

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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December 13, 2024

Dear Head of Council:

Our government recently announced that we are better protecting community safety and making investments to further support homelessness prevention and provide people living in encampments with access to reasonable alternative accommodation. With this announcement, we are responding to the calls for action to address encampments in our communities and restore safety to public spaces.

We are taking a strategic approach to increase resources to support and provide more long-term stable housing and temporary accommodations for those living in encampments, including:

- **\$5.5 million** to top-up the **Canada-Ontario Housing Benefit (COHB)** to immediately free-up emergency shelter spaces for people living in encampments by helping people living in shelters move into longer-term housing.
- **\$20 million** to expand shelter capacity and create additional temporary accommodation spaces, like tiny modular units and climate-controlled semi-permanent structures, to provide people living in encampments with accessible alternative living options
- **\$50 million** in last-mile funding for ready-to-build long-term affordable housing projects across the province. This funding will be allocated based on how close a project is to completion, as well as its value for money, to help projects near completion but, in need of targeted additional funding, to open their doors faster.

Let me be clear that it is my expectation that this funding is tied to clearing out encampments. The intent is to provide funding to municipalities that demonstrate their commitment to and show results in winding down these sites. **In order for your municipality to be considered for additional funding, the Ministry must receive a written pledge from the local Service Manager to use the funds towards ending encampments in your region.**

The additional funding will be supported by new reporting and accountability requirements to ensure these funds support the shared provincial and municipal goal of ending encampments by providing safe and stable housing for people at risk of homelessness. I encourage you to work closely with municipal and community partners in the coming weeks. Please share eligible funding proposals with your Service Manager, who is to forward these to the Ministry for our consideration.

This investment complements:

- proposed amendments to the *Trespass to Property Act*, which applies to private businesses, offices, stores, hotels, parks, and vacant land.
- These amendments, if passed, will enhance penalties for people who deliberately and continually break the law by adding the new aggravating factors of continuous trespassing and the likelihood to reoffend.
- the new *Restricting Public Consumption of Illegal Substances Act, 2024* that will, if passed, allow police officers and other provincial offences officers to direct individuals to stop using illegal substances or to leave the public space. This will allow them to issue a ticket or arrest someone who does not comply, providing an important additional tool to stop the consumption of illegal drugs in public spaces.

While these new tools address public safety directly, we know these additional investments in shelter and housing are critical for people to move along their journey to stable housing and will move us closer to our long-term goals of everyone having a place to call home.

Our government is working with all our partners across the province to keep the most vulnerable members of our society safe and housed. Ontario has dedicated \$700 million annually since 2023 to address homelessness through the Homelessness Prevention Program and the Indigenous Supportive Housing Program. This funding is part of the nearly \$1.7 billion Ontario invested in 2023-24 to grow and enhance community and supportive housing and address homelessness for vulnerable Ontarians.

Call for Business Case Applications

To access funding under the **Encampment Response Initiative** and the **Last Mile**, Service Managers who have provided a pledge are invited to submit business case applications for Ministry consideration. Please refer to the Ministry-prescribed templates attached for further guidelines.

The COHB top-up is not applicable to your Service Manager area given priority needs in other communities. This initiative for selected communities will expand shelter capacity and create additional temporary accommodation spaces to provide people living in encampments with accessible alternative living options.

Encampment Response Initiative (Homelessness Prevention Program (HPP))

The new **Encampment Response Initiative** supports urgent expansion of shelter capacity by providing funding to support the creation of additional alternative emergency accommodations to be offered to individuals in encampments through temporary structures such as tiny cabins and sprung structures.

This funding may also be used for operations of these shelters and remediation of encampment sites up to March 31, 2025. Funding will flow through Homelessness Prevention Program (HPP) Transfer Payment Agreements to approved Service Managers.

Project proposals will be evaluated based on criteria outlined in the attached business case template and should include:

- Demonstrated capacity to expand temporary shelter availability and provide alternative accommodations quickly through temporary sprung structures, tiny cabins, and other similar structures.
- Clear implementation strategy including partnerships with grassroots level agencies to move individuals from encampments to shelters.
- Plans for encampment site restoration efforts, where applicable.

As a part of the business case, Service Managers will also be required to provide an estimate of the existing number of unique encampment sites and the encampment residents within them. In addition to providing the Ministry with monthly updated reporting on the number of encampments and estimated number of encampment residents, Service Managers will be required to report on how many residents have been moved from encampments to shelter and housing.

The business case must be completed in the Ministry-prescribed templates attached to this letter and submitted as an attachment to your HPP Investment Plan (IP) 2024-25 case in the Transfer Payment Ontario System (TPON) no later than **January 3, 2025, at 5 p.m.**

Last Mile Funding

The Ministry is aware that municipalities across the province have affordable and supportive housing projects that are in advanced stages of construction where the injection of extra funds into these projects could lead to their faster completion. Service Managers are expected to work with the municipalities and non-profit organizations in your service area to identify such projects and submit them through the business case process for consideration of the Ministry's funding approval. The Ministry encourages heads of council to work with their Service Managers to identify project proposals for potential funding. The Ministry expects that all municipally endorsed proposals shared with Service Managers will be forwarded to the Ministry for its consideration. There is no restriction on the number of business cases that you can submit to the Ministry for funding consideration.

Proposed projects must be:

- Commitment-ready, with the ability to sign a contribution agreement and provide security within the fiscal year;
- Shovel-ready, with construction activities able to commence within 120 days of signing the contribution agreement;
- Able to demonstrate value for money; and
- Align with current Canada-Ontario Community Housing Initiative (COCHI) guidelines.

Last Mile Funding business cases must be completed in the Ministry-prescribed template attached to this letter and submitted as attachments to your COCHI-OPHI Investment Plan (IP) **2023-24** case in TPON no later than **January 10, 2025, at 5 p.m.**

The Ministry reserves the right to allocate funding under these initiatives at its sole discretion based on the review and evaluation of business case submissions. Any communication regarding additional funding must remain confidential until publicly announced by the province. We appreciate your commitment to our shared goal of restoring safety to our public spaces and expect this additional funding to help address the immediate crisis.

Sincerely,



The Honourable Paul Calandra
Minister of Municipal Affairs and Housing

cc. Burke Christian, Assistant Deputy Minister, Community and Supportive Housing Division,
Ministry of Municipal Affairs and Housing