

SEEKING REFUGE

**Rethinking Canadian Settlement Policies and Programs, and
How to Improve Access to Housing for Refugee Claimants in the
City of Toronto**



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ABSTRACT

In recent years, there has been a significant increase in the number of people applying for refugee status, from within Canada or at the border, rising from around 15,000 claims to over 50,000 claims each year. The reasons for this growth are difficult to know, but geopolitical trends and recent changes in refugee policies in the United States have undoubtedly had an impact on the increase in refugee claimants coming to Canada.

Refugees face many challenges related to physical and emotional trauma, uncertain immigration status, and financial insecurity. A positive and supportive settlement process upon arrival in a safe country is extremely important. For the most part, in Canada, refugees come to this country through a sponsorship program that involves applying for refugee status before arrival. Refugee status is confirmed, and when the refugees arrive in Canada, financial and social assistance as well as certainty in the immigration process are provided. For asylum seekers who apply for refugee status upon arrival in Canada, usually termed 'refugee claimants', supportive services and certainty of immigration status are not granted at first. With no defined or official program in place at the federal or provincial levels, the responsibility of supporting the settlement of refugee claimant households has by default fallen to municipal shelters and non-profit organizations, causing unsustainable pressure on local services and funding. Access to services and adequate housing can be limited, increasing the vulnerability and uncertainty experienced by refugee claimants in Canada.

In this study, key-informant interviews and policy research have illustrated that there have been a variety of consequences of having no dedicated supports or programs for this population. There have been growing tensions regarding which level of government should cover the costs of refugee settlement, challenges for refugee claimants in accessing important settlement and immigration information when they arrive in Canada, as well as an overreliance on municipal shelters and non-profit organizations to provide settlement support services and initial temporary housing. Complicating this situation, most refugee claimants have settled in only a few municipalities in Canada, leading to an uneven distribution of the costs of providing these supportive services.

Specifically, the majority of refugee claimants have come to Toronto, Ontario due to it being a major arrival city for immigrant populations and it having a high concentration of employment opportunities. Unfortunately, the city is in the midst of a housing crisis with few affordable housing options. Many refugee claimants are relying on non-profit organizations and shelters, potentially displacing the existing homeless population. Indeed, as of 2018 over 40% of those using the shelter system were refugee claimants. This additional demand on shelters has led to the need to use short-term emergency measures, such as contracting hotels and student dormitories to be used as additional family shelter space.

In general, the responses have been reactionary and expensive, while providing only temporary solutions with limited lasting community benefit.

After examining the trends in immigration, the roles of stakeholders and their responses to this increase in refugee claimants, this report examines several potential strategies that could assist with improving the supports available to refugee claimants and help reduce stresses on local service providers when demand increases. In the short term, federal and provincial funding is needed to relieve the added pressure on the City and non-profit organizations that provide temporary shelter and supportive services. In the longer term, there should be a focus on investing in housing options that allow people to exit the shelter system, having the added benefit of producing lasting affordable housing infrastructure in Toronto. Strategies could include protecting existing affordable units and expanding the housing typologies on shelter sites to include transitional and non-profit affordable family housing.

These interventions will have the long-term benefit of improving the ability of the city to respond to sudden changes in demand for housing as there would be less overall strain on the system. By taking a long-term approach that invests in community infrastructure rather than focusing on short-term emergency responses, government and civil society stakeholders can develop strategies that support improved access to housing in a more adaptive housing ecosystem that can respond to the changing needs of society.

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The problem of access to affordable housing, especially for those most vulnerable in our society, is a persistent issue that will require innovative ideas and collaboration across sectors. And yet, I am hopeful that we are moving in a positive direction, especially when I witness the dedication and creativity of affordable housing professionals and community advocates to advance solutions to the challenges we are currently facing as a society.

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1 | INTRODUCTION

Since 2016, there has been a significant increase in the number of refugee claimants seeking asylum in Canada. An unexpected increase in refugee claimants from 2017 into 2019 has had impacts on both governmental and non-governmental systems, resulting in challenges providing adequate housing and settlement support services for newcomers.

The reasons for this growth are difficult to know, but geopolitical trends and recent changes in refugee policies in the United States have undoubtedly had an impact on the increase in refugee claimants coming to Canada.

Refugee claimants are distinct from sponsored refugees because they generally apply for refugee status at the border or from within the country, making it difficult to anticipate the number of applications there will be each year. The number of sponsored refugees each year, on the other hand, is highly regulated by the Canadian government.

The responsibility for policies and programs related to immigration in Canada is generally held by the federal government. In the case of sponsored refugees, the federal government is actively involved in supporting the settlement process of these newcomers through dedicated programs and funding. For claimants who have not yet received refugee status, however, the federal government does not know the number of people who will apply in any given year, causing uncertainty in how much funding is needed for the delivery of supportive programs.

Since the number of applicants increased through 2017 and 2018, the various groups





providing funding and services have not yet been able to develop a cooperative approach for managing this increased demand, and have therefore fallen short in their ability to provide the supports and services refugees rely on. With no defined federal or provincial program to facilitate the settlement of this population, municipalities and non-profit organizations have taken on the responsibility of supporting the settlement of refugee claimant households by default without additional funding or capacity, putting excessive stress onto resource-constrained community services and shelters.

This report looks at how this dynamic has played out in Toronto, Ontario where the majority of refugee claimants are choosing to settle. Policy research and interviews with key stakeholders were conducted to examine trends of refugee immigration and determine how different actors are reacting to this unexpected influx of refugee claimants.

Through this research, it has become clear that there is no clear plan in place in Canada to respond to an increase in refugee claimants in cities, and that the responsibility to facilitate the settlement of refugee claimants has fallen to municipalities and non-profit organizations by default because these are the groups that directly provide local supports and services needed by refugee claimants after arrival in Canada.

This raises the important question: what have been the consequences of placing the bulk of the responsibility to facilitate the settlement of refugees onto municipalities and non-profit organizations?

The main outcomes explored in this paper are listed below:

- A lack of federal or provincial strategy has put the responsibility to provide services onto municipalities and non-profit organizations by default without additional funding or capacity;
- A lack of a Welcome Centre that provides information and services to refugee claimants has limited access to information, leading many to rely on the shelter system;
- Municipal shelters and non-profit organizations that provide specialized support for refugees are consistently at or near capacity;
- The City must provide temporary shelter for families - due to the huge increase in refugee households within a short timeframe and the need for dedicated space for families with children, the City has relied on expensive short-term measures such as renting hotels and student residences;
- Tensions have built up between different levels of government regarding which one should pay for the costs associated with refugee supportive services and temporary housing; and
- Due to resulting capacity issues, the City has allocated significant capital funding to build more shelters rather than to increase access to housing that could help people to leave the shelter system.

These outcomes are the result of a lack of coordinated funding across levels of government for increased capacity to provide the support services needed. Due to this lack of dedicated funding and strategic planning, responses have been reactive and short-sighted, generally treating the symptom of the issue at an extremely high cost. Due to a lack of investment in settlement support services by governments, refugee claimants have no where else to turn but non-profit organizations and shelters. A lack of affordable housing options as a 'next step' out of shelter means families are trapped in a cycle of homelessness. Public investment in more shelters rather than more housing is exacerbating the issue while using up scarce public dollars.

After an analysis of the responses by various stakeholders to the trend of increasing refugee claimants in Toronto, this report explores alternative strategies which could improve supports available to refugee claimants, ease the pressure on the City and non-profit organizations, and invest in housing rather than shelter in order to have lasting community benefits. Investments into long-term community assets could provide low cost housing to those most vulnerable in our society who are not served by the private market, including refugee claimants.

In essence, this study is examining current approaches being implemented to manage the unexpected increase in people in need of shelter, and how a more long-term and forward-thinking approach to policy and program development might improve outcomes for newcomers and other residents.

This issue is of significance because, while the current growth in migration is a relatively recent trend, there have been spikes in refugee claims in Canada in the past. In the future, unexpected changes in flows of refugees will likely become more common due to displacement and migration as a result of global climate change and geopolitical conflict. It will be increasingly important moving forward to learn to plan for change, getting out of the pattern of operating in emergency response mode, and instead investing in strategies that can support lasting positive community impacts.

2 | LITERATURE REVIEW

There is a considerable body of literature that examines various themes related to immigration, settlement, refugees and undocumented migration. The recency of the increase in refugee claimants in Canada means that it is not specifically captured in the academic literature, but there are several concepts and themes that are helpful in framing this issue. These include the roles of cities in migration, the concept of the “right to the city”, and the role of the city as a place of “sanctuary”. The “housing first” concept also provides helpful background in looking at a shift in focus from shelter to housing. Other useful concepts include co-production of place and space, and the importance of agency and choice in the development of communities.

Cities play an important role in welcoming immigrants as they typically facilitate access to necessary services such as housing, food, education and so on, as well as proximity to job opportunities and immigrant communities with a common culture and/or language. As Li and Teixeira (2014) note, cities serve as ports of entry and are the places where many immigrants choose to settle. The process of integration is complex and dynamic, and different individuals and groups will have varied experiences for many reasons, but cities have been found to facilitate the settlement process as compared to smaller municipalities. Cities can provide economic, housing and education opportunities, all important factors in integration. The ability to settle and integrate successfully affects whether a place can be considered a “welcoming society” (Li & Teixeira, 2014).

The benefits that cities offer are only useful to refugee claimants and other newcomers if they can attain access to these services, accommodations and opportunities. The concept of the “right to the city” offers an approach to city involvement and participation that recognizes the rights of all those who live in a place. David Harvey suggests that the right to the city is in fact a human right that allows “a right to change ourselves by changing the city” (Harvey, 2008: 1). This is a useful concept when considering who should have access to cities, and what role governments have in ensuring that populations protected through international treaties have fair access to the benefits of cities where they choose to settle. According to Lefebvre, the right to the city is earned by inhabitation and active involvement in the shaping of the city. By living in the city and participating in the everyday formation of place, residents should be able to appropriate, and to participate in the production of, urban space. Inhabitation also gives one the right to centrality, both in terms of one’s role in the decision-making processes that shape urban areas, and in the ability to occupy central areas of the city (Lefebvre et al., 1996; Purcell, 2003).

Harvey points out, however, that we live in a world “in which the neoliberal ethic of intense possessive individualism, and its cognate of political withdrawal from collective forms of action, becomes the template for human socialization.” (Harvey, 2008: 32,). The goals and aspirations of individuals are held above those of the collective, and the wealthiest and most powerful members of society enjoy their right to the city more fully than others. Only those with the ability to pay for access are able to take up space in and contribute to the shaping of the city. Meanwhile, the role

of the state is diminished as governments pull back from the delivery of social services and housing. This becomes most obvious in the delivery of social housing in many parts of North America, where the delivery of social housing has often been scaled back and the responsibility of building and maintaining social housing and shelters has been ‘downloaded’ from higher levels of government to municipalities without the necessary funding support for effective operations. A common response is the disinvestment from public forms of housing and shelter due to the unsustainable financial model that was set up. The implications for low-income members of society is a greater reliance on housing in the private market and increased susceptibility to homelessness (Murdie, 2008; Hulchanski et al., 2016).

An important aspect of the concept of a right to the city is that immigration status, in theory, should not impact one’s right to inhabit in and be involved in the shaping of the city. What is found to be taking place in reality, however, is that non-citizen migrants awaiting a refugee hearing do not have equal rights to adequate, safe and affordable housing in the same way as Canadian citizens or even sponsored refugees (Bagelman, 2016).

The concept of the right to the global city can also be useful when thinking through the role of borders and country separation (Purcell, 2003). Purcell expands the concept of the right to the city to broader geographical scales, positing that inhabitants should have a say in the ways their urban spaces are shaped, even if the decisions affecting their city are occurring globally (2003). Putting less importance on borders and state sovereignty, this concept is useful to broaden the lens to consider the complex and globally-implicated reasons people must leave their home country to claim asylum in another. However, a lack of formal citizenship or immigration status is a source of fear and anxiety for those with undocumented immigration status and impacts how one’s right to the city is perceived (Purcell, 2003). Rather than considering citizenship only in the context of the nation-state, other forms of membership can be considered, such as being a “citadin-inhabitant” of a city without needing formal citizenship, while still enjoying access to certain rights and responsibilities (Purcell, 2003). This alternative view of citizenship provides new ways of considering who should have access to and be involved in the formation of place. To realize this ideal, equal access and inclusive policies become essential in ensuring that newcomers can receive necessary services, such as housing, and that access is not determined by one’s immigration status (ibid).

The shifting of focus away from citizenship membership has been popularized around the world through the sanctuary city movement, wherein cities offer some protection from deportation as well as access to municipal services for all residents, regardless of immigration status. This idea shifts the concept of citizenship to a more local level, increasing the importance of the municipality in legitimating resident status and providing services (Purcell, 2003; Kissoon, 2015; Armstrong, 2018; Pelley, 2018). This movement has been especially powerful in moments when political leaders threaten to take a stricter stance on illegal immigration, as has been seen in recent years in the United States.

The sentiment and political message of the sanctuary city movement is powerful, but the real impact on the lives of migrants and refugee claimants can be limited or even negative due to the

false impression of security that the movement implies. Bagelman offers a critical view of the sanctuary city movement, arguing that places of sanctuary are often seen as places where migrants are safe. However, in sanctuary cities migrants and refugees are treated as citizens in some ways but without the full rights and entitlements that go along with citizenship. Bagelman's critique is that the sanctuary city movement does not directly challenge the shortcomings in the broader immigration system, thereby doing little to address the constant state of waiting and precarity that are common in the experience of undocumented migrants (Bagelman, 2016).

These various concepts are particularly relevant in the context of an increasing number of people around the world migrating for personal reasons (such as to be closer to family members), and for reasons of safety (such as to move away from dangerous situations in their country of origin). The United Nations estimates that there are currently 285 million people globally who have migrated, some by choice and some by force - "the world is witnessing the highest levels of displacement on record. An unprecedented 65.6 million people around the world have been forced from home by conflict and persecution at the end of 2016. Among them are nearly 22.5 million refugees, over half of whom are under the age of 18" (United Nations, 2019).

This new trend of increasing numbers of people moving around the world is important because undocumented migrants tend to be among the most vulnerable members of society. In a study conducted by the Ryerson Centre for Immigration and Settlement, it is highlighted that "the human rights implications of living without status are profound" (Hudson et al., 2017, p. 5). Non-status migrants are more likely to experience physical and mental health issues without the ability to easily attain support services. Increased stress, anxiety and depression is common, in large part attributed to the fear of being detected or deported, as well as experiences of social isolation, poor living and working conditions, abuse and exploitation, and persistent institutional barriers. Access to a wide variety of services are impacted, including health care, education, shelter and labour rights (ibid).

A researcher who has examined the experiences of refugee claimants in Canada and the UK has found that even the process of submitting a claim for refugee status adds pressure in subtle ways:

Applying for refugee status is a transformative process: people become "cases", persecution and torture become "evidence", and nationality and other forms of identity are subsumed by the labels, 'asylum seeker' or 'refugee claimant'. Each case is determined on its own merits, and the burden of proof is on claimants or asylum seekers to show they are targeted and unprotected against persecution for reasons of their identity in their countries of origin (Kissoon, 2015, p. 7).

It is well documented that immigrants experience difficulty accessing housing after arrival in a new country, in large part due to affordability challenges. Many factors impact the ability for these groups to find good quality affordable housing, including:

- low incomes due to un(der)employment;
- reliance on the private rental market due to long wait lists for limited social housing units;
- poor-quality housing, safety concerns and discrimination in the renting process; and
- overcrowding in units (Kissoon, 2010; Murdie, 2008; Paradis et al, 2008).

Many North American cities are increasingly more challenging places for new immigrants to settle due to very high housing costs (Li & Teixeira, 2014). It has been found that refugee claimants experience more difficulty in accessing good-quality, safe and affordable housing than sponsored refugees, at least during initial settlement (Murdie, 2008). In addition, there tends to be an overreliance on “community absorption” in housing policy for refugees, which assumes that refugees will be able to call on their social capital and networks to access safe, adequate and affordable housing. Interviews with refugee claimants show that this is often not the case (Kissoon, 2015).

When considering the successful settlement and integration of asylum seekers, access to adequate, suitable and affordable housing is very important, especially given the vulnerabilities and traumas that shape the immigration experiences of many refugees (Hiebert, 2011; Murdie & Logan, 2011). Homelessness and living in a shelter can be particularly stressful, and that stress can be compounded for immigrants who are adapting to a new place, language and culture (Paradis, Novac, Sarty & Hulchanski, 2008; Kissoon, 2015). In fact, one study found that immigrants and refugees face unique challenges, such as PTSD and discrimination, and therefore require particular strategies for preventing homelessness (Hulchanski, Murdie, Dion & McDonald, 2004). The experiences of refugees in the housing system remain challenging and have perhaps worsened due to deepening affordability issues and a shortage of rental housing in many large cities. Many studies that consider the experiences of refugees are also often only including sponsored refugees in the research, likely due to the difficulty of identifying refugee claimants and the potential to miss this group depending on the research methodology (Hiebert et al., 2011).

It has been found that it is important that refugee claimants have a variety of housing options upon arrival to a new place, and that choice and personal agency in housing is a key aspect of successful settlement and integration (Kissoon, 2015). The circumstances of needing to flee one’s home country in search of safer environs is a situation where choice and agency have been diminished (Kissoon, 2015; Erkhamp, 2017). This need for choice and a suitable home closely relates to the “housing first” principle, which is an approach to addressing homelessness that couples permanent housing with adequate supportive services, with a focus on consumer choice (Padgett, et al., 2016; Ontario Non-Profit Housing Association, 2013).

In some other countries such as the United Kingdom and Germany, housing programs for refugees use a system of mandatory dispersal where refugees are relocated to cities and towns across the

country. This is done to avoid concentrations of refugee populations in the larger cities where housing providers and supportive services tend to get overwhelmed (Kissoon, 2015; AIDA, 2018). These relocation programs have been found not to be successful, however, because of many challenges associated with living in smaller communities, such as not being familiar with local customs, lacking transportation options, and discrimination from established residents. In smaller towns, housing options can also be limited and access to supportive services, social networks, public transit, and amenities is diminished as compared to larger cities (Kissoon, 2015). It has been found that some people will choose to couch-surf, double-up or stay in other precarious housing situations, avoiding the use of shelters or other housing services in order to be able to remain in the largest cities (Hiebert, 2011; Kissoon, 2015). Some households were found to have moved back to larger cities after dispersal, even if it meant that they would stop receiving financial support (Kissoon, 2015).

This mandatory relocation can have harmful effects on well-being, ability to reach important amenities and services, and employment prospects. Dolores Hayden examined the experiences of women living in the suburbs, and found that without access to a car or other form of transportation, the women experienced feelings of isolation and loneliness, inability to access necessary shops and services, as well as a lack of employment opportunities due to limited mobility options (Hayden, 1980). Indeed, a home in a location that does not suit the needs of those occupying the home can cause unintended consequences to newcomers and long-time residents alike.

Another important challenge faced by refugees is the experience of waiting. If an individual or household is applying for refugee status from within the country of refuge, there is inevitably a period of time of waiting for a decision to have clarity on immigration status and ability to remain in the safe country (Erkhamp, 2017; Kissoon, 2015). As these wait times are made longer due to increasing volumes of refugee applications, agency is diminished and replaced with uncertainty and ambiguity.

Due to these many challenges, policies and programs will generally be stronger to the extent that they take into account the complexity of the refugee claimant experience. Collaboration between different actors can be useful to come to more nuanced approaches through the process of working together. A collaborative process can only be effective, however, if power relations are addressed and made transparent (Stollman, 2016). Participatory design processes can be beneficial means to ensure that many perspectives are considered. A participatory design process is one in which the user is involved in a meaningful way in the design of a project to ensure that the final product reflects the needs and desires of those who will use it. Participatory design has been found to be useful in many contexts related to housing and refugee settlement, including in rebuilding social networks between newly arrived refugees (Almohamed et al., 2017), in refugee camp shelter design (Sabie et al., 2017; Vrebos, n.d.), in social housing redevelopment plans (D'Cruz, 2015), and in the development of employment training programs for newcomers (Bates, 2013).

The importance of involving people in the design of the spaces they will inhabit relates back to the right to participate in the shaping of the city, and if done properly, can be a vital aspect of the success of a redevelopment (D'Cruz, 2015). In the case of housing provision for refugee claimants (and other low-income or vulnerable groups), meaningful participation in the development of any new housing or shelter space is very important, as well as a commitment to user empowerment and direct contact between the designers and residents (ibid). As with any project, planning and design must be done in an ethical manner. Any research or development process that involves vulnerable groups should take an inclusive and ethical approach that is contributive rather than extractive (Pittaway & Bartolomei, 2013). With in-depth engagement that directly involves refugee claimants or other vulnerable groups, there is a risk of causing project fatigue and loss of hope if the engagement never leads to any real benefits to those involved (ibid).

In the context of developing systems that can respond to change, the concept of “progressive resilience” for cities presents a useful framework for recognizing that cities must constantly evolve and transform within a context of unexpected shocks and stresses. If cities strive for progressive resilience, responding to challenges can induce a movement forward towards a new and possibly better state (Vale, 2014; Stollman, 2016). As cities experience change over time, such as an influx of unexpected newcomers in need of housing, strategic long-term planning by all stakeholders needs to take place so that systems can adapt and produce outcomes that have lasting community benefits.

This literature review examined past research that has been conducted on the settlement experiences of immigrants and refugees in Canada and elsewhere, as well as literature that explores the importance of equitable and inclusive policies relating to immigration.

Research regarding the experiences of refugee claimants in other countries, and the programs that are used to facilitate settlement were also reviewed. Themes and concepts that arose in academic papers were considered, helping to frame the issue of vulnerable populations having difficulty finding affordable housing in larger cities where there is access to support services and cultural communities. These concepts and theories provide some useful context for engaging with this issue of responding to unexpected increases in immigration and the resulting stress on vulnerable populations and public services. These concepts will be revisited throughout this report as this topic is explored further.

3 | METHODOLOGY

A variety of methodologies were used in this study, including extensive policy research, interviews, data analysis and real estate development feasibility analysis.

Policy Research

Research was conducted on the recent trends of refugee claimants coming to Canada and the policy and program responses by different levels of government and other stakeholders.

Interviews

As part of this research, semi-structured qualitative interviews were conducted with various stakeholders, including community leaders, government officials and professionals working in the fields of refugee settlement support and housing. Interviews were approximately 30 minutes to one hour in length. An outline of the general groups that were captured in the interviews is included in the table below:

Sector	# of Interviews
Federal Government	1
Provincial Government	1
Municipal Government	4
Civil Society	3
Private Sector	1
Total Interviews	10

Interviews explored the informant's experience in working with refugee claimants, the perceived challenges that refugee claimants face surrounding the settlement process, the support services available to this population, and how the high cost of housing is impacting refugee households and leading to additional pressure on the shelter system. The interviewees also provided insight into what is currently being done to manage the growing need for supportive services, and some ideas for how to move forward.

Due to ethics concerns related to research involving vulnerable populations, it was not possible within the scope of this research to conduct interviews with refugee claimants themselves. Any information included in this report about the experiences of refugee claimants in the immigration and settlement process was based on interviews with professionals who work directly with refugees and from previously published studies. The findings presented in this report are my own views and interpretations of what I have learned through this research, and do not necessarily reflect the views of those who were interviewed.

Data Analysis

Data from the City of Toronto daily shelter bed counts was used to map the locations of shelters and the capacity of different shelter types across the city. Additional data from the federal department of Immigration, Refugees and Citizenship Canada was used to understand annual trends of refugee claims and how volumes of claims has increased between 2011 and 2019.

Real Estate Development Analysis

Analysis was also conducted on the feasibility of redevelopment of shelter sites in Toronto. Site analysis and planning policy research was carried out to determine the development potential of a shelter site case study. An approximate building massing provided the basis for an estimate of the gross floor area that could be built on the site. The costs of redevelopment were then estimated to determine the approximate cost of redevelopment, and the revenue sources that could be available for a redevelopment project were identified. This analysis provided a framework for determining the approximate number of affordable housing units that could be achieved through redevelopment of a shelter site, and the financial support that the project would require if deep levels of affordability are achieved.

4 | BACKGROUND RESEARCH & ANALYSIS

Global Migration Trends

According to the United Nations (UN), over 285 million migrants around the world are currently living outside their country of origin. It is expected that this number will continue to increase due to population growth, increased connectivity between countries, rising inequality, demographic issues and climate change. This movement of people across the globe provides significant opportunities and benefits to migrants, host communities and the countries of origin, but there can also be many challenges and risks (United Nations, 2018).

In 2017, the UN developed a Global Compact for Migration, the first UN global agreement on a common approach to international migration. The positive impacts of migration are recognized in this agreement, as are the challenges that can result from large fluctuations in migration populations or irregular migration. Governance is highlighted as a key feature of successful migration policy. Many countries signed this agreement, including Canada. The Vision and Guiding Principles for the Compact states:

"Migration has been part of the human experience throughout history, and we recognize that it is a source of prosperity, innovation and sustainable development in our globalized world, and that these positive impacts can be optimized by improving migration governance. The majority of migrants around the world today travel, live and work in a safe, orderly and regular manner. Nonetheless, migration undeniably affects our countries, communities, migrants and their families in very different and sometimes unpredictable ways" (United Nations, 2018).



The UN is also drafting a Global Compact on Refugees, which will be brought in front of member countries for signature by the end of 2019. The objectives of this agreement are to ease the pressures on host countries, enhance refugee self-reliance, expand access to third-country solutions, and support conditions in countries of origin for the option of returning in safety and dignity (United Nations, 2019).

The UN recognizes that when migration is poorly regulated it can cause immense challenges, including overwhelming social systems when large numbers of people arrive unexpectedly, or putting the lives of migrants at risk when they undertake perilous journeys (United Nations, n.d.). In response to unexpected increases in migration, some countries have been taking measures such as building temporary shelters, setting up administrative systems to match families to housing, or retrofitting underutilized public buildings into settlement centres with temporary accommodations (Phillips, 2006; Kissoon, 2015; Oltermann, 2018).

Refugee Immigration Trends in Canada

In Canada, immigration is an important aspect of the country's economic and social prosperity, reflected in the fact that many economic migrants and refugees are accepted each year. Canada has historically had a reputation for welcoming newcomers, with an appreciation for the multicultural communities that immigration fosters. By 2020, 340,000 immigrants will come to Canada annually, which will "help us sustain our labour force, support economic growth and spur innovation" (Immigration, Refugees and Citizenship Canada [IRCC], 2018: 2). Immigration is seen as a key factor in Canada's current and future prosperity. As the total number of immigrants coming to Canada is expected to grow, so is the number of refugees, albeit at a rate that is slower than that of economic migrants (ibid). In addition, Canada has a humanitarian duty to provide asylum to people fleeing dangerous conditions in their home country.

Refugee claims are governed by international treaties to which Canada is a signatory and by Canadian law through the Immigration and Refugee Protection Act (Government of Canada, 2001). As such, Canada has a legal responsibility to give all refugee claims a fair hearing, regardless of the circumstances under which claimants enter the country (Government of Canada, 2018).

Refugees can come to Canada in one of two ways - as a sponsored refugee with refugee status granted before coming to Canada, or as a 'refugee claimant', applying for refugee status upon entry into the country. Canada has been experiencing changes in the number of refugee claimants applying for refugee status in recent years. Between 2011 and 2016, the number of people applying for refugee status in Canada fluctuated year to year but remained under 25,000 applicants per year, as shown in Figure 1. Since late 2016, however, there has been a large increase in the number of people claiming asylum. According to the federal department of Immigration, Refugees and Citizenship Canada (IRCC), in 2017 and 2018, the number of refugee applications grew to over 50,000 each year. This increase occurred after historically low levels of asylum applications between 2013 and 2015.

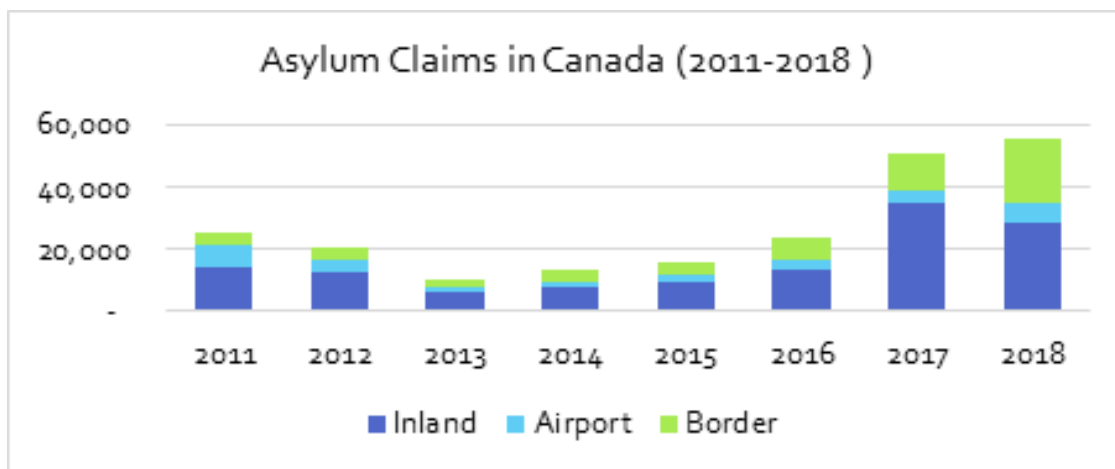


Figure 1. Asylum claims in Canada from 2011 to 2018 that were made inland, at airports and at border crossings.

Source: Government of Canada, 15 April 2019.

This sudden increase in the inland asylum claims shown in Figure 1 is mostly due to people coming from the United States (US). In 2017 and 2018, around 40% of the increase in refugee claims (approximately 20,000 people each year) were people coming in to Canada through irregular border crossings from the US (IRCC, 2018). This is largely due to a regulatory loophole in an agreement that Canada has with the US called the Safe Third Country Agreement (STCA), which states that migrants must apply for asylum in the country where they first arrive. This agreement is based on an underlying assumption that both Canada and the US are deemed to be 'safe'. If someone has arrived in the US first and then comes to Canada to apply for refugee status, they will likely be rejected and will be sent back to the US. This has led to an increase in the number of people using irregular border crossings as a way to avoid this regulation and apply for refugee status from within Canada so that the STCA will not apply (Government of Canada, 2018).

The reasons for this growth in irregular border crossings are difficult to assess, but one contributing factor is likely the election of Donald Trump in the US and the anti-migrant policies that followed his election. As the US government lifts former protections that were in place for refugees and migrants, increasing numbers of people are coming to Canada to claim refugee status, and some are choosing to enter through unregulated border crossings (Smith, 2017).

When migrants enter Canada at irregular crossings, they are intercepted at the border by the RCMP, brought to a Canada Border Services Agency office, and held for security screenings. It is not guaranteed that all will be eligible to file a refugee claim, and if deemed ineligible, the refugee claimant may need to leave Canada and return to their home country (Government of Canada, 11 April 2019). If they apply for refugee status, they can remain in Canada until their claim has been heard. Refugee claimants who cross at irregular border crossings are not acting illegally if they have a legitimate claim. All asylum claims are given due process in their hearings (ibid).

The Immigration & Refugee Board of Canada (IRB) manages the intake of new refugee protection claims and refugee appeals. The intention of the IRB is that claims will be processed within 90 days, but the increase in the number of asylum claims since 2016 has meant that people are waiting up to 21 months for their claim to be heard (IRB, 2018). The intake of claims has increased by 82 percent and appeals by 45 percent in the 12-month period ending June 2018.

Meanwhile, the inventory of claims yet to be processed rose by 124%. Figure 2 shows that as of June 30, 2018 there were over 56,000 refugee protection claims yet to be processed. With just over 25,000 claims finalized in a year-long period, the IRB is not able to process claims at the rate that they are coming in. These delays are adding further uncertainty to the refugee claim process for many households, and extending the period of time when people have precarious immigration status (Francisco Rico-Martinez, Co-Director, FCJ Refugee Centre, personal communication, 30 January 2019).




Refugee cases (as of June 30, 2018)	
	Refugee Protection Claims (New System)
Intake (12-month ending)	56,601  ↑ 82%
Finalizations (12-month ending)	25,398  ↑ 36%
Inventory (as of 2018-06-30)	56,594  ↑ 124%
Top five source countries pending inventory *by listed country of alleged persecution	Nigeria (20%) Haiti (13%) India (5%) Pakistan (4%) Mexico (3%)

Figure 2. Claims processing status of refugee cases filed with the IRB, as of June 30, 2018.

Source: Immigration & Refugee Board of Canada, 2018.

Migrants at an irregular crossing at the Canadian border

Image Source: Global News



According to IRCC's monthly updates of the number of people that the RCMP has intercepted at the Canada-US border, the number of irregular border crossings into Canada seems to be on the decline, as depicted in Figure 3. There was a sharp increase in July and August of 2017, followed by a decline and relative stabilization, although numbers have remained consistently higher than at the start of 2017. Although the number of inland claims has stabilized through 2018, the number of border and airport claims has increased, as has the total number of refugee claims overall (see Figure 1) (Government of Canada, 15 April 2019).

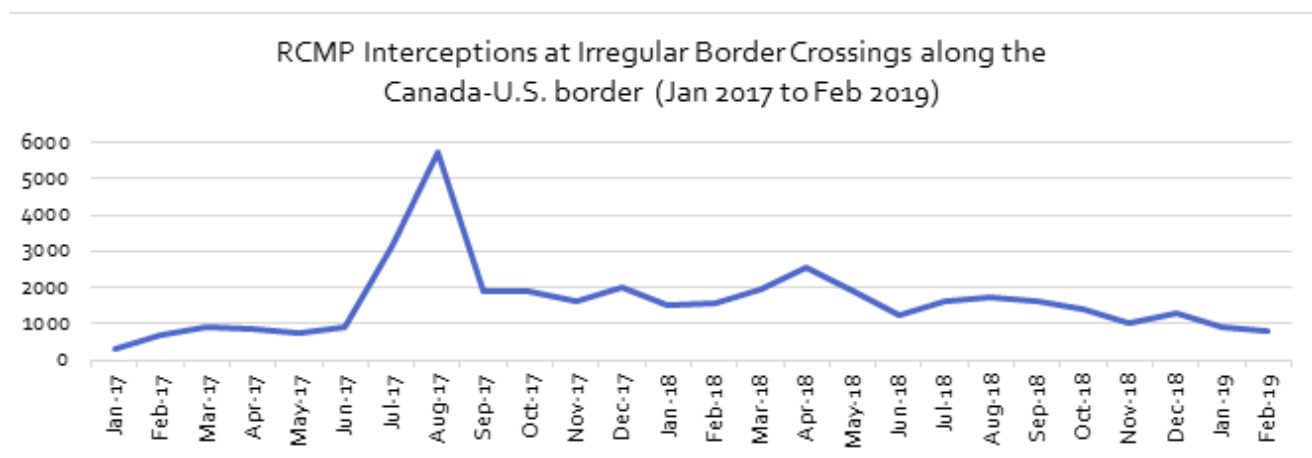


Figure 3. Irregular border crossings in Canada from January 2017 to February 2019.

Source: Government of Canada, 15 April 2019.

While this increase is the largest volume of refugee claims that Canada has experienced in recent years, this type of sudden growth in the number of people claiming refugee status is not particularly uncommon. A University of Calgary analysis found that Canada has seen similar increases several times over the last two decades, as Figure 4 shows, with a spike in 2001 at nearly 45,000 claims and again in 2008 with nearly 37,000 claims (University of Calgary, 2017).

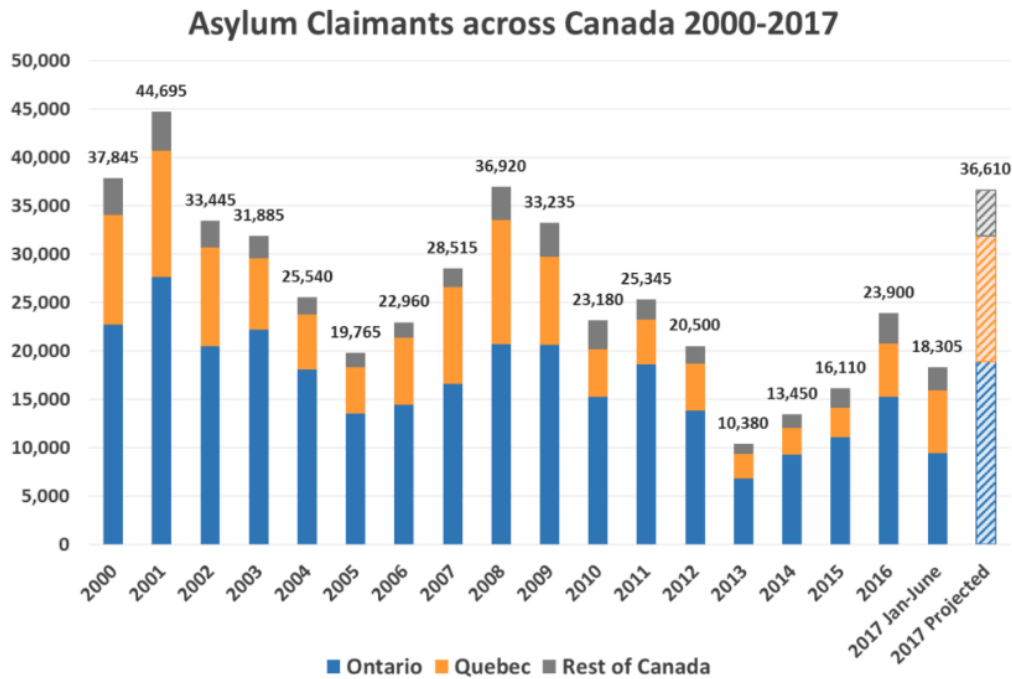


Figure 4. Trends in the number of refugee claims in Canada between 2000 and 2017.

Source: Graph from University of Calgary, 2017; Data from the Immigration, Refugees and Citizenship Canada.

This historical data from 2000 onward highlights the importance of planning for these increases at unexpected intervals as this appears to be a recurring trend that is likely to occur again in the future. Ontario in particular receives far more asylum claimants than any other province, highlighting the need for Ontario to take a closer look at how to plan for changes in migration over time. This tendency toward variation could point to a new reality for Canada of an increasing number of refugee claims each year, or at the very least the potential for unanticipated increases in claims at various times into the future.

While a historical analysis of the responses to the increases in refugee claimants in the past is not within the scope of this report, it would be an interesting study to understand how various stakeholders have responded in the past and whether temporary measures or programs were put in place to provide settlement assistance for the incoming populations.

Refugee Policies & Programs in Canada

In Canada, refugee policies and governance technically fall under federal jurisdiction, as determined by the Department of Citizenship and Immigration Act and the Immigration and Refugee Protection Act. There are several different ways to apply for refugee status in Canada, including as a government or privately sponsored refugee who are granted refugee status before coming to Canada, and as a refugee claimant, which generally involves applying for refugee status from within Canada or at the border. These groups are distinctive in that sponsored refugees have access to certain programs and supportive services that refugee claimants do not have. While sponsored refugees receive financial assistance and support with finding housing, there is no specific dedicated program or governing body in place to provide funding or support for refugee claimants in Canada (Government of Canada, 2018).

Instead, refugee claimants must navigate a patchwork of programs and services provided by various levels of government. The federal government manages the refugee determination process and provides health care. Social assistance and legal aid are provided at the provincial level. Municipalities manage the shelter system, as well as recreation and day care programs that many refugees rely on. Importantly, there is no specific program in place to assist refugee claimant families with finding housing upon their arrival. Since there is no single resource or governing agency, it is difficult for refugee claimants to access the correct information regarding how to submit their asylum claim and how to access the services that are available to them (Shelter Manager, Christie Refugee Welcome Centre [CRWC], personal communication, 28 February 2019).

In the context of broader policy development, the division of responsibility between the levels of government also makes it complicated to coordinate a response to unexpected growth in immigration of refugees. In general, it seems that inter-government collaboration has not been achieved in this case, making it nearly impossible to develop a strategic response to any sudden increases in refugee claimants and manage the resulting pressure on local service providers (Adam Vaughan, Parliamentary Secretary to the Minister of Families, Children and Social Development, Government of Canada, personal communication, 26 March 2019).

A Lack of Settlement Support for Refugee Claimants

Canada's legal and humanitarian responsibilities ensure that refugee claimants are able to remain in the country for the duration of their refugee hearing. When sponsored refugees arrive, who have been granted refugee status from outside of Canada, they have access to a range of programs and services such as financial support, English language classes, work permits, and housing support. For refugee claimants who are applying for refugee status from within Canada, these support services are not automatically made available. For this reason, refugee claimants have the challenging task of trying to navigate various systems after arriving in Canada.

The first priority for many families is finding housing. Sponsored refugees receive housing and financial support for the first year of settlement, but as a refugee claimant there is no such support (Hiebert, 2011; Government of Canada, 11 April 2019). The lack of a dedicated settlement program means that claimants must search for housing themselves when they arrive while they are in the process of filing their refugee claim (Kissoon, 2015; Government of Canada, 11 April 2019). Refugee claimants in particular experience difficulties accessing safe, suitable and affordable long-term housing, partly because they are not provided with any housing support outside of what the municipal shelter system can provide (Casey, 2018).

In Toronto, Canada's major gateway city for newcomers, many families are able to secure housing in the private rental market, but refugee claimants have a more severe risk of housing insecurity due to high housing costs (Hulchanski, Murdie, Dion & McDonald, 2004). Refugees usually have limited financial resources as compared to other new immigrants, making it more difficult to find good-quality, affordable housing (Murdie, 2008). Previous studies have found that refugees are a particularly vulnerable group when it comes to housing instability and homelessness (Hulchanski, Murdie, Dion & McDonald, 2004; Murdie, 2008; Paradis, Novac, Sarty & Hulchanski, 2008).

In an interview with a settlement support worker at The 519, a social service agency and safe space for LGBTQ2S communities in Toronto, the importance of safe housing was emphasized. The 519 works with refugee claimants who were facing persecution based on sexual orientation in their home country. Often refugees are managing many different issues at once, exemplifying the intersectionality of identities and challenges that often go along with seeking asylum in another country. Employment, health, separation from family, and many other challenges can make the experiences of refugee claimants extremely uncertain and difficult (Settlement support worker, The 519, personal communication, 15 February 2019).

One supportive program that refugee claimants can access is Ontario Works, which provides \$697 per month to cover housing costs for a household of 3 people, plus \$494 per month for basic needs. This is a very small sum compared to the actual cost of living. In Toronto, for example, this amount does not come close to covering living expenses for a household of 3, where the median market rent (i.e. the median price of all rental units, including rent-controlled and other below-market units) is \$1,492 per month for a 2-bedroom apartment (Canada Mortgage & Housing Corporation, 2018), and the true market rent (i.e. the price to rent an apartment that comes on the market in 2019) for a 2-bedroom apartment is now well over \$2,000 per month (Canadian Centre for Economic Analysis & Canadian Urban Institute, 2019). As a result, many refugees are ending up in shelters or housing that is not suitable, safe or affordable (Shelter Manager, CRWC, personal communication, 28 February 2019).

In general, given the lack of dedicated funding or programs for refugee claimants, the responsibility to provide housing and other supportive services for refugee claimants is falling to shelters managed by municipalities and non-profit organizations.

The Toronto Context

In Toronto, the current housing crisis has been top-of-mind for residents and government officials alike over the past few years, even before there was an influx of refugee claimants in need of affordable housing. Housing affordability is an enormous challenge in Toronto, and it is causing other issues including an increase in homelessness and the overcrowding of the city's shelters (Canadian Centre for Economic Analysis & Canadian Urban Institute, 2019). The issue of overcrowded shelters and a lack of affordable housing is exacerbated by many factors in an increasingly unaffordable housing market, such as a history of cutbacks in social assistance, limited social housing construction, rapidly increasing rents in the private sector, and reductions in public funding for NGOs that provide supportive services for immigrants and refugees (Murdie, 2008; Hulchanski et al., 2016).

As a result of an unaffordable housing market and no dedicated program to assist families with finding housing upon arrival, refugee claimants have been relying heavily on the municipal shelter system since late 2016. The average daily refugee bed night consumption in shelters in Toronto went from 456 individuals in February 2016, to 1,271 individuals in August 2017, and to 2,618 in April 2018. Rather than taking only a few weeks to find permanent housing, as was the case in the past, families have been living in shelters for up to six months while they look for an apartment (City of Toronto, 30 May 2018). The overall occupancy of the City shelter system now exceeds the recommended 90% rate set by Council, and the wait time for shelter space is between one and five days, a very long time for a family with children or other vulnerable groups to go without an emergency housing option (City of Toronto, 25 June 2018).

The 2018 Street Needs Assessment survey, which is conducted annually by the City of Toronto, found that over 40% of shelter users were refugees, and approximately 50% of those refugees are children, highlighting the vulnerability of these refugee families in need of housing in Toronto (City of Toronto Street Needs Assessment, 2018; Canadian Centre for Economic Analysis & Canadian Urban Institute, 2019; Pagliaro, 2018).

This added demand on the shelter system has proven to be very difficult to overcome. As the City of Toronto states in their report entitled "2019 Operating Budget Briefing Note: Refugee Claimant Flows to Toronto and Associated Pressures on the Shelter System":

- Despite success in assisting more than 5,636 refugee claimants to find housing and move out of shelter accommodation, a steady flow of new arrivals continue to fill any available space and the placement list continues to grow.
- The number of refugee arrivals continues to outpace the rate at which people can find housing. The shelter system is now full and at risk of being overwhelmed. Additionally, the City cannot sustain the financial resources required to respond to the surge in demand (City of Toronto, 4 February 2019).

As a result of the increased demand for shelter beds, the City of Toronto has resorted to opening approximately 2,500 temporary shelter spaces in motels and hotels across the city to accommodate refugee families (City of Toronto, 30 May 2018). The City has been using motel and hotel rooms as extra shelter space at various times since the late 1980's, as it is a simple way to add temporary emergency shelter space to the system, especially when families need to be accommodated (City of Toronto, March 2017). In the past, the City only needed to use the hotel rooms for a few months at a time, but more recently they have been under contract for more than 18 months straight (Acting Project Director, SSHA, City of Toronto, personal communication, 21 February 2019).

Figure 5 shows that between 2008 and 2015, the shelter system in Toronto remained relatively stable. The capacity of the system hovered around 4,300 beds with some variation in permanent capacity and in temporary shelters in hotels. From 2015 to 2016, the capacity of the shelter system was increased by 6%. Starting in 2016, the demand for shelter began to increase dramatically, most likely corresponding with the rise in refugee claimants. From 2016 to 2017 the capacity of the shelter system rose by 26%, with a further increase by 21% between 2017 and May 2018.

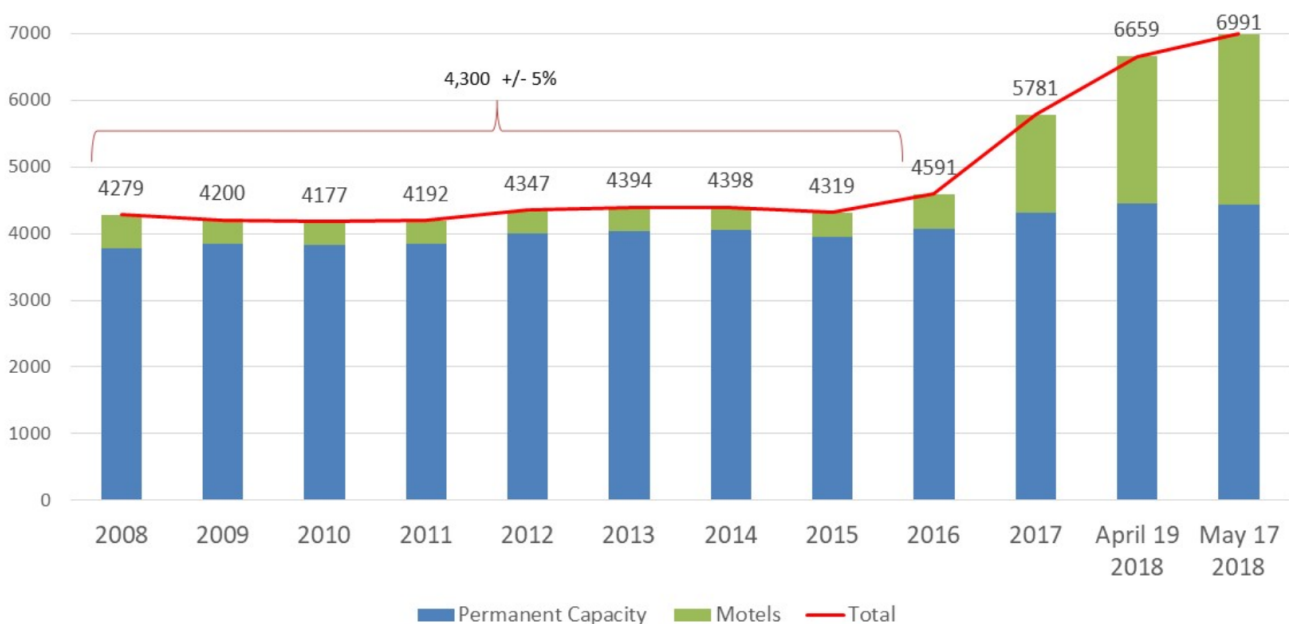


Figure 5. Shelter system capacity in Toronto, 2008-2018

Source: City of Toronto, "2019 Shelter Infrastructure Plan and System Update Report", 30 May 2018b.

The majority of this change in the capacity of the shelter system has been needed in the family shelter sector. The increase in refugee claimants using the shelter system, as was found in the Street Needs Assessment survey, put particular pressure on the family shelter space within the City's system and additional space was required to match that increased demand.

Figure 6 shows how the capacity and occupancy of most of the types of shelters have remained relatively consistent over the last two years, while the capacity and occupancy of family shelter space has increased dramatically over that time without decreasing.

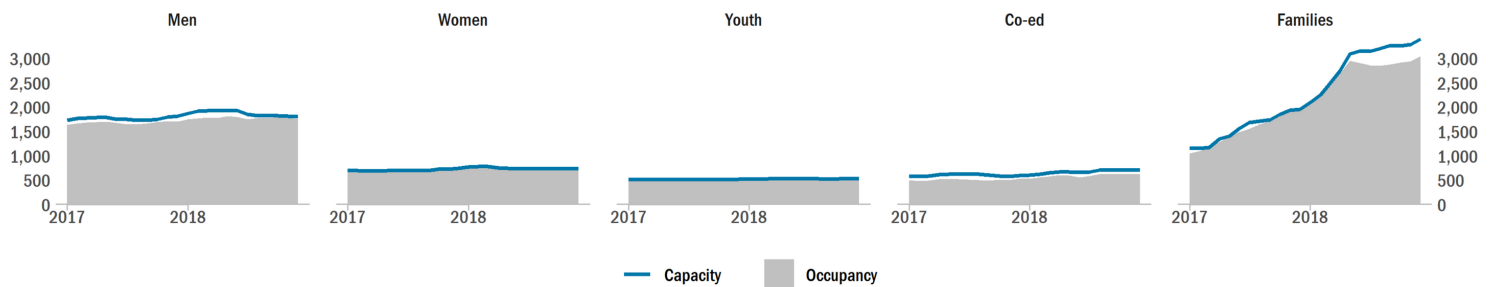


Figure 6. The average monthly shelter capacity and occupancy in Toronto by shelter type.

Source: Data from City of Toronto, Shelter, Support & Housing Administration; Graphic from Canadian Centre for Economic Analysis & Canadian Urban Institute (2019).

Since opening a new shelter takes time, this additional need for family shelter space has been met through contracting hotel rooms as a temporary emergency measure in order to expand the shelter system. Figure 7 below shows a map of the locations of the family shelters in the city of Toronto, indicating the shelter spaces that are permanent in blue and those that are temporary hotel shelters in yellow. The size of the circle in the map indicates the capacity of the shelter spaces. It is apparent that most of the family shelter capacity in Toronto is in the hotel program.

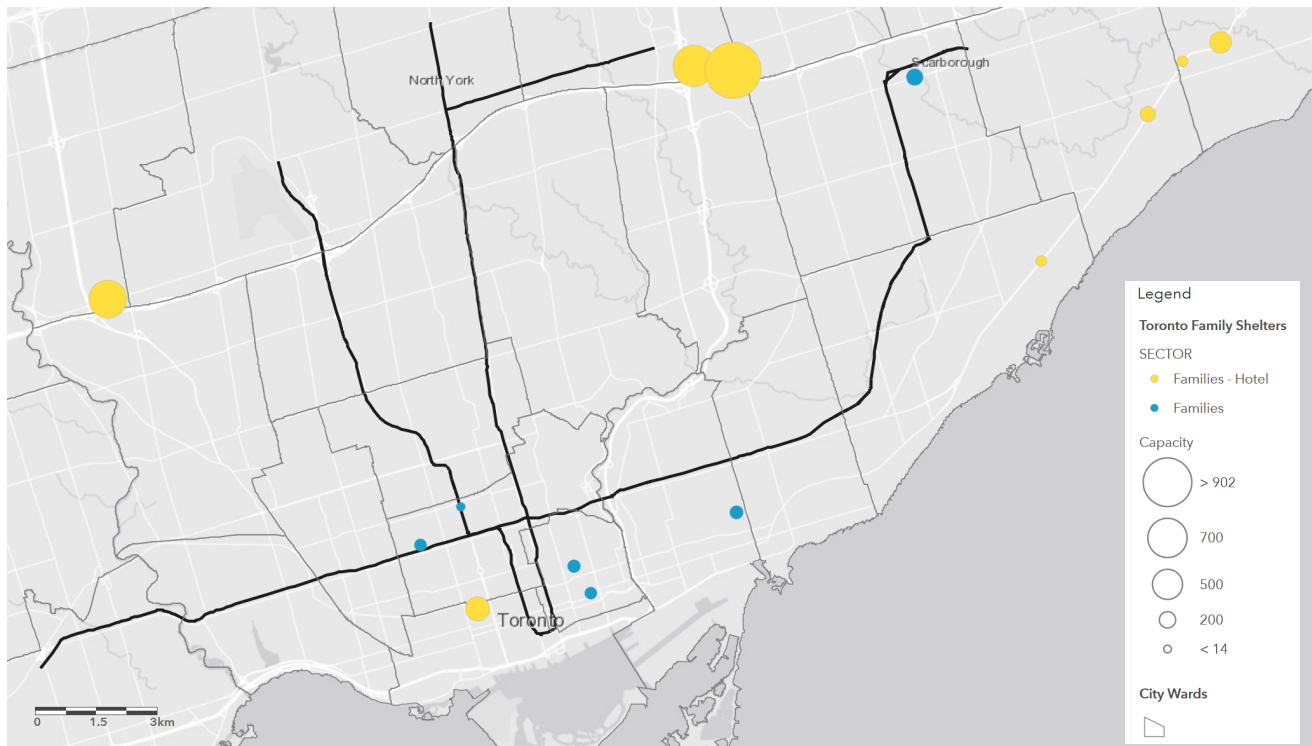


Figure 7. Family shelters in Toronto, permanent shelters shown in blue and temporary hotel shelter program in yellow. The size of the circle indicates the capacity of the shelter.

Source: Data from City of Toronto daily shelter reports; Map adapted from ArcGIS OpenStreetsMap, 2019

While the locations of the temporary family shelters in hotels are not always close to transit or important supports and services downtown, the hotel program does provide a flexible way to adapt the shelter system in times of need. It is, however, very expensive and intended to be a short-term measure. It has cost the City approximately \$50 million per year to expand the shelter system using hotels. A breakdown of the estimated cost of the hotel program is detailed in Table 1 based on contract details in City of Toronto staff reports (City of Toronto, 11 October 2017).

Total beds in City of Toronto hotel program (<i>as of Nov. 2018</i>)	2,500
Number of beds per room (<i>estimate</i>)	3
Total rooms in program (<i>approx.</i>)	833
Cost per hotel room per month (<i>approx., including basic needs such as furniture, food, laundry, etc.</i>)	\$5,000
Total cost of hotel program per year (<i>for 2,500 beds</i>)	\$49,980,000

Table 1. Estimate of the cost of the motel/hotel program over a one-year period.

Source: City of Toronto, 11 October 2017.

In their efforts to find accommodations for families, the City has also resorted to contracting other temporary spaces, such as student dormitories that were rented over the summer months. This short-sighted response resulted in a scramble to find permanent housing or alternative shelter spaces for families before the school term began in the fall (Flanagan, 2018). The hotel program is also quite precarious. The Plaza Hotel on Wilson Avenue near Highway 400 was providing temporary shelter to as many as 500 refugees and others, but in March 2019 the property was put up for sale and sold. At some point in the near future, the City will need to find alternative shelter locations for those who are currently staying in the hotel, or assist them with finding permanent housing (Keung, 2019).

Not all refugee claimants have been seeking initial settlement support through the municipal shelter system. Toronto has a strong network of refugee houses, which are organizations that provide specialized support services for refugee claimants such as temporary shelter, food, basic necessities, health care, information regarding the refugee claim process and assistance with finding permanent housing. Unfortunately, these refugee houses have been at or over capacity since late 2016 (Shelter Manager, CRWC, personal communication, 28 February 2019; Francisco Rico-Martinez, Co-Director, FCJ Refugee Centre, personal communication, 30 January 2019). Some of these refugee houses receive support from the City for operating shelter beds and some receive grants from provincial programs, but they have historically received little or no support from the federal government (Sam Chaise, Executive Director, CRWC, personal communication, 6 March 2019).

With the increasing need for more support for refugee claimants, it would be beneficial if these refugee houses could increase their capacity to serve more individuals and families, but more

funding would be required. This is a difficult issue to resolve given that refugee and immigration policy generally falls under federal jurisdiction, but the provision of housing and supportive services has been downloaded to the provincial or municipal levels in Ontario resulting in some jurisdictional uncertainty. To add to the complexity, refugee claimants do not yet have refugee status, so certain supportive services are not available to them until they have a positive refugee claim determination (Government of Canada, 2018).

The strain on the shelter system and refugee houses that is currently taking place is a symptom of a larger issue, which is a lack of capacity for times of additional demand, and a lack of a dedicated entity that is responsible for managing programs and funding for refugee claimants and that works across government jurisdictions to find meaningful solutions. Interviews with actors at different levels of government have shown that there is very limited collaboration and strategic planning being undertaken between government stakeholders. Each level of government is acting in isolation, and therefore can only react to the current situation rather than develop coherent, meaningful strategies for easing the pressure on the shelter system and providing better access to supportive services.

In an interview, Steven Meagher, a shelter manager at the Christie Refugee Welcome Centre in Toronto posed the question: “How long are we going to allow ourselves to be in this reactionary, emergency mode before we actually start making the decisions necessary to build sustainable solutions for this vulnerable population that is arriving in the City and that we need to support?” (personal communication, 2019).

In the absence of a broader strategy, the responsibility to provide supportive services and housing for refugees has fallen to non-profit organizations and the municipality. This lack of leadership or collaboration between different levels of government has resulted in a variety of unintended consequences described above. Tens of millions of dollars have been spent on temporary measures, and the lack of clarity on jurisdictional responsibility has caused tension between different levels of government. Excessive pressure has been put onto a shelter system that was already strained, and resource-constrained non-profits have increased their delivery of supportive services to provide for this population. Refugee claimant families are staying in shelters for around 6 months before they are able to find suitable, affordable accommodations (CBC News, 2018; Pelley, 2018; Perreux, 2018).

It is nearly impossible for governments to predict the future flow of refugees. With the UN expecting the global rates of migration to increase over time, it seems prudent to prepare for the possibility of unexpected intervals of increases in refugee claims rather than reacting to change as it occurs. There is also the possibility of other populations that may need emergency housing or shelter in the future, such as in the event of an economic downturn. In Toronto, the shelter system has been operating at-capacity with very little vacancy and so there is no room for additional demand on the system. The risks associated with unpreparedness have become apparent in the exorbitant costs of temporary fixes and the need to remain in emergency response mode. A more responsible system would have a buffer of additional space and a variety of housing options built in so that it is able to adapt to the changing needs of the city.

Current Responses, Implications & Recommendations

The growth in refugee claimants and the resulting strain on the municipal shelter system in Toronto presents some difficult challenges that are not simple to resolve. In response, stakeholders have reacted in a variety of ways depending on their role, jurisdictional authority and resources available. The following section outlines the various stakeholders involved, and how each group has reacted to this increase in refugee claimants in Toronto.

STAKEHOLDER: Government of Canada	
CURRENT RESPONSE	IMPLICATIONS / RECOMMENDATIONS

Increase IRB Capacity to Process Claims

Administratively, the Government of Canada has struggled to keep up with the increasing number of refugee claims. In the past, asylum hearings would be scheduled within 60 days of a claim filing, and an appeal would be conducted within a few months. In April 2019, the processing time for a refugee claim had risen to 21 months, plus an additional year if an appeal is filed for a failed claim, due to the backlog of claims that need to be processed (Government of Canada, 2019).

In response, the Immigration and Refugee Board of Canada (IRB) has introduced new measures to increase efficiency without compromising the fairness of proceedings (IRB, 2018). The IRB adopted new scheduling strategies, expanded the use of expedited processing, along with other measures to speed up processing times. The Government of Canada allocated an additional \$72 million in the 2018 budget to the IRB over two years to increase capacity and address the growing number of refugee protection claims (IRB, 2018).

The Government of Canada has moved relatively slowly in responding to this need for additional capacity, as this funding allocation was not initiated until the 2018 budget. By not managing this increase in migration in a timely manner, the federal government has created the perception in Canada that the situation is out of control and that the asylum system is broken.

In order to manage negative perceptions of the refugee claims process, the IRB should ensure that claims can be processed expeditiously to lessen the uncertainty in the process and maintain the credibility of the agency.

STAKEHOLDER: Government of Canada	
CURRENT RESPONSE	IMPLICATIONS / RECOMMENDATIONS
<p>Amending the Safe Third Country Agreement</p> <p>The Safe Third Country Agreement (STCA) between Canada and the US requires that refugee claims must be filed in the first country where the claimant arrives on the basis that both Canada and the US are “safe” countries for refugees. Under this agreement, if a refugee claimant has been living in the United States and then files for asylum in Canada, the claimant will be returned to the US. If a claimant comes into Canada through an irregular point of entry, the STCA does not apply because the claimant is technically filing a claim from within Canada. The federal government is now in conversations with the US government to close this loophole so that irregular crossings would still fall under the jurisdiction of the STCA.</p>	<p>Some politicians have a different view of the approach that should be taken regarding the STCA due to recent changes in policies in the US regarding asylum claims and a lack of protection for migrants. For instance, the US no longer recognizes domestic violence or gang violence as valid reasons to file an asylum claim. Jenny Kwan, an NDP member of parliament in Canada was quoted as saying:</p> <p>“Of course, the STCA is not working ‘as intended’. As I’ve been saying since January 2017, the United States under President Donald Trump is not a safe country for asylum seekers... The only change that can be made to the STCA that respects the humanity of asylum seekers and allows Canada to live up to its domestic and international obligations is to suspend the agreement.” (Connolly, 2019).</p> <p>Suspending the STCA would potentially mean that more refugee claimants would come to Canada from the US. This would be a politically contentious decision due to the impact it could have on Canada-US relations. Suspending the STCA would also present challenges since the administrative system does not yet have the capacity to receive more people. Given Canada’s humanitarian obligations, allowing more people to file their claim in Canada seems like a positive move, especially because the US cannot be trusted with the humane treatment of refugee claimants at this time.</p>

STAKEHOLDER: Government of Canada

CURRENT RESPONSE

Responsibility- and Cost-Sharing Approach

The federal government has taken the stance that the facilitation of the settlement of refugee claimants is a shared responsibility between the federal and provincial governments, and costs should be shared accordingly. As of February 2019, the Government of Canada had provided a total of \$26 million to the City of Toronto for costs that the City incurred related to the temporary provision of shelter. While this funding assists with some of the costs incurred to date, the City claims the costs are over \$60 million (City of Toronto, 4 February 2019).

One challenge with allocating funding to cover the costs of settlement support for refugee claimants is a lack of accurate data capturing the immigration status of those using shelter services. In an interview with Adam Vaughan, Parliamentary Secretary to the Minister of Families, Children and Social Development, he explained this barrier of incomplete records of shelter users. Part of the need for this data is that refugee claimants who have registered a claim with the Immigration and Refugee Board are allocated federal funding that is delivered to the province where the claim was filed. Vaughan had concerns that if the Federal government sends additional funding to cities without accurate data, they may be allocating funding to those who have already been counted in provincial funding allocations (Adam Vaughan, personal communication, 26 March 2019).

IMPLICATIONS / RECOMMENDATIONS

Better records by the City that still protect the immigration status of shelter users would be useful in making the case to the provincial or federal governments that additional funding is needed to provide housing support for refugee claimants. On the other hand, it is very difficult to know whether the allocated funding that flows through the province is actually reaching refugees and supporting them in their housing needs since it isn't going straight to the municipality that is delivering that housing service.

In a News Release from January 2019 announcing the release of this funding to the City of Toronto, the federal government made the following statement: "The Government of Canada continues to believe that provincial governments are best placed to distribute funds for temporary housing pressures. We look forward to developing a cost-sharing agreement with Ontario to address the challenges that asylum claims and irregular migration present." (Government of Canada, 2019).

STAKEHOLDER: Government of Ontario

CURRENT RESPONSE

Place Responsibility on the Federal Government

The government of Ontario has taken a strong stance that the issues concerning the increase in refugee claimants, including the increased demand on the shelter system, is a responsibility of the federal government. Ontario Premier, Doug Ford, has claimed that the Prime Minister's welcoming attitude towards refugees has encouraged the situation of higher than usual flows of refugees into Canada, and therefore the federal government should cover the entire cost of facilitating the settlement of refugee claimants (Casey, 2018).

IMPLICATIONS / RECOMMENDATIONS

In communications with different Ontario government ministries, it appears that there is no provincial department or program mandated with providing assistance or support to refugee claimants. Difficulty coming to an agreement between levels of government on jurisdictional responsibility and which government should be contributing funds is a huge roadblock to developing long-term plans. It is impossible to make a decision on how to move forward if there is no collaboration between governments on cross-jurisdictional issues. This is a particular challenge in Ontario and other Canadian provinces where much of the funding for social programs is delivered to municipalities through provincial governments. Cross-government collaboration and planning is a crucial component of effectively managing this increase in refugee claimants in Ontario and other parts of Canada, and determining how best to lessen the pressure on municipalities and non-profits.

STAKEHOLDER: City of Toronto

CURRENT RESPONSE

IMPLICATIONS / RECOMMENDATIONS

Sanctuary City Policies

Grounded in a human rights and grassroots approach, sanctuary city policies are a response to increased numbers of non-status people living in cities around the world (Hudson, et al. 2017). The sanctuary city movement has had growing momentum worldwide in recent years and has arisen in response to increasingly exclusionary border protection measures and tactics to deport non-status migrants in some parts of the world. Sanctuary city policies implement welcoming practices in urban areas for undocumented migrants, refugees, asylum seekers and others with precarious immigration status (ibid).

The sanctuary city movement in Toronto began in 2004 with the Don't Ask Don't Tell (DADT) campaign, which "encourages municipal employees to avoid inquiring about legal status... to prevent employees from becoming unofficial border guards, reporting and deporting undocumented migrants" (Bagelman, 2016: p. xix). The DADT practice is aimed at ensuring that all members of society have access to city services without fear.

In 2013, the City of Toronto introduced a sanctuary city policy called "Access T.O." that aimed to increase the accessibility of city services for non-status residents by ensuring that City staff did not need to inquire about immigration status. Efforts were also made to have City resources available in different languages.

A study conducted by the Ryerson Centre for Immigration and Settlement found, however, that the Access T.O. policy has not been effective in the desired goals of increasing access to services, nor was it successful in providing funding and support for legislative and policy change within the City (Hudson et al., 2017).

While the intentions of sanctuary city policies can be helpful for the day-to-day experiences of refugees and other undocumented migrants if implemented fully, there are critiques that the rhetoric of "sanctuary" provides an alternative to government responses rather than challenging the barriers that persist for refugee claimants and other non-documented residents (Bagelman, 2016).

If newcomers are unable to find housing or access information necessary to their immigration process then it seems unfitting to declare the city one that provides sanctuary, or even "access". While the City's efforts to ensure undocumented residents have access to services should continue, there was a strong sentiment among interviewees working directly with refugee claimants in Toronto that the City has a large role to play in advocating to upper levels of government to take more of a role in supporting the ability of newcomers to access safe, suitable and affordable housing.

STAKEHOLDER: City of Toronto	
CURRENT RESPONSE	IMPLICATIONS / RECOMMENDATIONS
<p>Family Shelters in Hotel Rooms and Student Dormitories</p> <p>As described earlier, the number of families requiring emergency shelter rose dramatically in recent years due to increasing numbers of refugee claimants coming to Toronto and not being able to access housing. In response, the shelter system increased its capacity through the use of 2,500 hotel and motel beds as short-term shelter spaces.</p>	<p>This approach has added flexible capacity to the system without the complicated bureaucratic process of opening a new shelter. However, this program comes at a very high cost to the City and does not invest in long-term solutions that provide lasting benefits into the future. Alternative approaches that make investments into lasting community infrastructure and housing options should be preferred, with the overarching goal of assisting people to find permanent and stable housing outside of the shelter system.</p>
<p>Request for Emergency Funding from Other Levels of Government</p> <p>Due to the high cost of delivering temporary shelter space in hotels, the City of Toronto has repeatedly requested funding support from the federal and provincial governments to provide assistance with expenses associated with settlement support for refugees. The Shelter, Support and Housing Administration (SSHA) department of the City of Toronto produced an operating budget briefing document, which states that “Immigration is a federal responsibility, with the provincial government providing certain income and health supports” (City of Toronto, 4 February 2019), prompting City Council to request support from other levels of government.</p>	<p>As of February 2019, the federal government had provided a total of \$26 million to the City of Toronto for costs incurred related to the temporary provision of shelter and the housing pressures currently being felt in the city. While this financial support is necessary given the budget constraints of the City, this amount will only cover just over 6 months of the cost of the temporary shelter being provided, and does not contribute to the development of a long term solution to this ongoing challenge. The City will continue to incur costs going forward as long as refugees arrive in Toronto and rely on the shelter system. Emergency funding without a broader strategy will not have lasting impacts.</p>

STAKEHOLDER: City of Toronto, cont'd

CURRENT RESPONSE

1,000 New Shelter Beds

Another approach being taken by the City to address the problem of the shelter system being overcrowded is to add more beds to the system. In 2018, the City of Toronto approved the expansion of the shelter system by 1,000 beds (City of Toronto, 30 May 2018). According to a City of Toronto Project Director at Shelter, Support and Housing Administration (SSHA) who is overseeing the process of getting new shelters built and opened, this is an unprecedented commitment to expanding the shelter system as there has not been a shelter built in Toronto in over 10 years (Acting Project Director, City of Toronto, personal communication, 21 February 2019).

The expanded shelter system will add 11 new shelters, each with under 100 beds based on operational best practices. In their search for new sites, SSHA is working with Real Estate Services at the City to find properties to purchase that have existing buildings that can be retrofitted into shelters. SSHA has chosen to retrofit buildings because it will be faster than new construction, which will assist in allowing them to meet the timeline set by Council.

SSHA is also primarily looking for single-storey buildings so that the shelter can be inherently accessible without needing to install and/or maintain an elevator. In addition, SSHA is targeting the outer areas of the city for some of the new shelter locations in order to have more shelter service across the city since the

IMPLICATIONS / RECOMMENDATIONS

It is encouraging that the City has taken an important step in investing in community services and infrastructure for those in our community that are street-involved and require emergency shelter. However, this 1,000 new beds program is extremely costly, at an estimated capital cost of \$179 million, or \$179,000 per bed. This is a huge investment into a temporary shelter option that does not provide longer-term, stable housing opportunities.

Total Capital Budget for Shelter Expansion	\$179 million
New Beds to be Created	1,000
Cost per Bed	\$179,000

Table 2. Cost of building new shelter beds in Toronto.

Source: City of Toronto, "2019 Shelter Infrastructure Plan and System Update Report" (30 May 2018b).

The strategy to retrofit single-storey buildings into shelters seems counter-productive when there is such a need for more density and housing in the city at this time, as well as the high cost of real estate in Toronto. Similarly, locating shelters in the suburbs with potentially limited access to transit, amenities and supportive services seems contrary to the needs of shelter users. As one shelter manager at a City-operated shelter said, "we need to shift the focus from shelter to housing" (Shelter Manager, City of Toronto, personal communication, February 2019). An approach that focuses on investing in housing options rather than shelter can be more sustainable and cost-effective in the long run, while easing

STAKEHOLDER: City of Toronto, cont'd**CURRENT
RESPONSE****IMPLICATIONS /
RECOMMENDATIONS****1,000 New Shelter Beds, cont'd**

majority of shelters are currently situated downtown. This search for properties is proving to be a very challenging exercise because of the current high cost of real estate. The price becomes even higher if SSHA is looking to purchase sites that are located close to transit, amenities and support services, which are important considerations for shelters (Acting Project Director, SSHA, City of Toronto, personal communication, 21 February 2019).

As of May 2018, SSHA had assessed 311 properties for shelter retrofit potential, and had found only 40 properties that were to be assessed further. Of these, only 5 properties were being pursued for purchase (City of Toronto, 30 May 2018b).

SSHA is working with the non-profit shelter operators who will be managing the new shelters to collaborate on the design of the retrofitted shelter spaces. The new shelters will be designed differently depending on the needs of each organization (Acting Project Director, SSHA, City of Toronto, personal communication, 21 February 2019). SSHA works closely with the local councilor and community organization that will be operating the shelter to facilitate engagement with residents prior to the opening of a new shelter (Acting Project Director, SSHA, City of Toronto, 21 February 2019).

pressure on the overwhelmed shelter system. If people have no way of exiting the shelter system into housing they can afford, the shelter system will continue to run at maximum capacity, no matter how many new beds are added, while people struggle to find stable housing.

STAKEHOLDER: Refugee Houses & Other Non-Profit Organizations	
CURRENT RESPONSE	IMPLICATIONS / RECOMMENDATIONS

Support Services, Capacity Building and Advocacy

Throughout this time of an increase in refugee claimants coming to Toronto, there has been a dedicated and tireless response from refugee houses and other non-profits who work with newcomers in Toronto. These organizations have been extremely active in supporting refugee individuals and families through their settlement process, and have valuable insights into the challenges that refugee claimants face when they arrive in Canada. These organizations provide temporary housing, health care, legal assistance, support with filing refugee claims, support with filing an application for Ontario Works, and assistance with finding permanent housing, among other supportive services.

In some cases, the refugee house will provide temporary shelter space for individuals or families to live in during their search for permanent housing and while they file their refugee claim (e.g. Christie Refugee Welcome Centre). In other cases, housing units are provided at an affordable rent that is geared to the Ontario Works housing allowance of between \$550 and \$697 per month (e.g. FCJ Refugee Centre). In most cases, the refugee houses are not financially self-sustainable, and require additional sources of funding to run their programs and maintain their spaces. These refugee houses have been operating at full capacity since the increase in claimants began (Shelter Manager, CRWC, personal communication, 28 February 2019;

The refugee houses in Toronto have also been working together to think through a longer term strategy for increasing the capacity of the refugee houses. The group has been advocating to the City of Toronto for better support for refugees, suggesting that the City work with local stakeholders and the other levels of government to create a Welcome Centre in Toronto that could serve as a central hub and landing place when refugees arrive in the city. This Toronto network of refugee houses has proposed a refugee capacity plan that would increase the city's capacity to house and support refugees, and ensure that refugees have access to housing options at all stages of their settlement process.

Even though there is an obvious need for a Welcome Centre in Toronto, and ample interest by the refugee house leaders, the City has not yet come around to the idea of establishing a Welcome Centre or collaborating on longer-term housing strategies, despite the "Access T.O." policies implemented by the City (ibid).

It would be beneficial to leverage the interest, experience and capacity of the refugee houses to deliver on a strategy in Toronto for managing the increasing numbers of refugee claimants in Toronto in need of support and housing.

STAKEHOLDER: Refugee Houses & Other Non-Profit Organizations, cont'd	
CURRENT RESPONSE	IMPLICATIONS / RECOMMENDATIONS

Support Services, Capacity Building and Advocacy, cont'd

Francisco Rico-Martinez, Co-Director, FCJ Refugee Centre, personal communication, 30 January 2019).

Besides providing day-to-day support to refugee claimants, refugee houses are actively engaged in building the capacity of organizations that support refugees in Ontario. There is a coalition of twenty refugee houses across Ontario that has bi-monthly meetings to share information and inform each other of any changes in the refugee claim process or policies (Shelter Manager, CRWC, personal communication, 28 February 2019).

Significance of Findings

The research and findings discussed above point to the challenges presented by the sudden increase in refugee claimants in Toronto in need of support, and the inadequacy of responses by federal, provincial, and municipal actors. There doesn't seem to be any real coordinated effort, except for the work of the refugee houses forming a network and advocating for change. The inability of different stakeholders to strategize in a collaborative way has led to intense pressure on municipal services and non-profit organizations. A lack of leadership from any level of government is a key challenge that is leading to high-cost, short-term responses that are siloed and unsustainable. Each group may be assuming that another level of government will address the issues or that the volume of refugee claimants will reduce to pre-2016 levels.

At the federal level, responses are focused around one-time financial assistance and adapting policy to discourage refugee claims, a tactic that is contrary to Canada's humanitarian responsibilities. At the provincial level the approach has been to push the responsibility to the federal government while refusing to share the costs. At the municipal level, responses have focused on increasing the capacity of services and emergency shelter in ways that are temporary and expensive. The refugee houses have made efforts to work collaboratively with the City but there has been little success to date. There is little or no strategic planning being done between different stakeholders that could lead to solutions that would have long-term benefits.

Trends in immigration to Canada point to the likelihood that there will be similar surges in refugee claimants migrating to large cities in the future. The current dedicated policies and programs in place in Canada are mainly directed at sponsored refugees, leaving municipalities and civil society to address the needs of the refugee claimant population. This has serious downstream effects, causing political tension, budget deficits, immense pressure on those delivering shelter and other services to refugee claimants, and a lack of guidance or support for refugee claimants themselves as they navigate Canadian society. These challenges have underscored the inability of our current social service systems to deal with change.

This inability to develop joint strategies highlights an urgent need for a renewed approach to dealing with these sorts of complex challenges. Investments into long-term community infrastructure should be favoured over short-term emergency responses. These investments would provide a foundation for our cities to be able to respond to the growing and changing needs of community members.

The next section of this report sets out some examples of concrete responses that require cross-government collaboration and funding support. These strategies would help to ensure that Canada can support refugee claimants more effectively during their claim, taking strain off of the local support systems while investing in infrastructure that will benefit our communities as a whole for the long-term.

5 | STRATEGIES FOR IMPROVED SETTLEMENT SUPPORT & HOUSING OPPORTUNITIES

Over the course of this research, several potential initiatives became apparent that could be implemented to provide more effective delivery of settlement support while investing public funds into strategies that have lasting community benefits for refugee claimants and other community members alike. These initiatives include those that specifically support the initial settlement of refugee claimant households in Canada, such as the creation of a Welcome Centre in Toronto and other large metropolitan areas, increasing the capacity of the refugee houses, and leveraging the refugee house network for advocacy in the sector.

Additional initiatives are explored as well that would improve the availability of affordable housing options more generally, including expanding existing affordable housing funding programs, protecting housing that is at risk of being sold or renovated, and redeveloping shelter sites to include additional housing options that would assist people with exiting the shelter system. These ideas are outlined in more detail below.

Improve Refugee Settlement Support

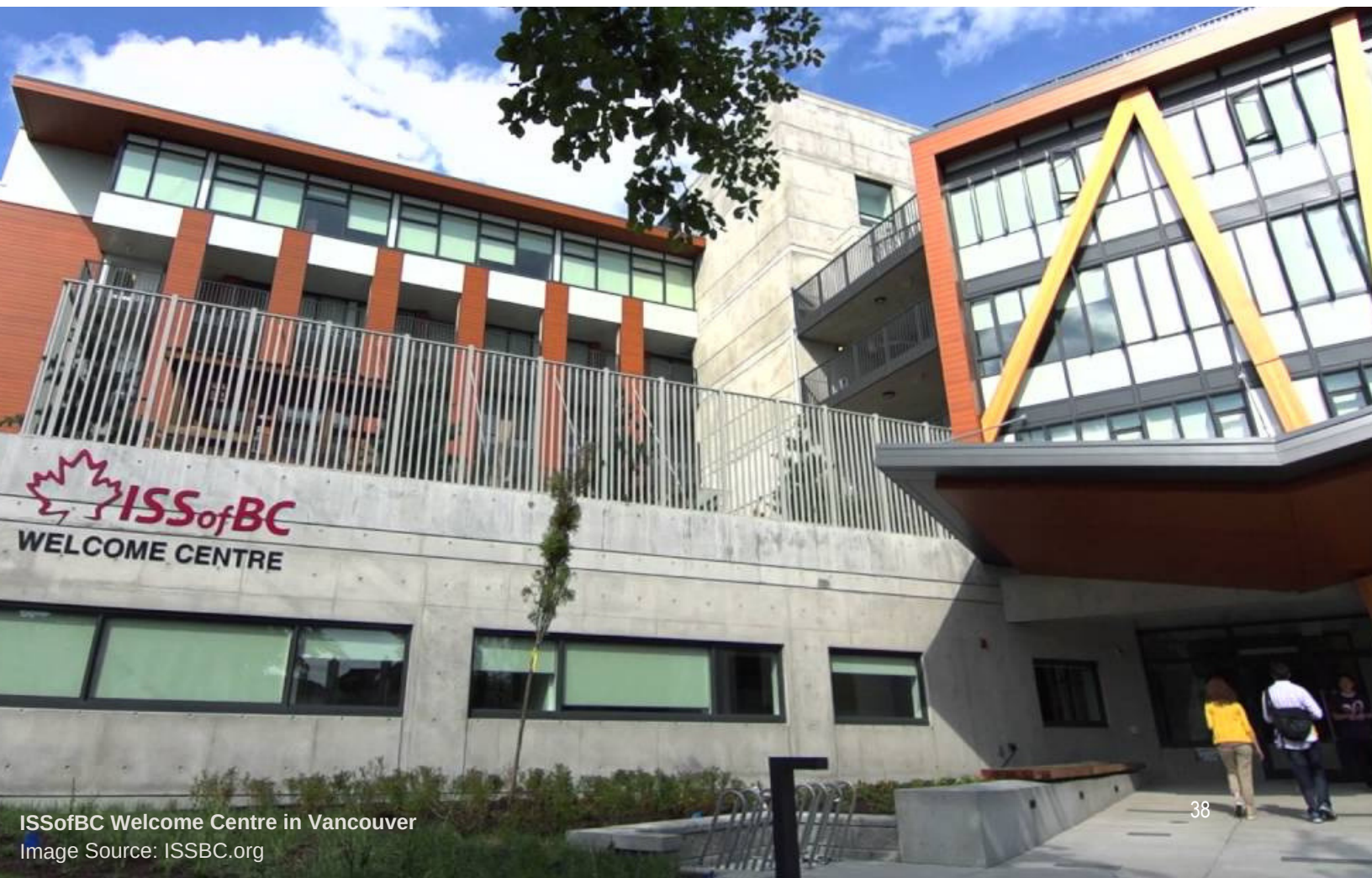
Refugee claimants experience specific challenges around accessing important supportive services, both due to the vulnerabilities associated with filing for refugee status, as well as the lack of a coherent settlement support system in Canada. In addition, the responses that have been implemented so far to address this lack of settlement support for refugee claimants upon initial arrival have fallen short, and have been reactive and expensive with no long-term plan for the future.

Part of the current challenge is a lack of supportive infrastructure in place in Canada for refugee claimants. While improved settlement support would require cross-government collaboration and funding, it would help to take pressure off of municipal services such as the shelter system and provide refugee claimants with more stable support when they first arrive in Canada. The following approaches are targeted at improving refugee settlement support in Toronto but could be adapted to be implemented in other places where refugee claimants choose to settle.

Strategy 1: Create a Welcome Centre in Toronto

A Welcome Centre is a facility that offers newcomers a range of services and advice to assist in their settlement process. These centres often incorporate health care, language services, legal aid, childcare, and assistance with finding employment and housing. Some will also include temporary housing units to provide families with simple accommodations where they can live while they look for more permanent housing. Welcome Centres provide important services that can be used by all newcomers no matter their immigration status.

Toronto currently does not have a Welcome Centre for newcomers. According to interviewees working directly with refugees, at this time refugee claimants (and likely other recent immigrants as well) experience particular difficulty attaining correct information about the necessary steps involved in the time-sensitive refugee claim process, as well as information on how to find housing, how to register children into school, and other necessities. It has been advocated by the network of refugee houses in Toronto that the city would benefit greatly from this sort of resource (Shelter Manager, CRWC, personal communication, 28 February 2019; Francisco Rico-Martinez, Co-Director, FCJ Refugee Centre, personal communication, 30 January 2019).



Vancouver has had great success with the Welcome Centre they have established in the city, which was opened in 2016 by the Immigrant Services Society of BC. The centre connects newcomers to important supports and services, and provides temporary transitional housing while other arrangements are made for permanent housing. Over 600 people use the centre each day to access a wide variety of services, such as settlement support, language training, employment services, a youth hub, childcare, medical clinic, banking services, and flexible meeting spaces (Immigrant Services Society of BC, 2019).

This sort of resource would be extremely useful in Toronto, especially given that there is interest among the local refugee houses to spearhead the establishment of a centre of this type (Shelter Manager, CRWC, personal communication, 28 February 2019; Francisco Rico-Martinez, Co-Director, FCJ Refugee Centre, personal communication, 30 January 2019).

Strategy 2: Expand the Capacity of Refugee Houses

Given the growing need for supportive services and housing for refugee claimants when they first arrive in Toronto, it would be beneficial to grow the capacity of existing organizations to support this segment of the population. There are several refugee houses in Toronto, such as the Christie Refugee Welcome Centre (CRWC), Sojourn House, FCJ Refugee Centre, Romero House, Matthew House, among others, which are operating at or near capacity both in terms of space and ability to offer supportive services given their limited financial resources (Francisco Rico-Martinez, Co-Director, FCJ Refugee Centre, personal communication, 30 January 2019). Currently, these refugee houses rely on a patchwork of funding sources which differ depending on the organization. Some rely on City of Toronto shelter funding, others receive some provincial funding, and some receive essentially no public funding at all (ibid).



FCJ Refugee Centre in Toronto
Image Source: FCJ Refugee Centre

A steady, reliable source of operating funding would assist with the ability to hire more staff for the day-to-day operations of their facilities as well as offer more supportive services and housing. In some cases, depending on the site and the interest of the organization, capital funding for the expansion or redevelopment of the refugee houses may also assist with providing additional temporary housing for families in need of support. Ongoing operating support would be vital to ensure that necessary maintenance and repairs could be done to facilities. An example of how an injection of capital funding could help a refugee house or other shelter to expand its operations and serve more people is explored in the next chapter.

Strategy 3: Leverage the Existing Ontario Coalition of Refugee Houses

At this time, there is no coordinated regional or provincial response to the increase in refugees in Ontario. If a refugee family would be interested in moving to a different municipality in Ontario, especially given the high cost of living in Toronto, there is currently no straightforward way to determine if another municipality has an affordable unit available that would be suitable for the family. It is up to individual support workers to contact organizations and providers in other municipalities to find available housing options (Shelter Manager, CRWC, personal communication, February 2019; Shelter Manager, City of Toronto, personal communication, February 2019).

There may be some potential to leverage the existing network of refugee houses in Ontario to notify each other of affordable housing options in another municipality. Given that the coalition of Ontario refugee houses already meets every other month, there may be an opportunity to create a database where organizations could easily share information about space available in the refugee houses, or other affordable housing options in municipalities across Ontario.

Strategy 4: Establish Temporary Accommodation Networks

Since there is no way to anticipate when the number of refugee claimants in Toronto will increase, it may be beneficial to have flexible and adaptive space that could become available as needed that is less costly than hotels. For instance, an organization called Positive Action in Housing based in Glasgow, Scotland has developed a network of individuals willing to offer space in their homes for refugees. The program, called Room for Refugees, was started in 2002 and now offers 29,000 nights of shelter a year through its network of 7,200 hosts in the UK, US and other countries (Positive Action in Housing, 2019). A program like this would need to be regulated and managed in a way that ensures the safety of all those involved, but it could help to unlock some of the unused space in the city in people's homes to help refugees in need of temporary accommodations.

Invest in Affordable Housing Options

The lack of affordable housing options in Toronto is an issue that affects all residents of the city, while having more dire negative impacts on the most vulnerable members of our society. Over the course of this research it became clear that, in the City of Toronto, the concerns around access to housing for refugee claimants is part of a much broader housing affordability and access issue. Additional resources need to be allocated to the expansion of housing options at various levels of affordability, rather than relying on emergency shelter and the private market which consistently becomes more and more expensive. In advocacy for more resources for refugee shelters and houses, the broader picture should be kept in focus, which is the need for more housing options for individuals and families to exit the shelter system.

In Toronto, there has been a large increase in the funding being allocated to improving and expanding the shelter system, while affordable housing programs have been left with limited resources. Rather than investing funds into the expansion of the shelter system, funds could be leveraged to upgrade existing affordable housing in the city and to develop more non-profit housing that can help people in their journey from shelter into housing. Shifting the conversation from shelter to housing will be a big step in the process of moving towards strategies that have a lasting impact, investing in community assets while removing pressure from the shelter system to free up space for when additional capacity is needed.

As described earlier, the City of Toronto has been able to allocate \$179 million of capital funding towards the expansion of the shelter system by 1,000 beds. This is significantly more funding than the City allocates to the development of new affordable housing. While the shelter system is no doubt in need of more capacity and upgrades, by concentrating public funds in a short-term support system such as shelter, a bottleneck of service is created, and the opportunity is missed to invest in housing infrastructure that could provide more long-term affordability benefits. Below are several examples of ways that existing resources could be reallocated to support housing strategies that have longer term benefits for more people.

Strategy 5: Expand the City of Toronto Affordable Housing Programs

This sudden influx of people in need of temporary housing has highlighted the challenges associated with providing shelter in short notice, especially for families. Given the high demand for shelter beds and the lack of family shelter space in Toronto, one strategy to help ease the pressure on the shelter system would be to simply build more affordable housing. One way this could be done is by expanding existing programs that are in place that help to get more affordable housing built.

For instance, there is currently \$20 million of capital funding allocated to the Housing Now Initiative, a program that makes use of City-owned land for development with affordable housing requirements. This program could be expanded, and additional capital funding could be used to support the development and operation of more affordable units within these larger sites.

As another example, there is approximately \$10 million of capital funding allocated to the Open Door Affordable Rental Housing Program, as well as funding to waive certain fees and property taxes for affordable rental housing developments. This program could be expanded to include additional capital funding that could be applied to projects so that housing providers could maintain more housing units at deep levels of affordability, while ensuring that the project is financially viable.



Cover page from the City of Toronto Open Door Program Guidelines
Image Source: City of Toronto

Since these affordable housing incentive programs are already in place, there would be no additional administrative costs associated with expansion of the capital funding allocations. This would also make efficient use of existing programs while leveraging funding opportunities at other levels of government that are currently available for affordable housing development (such as funding available through the National Housing Strategy).

By offering more capital funding to projects with deep levels of affordability, those members of the community who currently are relying on shelter for housing may be able to transition into a stable housing unit. This would ease the pressure on the shelter system and allow the system to react more easily to sudden changes in demand because the shelters would not be consistently full.

Strategy 6: Protect Affordable Housing At-Risk of Being Redeveloped

While the City of Toronto is working to find properties that could be retrofitted into new shelters, there does not seem to be a strategy in place to protect existing affordable rental housing that is at risk of being sold and turned into higher cost units. By taking a narrow approach while going through an onerous real estate search, looking only for sites that would be appropriate for shelters, the energy and time being spent is benefiting only a narrow set of goals (i.e. creating additional shelter space). What may be a more strategic approach would be to consider multiple goals, such as expanding the shelter system, protecting and increasing the stock of transitional and affordable housing, ensuring there is access to housing resources, etc. By expanding the search criteria, and shifting funding from shelter expansion to housing preservation and development, more options may become available while still contributing towards broader housing and sustainability goals.

For example, if an affordable rental building in the private market is for sale, rather than waiting for a developer to purchase the site and redevelop it into luxury housing, the City could take a more proactive approach and purchase the property using municipal, provincial and federal funding programs and renovate the units to get them up to code. After renovations, the building could be transferred to a non-profit for a nominal fee or through a land lease, and the non-profit could take on the operations and management of the property. This approach would allow funding to go towards preserving affordability in perpetuity and avoiding displacement of tenants, while having the added benefit of preserving low-cost housing for people who may normally rely on the shelter system in times of housing insecurity. An example of a property that could have been purchased by the City and transferred to a non-profit housing operator is detailed below.

Example: 20 Pell Street, Scarborough

An example of a property that may have been at risk of losing affordable units to renovation and subsequent increase in rents is at 20 Pell Street in Scarborough, a 32-unit building near Kingston Road and Midland Avenue. The site includes three buildings on a lot that is over 31,000 square feet, and was for sale for \$7.5 million in May 2019. The building is in very poor condition (the building was featured on a local list of the top 10 worst apartment buildings based on violations issued by inspectors. This building had 64 violations as of May 2016). The property is located next to the Scarborough Bluffs Co-operative, an affordable housing provider in the area.

20 Pell Street

Toronto, Birchcliffe-cliffside

\$7,500,000

Added 110 days ago

n/a Bed • n/a Bath • 18000 sqft

Type: Investment

Walk Score: 78

Style: [Contact Us](#)

MLS®#: E4321984

Size: 18000 sqft

Days on Site: 110

Lot Size: 225 x 139 Feet

Listed By:

Age: [Contact Us](#)Royal Lepage Exceptional Real Estate
Services, Brokerage

Taxes: \$48,500 /yr

Last Checked: 7 minutes ago

Last Updated: 12 days ago

Added to Zolo: Dec 13, 2018



Figure 8. 20 Pell Street in Scarborough is an example of a property that could have been purchased in order to protect existing affordable housing units.

Source: Zolo.ca [<https://www.zolo.ca/toronto-real-estate/20-pell-street>]

This property presents an example of a situation where the City could have assisted with the expeditious acquisition of the site and use low-interest financing to pay for the purchase and necessary renovations to bring the building up to code. Other sources of funds could be leveraged in this example such as the National Housing Strategy Co-Investment Fund and funding programs for energy efficiency retrofits. The property could later be transferred to a non-profit to operate the building and preserve the affordability in perpetuity.

Strategy 7: Explore the Redevelopment of Shelter Sites

In the current efforts to expand the shelter system, the City of Toronto is having difficulty finding suitable properties with buildings that can be retrofitted into new shelters given the current cost of land (Acting Project Director, SSHA, City of Toronto, personal communication, February 2019). Therefore, the densification of existing shelter sites may be one strategy worth exploring. The analysis of current shelter properties to determine if there is potential development feasibility could be a worthwhile exercise, especially given the broader affordability challenges in the city.

In some cases, it may be feasible to add more shelter beds to a site, or to add affordable rental apartments or transitional housing onto a site where a shelter currently exists. Adding housing units would provide an alternative option for those who would be able to exit the shelter and rent their own apartment if it were available at a below-market price.

Indeed, it is much more financially sustainable to operate affordable housing, that receives rent from tenants, as compared to a property that only operates shelter beds which is very expensive to operate. Analysis of the hypothetical redevelopment of a shelter site in Toronto (detailed in the following chapter) shows that it is much more economical to produce affordable housing than to provide additional shelter beds.

The possibility of redeveloping a shelter site would depend on the particular features of a shelter property, including the dimensions and location of the site, the type of shelter that already exists there, and the capacity and interest of the shelter operator to redevelop the property.

For many people, an apartment would be much preferred to staying in a shelter - a housing unit provides the tenant with autonomy, a sense of safety, and the ability to have a fixed address. Investing in transitional and affordable housing would also be in line with the City's "housing first" approach to homelessness prevention, which asserts that the first priority for anyone experiencing homelessness should be to have a stable home.

Supporting the development of non-profit, community-owned affordable or transitional housing units would have multiple lasting benefits, including providing deeply affordable housing options for those who would otherwise rely on the shelter system, and improving health and employment outcomes for community members. An approach that involves redeveloping existing shelter sites would allow for more efficient use of resources, adding housing units where there were previously none, avoiding the need to search out properties to purchase for new shelters, and reducing the need for additional staff in new shelter locations.

The redevelopment of shelter sites to include affordable housing units can have important city-building and ecological benefits as well since buildings would be more energy efficient, and density would be added through infill development close to public transit and other amenities.

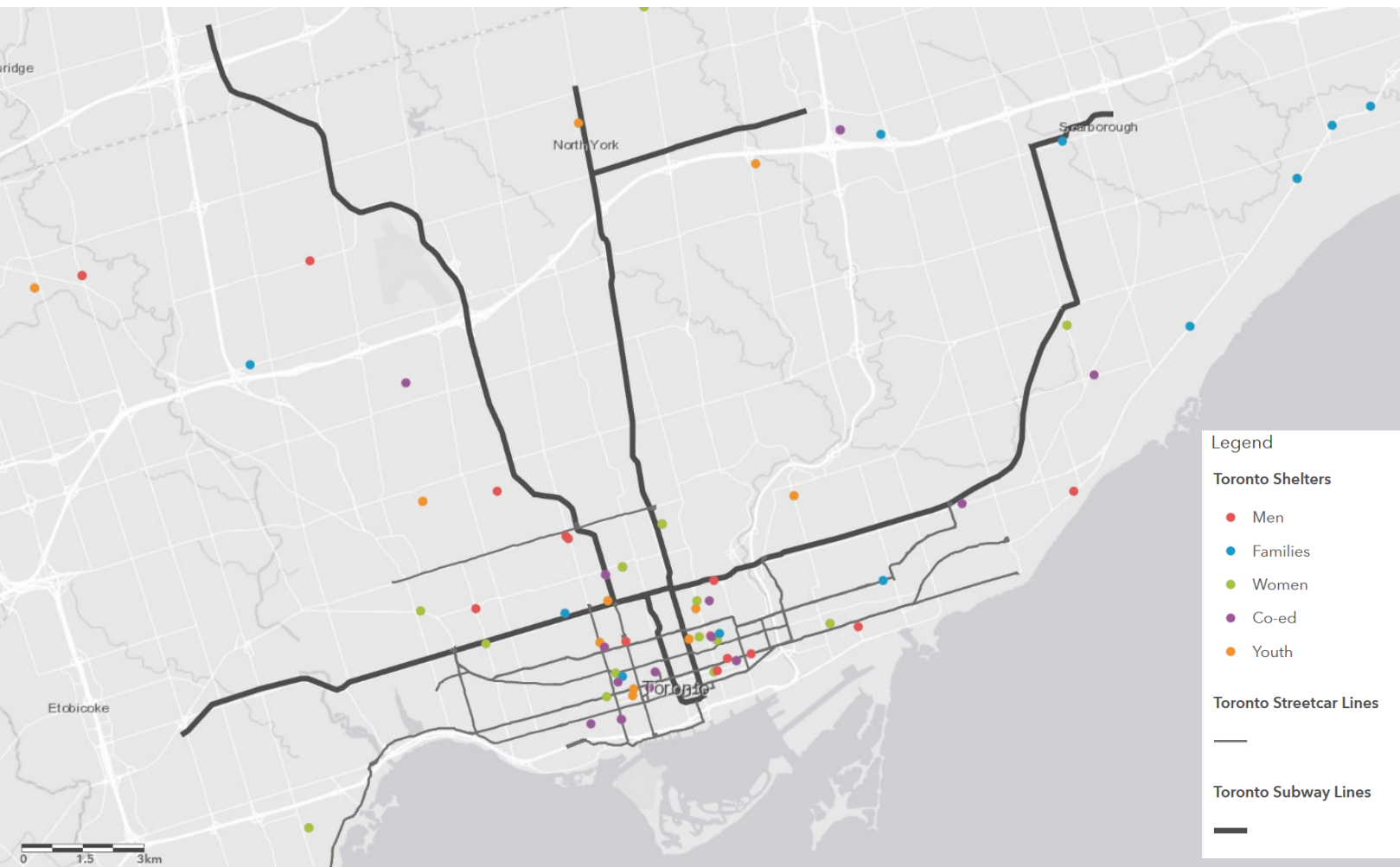


Figure 9. Map of the City of Toronto shelters overlaid onto the TTC subway and streetcar routes.

Sources: Data from City of Toronto daily shelter reports; Base map from OpenStreetsMap.

When looking at a map of the locations of shelter sites across Toronto in Figure 9, many shelters are located in close proximity to subway and streetcar lines, and many more are along bus routes that are not indicated on the map.

Another positive outcome of putting resources into developing housing on shelter sites is that public investment can be put towards a lasting community asset that can adapt more easily to the changing needs of society. A shelter building serves essentially one purpose, albeit an important one, which is to provide a temporary place to stay in times of housing insecurity. It also relies exclusively on public funding that has been allocated to shelter. A housing unit on the other hand can serve a variety of populations depending on the need and can access different forms of public, private and philanthropic funding depending on the programming and depth of affordability.

The approach of having shelter space on the same site with different housing types is already being initiated at the George Street Revitalization project, where the City of Toronto is undertaking a massive redevelopment of Seaton House, the largest shelter in Toronto. In this project, the shelter is being rebuilt, and transitional and supportive housing is being added on the same site (City of Toronto, n.d.). This is a far more complex project than the simple redevelopment of smaller shelter sites, but provides a precedent for how shelter programs can be integrated with other housing types.

A case study showing how a shelter site could be redeveloped to include affordable housing is described in detail in the following chapter.



Rendering of George Street Revitalization in Toronto

Image Source: City of Toronto website

Summary of Identified Strategies

Strategies for possible initiatives became apparent during this research which could support real positive impacts for refugee claimant populations and other residents of Toronto. A Welcome Centre for newcomers is a clear need given the many people who choose to move to Toronto from countries all over the world. The refugee houses in Toronto are doing amazing work to support the settlement of refugees across the city, but they are strained and in need of additional capacity. More funding support for operational expansions would be prudent given the important service they are providing in communities. The Ontario coalition of refugee houses is an important network that may have potential to be leveraged so that information can be shared across regions. There may also be opportunity to develop temporary accommodation networks that can respond to urgent needs when there is not enough shelter or other temporary housing available.

More broadly, there is a need to advocate for a shift in focus from expanding the shelter system in Toronto to supporting the development of a range of housing options that will support people in their move into permanent housing. Existing affordable housing funding programs should be expanded so that more units are built, and existing private or non-profit units that are at risk of being lost are protected so that the affordable units that we do have are not redeveloped and made to be unaffordable. Given the City of Toronto's current focus on expanding the shelter system, the findings from this paper show that the expansion of the shelter system is not economical and does not contribute to a healthy housing system. Instead, resources should be spent in other ways to support housing options rather than shelter. In some cases, there may be opportunities to assess the feasibility of redeveloping shelter properties to include other forms of housing, such as transitional and affordable units.

The following chapter explores one case study of how the redevelopment of a shelter site near Bloor Street West and Christie Street in Toronto could allow for renewed shelter space as well as housing units for families at deeply affordable rents. By adding density to a shelter site and leveraging existing funding programs, lasting community impacts are provided through affordable housing units that help people, including refugee claimants, to make the move out of shelter and into a more stable housing situation.

6 | CASE STUDY: CHRISTIE REFUGEE WELCOME CENTRE REDEVELOPMENT SCENARIOS

Background

A case study was done to examine the hypothetical redevelopment of an existing shelter site in Toronto. This demonstration site was chosen in order to provide an example of how the redevelopment of a shelter site could be a feasible approach to easing the pressure on the shelter system while providing stable housing to those in need. The aim of this exercise is to understand the amount of capital funding that would be required to build transitional housing as compared to the amount of funding that is being spent on temporary shelter beds in hotels. By changing the building program on a site to include housing units, funding can be spent on a lasting community asset that will provide stable housing into the future rather than a temporary emergency response.

This case study examines the hypothetical redevelopment of the property at 43 Christie Street near the intersection of Bloor Street West and Christie Street in Toronto, which is the site of the Christie Refugee Welcome Centre (CRWC), shown in the map below. This site was selected with the permission of CRWC leadership and is purely a hypothetical scenario for the purposes of this report.



Location of the Christie Refugee Welcome Centre near the intersection of Bloor St West and Christie St

Image Source: Adapted from Google Maps.



Christie Refugee Welcome Centre

The CRWC is a non-profit organization that currently provides a wide range of supports to refugee claimant families, ranging from emergency housing to ongoing settlement support services. The CRWC owns and manages the property at 43 Christie Street, consisting of three low-rise buildings. In these buildings, there is currently a 76-bed family shelter, the CRWC's offices, settlement support services, common spaces and a dining area. The shelter consists of 30 rooms, allowing the organization to provide temporary accommodations to approximately 25-30 families at a time (76 beds total). The organization has support staff on site, as well as housing specialists that assist families with the search for permanent housing.

The space in the buildings is being used to its full capacity at this time. The shelter program is supported through funding from the City of Toronto, with an annual allocation of just over \$1.3 million for running the emergency shelter space. Any additional funding required by the organization for capital repairs to their buildings, supportive services and programming is fundraised by the CRWC or acquired through other sources. The details of the current building and program are described in Figure 10 below.

BUILDING DETAILS		OPERATING INCOME (Annual*)	
Site (SF)	17,869	Shelter Allocation from City of Toronto	\$ 1,369,622
Building Footprint (SF)	8,181	<i>*Other sources of operating income that CRWC may have are not included here</i>	
Site Coverage	46%		
Storeys	2 + basement		
Building (SF, incl. basement)	24,500		
Residential area (SF)	10,500		
Non-residential area (SF)	14,000		
Floor Area Ratio	1.4		
		BUILDING PROGRAM	
		Shelter Beds	76
		Shelter Rooms	30

Figure 10. CRWC site and building details, shelter program and approximate shelter allocation, as of April 2019.

Sources: Shelter Manager, CRWC, personal communication, 28 February 2019; City of Toronto Interactive Zoning Map; City of Toronto "2018 Funding Allocations for Shelter and Related Services" (30 May 2018).

Redeveloping a shelter site would need to be a collaborative effort between different levels of government and non-profit shelter/housing operators. This strategy would bring in financial resources from government housing programs as well as the expertise and community connectedness of the non-profit partner.

At the federal level, recent investments in housing by the Canada Mortgage and Housing Corporation (CMHC) through the National Housing Strategy are providing funding for this sort of initiative (Canada Mortgage & Housing Corporation, 2019). The provincial government could contribute rent supplements to assist with lowering rents while still being able to cover the operations and management of the building. At the municipal level, the City of Toronto could contribute funding to redevelop these sites through reallocated shelter expansion funds (part of the approved \$179 million) or funds that would otherwise go towards the hotel program, as well as exemptions from development fees and property taxes to assist with achieving deeper levels of affordability. Units could be operated by the partner non-profit organization that already owns the site, or by another non-profit partner with experience in managing affordable or transitional housing units.

This analysis of what a redevelopment of the shelter site could look like has surfaced some interesting findings. By adding density to the site, the shelter space could be rebuilt and new affordable housing units could be added. The new federal funding programs through the National Housing Strategy that could be leveraged to receive capital funding and low-interest financing through the CMHC. A transitional housing allocation from the City of Toronto would be required to supplement rents to ensure that households could afford to rent an apartment in the building while receiving the Ontario Works housing allowance (\$697 per month for a household of three).

A redevelopment of the site that replaces the shelter space and the CRWC office and program space, and adds transitional housing units would require a grant contribution of approximately \$7-8 million. If deeper levels of affordability are being targeted, or if there would be no transitional housing allocation available from the City to supplement rents, a larger grant would be required.

Ultimately, the housing built on a site that is currently being used for a shelter would make better use of land, and would be non-profit owned and operated, ensuring affordability is protected in perpetuity. Families that would have normally relied on the 100% subsidized shelter system could move into partially subsidized housing that is more suited to finding employment, putting kids into school, and generally establishing financial security.

Additional detail of the analysis conducted to determine the redevelopment potential of the CRWC property is included in the following section.

Redevelopment Potential

A redevelopment at a shelter site could take many forms depending on the goals of the organization and the City, as well as the availability of funding. For this example, it is being assumed that a redevelopment would involve demolishing the existing buildings and redeveloping the site with a single larger building. It is being assumed that the CRWC would replace the 76 shelter beds that it currently manages, and that any additional floor space would be used for transitional apartments for families. The CRWC site was used in this example given that currently 40% of shelter users are refugees or asylum claimants - by focusing first on the organizations that provide housing and support to this population, housing units would immediately ease pressure on the shelter system. Other shelter sites that do not specifically serve refugee populations should also be assessed for redevelopment potential.

Some examples of desired outcomes that could result from the redevelopment of a site such as the one at 43 Christie Street include:

- increasing the number of affordable housing units;
- increasing the capacity of the non-profit organization to serve an underserved population by providing housing units that will remain affordable in perpetuity;
- increasing the efficiency of the site by adding height and density;
- adding residential units in close proximity to a subway station and a large public park; and
- providing transitional housing for homeless families, taking pressure off of the shelter system.

Many shelter sites in Toronto could have development potential. Important factors that impact whether it would make sense to add housing to shelter sites include:

- There should be organizational interest in growing the capacity of the operation (assuming there would be adequate financial support);
- The size of the site – it should be large enough to accommodate the development of a mid-rise or high-rise building;
- The location of the site – the site should be located in close proximity to public transit, basic needs and amenities, and supportive services;
- The site should be suitable for an increase in height without having significant shadow, view or light impacts on surrounding neighbours; and
- Ownership of the property - it is ideal if the shelter provider or City owns the site outright (a mortgage on the land would make the financing more difficult and potentially require more capital funding incentives).

Generally, the site at 43 Christie Street seems to be an excellent site for redevelopment. Other shelter sites should be assessed to determine if there is potential to add affordable housing units on site. Assumptions made in this case study will not necessarily apply to other shelter sites, such as achievable building height or the ability to reduce the amount of required parking due to proximity to a subway station.

Site Analysis

An analysis of the 43 Christie Street site assists with scoping the scale of redevelopment that may be able to take place on the site, and the compatibility of the site for redevelopment with higher density built form.



Christie Refugee Welcome Centre site dimensions

Image Source: Adapted from Google Maps.

The CRWC property is currently comprised of three adjacent land parcels with small walk-up residential buildings that have been retrofitted to accommodate the family shelter. Combining the three land parcels together creates a site that is large enough, with the appropriate dimensions, to support the development of a mid-rise building. Site and building statistics are included in the table below.

	F / SF	m / m²
Site Area	17,869 SF	1,660 m ²
Site Perimetre	532 F	163 m
Current Building Footprint (three buildings combined)	8,181 SF	760 m ²
Gross Floor Area (incl. basement)	24,500 SF	2,276 m ²
Gross Floor Area (excl. basement)	16,333 SF	1,517 m ²
Floor Area Ratio (incl. basement)	1.4	

To get an idea of the approximate height and density of a building that could be constructed on this property, the City of Toronto Official Plan and zoning by-law were reviewed, as well as other applicable policies and design guidelines. The existing buildings in the surrounding area also provide some context for building height that would be appropriate in the Bloor and Christie area.

The City of Toronto contracted an Avenues and Mid-Rise Buildings Study to provide guidelines for redevelopment applications for properties along larger corridors in the city. According to this study, the suggested height of buildings on major streets with a right-of-way width of 20 metres is 6-storeys, or 19.5 metres (64 feet). At this building height, the ideal minimum lot depth is 32.6 metres. The property at 43 Christie Street has a lot depth of 40.5 metres if the rear laneway is not included, and 45 metres including the rear laneway.

Since the property at 43 Christie Street is located across the street from Christie Pits Park, it may be considered reasonable to increase the height of a development above the suggested 6 storeys based on the right-of-way width. A taller building would allow for more efficient use of land with limited shadow, privacy and light impacts on surrounding buildings given the buffer of the rear laneway to the east and the park to the west. A larger building would have the added benefit of providing more units at deep levels of affordability while requiring less capital funding per unit, as will be explained further in the financial analysis section below.

Table 3

R.O.W. Width ¹	Mixed-Use		Commercial	
	storeys	height (m) ²	storeys	height (m) ³
20m	6	19.5	5	18.9
27m	8	25.5	7	26.1
30m	9	28.5	8	29.7
36m	11	34.5	9	33.3

Assumptions

- 1 - R.O.W. widths as identified in Official Plan Map 3
- 2 - Mixed Use heights assume 4.5m for ground floor and 3.0m for all floors above
- 3 - Commercial heights assume 4.5m for ground floor and 3.6m for all floors above

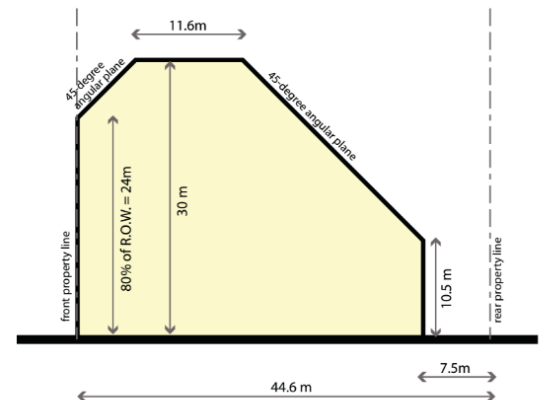
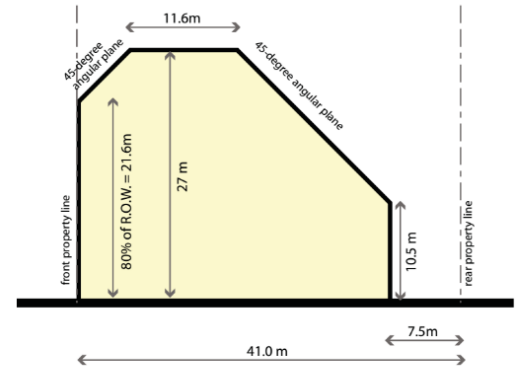
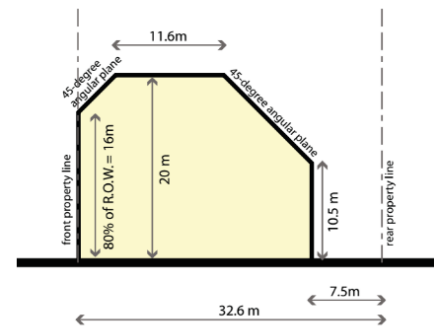
Table 4

R.O.W. Width	Lot Depth
	Ideal Minimum
20m	32.6m
27m	41.0m
30m	44.6m
36m	51.8m

Assumes a depth of 11.6 metres at the uppermost height per R.O.W. (using a setback of 7.5m & 45-degree angular plane from 10.5m above the setback).

Tables 3 and 4 above are excerpts from the Avenues & Mid-Rise Buildings Study, outlining the optimal mid-rise building heights for different right-of-way (R.O.W.) widths, as well as the ideal minimum lot depths for different building heights and R.O.W. widths. The lot depths identified include rear laneways and allow for efficient building design given the suggested setbacks and stepping back of upper storeys.

Source: City of Toronto, 2010.



Excerpt from the Avenues & Mid-Rise Buildings Study depicting the relationships of building heights to different right-of-way widths and lot depths with the 45-degree angular plane shown.

Source: City of Toronto, 2010.

The property at 43 Christie Street has exceptional accessibility to transit and local amenities. The site is 130 metres from the Christie subway station located at Bloor Street West and there is a bus that runs along Christie Street with a stop very close to the CRWC. The site is also across the street from Christie Pits Park, providing access to a large green space and recreation opportunities at the Alex Duff Memorial Pool and the Sid Smith Ice Rink.

There is a pharmacy within 200 metres of the site, and both a public library and public schools within 650 metres. There are two large grocery stores within 450 metres from the site, and other small fruit and vegetable retailers. In addition, the Bickford Centre located just 300 metres from the site offers English language classes to adults through the Toronto District School Board.

The location of the site in relation to amenities and services is shown in Figure 11.



Figure 11. CRWC site location with surrounding amenities and services, such as transit, shops, schools, library and green space.

Source: Adapted from ArcGIS OpenStreetMap.

Development Scenarios

In this case study, three development scenarios are compared – redevelopment of the site into a 6-storey building, a 7-storey building, and a 9-storey building. This comparison assists with showing how the financial model for a redevelopment project is affected when additional units can be built due to increased building height. These scenarios take into account the approximate cost of building the replacement shelter rooms, community space and CRWC offices while adding new transitional housing units.

The goal of this exercise is to determine the approximate total cost of a redevelopment and the capital funding that would be needed for the project to be viable. Modeling out the scenarios helps to estimate the financial support that would be required to build new housing units as compared to the amount of funding that is currently being used for temporary shelter in hotels or to build new shelter beds.

Development Costs

The project costs that are used in the three development scenarios include the cost of land (land value), hard costs (such as the building materials and construction management services), soft costs (such as consultants, feasibility studies and rezoning costs), financing costs (interest and fees on loans) and the contingency fund that covers any unexpected expenses that may arise during construction.

The estimates for the cost of development in Table 3 below are based on the Altus Group 2019 Canadian Cost Guide and confirmed through conversations with professionals who work in affordable housing development. Conservative figures have been used in order to account for potential additional costs associated with energy efficiency measures, accessibility features, and construction cost escalation.

	Per SF	Per m ²
Land	\$130	\$1,399
Hard Costs	\$300	\$3,299
Soft Costs (incl. municipal fees)	\$35	\$377
Cost of Financing	\$35	\$377
Contingency	\$22	\$237
TOTAL	\$522	\$5,689

Table 3. Approximate development costs, as of April 2019.

Source: Altus Group 2019 Canadian Cost Guide; Personal communication with professionals who work in affordable housing development.

Financing and Capital Funding from CMHC

In each development scenario, it is assumed that the project will utilize the financing programs currently available through the CMHC National Housing Strategy Co-Investment Fund. This program provides low-interest financing as well as a grant contribution for projects that reach deeper levels of affordability, are located close to amenities and services, and which provide housing for vulnerable populations. These scenarios are built out assuming that the Co-Investment Fund program will continue to be offered into the future.

These development scenarios assume that this project will receive a 5% grant contribution from CMHC through this program, although it is possible that a 10% contribution may be available given the depth of affordability being achieved.

Project Assumptions

There are several assumptions that have been built into all three scenarios:

- All of the units in the scenarios are 2-bedroom apartments to keep the comparison simple;
- Additional parking is not being included in this redevelopment beyond what is currently in place because of the proximity of the subway station and the goal to maximize the number of affordable housing units on site;
- A rent subsidy is incorporated into the model, with the assumption that the City would provide funding through transitional housing allocations as an annual revenue stream;
- With this rent supplement provided, the rents would be \$697 per month, a rate affordable to a household of three people receiving Ontario Works;
- A 5% capital contribution through the CMHC Co-Investment Fund is included (it is possible that a 10% contribution could be provided through this program, but a conservative estimate is used);
- Exemptions granted from the City of Toronto on development charges, planning fees, parkland dedication and property taxes for a 99-year period (the incentives currently offered through the Open Door Affordable Rental Housing program);
- Land value of approximately \$9.5 million based on a review of comparable properties for sale;
- Low-interest financing at 3.5% (a lower interest rate may be available through the CMHC); and
- 30-year amortization rate on the loan (a longer amortization rate may be available, which would increase the amount of financing that the project could receive).

Many of these assumptions strongly impact the viability of a redevelopment, especially the rent supplement provided by the City for transitional units. This amount helps to support the loan that the project can carry. Without this annual supplement, the rents would need to be higher (these scenarios work with a monthly rent of \$1,492 for the two-bedroom units (approximately 100% of Average Market Rent)), if all other assumptions remain constant.

Possible Future Development Concepts

In this case study, three development scenarios are compared to which replace the shelter beds, community space and CRWC offices, while adding affordable housing units. A comparison of the scenarios is shown in Table 4 below.

	Scenario 1	Scenario 2	Scenario 3
Storeys	6 + basement	7 + basement	9 + basement
# of Shelter Beds	76	76	76
# of Affordable Housing Units (2-bedroom units)	72	83	101
Building (SF, incl. basement)	72,000	80,300	94,000
Rent (if rent supplement available)	\$697	\$697	\$697
Rent (if no rent supplement available)	\$1,492	\$1,492	\$1,492
Project Cost (excl. land)	\$28,100,000	\$31,400,000	\$36,600,000
Capital Grant Needed	(\$7,420,000)	(\$7,655,000)	(\$7,995,000)
Capital Grant Needed per unit	\$103,056	\$92,229	\$79,158

Table 4. Development concepts for Scenarios 1, 2 and 3 at three different building heights. With all of the housing units at deep levels of affordability, a grant would be required for each development scenario (indicated in red).

By increasing the density on the site, the amount of capital grant per unit of housing decreases because the development is using space more efficiently. The additional financing that more rental units can support helps to decrease the amount of subsidy that the project requires. These figures are very conservative, as a development project would likely receive additional grant funding through the Co-investment Fund, and more favourable financing terms that would allow the project to borrow more money, thus reducing the capital grant that would be needed to make the project viable.

More detail on the analysis of the planning rationale for the redevelopment of the site at 43 Christie Street as well as a summary of the financial pro formas for each scenario can be found in Appendix 1 and 2.

Rationale for Public Investment in Housing Development

The redevelopment scenarios presented above provide insight into the amount of capital funding that would be required to replace shelter space and build new affordable housing on a site that is owned by a non-profit shelter operator or by the City. In each of these scenarios, between \$7 and \$8 million is required in capital funding to make the project viable.

To put this amount into perspective, Table 5 below shows a comparison between the amount of money it is costing the City each year to use hotel rooms as emergency shelter for families and the cost of building the same number of housing units. In this example, the development scenario with 83 affordable units is compared to the cost of contracting 83 hotel rooms for families:

	83 Hotel Rooms	83 Affordable Housing Units
Capital Funding (one time)	\$0	\$7.65 million
Ongoing Operating Subsidy (per year)	\$5 million	\$790,000

Table 5. Comparison of cost of hotel rooms to affordable housing units - comparing one-time capital funding and ongoing annual subsidies required.

Source: City of Toronto, “Managing Refugee Flows. Report for Action CD23.12”. (11 October 2017); City of Toronto, “2019 Shelter Infrastructure Plan and System Update Report” (30 May 2018b).

For the hotel rooms, there is no capital funding investment required, but the ongoing operating subsidy of using hotel rooms as emergency shelter is very expensive (in this case \$5 million per year for 83 rooms). For affordable housing units, the one-time capital contribution is significant (although this is a high estimate), but the ongoing operating cost is much lower. In addition, this ongoing operating subsidy is in place to make the units deeply affordable. If the tenants were able to pay a higher rent once stable employment is attained, the ongoing subsidy could be lowered.

The cost of replacing the shelter beds is being absorbed by these redevelopment scenarios (in this case, the 76 shelter beds that the CRWC manages). Approximately 18,000 SF of each of these redevelopment scenarios would be occupied by the shelter rooms and space for the organization's offices and related supportive services. The cost of replacing this shelter space is estimated at just over \$7 million. This is approximately the same value as the capital funding that is required to make a redevelopment with additional housing units financially feasible.

Another consideration is the cost of building new shelter beds, as the City of Toronto is currently doing. The comparison above is for 83 hotel rooms and apartments. Since it is being assumed that each hotel room or apartment would accommodate 3 people, a total of 249 people would be housed in the 83 units / hotel rooms.

The cost of building 249 new shelter beds is detailed in Table 6 below based on a capital funding cost of \$179,000 for each new shelter bed (City of Toronto, 30 May 2018b), and an ongoing annual shelter allocation of approximately \$21,000 per bed (City of Toronto, 30 May 2018a).

	83 Hotel Rooms (249 beds)	83 Affordable Housing Units (249 people housed)	249 New Shelter Beds
Capital Funding (one time)	\$0	\$7.65 million	\$44.6 million
Ongoing Operating Subsidy (per year)	\$5 million	\$790,000	\$5.3 million

Table 6. Comparison of the cost of hotel, affordable housing and shelter beds - comparing the costs associated with housing 249 people in hotels, affordable housing, and shelters.

Source: City of Toronto, “Managing Refugee Flows. Report for Action CD23.12”. (11 October 2017); City of Toronto, “2019 Shelter Infrastructure Plan and System Update Report” (30 May 2018b); City of Toronto, “2018 Funding Allocations for Shelter and Related Services”. (30 May 2018a).

This comparison shows that the cost of building and operating shelter beds is significantly more expensive than either the hotel beds or the development of affordable housing. By implementing the redevelopment of existing land holdings, the City and non-profit housing providers can increase the affordable housing they manage while only needing a small portion of the cost of development to be provided through a funding contribution. By leveraging the land asset and building housing that can support a loan, public funds can be leveraged to deliver greater impact as more people will be housed.

While municipal shelters are an important part of the continuum of housing supports being offered by the City and non-profit partners, it is an emergency response that is not necessarily appropriate for those who would be able to leave the shelter under the right circumstances. The hotels provide an option that is simple to expand or contract, but the ongoing operating subsidy required is substantial and the ownership of the land asset is not held by the City or a non-profit operator.

With a collaborative approach to development that involves different levels of government and non-profit partners, funding could go towards providing hundreds of permanently affordable rental housing units, rather than paying for short-term hotel rentals or building additional shelter beds that do not provide long-term housing security. Putting resources towards affordable housing options is more economically sustainable than the temporary hotel solution, or the expensive and onerous process of building new shelters.

If the City or another level of government is able to provide the necessary capital funding that would make the development of these housing units financially feasible, millions of dollars would be saved in ongoing operating costs that would otherwise be spent on temporary hotel or on operating shelter beds. By providing capital funding and an allocation for transitional housing units, a lasting investment could be made into housing assets with deep levels of affordability, helping those most vulnerable members of our society to exit the shelter system.

7 | CONCLUSION

Through this study, it has become apparent that action needs to be taken in response to the unexpected increase in refugee claimants coming to Canada. This inability of government stakeholders to develop any coherent strategy collaboratively has had many consequences, the most important one being the hardships endured by refugee claimants as they attempt to navigate a disjointed system with no designated settlement program. The focus on reactionary approaches has led to significant expenditures on temporary measures that have no lasting community benefit, while overwhelmed non-profit organizations and municipalities deliver important shelter and supportive programs.

Over the course of this research, it has become apparent that Canada is in need of an investment into more supportive services and infrastructure for refugee claimants to ensure the non-profit organizations that are currently providing these services can increase their capacity. Specifically, Toronto is in need of a central Welcome Centre that will assist newcomers with the challenges of navigating new systems. Refugee houses should be supported financially in order to be able to provide support to more individuals and families since all of the refugee houses are currently running at full capacity. Additional effort should be put into leveraging the network of refugee houses across Ontario, and to develop collaboration across regions to assist households that would be willing to relocate to smaller municipalities.

In addition, there needs to be an increased effort to invest in affordable and transitional housing options rather than in short-term solutions or shelter beds. If the City of Toronto is truly adopting a “housing first” approach, more funding and effort should be put into the delivery of housing across the city. It is at times when there is stress on the system that weaknesses become more obvious. Through this time of increased refugee claimants in Toronto, the shelter system has been put under considerable pressure. While the need to expand the system quickly through hotels is a helpful fallback option, this should not be an approach that is used for extended periods of time.

An investment into the development of below-market housing is a necessity at this point. Funding at the City should be reallocated from shelter expansion and the hotel program to housing, and additional funding support should be provided by provincial and federal governments.

The first step towards any meaningful change regarding cross-jurisdictional issues will be collaboration between the different levels of government, including the refugee houses that are closely tied in to the everyday experiences of refugee claimant individuals and families. Since settlement policies and programs are cross-jurisdictional and funding should be coming from all levels of government, more long-term planning needs to be taking place to inform how to best move forward so that sudden changes in the need for shelter space are not so disruptive and inefficient in the future.

The interventions presented in this report aim to address some of the impacts being felt at the local level as a result of the responsibility for refugee settlement falling to non-profit organizations and municipalities. The suggested actions bring about change that would facilitate and support settlement for refugee claimants, while ensuring that public investments are used for initiatives that have long-term benefits, such as the development of a Welcome Centre and more transitional housing for households after they arrive. In this way, the investments into resources created can have benefits that will be felt for many years to come, and by different populations over time.

The question of how to respond to this unexpected increase in refugee claimants in Toronto, and Canada more generally, gets to the important issue of who has a right to meaningful involvement in a community, and how we as a society want to provide for those most vulnerable members. Refugees have chosen to seek asylum in Canada, and while there are costs associated with providing settlement support services to this population, newcomers give back in countless ways that make this society more diverse, inclusive and creative.

As a safe and prosperous country Canada has a responsibility to protect those in need, and therefore a necessity to move away from reactive responses towards more resilient, proactive strategies. As Toronto and other places in Canada grow into larger, more vibrant cities through new developments, public investment in infrastructure, and growing economic opportunities, it is vital to ensure that our cities are inclusive, providing housing, support and opportunity for all members of the community, regardless of country of origin or immigration status.



APPENDIX 1

Additional Analysis for CRWC Site at 43 Christie Street

Appendix 1 provides a brief summary of the planning considerations that were taken into account when assessing the feasibility for redevelopment on the property at 43 Christie Street. The policy context provides insight into whether the City of Toronto would be supportive of changing the zoning on the site to allow for more height and density, and to reduce the amount of parking required on site given the proximity to Christie Subway Station.

RELEVANT PLANS & REGULATIONS

Provincial Planning Policy - Places to Grow: Growth Plan for the Greater Golden Horseshoe

The Growth Plan for the Greater Golden Horseshoe is an initiative of the Ontario government to plan for growth and development that supports a high quality of life, economic prosperity, and protection of the environment. The Growth Plan helps to guide government investments and land use planning policies into the future, while recognizing the many challenges that the Greater Golden Horseshoe faces while the area changes and grows rapidly. These challenges include the need for infrastructure investments, the negative impacts of environmental sprawl, an aging population, the health impacts of low density urban areas, and impacts of climate change. The Growth Plan presents a unique land use planning framework that supports “complete communities”, a thriving economy, a clean and healthy environment, and social equity (Places to Grow, 2017).

The Plan supports communities that meet people’s daily needs, regardless of the stage of life of residents, by providing convenient access to a mix of jobs, local services, public service facilities, and a range of housing options to accommodate a variety of incomes and household sizes. Complete communities support a high quality of life and good health by encouraging the use of active transportation and providing ample public open space, parkland, opportunities for recreation, and access to local and healthy food. Compact communities and a mix of uses reduces the need for long distance commuting to reach employment opportunities. A mix of transportation options, including active and mass public transportation, support climate change mitigation by lowering greenhouse gas emissions and minimizing land consumption through compact built form. Complete communities can, however, cause housing prices to increase because of growing populations, socioeconomic factors, and a growing demand to live in areas with easy access to amenities, transit and job opportunities.

Concerns around housing affordability are recognized in the Plan with aims to address this issue by “providing direction to plan for a range and mix of housing options, including second units and affordable housing and, in particular, higher density housing options that can accommodate a range of household sizes in locations that can provide access to transit and other amenities” (Places to Grow, 2017: 12). How affordable units may be able to be built and subsidized is not outlined in the Plan.

City of Toronto's Official Plan

The Official Plan (OP) of the City of Toronto, which came into effect as of June 2015, sets out the visions and goals for the city and provides direction on how change and growth should take place into the future. An important goal of the OP of the City of Toronto is to create an attractive and safe city that evokes pride, passion and a sense of belonging – “a city where people of all ages and abilities can enjoy a good quality of life” (City of Toronto Official Plan, 2015: 1-2). The OP has a vision for Toronto as a city with vibrant neighbourhoods that are part of complete communities, and a place with affordable housing choices that meet the needs of everyone.

The OP states that housing choices should be available for all people at all stages of their lives, and that communities should be supported by equitable access to opportunities, resources and services. Beauty is encouraged through public art, animating public spaces, and buildings that are designed with quality and excellence. Nature should be within easy reach to all residents. The OP also has a vision for an affordable, comprehensive and high-quality transit system that allows people to move throughout the city quickly and conveniently. The OP encourages mixed-use form in order to bring services closer to home, lessening the need for travel. All Torontonians are encouraged to get involved in shaping the city by actively participating in city decisions, sharing responsibility, and embracing innovative implementation solutions (City of Toronto Official Plan, 2015).

In directives for how the city should be shaped going forward, the OP states that the City's capital spending priorities should support the outlined growth strategies in the plan. The OP also encourages reurbanization as a growth management approach that makes better use of existing urban infrastructure, reduces our demands on nature and improves the livability of the city by encouraging more sustainable ways of living.

A collaborative approach with the broader region and the Province of Ontario is encouraged to ensure that coordinated growth can occur. The Plan notes that Toronto will adopt a framework that “encourages GTA municipalities to provide a full range of housing types in terms of form, tenure and affordability, and particularly encourages the construction of rental housing in all communities; and increases the supply of housing in mixed use environments to create greater opportunities for people to live and work locally” (City of Toronto Official Plan, 2015 2-2).

The policy objectives outlined in both the Ontario Growth Plan for the Greater Golden Horseshoe and the City of Toronto Official Plan support compact development, a range of affordable housing options, access to transit, and a collaborative approach between different levels of government.

The type of redevelopment that would be proposed for the demonstration project at 43 Christie Street would be aligned with the goals of these policies given the environmental, social and economic benefits that the project would provide. Specifically, the development would support dense, compact urban form that lessens the need for a car due to the transit and amenities nearby. The location also benefits from the high-quality green space and recreation opportunities at Christie Pits Park. The addition of housing units in the development also support the affordability goals of the Province and the City.

Current Zoning at 43 Christie Street

Under the City of Toronto Zoning By-law 569-2013, the property at 43 Christie Street is zoned for residential use with other permitted uses that have associated conditions. The as-of-right height allowance is 10m, or three storeys, with an allowable density (floor area ratio) of 1.0 indicating that the total gross floor area of a building on the site cannot exceed the total area of the site (see below for more information about the zoning on the property). The zoning on the site demands the low-density built form that is characteristic of Toronto's neighbourhoods where the allowable height and density on a lot limits the number of new residential units that can be added in many areas of the city.

Given the current zoning on the property, any redevelopment would require a Zoning By-Law Amendment, which is a common requirement for redevelopment in the city because of the outdated zoning by-law. Since the stated goals and vision of the provincial Growth Plan and the OP align with the redevelopment of the property, it is likely that a redevelopment would be supported, especially since Christie Street is considered a "Major Street" in the OP and so a street that is suitable for increased density.

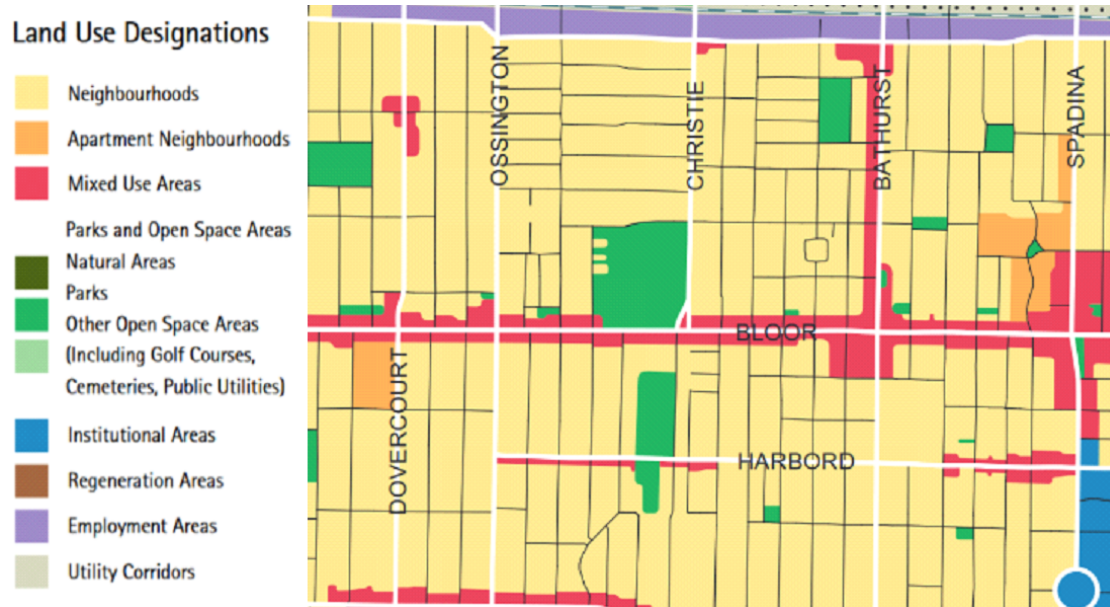
Current Zoning	R (d1.o) (x7)
Zone	Residential
Permitted Uses	Dwelling Unit in a permitted residential building type Park
Permitted Uses with Conditions*	<div> <div>Ambulance Depot</div> <div>Cogeneration Energy</div> <div>Community Centre</div> <div>Day Nursery</div> <div>Fire Hall</div> <div>Group Home</div> <div>Home Occupation</div> <div>Library</div> <div>Municipal Shelter</div> <div>Place of Worship</div> <div>Police Station</div> </div> <div> <div>Private Home Daycare</div> <div>Public Utility</div> <div>Renewable Energy</div> <div>Retail Store</div> <div>Rooming House</div> <div>Secondary Suite</div> <div>Seniors Community House</div> <div>Short-term Rental</div> <div>Tourist Home</div> <div>Transportation Use</div> </div>
Permitted Uses via Exception R 7	<div> <div>Nursing Home</div> <div>Retirement Home</div> <div>Religious Residence</div> </div>
Density (Floor Area Ratio)	1.0
Height	10 metres (32.8 feet)
Storeys	3

Current zoning at
43 Christie Street

Further information about the conditions on permitted uses can be found in the City of Toronto Zoning By-law at https://www.toronto.ca/zoning/bylaw_amendments/ZBL_NewProvision_Chapter10_10.htm

Official Plan Land Use Map

In the Official Plan of the City of Toronto, appropriate land uses for every area of the city are indicated on a Land Use Plan map. This map indicates that the property at 43 Christie Street is in a “Neighbourhoods” land use area. The Neighbourhood designation in the Official Plan is intended to permit only the predominant building type in the area in order to “respect and reinforce the established physical character of the neighbourhood, except where the infill development policies of Section 4.1.9 would be applicable” (City of Toronto Official Plan, 2015: 4-2).



Excerpt from the Toronto Official Plan Land Use Map showing the 43 Christie Street within the “Neighbourhoods” land use designation.

Source: City of Toronto, 2015.

In the case of a redevelopment, the following section of the OP outlines that infill development on properties that vary from the local pattern in terms of lot size, configuration and/or orientation in established Neighbourhoods will:

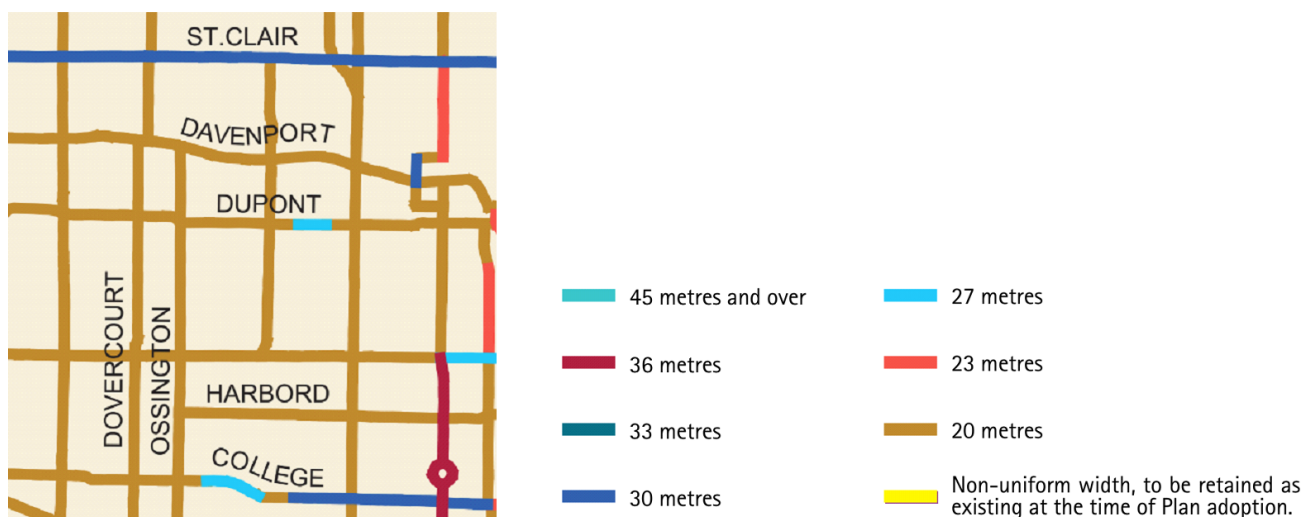
Section 4.1.9 (City of Toronto Official Plan)

- have heights, massing and scale appropriate for the site and compatible with that permitted by the zoning for adjacent and nearby residential properties;
- provide adequate privacy, sunlight and sky views for residents of new and existing buildings by ensuring adequate distance and separation between building walls and using landscaping, planting and fencing to enhance privacy where needed;
- front onto existing or newly created public streets wherever possible, with no gates limiting public access; and
- locate and screen service areas and garbage storage to minimize the impact on existing and new streets and residences.

Given these requirements, the location of the property at 43 Christie Street is very conducive to added density for the following reasons:

- There are nearby and adjacent properties with heights, massing and scale that are larger than what is currently permitted in the zoning for 43 Christie Street. The adjacent property to the south at 33 Christie Street is five storeys, while the next building to the south at 11 Christie Street is seven storeys. The allowed height and density on these adjacent properties indicates that a zoning amendment may allow for a building of five to seven storeys.
- The park across the street from the site and the rear laneway provide excellent buffers to surrounding low-rise residential areas, limiting privacy, shadow and light impacts of a development. Landscaping, planting and fencing can be used to enhance privacy where needed.
- The site already fronts onto Christie Street, and public access will be maintained.
- Garbage storage and services areas can be located at the rear of the building as they are currently, minimizing impact.

Furthermore, the property's location directly on Christie Street provides better chances that a zoning amendment would be successful. Christie Street is considered a "Major Street" in the City of Toronto Official Plan with a right-of-way width of 20 metres, which is conducive to higher density built form than the single family residential streets in the surrounding area. The OP directs that developments being proposed on Major Streets in Neighbourhood areas should be consistent with the zoning of nearby and adjacent properties, providing further justification for higher density redevelopment given the heights of adjacent buildings.



Excerpt from the City of Toronto Office Plan. Christie Street has a right-of-way width of 20 metres.

Source: City of Toronto Official Plan, Map 3: Right-of-Way Widths Associated with Existing Major Streets.

APPENDIX 2

CRWC Development Scenarios - Pro Forma Analysis Summaries

Appendix 2 provides background information on the financial feasibility analysis that was used to assess how much capital grant and loan would be required to develop affordable housing on the shelter site at 43 Christie Street. This analysis could be replicated for other shelter sites, helping to provide the rationale for diverting funding away from building new shelters and instead provide capital grants to densify existing shelter sites by adding affordable housing.

DEVELOPMENT SCENARIO 1: 6-storey Redevelopment with Shelter & Housing

In this scenario, a 6-storey building is explored as an option for redevelopment at 43 Christie Street. This building would support the replacement of the 76 shelter beds and related common space, CRWC offices, and space for supportive service offerings. The building would also include 72 new two-bedroom apartments that could house approximately 216 people (assuming 3 people per apartment unit).

This redevelopment would cost approximately \$37.6 million (approximately \$522 per square foot), including the value of the land. Since CRWC owns the property, the value of the land is also included as a capital source. A capital contribution through the CMHC Co-Investment Fund of 5% of the project cost is included. A transitional housing allocation from the City of Toronto is also included in the operating income. This amount helps to top up the rental income from \$697 per unit per month to \$1,492 per unit per month. In this example, the CRWC would continue to receive the shelter allocation from the City of Toronto for the 76 shelter beds that they operate.

The project will require a mortgage – this scenario is assuming a loan will be available at 3.5% interest rate to be paid back over a 30-year amortization period. Under those terms, a loan of approximately \$18.8 million would be available. If the amortization rate was longer or the interest rate lower, additional financing would be available and the equity gap would be reduced. For instance, an amortization period of 50 years would reduce the equity gap to approximately \$2.3 million.

SCENARIO 1

Redevelopment into a **6-storey building**. Christie Refugee Welcome Centre would manage the same number of shelter beds with related offices, settlement services, common space and dining area, and add **72 transitional units** that are deeply affordable (\$697/month) with a rent supplement that tops up the rents to 100% AMR.

REDEVELOPMENT DETAILS

Site (SF)	17,869
Building Footprint (SF)	10,430
Site Coverage	58%
Storeys	6 + basement
Building (SF, incl. basement)	72,000
Residential area (SF)	60,500
Non-residential area (SF)	11,500
Floor Area Ratio	4.0

BUILDING PROGRAM

Shelter Beds	76
Shelter Rooms	30
Apartments (600 SF)	72
Bedrooms / unit	2

AFFORDABILITY

Rental Rate of Units (Monthly)	\$697
100% Average Market Rent	\$1,492
% of Market Rate	47%

OPERATING INCOME (Annual)

Rental Income	\$	602,208
Shelter Allocation from City of Toronto	\$	1,369,622
Transitional Housing Allocation from City of Toronto	\$	686,880

CONSTRUCTION COSTS

Estimated Land Value	\$	9,500,000
Hard Costs	\$	21,500,000
Soft Costs	\$	2,500,000
Finance Costs	\$	2,500,000
Contingency	\$	1,600,000
Total	\$	37,600,000

CAPITAL SOURCES

Land Equity	\$	9,500,000
CMHC Incentive Contribution	\$	1,880,000
CMHC Financing (3.5% interest; 30 yr amort.)	\$	18,800,000
Total	\$	30,180,000

Equity Gap	\$	7,420,000
Per Unit	\$	103,056

DEVELOPMENT SCENARIO 2: 7-storey Redevelopment with Shelter & Housing

In this scenario, a 7-storey building is explored as an option for redevelopment at 43 Christie Street. This building would support the replacement of the 76 shelter beds and related common space, CRWC offices, and space for supportive service offerings. The building would also include 83 new two-bedroom apartments that could house approximately 249 people (assuming 3 people per apartment unit).

This redevelopment would cost approximately \$40.9 million (approximately \$522 per square foot), including the value of the land. Since CRWC owns the property, the value of the land is also included as a capital source. A capital contribution through the CMHC Co-Investment Fund of 5% of the project cost is included. A transitional housing allocation from the City of Toronto is also included in the operating income. This amount helps to top up the rental income from \$697 per unit per month to \$1,492 per unit per month. In this example, the CRWC would continue to receive the shelter allocation from the City of Toronto for the 76 shelter beds that they operate.

The project will require a mortgage – this scenario is assuming a loan will be available at 3.5% interest rate to be paid back over a 30-year amortization period. Under those terms, a loan of approximately \$21.7 million would be available. If the amortization rate was longer or the interest rate lower, additional financing would be available and the equity gap would be reduced. For instance, an amortization period of 50 years would reduce the equity gap to approximately \$1.8 million.

SCENARIO 2 Redevelopment into a 7-storey building . Christie Refugee Welcome Centre would manage the same number of shelter beds with related offices, settlement services, common space and dining area, and add 83 transitional units that are deeply affordable (\$697/month) with a rent supplement that tops up the rents to 100% AMR.			
REDEVELOPMENT DETAILS		OPERATING INCOME (Annual)	
Site (SF)	17,869	Rental Income	\$ 694,212
Building Footprint (SF)	10,430	Shelter Allocation from City of Toronto	\$ 1,369,622
Site Coverage	58%	Transitional Housing Allocation from City of Toronto	\$ 791,820
Storeys	7 + basement		
Building (SF, incl. basement)	80,300	CONSTRUCTION COSTS	
Residential area (SF)	68,300	Estimated Land Value	\$ 9,500,000
Non-residential area (SF)	12,000	Hard Costs	\$ 24,000,000
Floor Area Ratio	4.5	Soft Costs	\$ 2,800,000
		Finance Costs	\$ 2,800,000
		Contingency	\$ 1,800,000
		Total	\$ 40,900,000
BUILDING PROGRAM		CAPITAL SOURCES	
Shelter Beds	76	Land Equity	\$ 9,500,000
Shelter Rooms	30	CMHC Incentive Contribution	\$ 2,045,000
Apartments (600 SF)	83	CMHC Financing (3.5% interest; 30 yr amort.)	\$ 21,700,000
Bedrooms / unit	2	Total	\$ 33,245,000
AFFORDABILITY		Equity Gap (Total)	
Rental Rate of Units (Monthly)	\$ 697		\$ 7,655,000
100% Average Market Rent	\$ 1,492	Per Unit	\$ 92,229
% of Market Rate	47%		

DEVELOPMENT SCENARIO 3: 9-storey Redevelopment with Shelter & Housing

In this scenario, a 9-storey building is explored as an option for redevelopment at 43 Christie Street. This building would support the replacement of the 76 shelter beds and related common space, CRWC offices, and space for supportive service offerings. The building would also include 101 new two-bedroom apartments that could house approximately 303 people (assuming 3 people per apartment unit).

This redevelopment would cost approximately \$46.1 million (approximately \$522 per square foot), including the value of the land. Since CRWC owns the property, the value of the land is also included as a capital source. A capital contribution through the CMHC Co-Investment Fund of 5% of the project cost is included. A transitional housing allocation from the City of Toronto is also included in the operating income. This amount helps to top up the rental income from \$697 per unit per month to \$1,492 per unit per month. In this example, the CRWC would continue to receive the shelter allocation from the City of Toronto for the 76 shelter beds that they operate.

The project will require a mortgage – this scenario is assuming a loan will be available at 3.5% interest rate to be paid back over a 30-year amortization period. Under those terms, a loan of approximately \$26.3 million would be available. If the amortization rate was longer or the interest rate lower, additional financing would be available and the equity gap would be reduced. For instance, an amortization period of 50 years would reduce the equity gap to approximately \$3.2 million.

SCENARIO 3 Redevelopment into a 9-storey building . Christie Refugee Welcome Centre would manage the same number of shelter beds with related offices, settlement services, common space and dining area, and add 101 transitional units that are deeply affordable (\$697/month) with a rent supplement that tops up the rents to 100% AMR.			
REDEVELOPMENT DETAILS		OPERATING INCOME (Annual)	
Site (SF)	17,869	Rental Income	\$ 844,764
Building Footprint (SF)	10,430	Shelter Allocation from City of Toronto	\$ 1,369,622
Site Coverage	58%	Transitional Housing Allocation from City of Toronto	\$ 963,540
Storeys	9 + basement		
Building (SF, incl. basement)	94,000	CONSTRUCTION COSTS	
Residential area (SF)	82,000	Estimated Land Value	\$ 9,500,000
Non-residential area (SF)	12,000	Hard Costs	\$ 28,000,000
Floor Area Ratio	5.3	Soft Costs	\$ 3,300,000
		Finance Costs	\$ 3,300,000
		Contingency	\$ 2,000,000
		Total	\$ 46,100,000
BUILDING PROGRAM		CAPITAL SOURCES	
Shelter Beds	76	Land Equity	\$ 9,500,000
Shelter Rooms	30	CMHC Incentive Contribution	\$ 2,305,000
Apartments (600 SF)	101	CMHC Financing (3.5% interest; 30 yr amort.)	\$ 26,300,000
Bedrooms / unit	2	Total	\$ 38,105,000
AFFORDABILITY			
Rental Rate of Units (Monthly)	\$ 697	Equity Gap	\$ 7,995,000
100% Average Market Rent	\$ 1,492	Per Unit	\$ 79,158
% of Market Rate	47%		

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