

20 April 2012

Sent via e-mail and fax

**Hon Kathleen Wynne,  
Minister of Municipal Affairs and Housing,  
Government of Ontario**

Dear Minister:

RE: **Sale of vacant Toronto Community Housing Corporation Houses**

Toronto City Council has created a working group under the direction of Councillor Ana Bailao that is to report back to Council in the early fall on the proposed sale of 619 single family homes ('stand alone') owned by TCHC. The Wellesley Institute supports the work of the task force, as, indeed, do most community leaders and housing experts. We opposed the earlier plan, which called for the sell-off of a substantial portion of the TCHC single family portfolio – as, indeed, did most community leaders and housing experts.

We believe that the task force needs time and proper support to complete its task of assisting TCHC to navigate towards a sustainable future.

As part of the compromise motion to secure support for the task force at City Council, a proposal was adopted to request permission from the Ontario government for the sell-off of 56 TCHC single family homes that are currently vacant. While we understand the political consideration that led to this proposal, we believe that there are strong public policy reasons why the Ontario government should refuse to give permission for the sell-off of the 56 vacant homes pending the final report of the task force. These policy reasons include:

- **Scarce supply:** Toronto's affordable housing wait list stands at an all-time record of 82,138 households. Now is not the time to reduce the TCHC portfolio.
- **Equity:** Most of the vacant homes are in neighbourhoods that have little or no other affordable homes, so the removal of these properties will further contribute to a segregation of Toronto neighbourhoods by income and housing tenure.
- **Capital reserves:** TCHC has existing capital reserves that will allow the housing company to attend to immediate repair and other capital needs and there is no reason to rush the sale of the vacant units. The overall level of reserves is less than the estimated capital repair shortfall, so smart recommendations are required from the task force by the early fall to address the long-term issues. But, at the moment, TCHC has substantial reserves and is able to carry on a program of repair.
- **Irrevocable:** Once the vacant properties are sold, they are lost to TCHC and the City of Toronto. Even if the task force were to create a viable fiscal plan for the stand-alone portfolio, it would be too late if the vacant units have already been sold.

The Wellesley Institute has already offered its research and policy support to Councillor Bailao and her working group. We believe that there are critical issues and options that can be put before the working group to assist it in fulfilling its mandate. These include:

- **Good / bad practices:** An examination of successful practices and/or lessons to be learned from social housing providers in other jurisdictions that address similar issues raised by TCHC's single family portfolio.
- **Alternative financing:** Expert advice on possible long-term financing options ranging from housing bonds to social impact bonds.
- **Right-to-buy:** The practice of allowing tenants to acquire their social housing has been in place in England, Ireland and other jurisdictions. There are successful practices and lessons to be learned that can help inform the working group's deliberations.
- **Non-profitization:** The practice of transferring properties from a public landlord to co-operative and/or non-profit housing providers has been followed in Toronto and other jurisdictions for a number of years. There are successful practices and lessons to be learned that can help inform the working group's deliberations.

In summary, there is important work to be done by the working group, and a strong willingness on the part of housing experts and community leaders to provide practical support to Councillor Bailao and her partners.

There is no pressing reason for approving the immediate sale of the vacant TCHC homes.

We respectfully request that you defer any consideration of the request to approve the sale until the task force has completed its work in the fall.

Thank you for the opportunity to make this submission.

Sincerely,



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