

‘Housing first’ will help end homelessness, but first Toronto needs healthy, affordable homes

A submission to Toronto’s Core Services Review process

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A good and healthy home, with proper supports, is better than a bed in a homeless shelter. That’s the main observation in the City of Toronto’s Core Service Review of homeless and support services by KPMG consultants. KPMG notes that the city has an opportunity to save a modest amount of money by reducing the need for shelters since a bed in a hostel costs more than an affordable or supportive housing unit.

This observation is supported by a growing body of evidence in Toronto and internationally that homelessness is costly. The costs can be measured in personal terms in the heavy burden of poor health and premature death among people who are homeless; and the costs can also be measured in financial terms in the expenses of shelters and other services.

The Wellesley Institute fully supports a measured process that allows people to move from homelessness to home, and we recognize that Toronto’s Shelter, Support and Housing Administration has an important role in managing the process and also delivering key services and supports.

But the key message, in both Toronto and internationally, is that a “housing-first” approach to ending homelessness has to be combined with a commitment to ensure that there is adequate housing in place first.

The Wellesley Institute’s 2006 *Blueprint to End Homelessness*, showed the average monthly cost of a Toronto shelter bed was \$1,932, almost ten times the average monthly cost of social housing at \$199.92. While costs have changed over the last five years, the cost of shelter remains much higher than the cost of housing. A permanent, healthy home is a smarter investment than a short-term hostel bed delivering direct benefits to the people who experience homelessness, plus social and economic benefits to the wider community, and fiscal benefits to the city.

One year ago, the United States federal government released *Opening Doors*, a national strategy to prevent and end homelessness in that country. The detailed strategy, which has been backed by new funding and programs at the national and community levels, is based on the same principle as the KPMG observation: Assisting people who are homeless to move as quickly as possible into a home is good and cost-effective policy.

One year on, many successful models and good practices have been adopted in municipalities across the United States, some of which could be instructive for Toronto. The most important lesson from our American counterparts, however, is that any strategy of moving people from homeless to housed requires an adequate supply of good quality, affordable and healthy housing.

On every measure, Toronto’s affordable housing market is in crisis.

In 2005, Canada Mortgage and Housing Corporation reported that there were a total of 9,445 vacant units in Toronto’s private rental “universe.” In its most recent survey, CMHC reports that the total number of vacant private rental units has shrunk to 5,532.

Toronto Housing Connections publishes a monthly report on the city’s affordable housing waiting list, which is another measure of housing need. In May of 2005, there were 65,748 households on the list. By June of 2011, the list had grown to an all-time record of 79,218 households.

With little or no room in either the private or social housing markets, the goal of moving as many people as possible as quickly as possible into a good, healthy home remains elusive, at best.

KPMG observes that changing the priority system for Toronto's affordable housing waiting list might help move more people from shelters to homes, but warns that this could have the perverse effect of inducing people who are currently among the "hidden homeless" to move into the shelter system to get a priority ranking. Shifting priorities at a time of a desperate affordable and supportive housing shortage is no quick fix and could end up putting even more pressure on the city's hostel system.

At the time of writing, the KPMG observations on affordable housing and Toronto Community Housing Company were not available for review, so we don't know if the consultants are making a companion recommendation to their hostels recommendation that would encourage the city to increase its investment in affordable and healthy homes.

However, there is a proposal before Toronto Community Housing, the city's largest affordable housing provider, to sell off almost 1,000 of its homes – an action that would further reduce the amount of affordable housing in Toronto and further frustrate plans to move people from homelessness to home.

In the Wellesley Institute's *Precarious Housing in Canada 2010*, we reviewed two decades of government investment in affordable housing and noted that federal investments, in particular, have been eroding since 1989. While there have been upticks at several points due to short-term funding promises, the overall trend has been down.

Over that same period of time, Canada's municipalities have collectively been investing a larger amount. The trends suggest that, by 2012, local governments will outspend the federal government on housing.

Toronto Mayor Rob Ford recognized the urgent need for senior levels of government to re-engage on housing investments in his January 25, 2011, letter to Ontario Finance Minister Dwight Duncan, in which he called on the province to quickly finalize negotiations on a new federal-provincial affordable housing agreement.

A new national housing framework was finally announced on July 4. It is good news that \$1.4 billion over three years will be allocated to affordable housing nationally – and perhaps \$140 million of that may flow to Toronto depending on the details of the federal-Ontario bilateral housing deal (which has yet to be announced).

Toronto should move quickly to take up the federal-Ontario housing funding and ensure that it is allocated to support, among other priorities, the 'housing-first' approach that moves people from shelters to homes.

But the July 4 housing framework is a short-term fix for a long-term problem because it only lasts three years and the money allocated is far short of the national need, let alone the need for healthy, affordable homes in Toronto.

Toronto has new "flexibility," under both the Ontario government's long-term affordable housing strategy and also the new federal-provincial affordable housing framework, to ensure that homelessness and housing investments are spent in a way that delivers the best results for people who are homeless and those who are precariously housed.

The City of Toronto's online consultation earlier this summer as part of the Core Services Review was unprecedented in the number of people that participated. Overall, there was a strong consensus that investment in important city services was a strong priority, even if it means an increase in property taxes.

For instance, almost 70% of the 12,955 participants said that the City of Toronto should provide shelter, support and housing for people who are homeless or those who are low-income. About 65% agreed that the City of Toronto has a critical role to play in increasing affordable housing.

In the demographic breakdown, city staff note that support for homeless and housing services was strong across all groups.

Toronto needs to continue to make substantial investments in housing and homelessness initiatives. The good news is that these investments will help people to move from shelters to homes and, over time, this will reduce city spending on hostels.

Toronto also needs to continue to play a leadership role in effectively engaging senior levels of government in funding and support for a comprehensive national housing plan. The federal government started its download of affordable housing and homelessness programs with its 1996 budget, and the provincial government followed suit in 1998 when it started to download housing and a range of other programs and services to Toronto and other municipalities.

People who are homeless and those who are precariously housed are paying a high personal cost, including worsening health outcomes, for governmental decisions made over the past two decades. All of Toronto is also paying a significant cost as the city struggles to manage a challenging and complex social issue that has been exacerbated by senior levels of government.

In recent years, there has been a growing realization of the devastating impact of growing inequality and inequity on the people of Toronto and our overall population health.

Toronto Public Health's *Unequal City* report in 2008 provides a powerful overview of the links between neighbourhood-based poverty and poor health. The University of Toronto's Three Cities series has demonstrated a forty-year trend in Toronto as the city has become increasingly divided by income and racialized group. United Way Toronto's *Vertical Poverty* – the latest in its Poverty by Postal Code series - sets out even more evidence of the consequences when poor housing, low incomes and other critical social issues intersect.

The Wellesley Institute's own research and policy initiatives – everything from our immigrant health practice in St James Town to our examination of the health status of homeless people in the *Street Health Report* – not only identify deep issues that are literally affecting the health and lives of the people of Toronto, but they also set out practical and pragmatic policy options.

The City of Toronto must continue to be a strong partner in building healthier and more equitable neighbourhoods and a better city. Ensuring that the city's homeless services and supports are effective in helping people move from shelters to homes is one important part of the building a better Toronto. Ensuring that there is an adequate supply of healthy and affordable homes for people who are homeless to move into is another important role for the city.

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