

Background notes:

Presentation to community forum on Toronto's 2011 budget Housing / homelessness and the municipal budget

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Growing poverty / inequality in Toronto:

Vertical Poverty, Three Cities, Unequal City – all present a powerful body of evidence of growing inequality and poverty, with housing being a key factor.

Property tax burden heaviest on tenants:

In Toronto, roughly 55% of households are owners, and 45% are renters. Renters have households incomes that are, on average, less than half those of owners. In 2010, renters (1.9552517%) in high-rise buildings paid property tax rate 3.3 times higher than the property tax rate paid by owners (0.5895702%).

Record waiting lists:

As of the end of December 2010, Toronto's affordable housing waiting list included 76,549 households – an increase of 7.1% over December 2009, and a jump of 15.7% from 2007. A total of 283 households were housed from the waiting list in December of 2010. At that rate, a family that went on the list last month would have to wait 23 years to get a home.

Shrinking private rental supply:

Overall, Toronto's private rental vacancy rate shrank from 3.1 to painfully low 2.2% by the end of 2010. Some parts of Toronto are even lower (North Etobicoke is 1.6%). Average rents in private apartments up 3.2% in 2010 to \$1,041. Vacant units in the private rental market: 5,532 units, down from 7,962 in 2009 – drop of almost 31%.

Tightening screws on housing / homelessness spending:

Toronto's 2011 municipal budget sets out a plan to cut overall spending in the city's [Shelter, Support and Housing](#) (SHS) division by almost \$9 million to a total of \$916.8 million in 2011.

Federal / provincial revenue shrinking:

Two-thirds of SHS revenues come from federal and provincial government - and these are down sharply this year as both levels of government continue to "step out" of their long-term affordable housing obligations. Federal and provincial funding is expected to drop even more sharply in the next few years, but the city's housing reserves have been exhausted, so the pressure for bigger cuts will grow next year. The cut in funding from senior levels of government requires SHS to take money from reserves and also take some money intended for shelters and use it to cover the city's administration costs.

Shelter, Housing, Supports 2011 budget:

Overall, the city is proposing a 2.4% cut in the annual number of funded homeless shelter beds – with the biggest cuts coming at the Family Residence. The city is also shifting funded shelter beds from city-run shelters to contracted shelters – which have lower daily

costs. The city is also proposing a \$100,000 cut in its Tenant Defence Fund, which provides eviction prevention support (more than 30,000 households face eviction annually in Toronto).

New affordable housing funding:

The city, using a combination of municipal, provincial and federal dollars, funded 1,019 new affordable and renovated homes in 2009; and 1,132 homes in 2010. The 2011 budget calls for a total of 1,783 new homes to be funded – although some of them are multi-year projects and may not be available for occupancy in 2011. Total contribution's from the city's Capital Revolving Reserve Fund is set at \$29.8 million in 2011 – virtually the same as in 2010. The city is setting a target of 1,200 new homes annually in 2012 and 2013. Depleted city reserves and shrinking funding from senior levels of government raise questions about whether Toronto will meet its 2012 and 2013 new housing targets.

Toronto Affordable Housing Office cuts:

Toronto's [Affordable Housing Office](#) is facing a 10.8% cut in its 2011 budget to \$2.9 million, according to the proposed municipal budget.

Capital spending shortfalls:

The 2011 capital budget calls for \$900 million in annual spending to deal with maintenance issues in the city's existing homeless shelters. This is significantly short of the amount required to maintain shelters in a State of Good Repair. To save money, the city will defer a significant amount of necessary maintenance over the next decade. By the year 2020, the accumulated shortfall will reach more than \$3.6 billion. Two capital budget items: \$250,000 for a Mass Care Response Vehicle to co-ordinate the city's response to major housing emergencies; 22m for Seaton Housing redevelopment.

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