
REPORT TITLE: **Asylum Claimant Response – Moving Toward a Sustainable Model**

FROM: Sean Baird, Commissioner of Human Services

RECOMMENDATION

1. That staff negotiate with Federal, Provincial and Municipal governments for the adoption of the model as described in the report from the Commissioner of Human Services, listed on the March 21, 2024 Regional Council agenda titled “Asylum Claimant Response – Moving Toward a Sustainable Model” including the development of a Regional Reception Centre; and
2. That a service level of 1,280 asylum claimant households per month, assuming the Federal government will address excess demand and continue to reimburse Peel Region for eligible asylum claimant costs, be approved.

REPORT HIGHLIGHTS

- **Response to Rising Asylum Claimant Demand:** Peel has expanded its shelter capacity in response to a significant increase in asylum claimants since June 2023, adding 123 beds and 6 overflow hotels. Currently, asylum claimant households comprise 67 per cent of the shelter system's occupants. Efforts to establish more sustainable solutions, including dedicated shelter sites and a Regional Reception Centre, are in progress.
- **Federal Funding Received to Date:** The federal government has provided Peel with \$22.4 million through Interim Housing Assistance Program (IHAP), which is 95 per cent of the \$23.5 million claimed. This funding helps to reimburse costs incurred, but it is not a predictable ongoing funding source that can be relied upon to develop a more proactive system of support. Should the federal government not confirm ongoing, predictable funding in the upcoming federal budget, staff will return to Council with options to reduce service levels and/or transition out of our asylum claimant response.
- **Development of a Sustainable Support Model:** Peel is developing a sustainable, person-centred model to better support asylum claimants, featuring a Regional Reception Centre for intake and assessment, coordinated exits to other municipalities, alongside dedicated shelter facilities for targeted support. The costs to operate this model are \$69,135 per asylum claimant served in Peel plus \$61,835 per asylum claimant referred to other municipalities from the regional reception centre. Peel seeks this comprehensive funding from federal and provincial governments through new and existing programs.

Asylum Claimant Response – Moving Toward a Sustainable Model

- **Advocacy for an All of Government Approach:** Peel calls for a strategic, coordinated approach to supporting asylum claimants, from all government levels. The current financial strain underscores the necessity for adequate federal and provincial government support to prevent increased homelessness among asylum claimants.

DISCUSSION

1. Background

The world is witnessing significant period of global unrest with an estimated 110 million people forcibly displaced from their homes. This is driving an unprecedented increase in the number of refugees. Canada, including Peel, is facing an increase in asylum claimants, particularly through inland and point-of-entry claims. This surge is putting unprecedented strain on public services, most notably on the emergency shelter system.

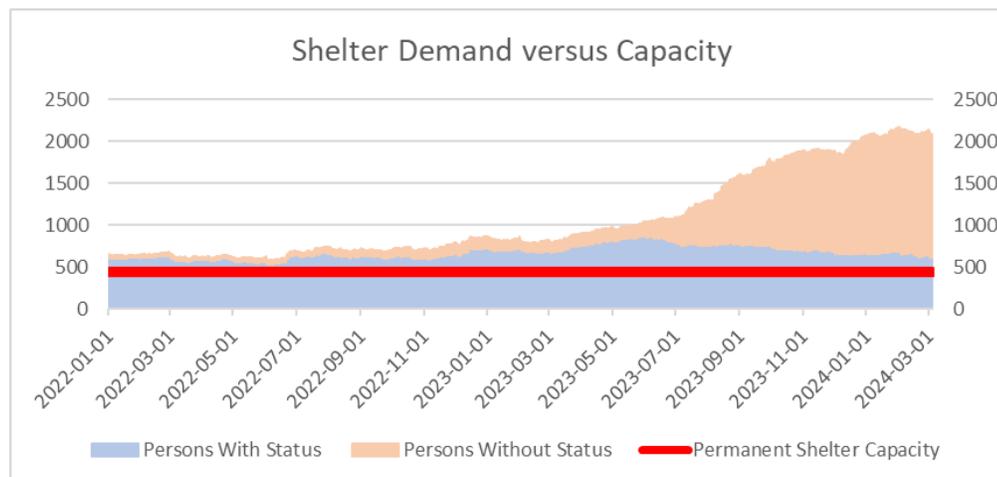
Like other large urban centres in Ontario, Peel has been experiencing a sharp rise in asylum claimants needing emergency shelter since June 2023. In response, the region expanded shelter capacity by adding hotel beds and enhanced support through contracts with community agencies, while negotiating cost reimbursements with the federal government.

However, and unlike previous asylum claimant situations, the demand for shelters continued to rise throughout 2023, with no foreseeable decrease in asylum claims. Consequently, regional staff are developing a more sustainable, person-centred service model to replace the temporary emergency measures.

This report provides Council with an update on Peel's response to the asylum situation and introduces the proposed long-term, person-centred service model, including cost estimates and suggested advocacy positions.

2. Update on Peel's Asylum Claimant Response

As the graph below illustrates, beginning in June 2023, Peel saw an exponential rise in asylum claimants requiring shelter and support.



Asylum Claimant Response – Moving Toward a Sustainable Model

To accommodate this surge, Peel added 123 beds to its shelter facilities and secured 6 additional overflow hotels, raising the total to 11. Currently, the shelter system houses approximately 984 asylum seeker households, which represent 67 per cent of all shelter occupants.

A new site in Mississauga, separate from Peel's shelter system opened in December, offering emergency shelter and support for 225 individuals. This facility provides dorm-style accommodation with cots, meals, on-site access to housing, social support, and referral to settlement services.

Table I illustrates the distribution of asylum seeker households in Peel's shelter system, including those in overflow hotels and the new facility in Mississauga dedicated to asylum claimants.

Table I: Current Asylum Claimant Households in Peel, March 4th-10th

Total Unique Households	Peel's Shelter System						Asylum Claimant Shelter		Total Overall
	Shelters		Overflow		Total		#	%	#
	#	%	#	%	#	%			
	193	35	791	86	984	67	238	100	1,222

Efforts continue to secure two additional sites to further support asylum claimants, including a Regional Reception Centre. Detailed information on these initiatives is presented in a confidential report to Council titled "Asylum Claimant Response – Proposed Property Acquisition Agreements."

3. Moving to a More Sustainable Person-Centred Model

Peel's initial response to the needs of asylum claimants was developed as an immediate, short-term solution to an urgent situation. This approach, though necessary at the time, is neither sustainable nor cost-effective for the long-term support and settlement of asylum claimants.

Recognizing this, staff initiated the development of a more sustainable, person-centred model in the fall of 2023. This new model is built around two main components: the establishment of a Regional Reception Centre, with coordinated exits to other municipalities and the creation of dedicated shelter facilities specifically for asylum claimants.

a) Regional Reception Centre

In collaboration with Immigration, Refugees and Citizenship Canada (IRCC) and the City of Toronto, Peel has co-designed a new regional reception centre model to fill existing gaps in support for asylum claimants in Canada. This centre aims to create a welcoming, culturally sensitive, and trauma-informed setting that provides asylum claimants with a safe space, temporary housing, and initial settlement support, while facilitating their successful integration into communities.

The core principles of the reception centre include:

Asylum Claimant Response – Moving Toward a Sustainable Model

- **Immediate Support:** Providing essential services such as temporary shelter, food, and settlement support (including refugee support and immigration orientation) right upon arrival.
- **Promoting Independence:** Empowering asylum claimants with the resources and guidance needed for self-reliance.
- **Safety and Well-being:** Creating a secure environment that emphasizes mental health and trauma support services.
- **Integration Assistance:** Offering programs to help with cultural adaptation, language learning, and community involvement, along with tools for a smooth transition into communities.
- **Community Engagement:** Organizing events to foster understanding and support for the integration of asylum claimants.

Designed to serve the Greater Toronto and Hamilton Area (GTHA), the centre will provide a comprehensive array of services on-site, such as needs assessments, service navigation, orientation sessions, legal aid, IRCC information, Ontario Works information, language and settlement services, and health services where applicable. The possibility of virtual services is also under consideration. The centre aims to offer five days of respite shelter for up to 200 individuals and 20 families.

Additionally, the model envisions coordinated transitions to receiving municipalities for continued support, including time-limited housing subsidies when necessary. The ultimate goal is to ensure asylum claimants smoothly transition to employment and affordable housing with adequate funding support to municipalities. Initially, distribution to participating municipalities will be based on population, with plans to evolve towards aligning asylum claimants with employment opportunities across municipalities.

Upon moving to a receiving municipality, asylum claimants are expected to receive up to 90 days of temporary housing while they work towards community integration with local settlement agencies. Currently, five municipalities have shown interest in receiving asylum claimants from the centre, contingent on receiving adequate and sustainable funding.

The reception centre will be managed by a non-profit agency specializing in humanitarian response, initially under a contract with Peel, with the potential for future management by other orders of government. Onsite support will be offered by existing settlement and other support agencies in the GTHA.

A detailed process flow for the regional reception centre is included in Appendix I.

b) Temporary Shelter

Peel is transitioning towards utilizing dorm-style facilities for housing asylum claimants, distinct from the current shelter system. This separation allows for a focused approach to meet the distinct and complex needs of both local residents and asylum claimants more effectively.

In December 2023, Peel launched its initial facility aligned with this strategy, which quickly reached full capacity. Plans are underway to expand this facility in May 2024 to accommodate an additional 80 individuals. Additionally, efforts are ongoing in

Asylum Claimant Response – Moving Toward a Sustainable Model

collaboration with the Cities of Mississauga and Brampton to identify up to two more sites for potential opening in 2024.

These dedicated shelters will offer:

- **Continuous On-site Management:** A lead operator will be present around the clock, every day of the week.
- **Safe Accommodation:** Secure sleeping areas.
- **Meals:** Three meals and one healthy snack daily, with consideration to cultural preferences
- **Sanitary Facilities:** Access to washrooms and showers.
- **Support Services:** On-site access to settlement agencies, Housing Services, and Ontario Works for specialized support (will transition to Reception Centre once opened)

c) Recommended Service Levels

The proposed service model moves away from emergency response, to a sustainable, coordinated service model involving all levels of government.

Service levels and estimated costs are summarized in the table below. Full details are available in Appendix II.

Table II: Recommended Service Levels and Estimated Annual Costs

Model Component	Service Level per Month	Annual Cost per Asylum Claimant	Level of Government
Reception Centre	1,300	\$7,300	Federal
Temporary Shelter in Peel	400	\$25,781	Federal
Supports Provided in Peel	400	\$36,054	Federal and Provincial
		\$69,135	
Supports Provided in Other Receiving Municipalities	900	\$61,835	Federal and Provincial

In addition to these operating costs, a one-time estimated capital investment of \$10 million is required to open the temporary shelter and regional reception centre.

The challenges of the current asylum claimant crisis are being borne disproportionately by municipalities with their limited funding tools and resources.

The proposed funding model is premised on the fact that immigration policy and supports to newcomers are the shared responsibility of the federal and provincial governments. With appropriate, sustained and allocation-based funding from both the federal and provincial immigration ministries, municipalities across Ontario are prepared to continue to support asylum claimants in their settlement journey, through in-kind support, expertise, and access to municipal services and other local resources.

Asylum Claimant Response – Moving Toward a Sustainable Model

d) Next Steps

Pending Council approval, staff will submit a proposal to both the federal and provincial governments, outlining the details of the new sustainable model and required funding for all components. The proposal will also call for the three levels of government to work together on an intergovernmental framework and strategy for asylum claimants. These next steps essential to moving away from reactive emergency response and a more person-centred sustainable, long-term program that starts to combat the structural injustice that asylum claimants face today.

4. Advocacy

The reactive, ad hoc emergency local responses that have been implemented to support asylum claimants are unfair to both those seeking safety in Canada, as they have nowhere else to turn to, and to local communities who lack the resources of federal and provincial governments.

Asylum claimants, through their presence, renew and benefit communities across Canada, economically, socially and culturally. As such, the federal and provincial governments, consistent with their shared constitutional responsibility towards matters of immigration and refugees, should proactively ensure that these individuals and families are adequately supported through national settlement programs.

Until upper levels of government commit to fair and reliable and upfront funding consistent with their ability and responsibility, municipal governments like Peel, will be limited to providing reactive, emergency supports to asylum claimants.

Through enhanced cooperation, governments can ensure that asylum claimants receive comprehensive assistance tailored to their circumstances, enabling them to access opportunities, contribute to their communities, build successful lives, and strengthen Canada's commitment to upholding humanitarian values.

In short, supporting and ensuring the integration and settlement of asylum claimants, on the path to becoming new Canadians, requires:

- A coordinated “all of government” approach.
- Predictable funding by upper levels of government at a scale that is aligned to need
- Settlement and integration service provision by municipalities
- A planned, adequately resourced approach towards all asylum claimants that eliminates reliance on local emergency social supports, such as emergency shelters.

RISK CONSIDERATIONS

Implementing the proposed sustainable people-centred model requires enhanced cooperation and sustainable funding from the federal and provincial governments, at a scale that aligns to current and projected need. Until upper levels of government commit to fair, reliable funding, consistent with their responsibilities, municipal governments like Peel, will be constrained to providing reactive, emergency supports to asylum claimants, shouldering a disproportionate amount of responsibility for this global crisis.

Asylum Claimant Response – Moving Toward a Sustainable Model

The sustainable, more people-centred model described in this report cannot be operationalized without the requested funding for all components – temporary shelter, the regional reception centre and supports provided through receiving municipalities.

If Peel does not receive the appropriate level of funding from the federal and provincial governments, Peel may need to limit its response, which could result in more street homelessness and encampments, and negatively impact or stall an asylum claimant's settlement journey. Staff will continue to monitor and manage risks.

BILL 112 RISKS AND IMPLICATIONS

The passing of the *Hazel McCallion Act (Peel Dissolution)*, 2023 on June 8, 2023, formalized a plan to dissolve the Region of Peel effective January 1, 2025. On December 13, 2023, the provincial government announced that Peel will not be dissolved, and that new legislation will be passed in 2024 to repeal or amend Bill 112. Until new legislation is passed, no implications can be determined.

FINANCIAL IMPLICATIONS

Current Model

While advocacy for the required funding to shift to a more sustainable, people-centred model begins, Peel's asylum claimant response continues. Under the current model, the projected cost of the ongoing response is approximately \$14 million by the end of March 2024, and \$68 million by the end of 2024.

Proposed New Sustainable Model

Under the new sustainable model proposed in the report, as shown in Table III below, the projected costs of this response for 2024 and 2025 are \$43 million and \$33 million respectively, compared to a projected \$68 million with current model that includes heavy reliance on hotels. These estimates assume a successful shift to supporting asylum claimants in 3 dorm-style sites separate from the shelter system.

For 2024 (Year 1), there will still be costs related to the use of hotels until a complete phase-out to the 3 dorm-style sites can be completed (with no regional reception centre). There will also be projected costs for part of 2024 as the 3 new sites come on line. The projected costs for 2025 (Year 2) reflect a full transition away from hotels and use of the new sites for the entire year. The projected costs do not include any costs for the reception centre.

Table III: Projected Shelter Facility Costs for

Cost Type	Projected Shelter Facility Costs for Year 1	Projected Shelter Facility Costs for Year 2
Hotel	\$27 million*	-
Facility Operations	\$6 million*	\$14 million
Program Support	\$10 million	\$19 million
Sub-total Facility & Program	\$43 million	\$33 million
If Federal Funding Received at 95%	(\$40.9 million)	(\$31.3 million)
Net Cost for Peel	\$2.1 million	\$1.7 million

Asylum Claimant Response – Moving Toward a Sustainable Model

Start-up	\$0.8 million	-
Capital	\$9.2 million	-
Sub-total One-Time	\$10 million	-
If Federal Funding Received at 100%	(\$10 million)	-
Net Cost for Peel	\$2.1 million	\$1.7 million

*Costs reflect hotel use until the transition to the new facilities for Year 1

The projected costs are based on the recommended service level of 1,280 asylum claimant households per month, with excess demand addressed by IRCC through its system and not through Peel's.

The facility costs include building leases or purchases, security, cleaning, utilities, maintenance, etc. Program support costs include staffing, food, and other services. These estimated costs will be refined once the sites and financial requirements are available.

Peel will continue to advocate that 100 per cent of these costs be reimbursed by the federal government. To date, Peel has received \$22.4 million or 95 per cent of claimed costs through IHAP for 2023. If Peel continues to receive this level of funding, it would be required to cover approximately \$2.1 million in operational costs in 2024, and \$1.7 million in operating costs in 2025 and beyond through the property tax. Staff will manage these additional costs within the Housing Supports operating budget through the identification of efficiencies or reviews of service level risks.

While Peel anticipates it is likely to receive funding at the levels received in 2023 (i.e. 95%), there has been no guarantee of any ongoing funding to date. If Peel does not receive confirmation of the appropriate level of funding from either the federal or provincial governments by the end of Spring 2024 then staff will return to Council with a report to propose reducing service levels as the ongoing costs for the response are not financially sustainable for Peel. At its current pace, without service level reductions or additional funding, Peel would need to fund incremental expenditures projected to the end of June 2024 of approximately \$34 million through its Tax Rate Stabilization Reserve.

CONCLUSION

The asylum claimant response represents a new service line for Peel and other municipalities in Ontario. It is no longer a short-term crisis, but rather a longer-term issue that requires a strategic solution with sustainable funding.

Peel and its partners are working together to design an 'all-of-government' approach to providing asylum claimants arriving in the Greater Toronto and Hamilton Area, with a client-centred, culturally appropriate, and trauma informed experience that results in expedient integration into Canadian society.

Through the reception centre proposal, Peel will be advocating to shift from reimbursement claims to annual allocation-based funding to support a more coordinated response across Ontario. This new funding approach will allow Peel to plan for long-term supports for asylum claimants without negatively impacting the Housing Support budget or re-directing existing resources for Peel's shelter system.

Asylum Claimant Response – Moving Toward a Sustainable Model

Peel will continue to advocate to the federal and provincial governments for funding to recover 2023 costs and support the new model in 2024 and beyond.

APPENDICES

Appendix I: Proposed Service Delivery Model for the Regional Reception Centre

Appendix II: Detailed Recommended Service Levels and Estimated 2025 Operating Costs for Peel's Asylum Claimant Response Model



Sean Baird, Commissioner of Human Services

Authored By: Shannon Gander, Housing Specialist