



Report of the Acting Commissioner of Community and Health Services
Capital Contribution for Mental Health Community Care Hub as a Funding Grant

1. Recommendation

1. Council approve the one-time capital contribution of \$5 million (committed at Regional Council on June 29, 2023) be structured as a funding grant for the Mental Health Community Care Hub, operated by Canadian Mental Health Association York Region-South Simcoe.
2. Council authorize the Commissioner of Community and Health Services or their designate to enter into the funding agreement with the Canadian Mental Health Association York Region-South Simcoe and execute all related documents on business terms satisfactory to the Commissioner and on legal terms satisfactory to the Regional Solicitor.

2. Purpose

This report seeks Council approval for the one-time capital contribution of \$5 million to be structured as a funding grant to develop a Mental Health Community Care Hub.

Key Points:

- On [June 29, 2023](#), Council committed to providing a one-time capital contribution of \$5 million, with \$2.5 million to be drawn from Pandemic Management and Recovery Reserve and \$2.5 million from Debt Reduction Reserve, to support development of the Hub
- Council's capital contribution commitment facilitated Provincial Ministry of Health's (Ministry) approval of the Hub project
- With approval from the Ministry, CMHA-YRSS is proceeding with Hub development
- Town of Newmarket has approved zoning bylaw amendment for Hub site

- With necessary approvals and conditions fulfilled, Commissioner of Community and Health Services will execute necessary agreements and related documents with CMHA-YRSS, subject to review of the Regional Solicitor, as approved by Council in June 2023
- Region's funding grant for the Hub will be provided in allotments tied to development milestones
- CMHA-YRSS anticipates service delivery at the Hub beginning in 2026

3. Background

Council's investments address increasing demand for health services, including mental health services, and support Regional priorities

In Ontario and many other provinces, demand for mental health services and wait times have increased. While police are often first to respond to mental health or addictions crises and hospital emergency departments are often the default destination for those in crisis, research shows that emergency departments are not always the optimal care setting for residents experiencing mental health and addictions issues. A critical gap in the mental health system is a lack of access to specialized emergency mental health care. [Community Safety and Well-Being Plan for York Region](#), approved by Council in [May 2022](#), identified mental well-being, housing stability and economic stability as three priority risks. The Plan further notes the Hub's crucial role in meeting growing need for mental health and addiction services in York Region.

On [October 22, 2009](#), Council authorized a memorandum of understanding (MOU) between the Region and local hospitals for the Region to contribute to capital costs of hospital expansion in exchange for increased efficiency of Regional services. Funding was contingent on and resulted in improvements to patient offload delays for paramedics; however, as outlined to Council on [May 4, 2023](#), despite offload targets still being achieved, patient offload delays have increased. Additional approaches are needed to help residents in crisis access appropriate and timely care (particularly related to mental health and addictions), help reduce offload delays in hospitals, and increase efficiencies in Regional services.

Having received necessary approvals, CMHA-YRSS is proceeding with Hub development and aiming to begin service delivery in 2026

On [June 29, 2023](#), Council committed to a one-time \$5 million capital contribution to support development of a Mental Health Community Care Hub operated by the CMHA-YRSS, conditional on provincial approval and funding for remaining capital costs. Council's support led to the Ministry approving of the Hub project on March 13, 2024 (see Appendix A). However, the June 2023 report did not specify the approach for the capital contribution. The Ministry [announced](#) the Hub project on July 3, 2024, and held a funding event on July 5, 2024.

On October 28, 2024, Town of Newmarket approved zoning bylaw amendment for the Hub site. CMHA-YRSS is proceeding with Hub development at 17255 Yonge Street in the Town of Newmarket.

4. Analysis

Providing a one-time funding grant aligns with Council's commitment to support development of the Hub

Provincial approval of the Hub project and confirmation of funding for remaining capital costs fulfills Council's conditions for proceeding with a capital contribution agreement between the Region and CMHA-YRSS. It is recommended the Region's one-time \$5 million capital contribution be structured as a funding grant. As CMHA-YRSS will have a long-term lease but not own the building, funding cannot be secured against the property. Despite the Region being unable to register security on title, the Region will nonetheless negotiate with CMHA-YRSS to include in the funding agreement reasonable alternative repayment obligations in the event there is a breach of the agreement. Providing funding as a grant meets Council's objectives to support development of the Hub and promote operational partnerships.

Region's funding grant to be provided in allotments tied to development milestones

Allotments will be tied to development milestones to manage the Region's risk and ease potential financial pressures for CMHA-YRSS, aligning with the Ministry's capital contribution approach. Ministry of Health has indicated long term support for the Hub.

Development milestones will be negotiated with CMHA-YRSS to balance the development process and the Region's investment, consistent with other Regional capital projects.

Staff are engaging with CMHA-YRSS on operational alignments for the Hub

As CMHA-YRSS plans the Hub, Paramedic Services, York Regional Police and Central York Fire Services reviewed the site layout and discussed first responders' needs. Paramedic Services is also working with CMHA-YRSS to designate the Hub as an Alternative Destination in the provincial [Patient Care Model](#), allowing patients to be treatment at the Hub instead of local hospital emergency departments.

Mental Health Community Care Hub supports community well-being and efficiently delivering trusted services toward the 2023 to 2027 Strategic Plan

An area of focus of Council's [Vision](#) is healthy communities with a community indicator on mental health of residents. Similarly, priorities of [2023 to 2027 Strategic Plan](#) include supporting community well-being, to protect and promote residents' well-being, and efficiently delivering trusted services. Supporting development of the Hub project fills a service gap for residents' well-being and provides an essential referral pathway for Regional and community services.

5. Financial Considerations

2025 operating impacts of a \$5 million funding grant to CMHA-YRSS, fully funded from Regional reserves, are outlined in Table 1.

Table 1
2025 Operating Impacts

Operating Impact	2025	Ongoing Annual Impact
Gross Expenditures	\$5.0 million	\$0
Funded from:		
Debt Reduction Reserve	(\$2.5 million)	\$0
Pandemic Management Recovery Reserve	(\$2.5 million)	\$0
Net Tax Levy Impact	\$0	\$0

Funding grant will be funded through reserves, with \$2.5 million from Debt Reduction Reserve and \$2.5 million from Pandemic Management and Recovery Reserve.

6. Local Impact

Residents from all nine local municipalities will benefit from improved access to mental health and addictions services. The Hub will fill a current gap in mental health services by providing residents with more timely access to dedicated mental health and addictions supports, and divert demand from local hospitals to free up resources for other needs.

Located in the Town of Newmarket, the Hub is situated for widest geographical coverage of York Region residents and along a major traffic corridor for transit and emergency services. Its proximity to Southlake Regional Health Centre enables services to work together to address community need.

7. Conclusion

This report recommends a one-time capital contribution of \$5 million as a funding grant for the Mental Health Community Care Hub to be operated by CMHA-YRSS. This funding grant will support development of the Hub to fill a critical mental health and addictions service gap, support positive outcomes for residents in need, and improve access for related Regional programs.

For more information on this report, please contact Lisa Gonsalves, Acting Commissioner of Community and Health Services, at 1-877-464-9675 ext. 72023. Accessible formats or communication supports are available upon request.



Recommended by:

Lisa Gonsalves

Acting Commissioner of Community and Health Services



Approved for Submission:

Erin Mahoney

Chief Administrative Officer

November 19, 2024

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Appendix A – Ministry of Health approval confirmation letter (16163094)

Ministry of Health
Hospitals and Capital Division
Health Capital Investment Branch

438 University Avenue, 4th Floor
Toronto ON M5G 2K8

Ministère de la Santé
Division des hôpitaux et des immobilisations
Direction de l'investissement dans les
immobilisations en matière de santé

438, avenue Universitaire, 4e étage
Toronto ON M5G 2K8



eApproval # 174-2024-1528

March 19, 2024

Ms. Katherine Chislett
Commissioner, Community and Health Services
Regional Municipality of York
17250 Yonge Street
Newmarket ON L3Y6Z1

Dear Ms. Chislett:

Re: York Region Mental Health and Addictions Crisis Hub

I am writing to advise you that the Honourable Sylvia Jones, Deputy Premier and Minister of Health, has confirmed the commitment of the Ministry of Health (the ministry) to support the planning and implementation of the Canadian Mental Health Association (CMHA) - York and South Simcoe's York Region Mental Health and Addictions Crisis Hub (the project).

Please keep all information in this letter confidential, under communications embargo, and not for public release for the time being. This information may be used, without being made public, by the Region of York to support confirmation of funding arrangements between the Region of York and CMHA – York and South Simcoe.

I am confirming that the ministry has received the Government's fiscal approval for the project to be implemented using a traditional procurement approach in partnership with the ministry. The project will be subject to Legislative appropriation and all applicable approvals of the ministry. The ministry's Hospitals and Capital Division will be working with CMHA – York and South Simcoe to proceed through the planning and implementation stages.

The ministry will provide a one-time capital implementation grant to assist CMHA – York and South Simcoe with the costs of completing the project.

The ministry has written to CMHA – York and South Simcoe to set out the terms and conditions governing the ministry's funding and other administrative details.

I understand that:

- The Region of York will be providing a one-time capital contribution of \$5 million towards the project.
- The purpose of the contribution is to support development of a Mental Health Community Care Hub operated by the Canadian Mental Health Association, York and South Simcoe; and
- Provision of the Region of York's funds is subject to a capital contribution agreement between the Region of York and CMHA – York and South Simcoe.

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Ms. Katherine Chislett

For any questions on capital planning matters, kindly engage CMHA – York and South Simcoe. If you have any questions for the ministry, please contact Jeannie Fong, Senior Consultant, who can be reached at 416-326-5267 and Jeannie.Fong@ontario.ca.

The ministry welcomes the Region of York's funding contribution towards this important project for your community.

Sincerely,



Caroline Proctor
Interim Director

c: Rebecca Shields, Chief Executive Officer, Canadian Mental Health Association - York and South Simcoe
Susan deRyk, Chief Regional Officer, Ontario Health Central and West Regions