and unprecedented demand on Peel's social services, particularly the emergency shelter system.

This situation highlighted a new and urgent service demand in Peel, revealing gaps and inconsistencies in federal immigration policies and the need for better alignment between federal, provincial, and local support systems. While Peel's initial response to the immediate needs of asylum claimants was developed as a short-term solution to an urgent situation, it was evident by the fall of 2023 that the *ad hoc*, reactive emergency response was not providing an appropriate service experience. Further, it was neither cost-effective nor sustainable over the long term.

2. A New Way Forward

To address the ongoing and persistent demand, Peel staff began developing a new service system specifically for asylum claimants. This new approach aims to alleviate the pressure on local shelter services and create a more sustainable and cost-effective model.

In March 2024, Regional Council approved a revised service model. Key elements of the new model include:

1. **Dorm-Style Temporary Shelters:** Establishing dedicated shelters separate from the local homeless system to meet the distinct needs of up to 1,280 asylum claimant households per month.
2. **GTHA Reception Centre:** Creating a dedicated centre for managing the intake and support of asylum claimants coming to the Greater Toronto and Hamilton areas (GTHA), including:
 - **On-Site Support:** Providing comprehensive assistance with immigration, income, employment, health, and housing needs.
 - **Coordinated Exits:** Facilitating transitions from Peel into receiving municipalities to ensure continued support.
 - **Time-Limited Housing Subsidies:** Implementing subsidies to reduce the length of stay in temporary shelters, increase throughput, and support more rapid settlement into transitional or permanent housing options.

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On April 23, 2024, the Regional Chair submitted a proposal outlining this new model and the funding required to operate it, to the federal and provincial Immigration Ministers. As discussed in a subsequent section in this report, partial funding for the model has been committed by IRCC, but ongoing advocacy efforts are required to secure funding for all elements.

3. Continued Response

a) Dedicated Asylum Claimant Shelter and GTHA Reception Centre Update

The Region is making steady progress in addressing the asylum claimant situation.

In December 2023, Peel opened its first dedicated asylum claimant shelter with capacity to serve 225 households. Plans to expand that site by up to 70 beds are underway. Additionally, Peel is housing asylum claimants in 10 hotels, which helps to alleviate pressure on local homeless shelters and ensures that they receive the appropriate settlement support.

In March 2024, Council approved an emergency shelter service level for up to 1,280 asylum claimants. For the week of Aug 19-25, 2024, Peel supported 1201 asylum claimant households (1570 individuals) with housing and support services. Efforts are ongoing to separate asylum claimant shelters from local homeless shelters to better manage demand and to provide a better service experience for all.

A site for the new GTHA Reception Centre and second asylum claimant shelter has also been secured. As previously reported to Council, this site will serve as a point of intake for asylum claimants in the GTHA and will provide streamlined services and support, immediate respite, and additional shelter space for 501 asylum claimants. The four-storey building, formerly used as office space, requires extensive renovations to adapt it for its new purpose. At the time of writing this report, a contractor to complete the renovations has been secured, with demolition scheduled to begin the first week of September. The facility will adhere to Diversity, Equity, and Inclusion (DEI) and accessibility standards to accommodate individuals who may identify as transgender, non-binary, or gender-neutral. The design approach aims to create a supportive and accommodating environment for everyone who uses the facility. Key features of the building will include:

- **Gender-Neutral Washrooms and Showers:** These facilities will be available to provide privacy and inclusivity for all.
- **Inclusive Wayfinding Signage:** Clear and accessible signage will be implemented throughout the building to assist individuals in navigating the space comfortably and confidently.
- **Multi-faith Rooms:** Designated areas for prayer and reflection will be provided.

b) Income and Social Supports

Peel adjusted its Ontario Works (Income and Social Supports) processes to ensure that asylum claimants receive income, employment, and social supports. Client and Community Engagement Plans were also created, to equitably incorporate a variety of perspectives into service improvements, future direction and to strengthen collaborative partnerships and services across the Region of Peel. This engagement includes

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connecting with asylum claimants in receipt of Ontario Works and community partners supporting asylum claimants in Peel.

4. Federal Funding Support for Peel's Asylum Claimant Response

a) IHAP support to date

The Canadian federal government created the Interim Housing Assistance Program (IHAP) to support provincial and municipal governments with the costs of operating emergency shelters for refugees. While it is a valuable program, it provides funding exclusively for emergency shelter purposes. Additionally, IHAP operates on a cost-sharing and reimbursement basis, making it less effective for developing a more proactive support system compared to having an upfront allocation of funds. As such, Peel continues to assume substantial financial risk in addressing the broader needs of asylum claimants, which extend beyond just shelter expenses.

In 2023, Peel submitted a claim for \$23.5 million under IHAP receiving 95 per cent, or \$22.4 million in reimbursement. For January to March 2024, a claim of \$13.5 million was submitted to cover emergency shelter costs, including overflow hotels. Of that total, \$12.8 million (95 per cent) was funded. It is important to note that some critical expenses for supporting asylum claimants, like first and last month's rent were deemed ineligible for reimbursement. This gap in funding prevents asylum claimants from transitioning into permanent housing more quickly, resulting in extended stays in emergency shelters.

IRCC staff have indicated that multi-year funding agreements with municipalities will be part of the implementation of the 2024 Federal Budget. Peel is waiting for further details on the redesign of IHAP.

b) Response to Peel's Proposed New Asylum Claimant System

The total request to IRCC for the Region's new asylum claimant response system is estimated at \$157.5M for 2024. This consists of approximately:

- \$23M for capital and operating costs of the GTHA Reception Centre and a dedicated shelter;
- \$50.3M for continued use of hotel accommodations;
- \$84.2M for housing subsidies to move asylum claimants rapidly into housing.

On August 15, 2024, a funding agreement with IRCC was finalized for \$22 million in financial assistance to support the estimated 2024 operating and capital costs of the GTHA Reception Centre and a Peel dedicated shelter (Leanne Blvd). This amount represents about 95 per cent of the Region's expected expenditures for these two facilities.

While this funding is welcome, there is no federal funding commitment beyond 2024 for these facilities. Peel also continues to assume the financial risk of upfronting the asylum support costs for hotel accommodations – estimated at \$50.3 million. The IHAP funding reimburses 95 per cent of eligible expenses however, there is limited Federal funding for this program which creates some risk.

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There is also uncertainty regarding the federal and provincial commitment for housing subsidies in the amount \$84.2 million. IRCC acknowledges the critical role of housing subsidies in facilitating the transition of asylum claimants from emergency shelters, however, they are constrained by the limitations of the existing program. Senior IRCC staff have indicated that IRCC does not have a mechanism to provide housing subsidies under IHAP. This type of expense is not eligible within the current program framework as currently approved by the federal government. Work is underway with the Federal and Provincial government to find a solution to fund these critical subsidies.

In addition, the province has not signalled a willingness to assist with housing subsidies and additional funding for settlement services. Securing this support remains the focus of Peel's advocacy efforts with provincial and federal governments, as this funding is essential for facilitating exits from the GTHA Reception Centre to other municipalities. Without this federal and provincial funding, the GTHA Reception Centre could face significant bottlenecks, leading to immediate capacity issues in Peel.

If fulsome funding is not obtained from federal and provincial governments, the GTHA Reception Centre function will not be operationalized as planned. The site will be used as a dedicated shelter for Peel asylum claimants only, and Peel will continue to bear disproportionate financial risks in order to support asylum claimants.

5. Closing the Affordability Gap with a Housing Subsidy

Recognizing the significant challenges faced by asylum claimants, especially those from racialized groups, is crucial for closing the housing affordability gap. Newcomers to Canada often experience substantial discrimination in the rental market, exacerbating their difficulties in finding stable and affordable housing. A 2022 report from the Canadian Centre for Housing Rights highlighted that 40 per cent of newcomers encountered discrimination during their search for rental accommodations in Toronto. Further, analysis undertaken by Peel demonstrates that Black households are twice as likely to live in core housing need than others.

For asylum claimants in Peel, who are largely from racialized backgrounds, including a majority from African-origin countries, securing funding for housing subsidies becomes even more critical to help mitigate these barriers. These subsidies can alleviate economic pressures and offer a greater opportunity for asylum claimants to secure suitable housing. This support is vital as it also allows them to concentrate on other important aspects of their settlement process, such as finding employment, accessing necessary services, and integrating into their new communities.

6. Stakeholder Engagement

A stakeholder engagement plan is being finalized, to foster a community development approach that is equitable, transparent and accessible to ensure that diverse equity-seeking populations are included in evidence-informed decision making. Equity informed principles and tools will be aligned to the Region's corporate DEI strategies, anti-racism and systemic discrimination statement and policies that are guided through an anti-oppression, equity and intersectional lens to decrease systemic barriers for populations that will access the GTHA Reception Centre.

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Throughout the design and the development of the GTHA Reception Centre, settlement and community stakeholders including the GTHA Settlement agencies, interfaith groups, Peel Newcomers Strategy Resettlement Committee have been engaged and informed.

On June 28, 2024, members of the Black community participated in a focused community engagement session. Given that a significant number of asylum seekers and claimants in Peel come from African countries, the purpose of this engagement was to incorporate the perspectives of representatives of the Black community in shaping the operations of emergency shelters for asylum claimants and the GTHA Reception Centre. Staff will continue to engage diverse equity-seeking populations to integrate their feedback into future updates regarding the Centre's service model, client pathways, and the Lead Operator's responsibilities.

RISK CONSIDERATIONS

As previously communicated to Council, the GTHA Reception Centre with on-site supports, coordinated exits and time-limited housing subsidies will only be fully operationalized if all components of the required funding from IRCC and the province is secured. Should the Centre not open due to insufficient funding, the following impacts are anticipated:

1. **Increased Strain on Local Services:** The community will experience heightened pressure on local services and resources, exacerbating existing challenges and reducing the capacity to effectively support both asylum claimants and the local population.
2. **Rising Encampments and Safety Concerns:** There is likely to be a rise in informal encampments, which can lead to significant health and safety risks for both asylum claimants and the broader community.
3. **Challenges in Settlement:** Asylum claimants will face a more difficult and less supportive transition process, negatively affecting their ability to settle and integrate effectively into their new environment. This can hinder their access to essential services and support, prolonging their uncertainty and instability.

FINANCIAL IMPLICATIONS

The predominant funding model from IRCC for asylum claimants has a reactive cost sharing program, where municipalities compete for limited dollars by submitting claims to IRCC for the reimbursement of actual expenses. From January 2023 to March 31, 2024, Peel submitted \$36.9 million to IRCC, and has been reimbursed \$35.1 million or 95 per cent of these expenses. This approach brings substantial financial risk to Peel or any municipality, that is trying to support asylum claimants with no funding or formal mandate to serve this population.

The net cost to Peel in 2023 was \$1.2 million and the estimated net cost for 2024 is \$3.4 million. Sustaining Peel's asylum claimant response beyond 2025 will require additional investment by Peel resulting in a tax impact.

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CONCLUSION

Peel Region's response to the unprecedented surge in asylum claimants since spring 2023 has evolved from immediate, temporary measures to a more sustainable model. Ongoing advocacy with the provincial and federal governments, along with continued engagement with community groups, is essential to enhance and sustain the Region's efforts and ensure the diverse needs of asylum claimants are met. Peel remains committed to delivering a response that is culturally responsive, trauma-informed rooted in anti-racism and inclusive for all.



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