

Toronto's 2008 municipal budget needs to "seed" 10-year housing strategy

WHOSE TORONTO? There are more "super-luxury", multi-million dollar condominium units under development in Toronto than affordable homes.

Toronto's 2008 operating budget – and its 10-year housing strategy – need to reverse that trend.

A snapshot on housing and homelessness in Toronto

Only about one in every 100 new homes built in Toronto in the past five years have been truly affordable – that’s slightly more than 2,000 new affordable, supportive, transitional or alternative homes out of almost 200,000 new homes built since 2001.

Toronto’s **14 super-luxury condominium projects under development have more units than the entire list of affordable housing projects** funded by the City of Toronto in 2007.

	Avg. price
Four Seasons West - Bay/Yorkville	\$5,202,738
MuseumHouse - 206 Bloor W.	\$5,825,000
Four Seasons East - Bay/Scollard	\$2,170,140
Trump International Hotel and Tower- Adelaide/Bay	\$4,188,889
77 Charles - Charles/St. Thomas	\$2,301,370
Residences at the Ritz-Carlton - Wellington/Simcoe	\$2,700,417
One St. Thomas - St. Thomas/Sultan	\$4,012,500
Crystal Blu - Balmuto St	\$1,544,200
1 King Street West - 1 King W.	\$811,575
1 Bloor - Bloor/Yonge	\$700,000
100 Yorkville - 100 Yorkville	\$3,115,333
Shangri-La - University/Adelaide	\$1,504,230
One Bedford - Bedford/Bloor	\$1,164,445
Pier 27 - Yonge St, south of Queens Quay	\$1,475,761

The number of Toronto households in core housing need has grown from 176,300 in 1991 to 269,700 in 1996 to 295,500 in 2001. These are households living in homes that are unaffordable, inadequate and/or unsuitable. This number is expected to increase when the 2006 census numbers are released in the spring of 2008.

In 2005, **403,000 households were living below the poverty line** in Toronto – slightly more than one in every five families. The average low income gap was \$9,600 annually.

The number of Toronto tenant households facing eviction reached an all-time high of 30,768 in 2006 – that’s an average of about 123 families facing eviction every working day of the year. About one-third of households evicted in Toronto go directly to homeless shelters; another one-third join the ranks of the “hidden homeless” by staying temporarily with family or friends; and the remaining third are able to find another home.

Toronto’s affordable housing waiting list is growing ever longer. There were 63,791 households on the list in 2004; 66,556 in 2005 and 67,083 households in 2006. As the list grows

longer, the number of households that are housed annually is shrinking from 5,386 in 2004 to 4,871 in 2006. If the city maintains the same pace in coming years, then a family that signs onto the list in 2007 cannot expect to be offered a home until the year 2021.

The city's homeless shelters are crowded: Hostels had 1,403,881 bed-nights in 2005, up from 1,363,593 in 1998. The number of families in city shelters, after falling to 700 people in 2005, has increased by almost 25% in the past year.

Toronto's 2007 Operating Budget

Shelter, Support and Housing Administration:	Overall \$\$	Net city \$\$
Program support	\$2,104,900	\$2,104,900
Housing administration	\$536,088,000	\$217,930,100
Housing programs	\$10,377,400	\$0.0
Hostel services	\$116,054,600	\$52,822,000
Housing / homelessness supports	\$26,558,300	\$2,909,500
Partnership development / support	\$343,300	\$343,300
Emergency planning services	\$966,000	\$463,900
TOTAL	\$692,492,500	\$276,573,700

The 2007 SHS spending represents almost 9% of Toronto's \$7.8 billion operating budget.

Shelter, Support and Housing had significant budget cuts in 2007 from 2006. Under the projections in the 2007 budget, the funding cuts will be restored by the year 2009.

The 2007 budget called for a 3.5% cut in hostel bednights, from 1,474,676 to 1,423,055, or a total of 51,621 fewer bednights.

The 2007 budget set out funding for a total of 863 new affordable homes, but 339 of those were carried over from 2006, so the number of new allocations was 524 for 2007.

Toronto has three reserve funds that fund housing and homelessness initiatives. As of the end of 2007, the Capital Revolving Reserve Fund had \$19 million; the Mayor's Homeless Initiative Reserve Fund had \$3.2 million; and the Development Charges Reserve Fund – Shelters / Housing had a balance of \$4.5 million.

Toronto property taxes are profoundly unfair, with **renters paying a property tax rate that is three and one-half times higher than the rate paid by owners** – even though the median renter household income (\$32,700) is less than half the owner income (\$68,300).

HAN / Wellesley Institute recommendations: 2007 budget

“Hey, Toronto, can you spare a dime?”	PROPOSAL: Investing \$95 million to fund 1,000 new homes, enhanced development assistance funding, additional shelter beds, comprehensive extreme heat response system	RESULT: Toronto City Council rejected the additional investments, though the new City of Toronto 10-year housing plan calls for significant investments
No cuts to existing housing and homelessness funding	PROPOSAL: Reverse the recommendation to cut \$25 million from SHS	RESULT: Renewed federal homelessness funding spared city cuts
Enhance inclusionary zoning / planning powers	PROPOSAL: Enhance the zoning and planning powers to require a range of housing and income types in all new developments in Toronto	RESULT: Included for discussion in the HOT housing strategy
Expand Toronto’s revenue base	PROPOSAL: Create new taxes to increase revenue, including land transfer tax	RESULT: Land transfer tax has been adopted, but the revenue is going to general fund, not to a housing fund

Toronto’s HOT new 10-year housing plan

The City of Toronto released a draft 10-year housing strategy called Housing Opportunities Toronto (HOT) on Nov. 6, 2007. The plan is to create 209,000 new and renovated affordable homes over the next decade. It is a major step up from the dismal city affordable housing performance in recent years, which has seen less than 1,000 new homes annually. The proposed plan goes out for consultation to build political and public support over the next few months.

It’s great news that the City of Toronto is seriously back in the affordable housing business and that Mayor David Miller has put his signature on the proposed plan. There’s still a lot of work on the critical details to be done during the consultation process and the city needs to ante up its contribution, while working with others to secure the needed funds and programs from senior levels of government.

The plan sets out six specific targets over a ten-year period, including an annual costing:

1. help homeless and vulnerable people find and keep homes – 13,000 households over 10 years, \$46 million annually.
2. assist people to afford rents through rent supplements – 60,000 households over 10 years, \$120 million annually.
3. preserve and fix social and rental housing and keep it affordable – 115,000 households over 10 years, \$89 million annually.
4. create and renew mixed, inclusive, sustainable neighbourhoods – 10,000 households over 10 years, \$100 million annually.
5. create affordable rental housing – 11,000 households over 10 years, \$110 million annually.
6. help people buy / stay in homes – 10,000 households over 10 years, \$4 million annually.

Much more work will need to be done in key areas. Here are some of the main challenges:

- *virtually no city dollars to seed the plan.*
- *household targets are tight.*
- *not enough detail in critical areas.*
- *definition of “affordable” needs to be sharpened.*
- *Toronto’s plan needs to be integrated into a poverty reduction strategy.*
- *racial and gender dimensions of housing insecurity must be specifically addressed.*
- *a municipal champion is needed.*

HAN / Wellesley Institute 2008 draft budget policy proposals

Double residential development charges	Currently, Toronto’s development charges are about half of those in the surrounding region. The additional revenue should be devoted to a dedicated affordable housing fund.	Potential revenue: \$70 million
Stop sell-off of Toronto Community Housing Company’s scattered properties	Toronto City Council is considering a proposal to sell off 500 single family homes.	No cost
Implement the “dime a day” proposal from 2007	Toronto needs to “seed” its 10-year housing strategy with municipal dollars: <ul style="list-style-type: none"> ○ 1,000 new homes ○ increased project development support ○ increase in shelter budget ○ implement “Cool Toronto” emergency heat response 	Net city cost: \$95 million
Double the Capital Revolving Reserve Fund and the Mayor’s Homeless Initiatives Reserve Fund	Replenishing the funds will allow for additional capital spending for new affordable homes.	Cost: \$22.2 million
Implement three-year plan to invest land transfer tax funds in dedicated housing account	The land transfer tax dollars should be dedicated to housing. The city can invest one-third this year, another one-third next year, and the remaining one-third in the following year.	Potential revenue: \$100 million in the first year

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The Wellesley Institute Blueprint to End Homelessness in Toronto available at:
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