

Building Better Budgets **#TOBUDGET 2013** **#HOUSING**

BIG CUTS PLANNED FOR TORONTO HOUSING FUNDING

NOTE: This is a revised backgrounder based on new information from the City of Toronto. The original budget analyst's notes included a large cut to "non-TCHC" housing providers (co-op and non-profit housing providers), but the city has now said that was a "mistake" and has issued revised numbers, which are expected to be posted on the City of Toronto Budget 2013 website shortly. This revised backgrounder includes additional information on the proposed housing and homelessness funding for Toronto in fiscal 2013.

The City of Toronto's Shelter, Support and Housing is set to take a massive \$128 million cut in housing and homelessness investments in the draft 2013 budget – down from \$793 million in 2012 to \$665 million in the coming year. The 2012 budget had, in turn, a \$130 million cut from its approved budget of \$923 million in 2011. That adds up to a 16% cut in this year – and a 28% cut over two years (a loss of \$328 million).

In the planned 2013 municipal budget, a big chunk of the housing cuts - \$72 million – come from federal and provincial cuts to housing subsidies that are mostly distributed to affordable housing providers including Toronto Community Housing, co-op and non-profit housing providers. (Not included in this figure: about \$21 million in provincial housing and homelessness funding to Toronto to be cut on January 1, 2013. Most of that spending is in another part of Toronto's municipal budget - Toronto Employment and Social Services. The city is proposing to stop-gap those cuts over the next year as it negotiates with the province to restore funding.)

Most of the huge cuts are planned for social and affordable housing. Last year's municipal budget called for \$569 million in investments in social housing – which subsidizes existing housing for hundreds of thousands of the poorest Torontonians. This year, spending is to be cut to \$472 million. About \$35 million of those cuts are from the termination of a social housing repair funding program from the federal government. The federal and provincial governments are also cutting or reducing other funding that flows to existing social housing providers, including Toronto Community Housing Corporation, the city's non-profit housing agency.

The city's affordable housing budget – which funds desperately needed new homes – will be cut in half from \$49 million last year to \$24 million this year. The 50% cut in funding means a sharp drop in the number of new affordable homes – less than one-quarter of the city's modest target of 1,000 new affordable rental homes. The drop in new housing funding comes as the City of Toronto's affordable housing wait list continues to set new records every month.

Toronto's spending on homeless shelters and supports and services to help people who are homeless move to affordable housing have been flat-lined in the 2013 budget at \$165 million. But flat-lining budgetary spending at a time of inflation and growing need means cuts for homeless shelters and support services. For instance, the draft budget calls for a cut of almost 25% in the number of bednights (occupied beds) in the city's main residence for homeless families. Overall, the draft budget calls for cuts to shelter beds and food in the shelter system (and a new annual funding cap imposed by the provincial government means that the city cannot ask for additional shelter funding if there is a surge in need during the year).

THE IMPACT ON TORONTO: POOR HEALTH, PREMATURE DEATH, ECONOMIC LOSSES

Cutting one-third of Toronto's spending on housing and homelessness programs over two years will have a devastating impact on affordable housing in the city, on the health and lives of hundreds of thousands of the city's poorest and most vulnerable residents, and ultimately on the population health of the entire city.

Toronto's affordable housing wait list stood at an all-time record of 87,301 households in October of 2012. That's 161,222 women, men and children desperate for a decent place to call home. The city's wait list has set a new record every month – month after month – since the recession of 2008. And many desperate Torontonians don't even bother to sign onto the list because the wait is a decade or more in the most optimistic case.

Another sign of the deep impact of Toronto's affordable housing crisis: More than 946,000 visits to food banks, according to the latest data from Daily Bread Food Bank. People are hungry and rely on food charity due to low incomes and the high cost of housing.

Study after study confirms that people who are precariously housed, and those who are forced into the streets, suffer a heavy burden

of illness and premature death.

Toronto's affordable housing crisis is bad for the health of the hundreds of thousands who are at the centre of the storm; the crisis is bad for the population health of the entire city; it's bad for the social and economic health of Toronto. A lack of affordable housing is a drag on our economy.

On the plus side, investing in affordable housing is good for the health of individuals and the entire community, and provides a boost to the economy through jobs and other stimulus.

The big cuts to existing social housing in Toronto's draft 2013 budget means less money to help low-income households pay their housing costs, and less money to properly maintain the buildings. The cost of these massive housing cuts: Longer line-ups at food banks, a rise in economic evictions as poor households cannot pay the rent and unhealthy conditions in affordable housing as necessary building repairs are unfunded.

The big cuts in funding for new affordable homes in Toronto's draft 2013 budget means fewer new homes will be funded. The cost of these cuts: Longer wait lists for affordable housing, and longer waits for those already on the wait lists.

Freezing homelessness spending even as inflation erodes spending power, and the pressure on homeless services grows because of the housing cuts, will leave the city's homeless services struggling to cope with a growing tide with extremely tight resources.

SOME SPECIFIC IMPACTS OF PLANNED CUTS IN 2013 MUNICIPAL BUDGET

- \$35 million cut from termination of social housing repair funding.
- draining of social housing reserve fund – creating serious shortfall for subsequent years.
- \$25 million cut in funding for new affordable housing.
- cuts in housing follow-ups and pre-employment support for people transitioning from homelessness to housing.
- cuts in meals, snacks and food allowances for children and adults in the city's homeless shelter system.
- elimination of personal needs allowances for people in homeless shelters.
- 41,172 fewer hostel bednights in the city's homeless shelters
- \$2m reduction in capital funding for community agencies
- 25% reduction in housing follow-ups (200 - 150)
- reduction in pre-employment supports (350 - 280)
- reduction in food at city shelters (892,110 - 862,401)
- fewer central intakes (8,537 - 7,770)
- less quality training (275 - 235 sessions)
- reduction in rent supplements for private landlords
 - down 2,771 to 2685 (funding stable at \$24 m)
- reduction in housing allowances:
 - down 146 to 141 for non-profits
 - down 1,087 to 868 for private landlords
- reduction in subsidized housing contracts:
 - down 1,910 to 1,891 in private ownership
 - down 2,253 to 1,000 in non-profits

More details will follow as the Wellesley Institute continues to track the City of Toronto's 2013 municipal budget process.

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