



The Homeless Crisis in Toronto, Provincial Funding Cuts for Housing Programs and Recommendations to Move People in Encampments to More Secure Options.

Homeless Crisis in Toronto

June 4, 2020

There are 10,000 homeless in the City.

Half are families housed in hotels (35% total are children) who need regular housing. Many of the rest have one or more of 4 medical issues: Developmental, Acquired Brain Injury, Addiction and Mental Health problems.

Poverty and crisis puts people on the street where medical and mental health issues begin or escalate.

It is estimated there are 1,500 people living in nearly 100 encampments throughout the city. Recently the city has housed almost 200 of the most vulnerable of that population to protect them during COVID-19.

How is the Federal Government providing money for housing solutions?

The Federal government has supported programs to address homelessness in Toronto as follows:

- \$23 million from Reaching Home federal homelessness program
- \$42 million from the National Housing Strategy
- \$17 million to Refugee program (26% of homeless population are refugees)
- \$40 million on address pandemic impact on homelessness

The Province of Ontario is spending less money on housing for the homeless

Despite supposed cost-matching requirements, the Ontario Government is actually spending LESS money on housing programs, despite receiving MORE federal funding under the NHS.

Last year the Federal Parliamentary Budget Officer released a report indicating that the Ontario Housing Ministry had reduced spending by \$161 million in 2019-20 (as compared to the previous year), even though it had received an additional \$100 million in federal funding under the NHS.¹ This is because the National Housing

¹ Ontario's 2019-20 Main Estimates reduced operating spending on housing programs from \$944 million in 2018-19 to \$866 million in 2019-20, and capital spending from \$302 million to \$219 million, despite \$0.1 billion in additional funding provided to Ontario by CMHC in 2019-20 for which cost-matching was required. While matching funding was nominally committed in Ontario's 2018 Budget, this was offset by other reductions, notably the expiry of the Provincial Affordable Housing Lands Program. Content taken from: Federal Program Spending on Housing Affordability. Page 8. Ottawa, Canada. 18 June 2019

Strategy allows the province to allocate existing spending towards its cost-matching obligations, leaving lots of room for the province to cut overall spending even while technically fulfilling the NHS cost-matching requirements. The government is diverting the federal housing cash to non-housing purposes. The \$161 million reduction came from cutting shelter funding and reducing rent supplements.

In 2019-20, the provincial government made a number of cuts to provincial homelessness programs, and cancelled the goal of ending chronic homelessness by 2025. It also cancelled the program to enumerate homeless populations which would have given useful data.

This year, in response to the pandemic, the provincial government made \$148 million in additional funding available to municipal service managers, and some of this money could be used for homelessness programs, but that would be up to the individual service manager. This new funding is a small fraction of what the provincial government has cut from the ministry's housing budget since 2018.

What is the Ontario Action Plan to provide housing for people who are homeless?

To access federal funding under the National Housing Strategy, Ontario had to publish an action plan. The government posted this plan recently, documenting the provincial government's commitments to fulfill its side of the federal-provincial National Housing Strategy agreement. Provincial cost-matching commitments to two NHS programs (the Ontario Housing Priorities Initiative and the Canada-Ontario Community Housing Initiative) are documented ² but does not currently include the provincial commitments for the third NHS program, the Canada-Ontario Housing Benefit.

The provincial government plans to reduce its contributions this year by delaying its matching contributions under the Ontario Priorities Housing Initiative (OPHI) with a one year lag (it is not clear how this affects the timing of federal transfers, and whether they will also lag). In other words, **the provincial government is providing only \$10.9 million in matching funding for OPHI, despite available federal funding of \$54.1 million.** The government is also counting existing spending towards its contributions under the Canada-Ontario Community Housing Initiative, allowing it to reduce its contributions while still technically fulfilling the cost-matching requirements.

As mentioned, there is no current provincial commitments made for the third NHS program, the Canada-Ontario Housing Benefit (COHB), which provides portable rent

https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Housing_Affordability/Federal%20Spending%20on%20Housing%20Affordability%20EN.pdf

² Ontario's Action Plan under the National Housing Strategy. See table 6. <https://www.ontario.ca/document/community-housing-renewal-ontarios-action-plan-under-national-housing-strategy/tables-outcomes-and-indicators>

subsidies. However, last month the government sent municipal service managers program guidelines for the COHB.³ COHB is worth up to \$27,947,100 in 2020-21 and up to \$36,619,000 in 2021-22. These COHB figures are much lower than the already-underwhelming \$40 million for 2020-21 that the ministry publicly stated they would spend last December 2019.

What is the City of Toronto doing?

To date, Toronto has spent \$200 million providing six months of shelter for the homeless, even though the City only received \$40 million from the federal government and \$38 million from the province for all emergency pandemic relief, including providing homes for people who are homeless. The City has secured 250 apartments and hotel rooms but needs to buy or build more housing for people who are homeless. However, the City is not allowed to run a deficit and so must rely on federal and provincial financial support.

What do Housing Advocates recommend?

Housing advocates are recommending the City of Toronto and Province of Ontario develop a comprehensive plan with housing at the centre to end homelessness; focus on building or buying more buildings; open more shelters or trailers and modular units that could be set up with supports as a temporary measure; and clarify what the post COVID exit plan is for all the people they've temporarily put in hotels and physically distancing shelters.

³ Canada- Ontario Housing Benefit. Program Guidelines. Page 17
https://www.msdsb.net/images/ADMIN/correspondence/2020/COHB_Program_Guidelines_Final.pdf