

Don't sell-off 740 affordable homes when Toronto wait list hits a record 82,138 households; Wellesley Institute calls for multi-sectoral task force to create sustainable plan for TCHC

A SUBMISSION TO THE TCHC EXECUTIVE COMMITTEE | 2012

Thank you for the opportunity to make this submission to Toronto City Council's Executive Committee on January 24, 2012, on item EX15.1 - Proposed sale of Toronto Community Housing Stand-Alone Units.

The Wellesley Institute joins with four former Mayors of Toronto, leading urban researchers at the University of Toronto and, perhaps most importantly, a great many tenants of Toronto Community Housing in recommending that Executive Committee reject the proposal for the unprecedented sell-off of 740 affordable homes in 675 buildings at a time when Toronto's affordable housing wait list has set yet another record of 82,138 households.

We have attached to this submission copies of the letters from the former Mayors, a copy of the University of Toronto's submission, and our own backgrounder that sets out seven detailed concerns about the proposed sell-off of TCHC affordable housing stock.

Instead of selling off the desperately-needed affordable homes, we respectfully recommend that the Executive Committee direct Toronto Community Housing Company to convene a multi-sectoral task force, including the TCHC board, staff and tenants, along with housing experts, community leaders and others, to develop a socially and fiscally responsible plan to address the capital repair shortfall in all TCHC housing, including the stand alone portfolio.

There are a number of options that this task force might consider in creating a sustainable plan for TCHC, including some that have already been suggested or implemented in part by TCHC, and suggestions that have come from community leaders and housing experts. These include:

- additional investments from federal and provincial governments, which created the current \$650 million capital repair shortfall at TCHC by downloading housing without adequate capital reserves. Both levels of government have made important contributions since 2008, but their investments to date are far short of the financial hole that their actions created.
- additional operating efficiencies to lower energy and utility costs. TCHC has done significant work in this area, and generated substantial savings. The stand-alone portfolio has \$3.3 million in annual utility costs - costs that can likely be substantially reduced through energy and utility enhancements.
- interim financing from Infrastructure Ontario's affordable housing loan program, or other sources, that would help to provide inexpensive capital financing for necessary repairs.
- partnerships and innovative collaborations, including possible transfer of some properties to non-profit organizations. TCHC has a number of innovative

partnerships and collaborations over the years, and the “non-profitization” of some of the stand-alone portfolio may be an effective way to protect the affordable housing stock while relieving some of the financial liabilities for operations and repairs.

There is an important historical precedent for our request for a special city housing initiative, and it comes from Dr. Herbert Bruce, who was the Ontario Lieutenant Governor in 1934. Dr. Bruce was founder of the Wellesley Hospital in 1911, the legacy institution of the Wellesley Institute. In 1934, while presiding at a civic banquet to celebrate Toronto’s 100th anniversary, Dr. Bruce issued a challenge to civic leaders to tackle the twin scourges of rundown housing and the shortage of affordable housing that was plaguing the city at the time. The City of Toronto responded by creating the Bruce Commission and staffing it with some of the smartest minds of the time. Within months, they had set out a practical set of initiatives to ensure that everyone in Toronto had a good place to call home. The Bruce Commission called for:

“a serious and sustained public attack on the problem of bad housing in Toronto, by means of a modern and efficient system of town planning, a vigorous policy of repairing or demolishing unfit dwellings, and the building of new low-cost houses as rapidly as possible... The immediate initiation of this programme would have the great merit of stimulating employment and reducing the need for relief. Over a period of years it should do much more than this. It should eliminate a serious reproach to the city. It should produce a healthier, happier, more civilized community. It should make Toronto a better place in which to live, not only for the poorer people immediately benefited, but also for the more prosperous citizens. It should make Toronto worthy of the name, ‘A City of Homes.’”

The wholesale sell-off of affordable homes is a bad policy option because:

- it sharply reduces the supply of affordable housing at a time when the demand for affordable housing has reached critical levels, and will only make Toronto’s record-breaking affordable housing wait lists even longer.
- the sell-off primarily affects very low-income tenants, including those receiving social assistance and those with disabilities - both protected under the Ontario Human Rights Code - and therefore raises human rights violations.
- it will take a substantial time (likely two or more years) to realize potential net revenues from the sale of the 675 buildings, which means that the proposed sale will be of little value in achieving its stated goal - which is to generate cash to cover a large and growing capital repair bill at TCHC.

- it forces some of Toronto’s poorest households out of their homes in order to avoid a tiny tax increase for those who are relatively well-housed is directly contrary to the expressed views of Torontonians in the City of Toronto’s extensive public consultation on core services last summer.
- forcing some of Toronto’s poorest households out of their homes takes the political pressure off the federal and provincial governments, who are the principal authors of the fiscal woes at TCHC after they downloaded social housing without adequate capital reserves and with limited operating subsidies.

TCHC provides a home to more than 164,000 Torontonians, among the poorest and most vulnerable households in the city. Many already have compromised health. We know from our own research, and from research of others, that there is a strong link between housing and health. People forced to live in rundown housing, households that are precariously housed, and those who are homeless all suffer much higher rates of illness and early death. The good news is that there is a growing body of research evidence that draws the links between good housing and good health. The benefits flow not just to the individuals who enjoy longer and healthier lives, but to the population health of the entire community. And, as a bonus, there is a substantial and positive economic impact from housing investments. The federal government, in its most recent report to Canadians on its economic impact plan, reported that housing investments generated \$1.50 for every \$1.00 invested, including jobs and other economic benefits.

Housing is good for people, housing is good for communities, housing is good for the economy, and housing is a smart investment for government. As part of last summer’s Core Services Review, the city’s external consultants noted that affordable housing investments cost taxpayers less than spending on shelters and services for people who become homeless.

The proposal to sell-off 740 affordable homes comes at a time when Toronto’s affordable housing wait list has been setting new records month after month since 2007, and the vacancy rate in the private rental sector is dropping sharply. Toronto literally needs every affordable home that it can get not only to help house the all-time record 82,138 households that are on the affordable housing wait list as of the end of December, but to deal with the urgent need for new affordable homes that is growing every month.

The December increase is a staggering 23 percent rise from the start of the 2008 recession, and a 7.3 percent increase in one-year from December of 2010. In December, only 280 households were housed off the list. At that rate, it will be almost 24 years by the time a household that signed up in December of 2011 is offered a place to call home. Reducing the TCHC stock by selling off 740 homes will make an already painfully long wait for an affordable home even longer. The sell-off proposal includes a commitment that all

the households that lose their homes will be re-housed in other affordable housing.

TCHC says that it needs the cash to pay for a huge capital shortfall created by the federal and provincial governments when they downloaded social housing stock to the city a decade ago. TCHC's fiscal woes got worse earlier this week when Toronto City Council approved a 2012 operating budget that includes a \$6 million cut to the city subsidy to the affordable housing agency.

We want to acknowledge that the proposal at Executive Committee exempts 18 TCHC homes that are managed by supportive housing agencies for people with special physical or mental health needs. This is a step in the right direction. The TCHC board had originally recommended that these homes be sold off, as well.

In December, only 280 households were housed off the list. At that rate, it will be almost 24 years by the time a household that signed up in December of 2011 is offered a place to call home.

TCHC staff estimate that the housing company faced a \$650 million capital funding shortfall in 2010, and that number could rise by \$100 million annually. The funding shortfall was created by the federal and provincial governments when they downloaded former Ontario Housing Corporation housing projects and other stock to the city without adequate maintenance reserves. TCHC has received some capital repair dollars from the Ontario government following its 2008 budget, and from the federal government following its 2009 budget, but the amounts received were far less than the funding shortfall created by those governments.

TCHC has invested in energy conservation projects in recent years, and reaped substantial savings; but staff say that the cash-flow from its revenues is constrained. Almost all of its tenants are low or very-low income households, and their rents are set using formulas created by the provincial government. TCHC receives subsidies from the federal, provincial and municipal governments, but all three levels of government have cut their affordable housing investments.

All of which is respectfully submitted by:

**Michael Shapcott
Director, Housing and Innovation
The Wellesley Institute**

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The Wellesley Institute is a Toronto-based non-profit and non-partisan research and policy institute. Our focus is on developing research and community-based policy solutions to the problems of urban health and health disparities.

**Wellesley
Institute** 
advancing urban health

Selling Off Affordable Homes is Bad for Toronto's Health: Seven Things You Need To Know

A BACKGROUNDER FROM THE WELLESLEY INSTITUTE | 2011

Toronto Community Housing Corporation (TCHC) — the City of Toronto's affordable housing agency — is making the unprecedented recommendation to sell-off more than 700 affordable homes at a time when the city's waiting list for affordable housing sets new all-time record highs month after month. TCHC says that it urgently needs the cash from the sale of the homes to pay for a big capital repair bill for its portfolio of 58,000+ housing units and that if the units are to be fixed and maintained, it has no alternative but to sell off the homes to the highest bidder.

TCHC's housing provides homes to more than 164,000 of the city's residents and are a vital health and community resource. Research from the Wellesley Institute and other local, national and international studies, demonstrate that a good home is vital to individual and population health. Poor housing is linked to increased illness and premature death, and a good home provides a stable base for healthy lives and strong communities. Some of this research is summarized in the Wellesley Institute's *Precarious Housing in Canada* report.

SEVEN THINGS YOU NEED TO KNOW

Here are seven important observations that Toronto City Council, and all Torontonians, need to consider as they review the proposal to sell off hundreds of affordable homes:

ONE

Month after month, year after year, Toronto's affordable housing wait list continues to set new records. In October 2011, there was an all-time high of 81,410 households on the list — an increase of more than 7% over the previous year. In October, a total of 282 households were housed from the list — which leaves the remaining households with a wait of two decades or longer to get a home. Toronto's private rental housing markets, where almost half of the city's households find a home, are also facing painfully tight conditions. The overall number of rental units in Toronto's primary rental universe fell to 254,555 in the most recent survey by Canada Mortgage and Housing Corporation (CMHC) — a drop of 1,353 units in one year at a time when the city's renter population is growing. CMHC reports that there are only 5,532 vacant rental units in Toronto's primary rental mar-

ket — a sharp drop of 30% in just one year. The number of rented condominium units also fell in Toronto in the most recent figures released by CMHC — down to 38,721. Average rents in the condo sector are 30% to 50% higher than average rents in the purpose-built rental sector.

THE BOTTOM LINE: Renter households face dwindling supply of housing in the private rental market and a years-long wait for an affordable home. Selling off hundreds of TCHC affordable homes will only make a terrible situation even worse.

TWO

TCHC reports that its stand-alone portfolio has a net operating income of \$1.5 million — and this positive cash flow can be used to help pay for financing of needed capital repairs. The TCHC stand-alone portfolio, which includes the 700+ units that are proposed for sale, generates \$8.5 million in annual revenue, and costs \$7 million in annual expenses (utilities and operating costs). That \$1.5 million positive cash flow turns into a liability for TCHC only when the long-term capital repair costs are added in. Infrastructure Ontario, the provincial government's infrastructure loan facility, has hundreds of millions of capital repair loan dollars on offer to affordable housing providers at low rates. TCHC is a multi-billion dollar corporation with substantial assets and can directly enter the capital financing market and obtain competitive financing rates. Whether TCHC obtains financing through the province, or directly, its \$1.5 million annual positive cash flow from the stand-alone units can be used to repay its financing. Staggering the capital repairs over time would ease the capital financing requirements in any year.

THE BOTTOM LINE: The \$1.5 million net operating income from TCHC's stand-alone portfolio can be used to help finance long-term capital repair needs.

THREE

One of the biggest costs in maintaining the stand-alone portfolio of housing is the \$3.3 million that TCHC reports as the annual cost of utilities. A prudent energy/utility assessment program could deliver substantial cost savings, which

could help finance the initial capital investment. Large corporate landlords, individual homeowners and other property owners know that capital investments in energy efficiency and related items can be covered by utility savings in future years. As already noted, Infrastructure Ontario has hundreds of millions of dollars on offer to affordable housing providers for utility/energy upgrades. Investments today can be paid by future reductions in costs. TCHC has been working on improving the energy efficiency of its housing portfolio, and further investments into a prudent energy/utility assessment program could deliver substantial cost savings and help finance the initial capital investment.

THE BOTTOM LINE: With appropriate investments today, funded by Infrastructure Ontario, the \$3.3 million stand-alone portfolio utility budget could yield substantial savings overtime that could be redirected towards capital repairs..

FOUR

Capital investments in affordable housing repairs and upgrades are good for the Toronto economy, and generate good jobs at a time when Toronto needs the economic boost. Canada's federal government, in its Seventh Report to Canadians on Canada's Economic Action Plan, reported that for every \$1 the government invested in affordable housing— the bulk of which went to the repair and upgrade of housing—\$1.50 in jobs and related economic activity was generated.. Affordable housing investments have one of the highest economic multipliers of all forms of government spending, according to the Harper government. Investments to upgrade rundown TCHC housing would not only benefit the tenants by creating healthier homes, but those investments would also generate good jobs and other economic benefits for Toronto. Statistics Canada's latest Labour Force Survey, which reports a national decline in employment (including a decline in the construction sector), has raised fears that economic uncertainty could continue to affect the city's jobs market. TCHC investment in housing repairs and energy efficiency would be especially welcome in the current climate.

THE BOTTOM LINE: Investment in affordable housing repairs generates good jobs and other economic activity— and Toronto needs both in these uncertain economic times.

FIVE

Digging deeper into the numbers that Toronto Community Housing has provided, the sell-off of affordable homes raises additional fiscal questions. The TCHC stand-alone portfolio generates \$8.6 million in rental revenue annually— through a combination of rents and rent subsidies for the units— and a positive annual operating income of \$1.2 million once utility and operating costs are deducted. That's a substantial revenue stream that TCHC is giving up if it sells off the housing. TCHC argues that the foregone revenues are outpaced by the substantial capital repair costs, but, as already noted, TCHC has the option to finance long-term repair using the cash flow from operating income. TCHC estimates that the sale of the properties will generate net proceeds of \$269 million to \$336 million, once various costs

(fees, mortgage penalties, etc.) are deducted. Those figures depend on TCHC getting close to top dollar for properties that it acknowledges are in need of significant capital repairs. Willing buyers may not be so keen to pay top dollar, reducing TCHC's anticipated proceeds. TCHC is also selling off other parts of its portfolio— including Sparkle Solutions, a laundry company. TCHC should be using its sheer size as the second biggest landlord in North America to secure financial advantages for its business operations and social advantages for its tenants— as it successfully did in the redevelopment of Regent Park, where it convinced businesses to hire residents to work in new commercial enterprises. Instead of smart, innovative business practices that create a double bottom line— financial and social benefits— TCHC seems resigned to a shrinking role.

THE BOTTOM LINE: Selling off hundreds of affordable homes deprives TCHC of substantial operating revenues and is part of an ongoing process that is stripping the public housing landlord of valuable parts of its portfolio .

SIX

The TCHC report recommending the sell-off of 700+ homes dismisses the possibility of any additional capital funding from the federal or provincial government, even though a large portion of the estimated \$650 million capital repair bill for TCHC is related to housing that was developed, owned and managed by the provincial government, or was developed under federal housing programs— and then downloaded to the city. Both senior levels of government have acknowledged the serious capital repair shortfall and their own liability, and have made significant payments over the past three years. A large gap remains and TCHC offers no explanation as to why it rules out the possibility of more federal and/or provincial capital repair funding. In addition, punitive rules set by the provincial government mean that the City of Toronto is forced to pay a substantial portion of the rent of TCHC tenants who receive provincial income assistance (Ontario Works or Ontario Disability Support Program). In 2008, the city was forced to pay \$77 million for the annual rent shortfall due to provincial income assistance rules. As housing expert Joy Connelly has noted, that amount is certainly higher in 2011. Instead of vigorously pursuing its strong claims for capital repair funding and rent shortfalls from the provincial and federal governments, TCHC has given up on convincing senior governments of their fiscal responsibility without even trying.

THE BOTTOM LINE: The provincial and federal governments continue to bear a major liability for capital repair and operating shortfalls and could be a source of funding if asked but TCHC has precluded additional funding from senior levels of government without any explanation.

SEVEN

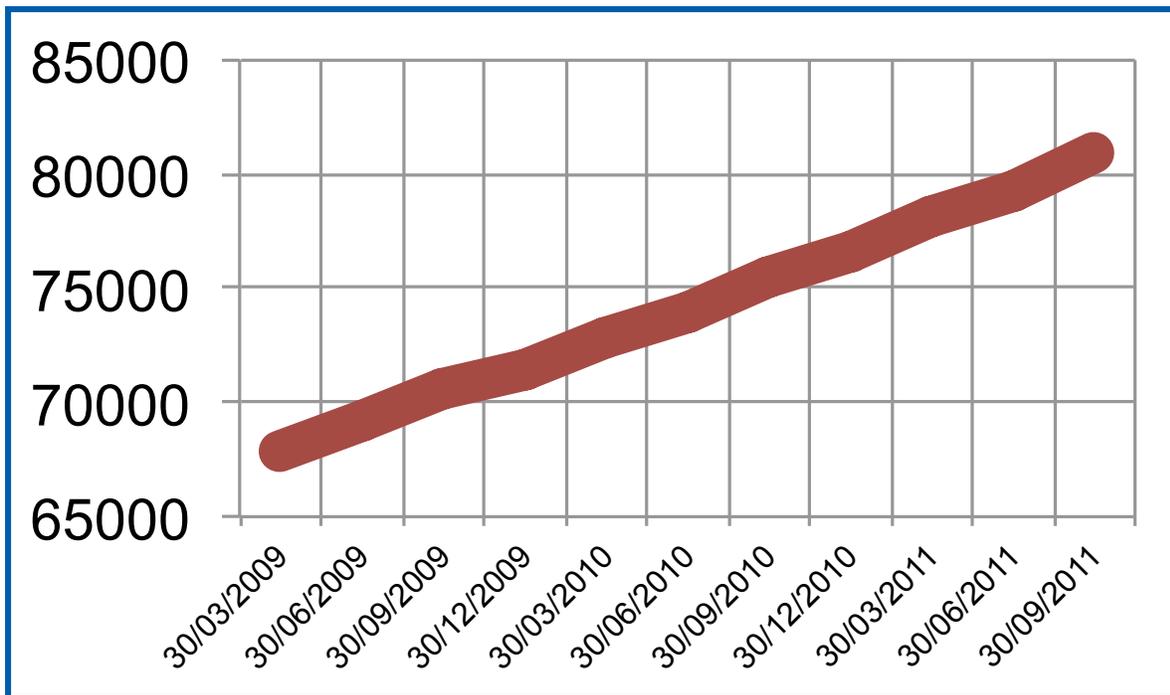
Toronto is becoming a seriously divided city by income, and affordable housing spread throughout the city offers one practical solution to growing neighbourhood-based inequality. The Three Cities research by the University of

Toronto's Dr. David Hulchanski and the United Way of Greater Toronto's series on poverty by postal code, record the growing divisions in Toronto neighbourhoods by income. Toronto Public Health's Unequal City report documents the impact of neighbourhood inequality on the health of individuals and the population. Toronto urgently needs healthy and affordable housing in neighbourhoods throughout the city, but many of the units targeted for sale are in neighbourhoods that are already short of affordable homes. The TCHC report on the proposed sell-off doesn't seriously canvass any alternatives. Housing expert Joy Connelly has offered other options for the stand-alone portfolio, including "non-profitization" of the housing stock — entering into management plans with non-profit and co-op housing providers. Over the years, TCHC and its predecessors have worked collabora-

tively with Toronto's non-profit housing sector on effective solutions that preserve and enhance the city's social housing stock. One shining example is the 400-unit Sonny Atkinson Co-op, which evolved out of the Alexandra Park public housing project. The ongoing sell-off of TCHC assets closes the door to future innovative arrangements that benefit tenants and neighbourhoods.

THE BOTTOM LINE: In an increasingly divided Toronto, healthy and affordable homes are needed in every neighbourhood; instead of cannibalizing its housing stock, Toronto Community Housing needs to continue to be innovative in collaborations with other housing providers on effective solutions that preserve and enhance the city's social housing stock.

This chart that shows the rise in the number of households on the Toronto affordable housing wait list.



More resources available at
www.wellesleyinstitute.com contact

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The Wellesley Institute is a Toronto-based non-profit and non-partisan research and policy institute. Our focus is on developing research and community-based policy solutions to the problems of urban health and health disparities.



To:

Mayor Rob Ford and Members of Toronto City Council

And to

Kathleen Wynne, Minister of Municipal Affairs and Housing

January 11, 2012.

We are writing to express our concerns about the possible sale of scattered housing units now owned by the Toronto Community Housing Corporation.

We are all mayors of the former City of Toronto, and as such we introduced and/or endorsed policies which increased the amount of affordable housing in the city. Our goals were two-fold: to both increase the amount of affordable housing available to low income households, but also to integrate it into the community. We had learned that segregating low income housing, as occurred with the public housing program in the 1950s and 60s, did not create a healthy city: everyone was better off when different income households lived in ways in which their lives could intersect on a daily basis.

Some scattered units purchased by the former city of Toronto were purchased for a non-housing purpose which was then abandoned (such as a park expansion or a proposed roadway) and rather than putting these units on the market, we supported policies which made this housing available to low income families. Some were purchased in conjunction with a large piece of land then redeveloped into new housing, and in these cases the houses were retained because they were part of the neighbourhood and because they could be used to integrate different income groups into the neighbourhood.

TCHC owns more than 850 scattered units, and is proposing at the current time to sell just over 700.

It is clear from the TCHC staff report of October 21, 2011 that most of these units are occupied by low income households: rent subsidies bring in about 55 per cent of the revenue from those homes, and rents pay only 45 per cent. The net rental income is positive at \$1.5 million, although TCHC argues that the annual capital repair cost is four times that amount. The reason given for selling these units is to both reduce operating and administrative costs (although these units seem to produce net revenue), and to generate capital to repair other units owned by TCHC, namely public housing units. Thus the scattered units which promote healthy income mix are being sold off to repair the very structures which segregate low income families.

We think this is strategy which should not be pursued. Clearly, it will not lead to an increase in affordable housing; it will not lead to more income integration; and it does not provide the long term financial solution needed to address the repair crisis facing Toronto Community Housing.

The proposed sale of the homes now puts into focus an important issue: Toronto needs a new federal/provincial social housing funding arrangement that addresses the need for ongoing repair of the city's aging housing stock.

We also believe it is critically important that Toronto re-engage the federal and provincial governments in funding a financially sustainable solution to the growing problem of repairing Toronto Community Housing.

Yours very truly,

A handwritten signature in black ink that reads "David Crombie". The signature is fluid and cursive, with a large initial "D" and "C".

David Crombie
(davidcrombie@rogers.com)

A handwritten signature in blue ink that reads "Art Eggleton". The signature is cursive and somewhat stylized, with a large initial "A".

Art Eggleton
(Eggleton@rogers.com)

A handwritten signature in black ink that reads "John Sewell". The signature is cursive and somewhat stylized, with a large initial "J".

John Sewell.
(john@johnsewell.ca)



Ontario Human
Rights Commission

Commission ontarienne
des droits de la personne

Office of the Chief Commissioner

Cabinet du commissaire en chef

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January 12, 2012

His Worship Rob Ford and members of Toronto City Council
Office of the Mayor
Toronto City Hall,
2nd Floor,
100 Queen St. West,
Toronto ON
M5H 2N2

The Honourable Kathleen Wynne
Minister – Minister's Office
Ministry of Municipal Affairs and Housing
College Park, 17th Flr
777 Bay St
Toronto ON
M5G2E5

Re: Sale of Toronto Community Housing Corporation scattered housing units

I am writing to express concern about the proposed plan to sell the TCHC's scattered housing units. This plan has the potential to negatively impact individuals and groups protected by the Ontario *Human Rights Code* (the *Code*).

As you may know, in the past few years, the Ontario Human Rights Commission (OHRC) has done extensive work in the area of discrimination and housing. This work has included a focus on the lack of affordable housing opportunities in the province and the impact that this shortage has on groups that are identified and protected by the *Code*.

In 2007, the OHRC held a province-wide public consultation on human rights issues in housing. The OHRC heard about the impacts of inadequate housing options and the dearth of adequate affordable housing on many groups protected by the *Code*, including

older Ontarians, families, people with disabilities, racialized people and people with low social and economic status.

Adequate and affordable housing is integral to an individual's ability to fully participate in and be a part of his or her community. There is an undeniable link between adequate and affordable housing and quality of life. Housing provides the foundation for general well-being and social inclusion. Adequate housing facilitates access to suitable employment, community resources and supports, and educational opportunities.

Many people who participated in our consultation were concerned specifically about the lack of coordinated actions on behalf of all levels of government to provide sufficient levels of adequate and affordable housing and to address homelessness. The OHRC shares this concern. In 2008, in our consultation report entitled, *Right at Home: Report on the Consultation on Human Rights and Rental Housing in Ontario*, the OHRC recommended

THAT the Government of Canada adopt a national housing strategy, in consultation with provincial, territorial and municipal governments (where feasible and appropriate), that includes measurable targets and provision of sufficient funds to accelerate progress on ending homelessness and ensuring access of all Canadians, including those of limited income, to housing of an adequate standard without discrimination.

We also recommended

THAT the Government of Ontario, in the absence of a national housing strategy, adopt a provincial housing strategy. Such a provincial strategy should include measurable targets and provision of sufficient funds to accelerate progress on ending homelessness and ensuring access of all Ontarians, including those of limited income, to housing of an adequate standard without discrimination. It should also take into consideration the needs of Aboriginal people, people with disabilities including mental illness, women experiencing domestic violence, lone parents, immigrants and newcomers and other people living in poverty or with low incomes who are identified by *Code* grounds.

In 2009, the OHRC made a submission to the Ministry of Municipal Affairs and Housing's Long-term Affordable Housing Consultation that further emphasized the importance of all levels of government working together to develop a coordinated national strategy to improve housing options for low-income people and address homelessness.

The OHRC has also been clear that affordable and supportive housing should be integrated throughout Ontario's communities to avoid "ghettoization." When designing housing projects, steps should be taken to integrate more affordable forms of housing into the broader community. In 2009, the OHRC presented this position in a deputation to the City of Toronto's Affordable Housing Committee. Since then, we have worked with the Ministry of Municipal Affairs and Housing and municipalities, including the City of Toronto, to address discriminatory neighbourhood opposition (also known as "Not in My Backyard" attitudes or "NIMBYism") to affordable and supportive housing projects. It is the OHRC's position that, to the greatest extent possible, people should be able to live in the community of their choice.

The plan to sell TCHC's scattered housing units will further decrease the already limited stock of affordable housing in Toronto. These units were created deliberately to ensure that affordable housing options were integrated throughout the city, so that people of all income levels could live together in the same neighbourhoods. Eliminating these units will lead to a concentration of affordable housing options in specific parts of the city, thus increasing segregation or ghettoization of the individuals who live there, many of whom are identified and protected by the *Code*.

I would urge you to seriously consider the potential negative impact of the sale of these units before allowing such a plan to proceed. If I can be of any assistance, or if you would like to discuss this matter further, please do not hesitate to contact me or my office.

Yours truly,

A handwritten signature in black ink that reads "Barbara Hall". The signature is written in a cursive, flowing style.

Barbara Hall, B.A, LL.B, Ph.D (hon.)
Chief Commissioner



January 23, 2012

To: City of Toronto Executive Committee
cc: Mayor Ford, Minister Wynn, Toronto City Council

Re: **A temporary deferral for review of options is necessary prior to the sale of Toronto 's stand-alone homes**

On January 13 the Cities Centre at the University of Toronto hosted an all-day seminar on **A Better Strategy for Toronto's Public Housing**. Participants represented a wide range of expertise on the provision and management of public housing. A summary of the presentations and discussion is attached.

Participants at the seminar agreed that the worst thing the City could do is to act precipitously. Nor should a decision be based on consideration of short-term gain. A sale of these houses would not necessarily represent a net financial gain. The sale would displace families in need of family housing, and forever remove a significant stock of affordable family housing. The severe need for family housing will remain and various costs will appear in other city and provincial budget lines (social assistance, child welfare, health, education, etc.).

We, therefore, strongly urge the Executive Committee and City Council to delay making decisions on the sale of the stand-alone houses and instead engage in a careful examination of the options available to the City. Until the alternatives are fully explored, it would be wrong to seek Council or Provincial approval to sell off such a large number of family-oriented homes.

The seminar produced several strong ideas and possible solutions to the challenge of retaining these houses as affordable accommodation. The presentations and discussion were wide ranging including events associated with the development of the City's current public housing stock, lessons learned from these events, the general situation at the housing corporation and most specifically, the immediate issue before the Executive Committee and Council: the proposed sale.

Participants expressed particular concern about the impact of selling stand-alone houses, including the eviction of over 2000 tenants from their current dwelling and neighbourhood and the loss to the City of an important stock of housing for large families. While recognizing the need for additional revenue to undertake repairs we are particularly concerned that the multiple impacts of this decision have not been fully explored and debated. There is a need to discuss in detail the implications of the sale for the families living there and for the long-term preservation of a scarce public resource.

This discussion should focus on options for keeping these houses in some form of affordable accommodation. We are very much concerned that all of the options for retaining this stock as affordable housing have not been carefully considered. A number of alternatives are noted in the attached summary. Discussions concerning the future of this housing must take place in the context of accurate and complete information about the current situation and the alternatives. Indeed, there must be a careful review that considers the advantages and disadvantages of each option.

Sincerely,

Eric Miller, PhD
Director

David Hulchanski, PhD
Associate Director

Frank Cunningham, PhD
Senior Advisor



Cities Centre Invitational Seminar
Friday, January 13, 2012

A Better Strategy for Toronto's Public Housing

Co-chairs: David Hulchanski & Frank Cunningham, University of Toronto

Speakers (in order of appearance): Anne Golden, Councillor Ana Bailao, Ron Struys, David Crombie, Tom Clement, Councillor Paula Fletcher, Joe Deschenes-Smith, Greg Kalil, Joy Connelly, Martin Blake.

Summary

Bob Murdie and David Hulchanski have prepared this summary. It is a composite of our notes from the daylong seminar. It is intended to be an outline record of what was discussed. It does not necessarily represent the views of any individual at the seminar.

Milestones in Canadian post WW II social housing policy that impacted on Toronto

- Albert Rose (1958) *Regent Park: A Study in Slum Clearance* (UofT Press). The benchmark study of Canada's first major public housing project.
- Michael Dennis and Susan Fish (1972). *Programs in Search of a Policy*, a book that played into what was already happening. Michael Dennis took a lead role in shaping Toronto's social housing policy in the 1970s, writing much of the Goldrick Task Force Report (*Living Room*) and becoming Commissioner of Housing.

What are the lessons from the 1970s?

How do we keep housing on the public agenda?

1. *The housing – community interrelationship*: There is a very deep connection between housing and community. They help answer: Who am I? Where do I belong? How do I behave and interact with others? These questions are best answered in small places. Housing policy needs to pay attention to the connection between housing and community (house/home, neighbourhood/community). Housing is physical and social. An understanding of the connection between housing and community is crucial for the well being of individuals, communities and a society. This understanding needs to be the starting point for decisions on housing policy.
2. *The necessity of seeking and creating broader partnerships and constituencies*: Who are your partners in a policy issue? What kind of a constituency are you trying to build? It is essential to explore new ways of partnering with others who may not at first glance share the same position. This includes developing partnerships with public, private and civil society actors and partnerships with a broad mix of elected officials.
3. *Leadership*: A political debate has a number of leaders. Widen the circle as much as possible (beyond the usual suspects). Leaders bring people together to listen, teach and learn. This will move the agenda along. Leaders who will bring a diverse set of new people to the table – widen the circle. They must pay attention to process.
4. *History is a great teacher*: Know and learn from and use the history and evolution of the policy issue. Answers come from history. History enhances an understanding of the present and informs thinking about the future. We need to better understand and employ our history.

Homelessness

- The Mayor's Homelessness Action Task Force (Anne Golden, Chair, 1998). *Taking Responsibility for Homelessness: An Action Plan for Toronto* (looked at housing issues through the lens of homelessness)

Governments failed to pay attention to most of the recommendations. The recommendations were evidence-based and designed to be modest, reasonable, and therefore, easily implementable – if resources were allocated. Little progress has been made on addressing the causes of homelessness:

1. *Social*: inadequate response to mental health needs, addiction, social exclusion, discrimination.
2. *Economic*: dramatic change in the labour market (more low-wage jobs with few benefits, more “working poor”) and inadequate income support programs.
3. *Housing*: a dwindling supply of housing that the now more numerous low-income households can afford. Senior levels of government are providing very little assistance.

The BIG problem was the lack of affordable housing and supportive housing. The senior levels of government said we could not afford more affordable housing though in retrospect the cost was relatively little.

Solutions to the housing affordability issue are outlined in a report from the Conference Board of Canada (2010). *Building from the Ground Up: Enhancing Affordable Housing in Canada*. We need a significant increase in affordable housing but the times are tough compared to earlier decades.

Discussion arising from the Ann Golden and David Crombie presentations

1. *Inequality*: rate in Canada is growing faster than the US. Virtually all growth in incomes has gone to the top 20%. BUT less inequality is better for human quality and developing a strong social fabric – a socially cohesive society.
2. *From a culture of exclusion to compassion*: How do we change from a culture of exclusion to a culture of compassion? Takes good quality leadership (e.g., David Crombie in the 1970s).
3. *Public/Private Partnerships*: private sector can’t build cheaper but can share some of the risk.
4. *Seize opportunities*: Need to proactively seize opportunities (e.g., Pan Am Games).
5. *Exercise of political power*: Politics plays an important role (e.g., Senate Committee on Social Affairs could have played an important role but Art Eggleton (Social Affairs Committee) has been replaced by a Conservative as Chair).

Discussion of general situation at the Toronto Community Housing Corporation (TCHC)

1. *Management of housing*: The role of TCHC is to manage housing, not set policy. Question: how does TCHC best use its assets to serve a social / public objective?
2. *Loss of institutional memory*: 2010/2011 was a rebuilding period at TCHC with loss of senior management and most important, institutional memory. Also, with the dissolution of the Board there was a loss of intellectual capital. Tenant reps have been viewed as second class citizens. This has made management of the housing more complicated and reduced organizational momentum.
3. *Ideology and political partisanship trumps evidence and competence at the Board*: Council needs to allow TCHC to get back into the business of managing housing. The climate has become highly ideological and less practical (evidence-based).
4. *TCHC is now broken*: TCHC is “broken” and is no longer run as a business.
5. *Tenants no longer the focus*: How do you restore an alignment of interest between TCHC and the tenants?
6. *Too large?* Why one big corporation? Should TCHC be de-amalgamated into more manageable components, one of which might be the stand-alone houses given that

TCHC is not up to managing stand-alone units properly. Co-ops and non-profits effectively manage scattered site houses and buildings here and elsewhere.

Immediate Issue: The Proposed Sale of scattered or stand-alone houses

1. ***January 24:*** The proposal received TCHC Board approval in October, 2011 and goes to the City's Executive Committee on January 24, 2012.
2. ***Thousands to be evicted:*** The sale will lead to the eviction of 2000+ tenants. They have been promised housing elsewhere in TCHC but perhaps in a neighbourhood far away from where they are living now. We are dealing with people and their homes. How do we ask a family to leave thereby losing their local networks and displacing kids from their schools in order to do what? Save higher income taxpayers a bit of money by decreasing the small stock of family housing?
3. ***Housing for large families:*** Majority of these houses are 3/4/5 bedroom units. Therefore, an important stock for housing large families.
4. ***Policy of social mix vs. segregation:*** Most of these houses are in socially mixed neighbourhoods where they have become an accepted part of the community by local residents . . . so why sell?
5. ***Secrecy:*** Good policy making in a democracy is informed by facts. There is need for accurate and complete information about the sale so that informed discussion of the best option can take place. There also needs to be an analysis of just how significantly the proceeds from the sale of these houses will contribute to TCHC's massive repair backlog.
6. ***Multiple impacts not yet understood – or even identified:*** We need to be careful about selling off public assets for short term gain . The non-market family houses in neighbourhoods will likely never be replaced. There needs to be a thorough analysis of the impact of this sale – the pluses and minuses – and a careful evaluation of the range of other options.
7. ***Possible alternative options:***
 - Affordable home ownership for some units with a second mortgage that protects longer term affordability
 - Conversion of some to co-operative tenure by adding them to nearby existing co-ops
 - Use of some as supportive housing managed by existing non-profits specializing in supportive housing
 - Sell some of the houses that are too problematic (due to condition, location, etc.)
8. ***Sale of units:*** Though most agreed that the sale of units was fine if it contributed to meeting housing needs better, some expressed the view that none of the scattered houses should be sold and should be kept as some form of affordable rental. Instead we should be focused on increasing the supply of affordable housing and considering money that could be diverted from other resources.
9. ***Strategy and rationale for any sale:*** If there is to be sale of units leading to a decrease in available non-market affordable rental housing in the city, it must be done on the basis of a plan, with a clear rationale, following informed public debate. There should be no sale without a plan, preferably to retain these houses as part of the affordable stock.
10. ***Deferral of decision in order to make an informed decision on the options:*** Why rush into an irreversible action with a public asset? Council needs to establish a task force to advise on the best option(s) for the scattered and stand-alone housing (with a specific mandate and tight timeline).



INVITATION

Cities Centre Invitational Seminar
Friday, January 13, 2012, 9am to 4pm
Location: 246 Bloor St. West (at Bedford), Room 548

A better strategy for Toronto's Public Housing

Cities Centre at the University of Toronto invites you to participate in a housing summit on Friday January 13, 2012. Selected experts in finance, development, and social policy, together with housing providers, residents, and politicians, past and present, are being called together to try and chart a new future for public housing in Toronto.

Our city is facing a serious public housing crisis. Thousands of people living in Toronto Community Housing are facing eviction and the waiting list continues to grow as governments talk of divestment rather than investment. For more than a decade, public policy has evolved slowly, if not stagnated, and the condition of Toronto's social housing has deteriorated significantly.

At Cities Centre we believe there is a better way forward. We cannot wait for governments at all levels to return to the housing field. We are pulling together a carefully selected group with the range of expertise and experience necessary to identify specific alternatives for the City of Toronto's very large and diverse housing portfolio. The focus includes financial renewal, alternative governance, corporate restructuring, and revitalization of the housing stock and its neighbourhoods. We intend to produce specific recommendations and identify the next steps for action.

Our opening keynote speakers have been confirmed: David Crombie and Anne Golden. The day will include both plenary and breakout sessions, and lunch.

As space is limited and our focus is specific, participation is by invitation only. Please **RSVP** to Pat Doherty at Cities Centre citiescentre@utoronto.ca by January 9. If you are unable to attend we will offer the opportunity to others.

Many thanks,


Eric Miller
Director


David Hulchanski
Associate Director


Frank Cunningham
Senior Advisor