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REPORT TITLE: **Asylum Claimant Response Update**

FROM: Steve Jacques, MScPI, MCIP, RPP, Commissioner of Human Services

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## **RECOMMENDATION**

- 1. That the Director of Housing Services be granted authority to accept \$22 million received on September 9, 2024, from Immigration, Refugees and Citizenship Canada (IRCC) for the estimated capital and operating costs of the GTHA Reception Centre and a dedicated shelter to temporarily house asylum claimants; and**
- 2. That the Director of Housing Services be granted authority to receive any future funding from the provincial and federal governments towards Peel's Asylum Claimant Response; and**
- 3. That the Regional Chair, Council and staff continue advocacy efforts to the federal and provincial governments for additional housing assistance through portable housing subsidies critical for facilitating exits from the GTHA Reception Centre into receiving municipalities; and**
- 4. That the Director of Housing Services and the Director of Procurement be authorized to award and increase Direct Negotiation contracts with hotel operators, vendors, and service providers, as may be necessary for the continuation of temporary hotel accommodations, meals, security services, and other associated supports for asylum claimants housed in Peel hotels, for a period up to December 31, 2025, subject to available funds, all pursuant to Procurement By-law 45-2023.**

## **REPORT HIGHLIGHTS**

- Over the past year, staff has presented several reports to Council with updates on Peel's asylum claimant response.
- The asylum claimant response involves working with several stakeholders to create a distinct service system for asylum claimants that is client-centred and separate from Peel's local homeless system.
- As of the end of September, temporary housing and supports to asylum claimants in Peel are now provided through 2 sites in Mississauga and nine hotels that are completely separate from Peel's shelter system for local residents experiencing homelessness
- The first site on Leanne Blvd in Mississauga opened in December 2023 and is currently being expanded.
- The second site on Spectrum Way in Mississauga is being renovated and will be opened using a phased approach as follows:

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- Shelter operations for approximately 88 individuals will commence on the first floor before the end of October 2024, pending city approval.
  - An additional 501 shelter beds on the 2nd and 3rd floors are expected to be operational by the end of January 2025.
  - The GTHA Reception Centre will be ready to operate by early February 2025. Timing and program details are contingent on federal and provincial funding decisions.
  - To date, the federal government has indicated that they are unwilling to provide housing subsidies to support exits out of the shelter system, citing that subsidies are not necessary to support more timely exits. Until a solution to improving exits from shelter can be found, Peel will continue to serve the Council approved maximum of 1280 claimants in Peel.
  - Given the ongoing and significant financial risk for Peel Region, Peel Council and staff continue to advocate to the federal and provincial government for the funding required to operate Peel's full response.
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## DISCUSSION

### 1. Background

Over the past year, staff have presented several reports to Council with updates on Peel's asylum claimant response. This ongoing response has been dedicated to creating a distinct service system for asylum claimants, separate from Peel's local homeless system, to better meet their needs. Efforts have concentrated on:

- operating a dedicated asylum claimant service system separate from Peel's local homelessness system;
- preparing to open a GTHA Reception Centre;
- beginning the gradual phase-out of hotel accommodations as the transition to dedicated asylum claimant shelters progresses; and
- advocating for sustainable federal and provincial funding to support these initiatives.

This report updates Council on Peel's ongoing asylum claimant response.

### 2. Current Service and Supports

Peel Region continues to serve many asylum claimants within the council-approved service level target of 1,280 households.

From January 1, 2023, to September 15, 2024, 2419 asylum claimant households received emergency shelter in Peel. Emergency shelter and other supports are currently provided through one dedicated asylum claimant shelter and nine hotels. An update on current services is provided below.

#### a) Emergency Shelter

Over the last several months, staff have made steady progress separating asylum claimants from the local emergency shelter system. Since the last report to Council in July 2024, staff

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have successfully transitioned all asylum claimants out of Peel's local homeless shelter system.

Table 1 illustrates the distribution of the 1034 asylum claimants living at the dedicated asylum claimant shelter (Leanne Blvd. in Mississauga) and in hotels in Peel.

**Table I: Asylum Claimant Individuals served in Peel, week of September 30, 2024**

Total Asylum Claimant Individuals	Asylum Claimant System				Total Overall
	Asylum Claimant Shelter (Leanne)		Hotels		
	224	22%	810	78%	1,034

Staff are seeking Council approval to extend contracts originally set to expire on December 31, 2024, to maintain these accommodations. These contracts provide for temporary hotel accommodations, meals for families and individuals, and, for additional security services required at the hotels.

### b) Income, Housing and Social Supports

Asylum claimants receiving temporary shelter in Peel also currently receive a variety of supports to address immediate needs and to support settlement into the community. These include meals, community, health and settlement navigation, housing supports, Ontario Works and case management.

There are currently eight Housing Support Workers (HSWs) dedicated to supporting asylum claimants in Peel. HSW's support asylum claimants to find suitable housing with the goal of minimizing length of stay in shelters or hotels. The assistance provided by HSWs is helping to improve housing outcomes and reduce shelter length of stay. However, finding affordable housing for asylum claimants continues to be a significant challenge. This challenge could be overcome with a time-limited housing subsidy. The Region continues to discuss funding for housing subsidies for asylum claimants with the federal government. To date, Immigration, Refugees and Citizenship Canada (IRCC) staff have maintained that these housing subsidies are not necessary despite average length of stay in the asylum claimant shelter system is 161 and 107 days for families and singles respectively.

In terms of social assistance, by the end of 2023, of the 18,446 Ontario Works (OW) cases, 2174 (12%) were asylum claimants. As of August 2024, the OW caseload had increased to 24,131 and 3381 (14%) were asylum claimants. With an average caseload of 185 cases, there are approximately 18 caseworkers dedicated to supporting asylum claimants in Peel.

### 3. Update Leanne Blvd. Site

As previously reported to Council, the first of up to three planned shelter sites for asylum claimants opened in December 2023, at a site on Leanne Blvd. in Mississauga. This site opened with capacity to support 225 asylum claimant households.

This site is currently being expanded. Staff have finalized the lease agreement with the landlord who will manage all renovation and leaseholder improvements to accommodate additional

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asylum claimants on the lower floor of the site. Construction will begin before the end of year, with the expanded site operational before the end of Q1 2024. This expansion will reduce operating costs and support asylum claimants transitioning out of hotels.

### **4. Update on Spectrum Way Site**

As previously reported to Council, the Region entered into a 10-year lease for a second asylum claimant site on Spectrum Way in Mississauga. This site will be used as a shelter for asylum claimants staying in Peel, as well as the GTHA Reception Centre.

When both the Leanne and Spectrum Way sites are fully operational, they will provide an estimated 796 shelter beds for asylum claimants in Peel.

#### **a) Construction Update**

Construction is underway to renovate and repurpose this four-story office building, with the GTHA Reception Centre on the first and fourth floors, and shelter beds on the second and third floors.

Milestones achieved since the July 11, 2024, report to Council include:

- Interior design was finalized by the end of June;
- Building permit application was submitted to the City of Mississauga on July 8, 2024;
- Building permits were issued on September 20, 2024; and
- The construction contract was awarded on August 15, 2024 and renovations are underway.

The Spectrum Way site will open in phases. Partial occupancy of the ground floor is expected by the end of October, pending city approval. Initially, shelter operations will commence on the first floor with an interim service provider who will oversee the provision of 88 beds, coordinating onsite housing, income and settlement supports.

Shelter beds on the 2nd and 3rd floors are expected to be operational before the end of January 2025. The GTHA Reception Centre will be ready to operate by early February 2025. Timing and program details for the reception centre are contingent on federal and provincial funding decisions.

#### **b) Procurement of GTHA Reception Centre and Shelter Operators**

Efforts are underway to secure an operator who will oversee the services offered at the GTHA Reception Centre. These services are anticipated to include intake and assessment, referrals to onsite services, coordinated exits to participating communities, and managing respite services for up to five days. The Centre will be managed by a non-profit agency specializing in humanitarian response, initially under contract with Peel.

A Request for Proposal to procure the services of a shelter operator to manage the shelter services on the second and third floor of Spectrum Way was released on October 1, 2024. The initial contract term is for twelve months with annual renewal options, subject to continued funding and operational needs. The selected vendor will play a pivotal role in delivering a shelter environment that is culturally responsive, trauma-informed, anti-racist, and inclusive.

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### **c) Coordination of On-Site Supports**

On-site supports are vital for the GTHA Reception Centre, providing immediate, in-person assistance to address the needs of asylum claimants in the GTHA. These supports will ensure asylum claimants receive timely help with essential services such as housing, health care, legal advice, and settlement.

Staff are in the early stages of coordinating with both internal and external partners to deliver health care, legal aid, and settlement services at the Centre once its fully operationalized. Peel will utilize its existing relationships with community service providers to offer on-site supports as new locations become operational.

### **d) Stakeholder Engagement Update**

On October 3, 2024, staff presented an update to the Diversity, Equity, and Anti-Racism (DEAR) Committee regarding the Region's efforts to engage stakeholders from various diverse groups, including those representing the Black community, as 87% of current asylum claimants in Peel come from African countries. Peel is also prioritizing equity and anti-racism by developing an Equity Toolkit and Framework to guide future and ongoing Stakeholder Engagement for the GTHA Reception Centre and shelters, which will not be limited to, but will include feedback from members representing the Black community and other marginalized groups to inform service design and implementation.

Recently, staff conducted an in-person client satisfaction survey with 213 asylum claimants residing in four hotels and at the Leanne facility. The intent of the survey was to collect feedback on client need and satisfaction with service delivery. Survey results are currently begin analysed and will inform program improvements.

In addition to the survey, shelter engagement sessions were held with shelter supervisors, staff and residents to gather insights for the upcoming asylum claimant shelter standards, expected to be released by the end of the year. These engagements demonstrate the Region's commitment to client engagement and continuous improvement, ensuring that the services delivered are tailored to meet the needs of asylum claimants.

## **5. Federal and Provincial Funding Update**

### **a) Interim Housing Assistance Program (IHAP)**

As previously reported to Council, Peel submitted a claim in 2023 for \$23.5 million under IHAP. Ninety-five per cent, or \$22.4 million of eligible expenses were reimbursed. For January to March 2024, a claim of \$13.5 million was submitted to cover emergency shelter costs, including overflow hotels. Once again, 95% or \$12.8 million of eligible expenses were reimbursed.

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.

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### b) More Sustainable Funding

In addition to submitting IHAP claims, Peel Council and staff have been discussing more complete funding options with the federal and provincial immigration ministries.

To fully operationalize our more sustainable service model that includes the supports provided at Leanne Blvd. and Spectrum Way described in this report, the Region has asked the federal government for \$157.5 million to cover the start-up expenses and costs associated with the first year of operations. This includes:

- \$23M for capital and operating costs of the Leanne Blvd and Spectrum Way sites (*95% received*)
- \$50.3M for continued use of hotel accommodations (*eligible for reimbursement at 95%*);
- \$84.2M for housing subsidies to move asylum claimants rapidly into housing (*uncommitted*)

These costs go beyond the emergency shelter costs that are eligible under IHAP and include the cost to operate the GTHA reception centre and the costs to provide time-limited housing subsidies. Subsidies are required to support asylum claimants to move out of shelter quickly into affordable housing.

On August 15, 2024, a funding agreement with IRCC was finalized for \$22 million to support the 2024 operating and capital costs of renovating operating the Leanne and Spectrum sites. Peel received the \$22 million from IRCC on September 9, 2024 and will be distributed as follows:

#### Leanne Site

\$0.9M for capital

\$6.2M for 2024 operations

#### Spectrum Way Site

\$10.5M for capital

\$4.4M for 2024 operations

While this funding is a positive development, there is currently no federal funding commitment beyond 2024 for these facilities. Moreover, Peel continues to bear the financial risk of upfront asylum support costs for hotel accommodations, estimated at \$50.3 million for 2024. While it is anticipated that the federal government will continue to reimburse Peel for 95% of these eligible IHAP expenses, there are limits to the federal funding available under this program.

Additionally, there is uncertainty surrounding the federal and provincial commitment to portable housing subsidies. Without a housing subsidy, the ability to transition to independent housing becomes more challenging, resulting in longer stays in the shelter system.

The estimated annual cost of providing portable housing subsidies for up to 15,600 asylum claimants per year (1,300 asylum claimants per month) is estimated at \$84.2 million. The \$84.2 million would be redistributed amongst municipalities that support asylum claimants to

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resettle in their community (i.e. if Toronto accepts 25% of claimants, they would receive 25% of the funding).

A housing subsidy would facilitate quicker exits from shelters and hotels, resulting in better outcomes that are more cost effective. The cost to house an asylum claimant in a hotel is \$220/day vs. the cost of a housing subsidy which is \$45/day.

Discussions with the federal and provincial governments continue.

## **RISK CONSIDERATIONS**

The Region continues to manage several risks associated with our asylum claimant response.

As previously noted, the effective operation of the Spectrum Way site heavily depends on securing funding for housing subsidies. Opening this site without this funding could lead to significant operational strains, and a return to a surge in need that far surpasses capacity.

In addition to funding for housing subsidies, there is a pressing need to secure sufficient provincial funding for settlement services that asylum claimants rely on, including legal aid, settlement assistance, and medical care. Current funding levels may be insufficient to meet current and anticipated needs.

Finally, the support and cooperation of other municipalities in the GTHA is essential for the GTHA reception centre to work effectively. Peel does not have the capacity to provide temporary shelter to all asylum claimant who come to the GTHA Reception centre for support. For the system to function effectively, other municipalities in the GTHA and beyond must be willing to accept and integrate claimants into their communities. Currently, there are eight municipalities who have expressed an interest in working with Peel on coordinated exits from the reception centre. Their continued cooperation is contingent upon receiving adequate funding.

## **FINANCIAL IMPLICATIONS**

The Region continues to assume significant financial risk in its commitment to support the needs of asylum claimants in Peel. As reported in today's agenda, "2024 Operating Financial Triannual Performance Report - August 31, 2024", Peel's share for eligible expenditures through IHAP is estimated at \$3.5 million. Peel is waiting for further details on the redesign of IHAP funding through IRCC.

In addition, it is estimated that the Region will support asylum claimants with first and last months rent in the amount of \$3.4 million through the Regionally funded programs known as the Housing Prevention Fund and Housing Stability Fund in 2024. In the absence of housing subsidies, this one-time funding is the only financial tool available to help asylum claimants secure housing, and reduce time spent in shelter.

As work progresses, staff remain confident in the cost-effectiveness of the model being designed and launched. For example, using the Leanne site and hotels to provide 796 beds, the Region's upfront costs, prior to reimbursement, are approximately \$35.1 million annually. In comparison, the proposed model with the Leanne and Spectrum Way sites providing the same

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796 beds, the Region's upfront costs, prior to reimbursement, are estimated to be \$21.3 million to operate, a savings of \$13.8 million per year.

### **CONCLUSION**

Peel continues to design and implement a service system for asylum claimants that is separate and distinct from the local homeless system. This approach has improved service for both asylum claimants and the local homeless in our community.

Efforts to mitigate several risks continue, as Regional Council and staff advocate to the federal and provincial governments to provide the funding required to provide a timely settlement experience for asylum claimants in Ontario.

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