

Housing in Neighbourhood Strategies

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Wellesley Institute works to improve health and health equity in the Greater Toronto Area through research and policy development based on the social determinants of health.

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Introduction

Housing and neighbourhood are inseparable for most of us. What we love or lament about our home is usually about the house or apartment itself, and also about the setting. It's not just about the floor space or the heating; it's about the vibe of the area, the neighbours, the amenities, schools, friends, shops and parks, transit or traffic. Economists tell us that the value of a property is partly about the dwelling but at least as much about location, the qualities of the area and its relation to the wider community.

Housing factors are large social determinants of health (Mikkonen and Raphael, 2010; Center for Housing Policy 2011; Mahamoud et al. 2012; Maqbool et al. 2015). The big effects of socioeconomic status on health operate partly through housing. If you have less money then rent tends to squeeze household spending on fresh food, recreation, dental care, and other things that promote health. Less income often means more stress and worries about rent or eviction, and more family conflicts about these matters or from overcrowding. Paying lower rents gets you lower-quality housing, with more risk of injury from falls and burns, more exposure to toxins, poorer heat and ventilation, more mould, and more allergens such as cockroach droppings all adding up to more risks to health. Poor housing often has the largest impacts on people who are sick, elderly, or unemployed, creating a compounding effect; and on children that can create longer-term consequences. Neighbourhood conditions have significant effects on stress and personal safety.

But housing-neighbourhood connections are weaker when it comes to programs and strategies in Toronto. Of course many municipal activities affect neighbourhoods, from recreation programs to roads to policing. Here we want to consider the relationship between housing-related programs and explicit neighbourhood initiatives. For the most part, the priorities in housing programs aren't framed in terms of neighbourhood issues, while neighbourhood strategies pay little attention to housing. But connecting these two could be very fruitful, especially in local areas where residents are less affluent and most people rent apartments.

Toronto's Neighbourhood Strategies

For the past 12 years, the City of Toronto, United Way and other partners have established and implemented strategies for disadvantaged neighbourhoods (United Way Toronto, 2012; Toronto and United Way Toronto (2012). The focus is places where incomes are low, crime is a concern, and community services are not sufficient for the level of need. Many residents are new to Canada, juggling two low-paying jobs, and dealing with a crumbling building. There is no time or money to take the kids on vacation, the school is underperforming, after-school childcare is sometimes inadequate, some older kids are drifting into gangs, and local recreation programs are oversubscribed. It is difficult to get together with neighbours to try and improve things, it is complicated to find out how the system works, and it's hard to know where to start. The neighbours are equally under pressure, there is a lot of change and turnover from one year to the next, and the needs are so large and so disparate.

In these circumstances extra community services can be an important equalizer. But to get those services or create them requires people with the time and skills to organize and advocate, and ways to nurture and support grassroots initiatives. This has been the dual main focus of City and United Way neighbourhood strategies: funding to beef up local services in the high-need underserved areas, and resources for community

capacity-building. Originally this was the Strong Neighbourhoods Strategy of 2005, with 13 designated *Priority Communities*. Today it is the Toronto Strong Neighbourhoods Strategy 20/20, adopted by council in 2012 (Toronto, 2015), with 31 designated *Neighbourhood Improvement Areas*. Meanwhile, United Way and third-sector foundations adopted parallel priorities to improve services in high-need areas.

Naming the Housing–Neighbourhood Dynamics

If we want to address broader neighbourhood issues in the longer term, housing enters the picture. At the day-to-day scale of responding to conditions on the ground, housing is just a given. The buildings and the landlords – private or social – are what they are. But in the longer term, housing is more fundamental in the challenges that residents experience, and it is also more available as a policy lever for change. At the day-to-day level, residents have heating and elevator problems, pests, rent arrears, and rents that squeeze their spending on everything else. These tend to be matters where people just get by while they focus on bigger concerns about work and school – but still they are big. Part of the challenge, however, is that while a few million dollars across the city and a handful of staff can make quite a difference in local services, it would take much larger funding resources to address housing issues.

At the broad level, housing shapes these areas socially and physically. This refers not to “housing” as a colloquial word for subsidized rental, but to the dynamics of the housing market and housing system. Low-income tower neighbourhoods are different socially from a generation ago not only due to widening income disparities, high immigration, unstable employment, and drugs and gangs, but because of how housing processes operate. Every year as Greater Toronto grows by about 40,000 households, it grows on all parts of the income spectrum.¹ About 1 in every 8 added households are people whose incomes are low and can’t really afford market rents. Where do those 5,000 or so households a year (50,000 a decade) go? They don’t buy homes in new GTA suburbs, or rent a new condo downtown; instead they mostly settle for an apartment in an area where rents are low and bus transit is available.

But in these areas where rents are lower, a negative dynamic can emerge. Rents are lower because quality is poor. Quality is poor because major repairs are expensive but in these areas it has little payoff in higher rents; so sometimes business logic points to sustaining profits by spending less on repairs. Quality is poor because people with less money have little choice but to settle for whatever is available here. Demand is mostly from people with lower incomes, and units are available to them, because middle-class people choose options elsewhere. In the homeownership boom of recent years, middle-income renters moved out and bought homes, while their younger counterparts rent condos instead. There is little new investment because these areas have become somewhat stigmatized. This *decline* – in rents, quality, financial inflows, resident income, and status, and happening in the social realm, the built environment, and the economic sphere – can become a self-reinforcing cycle. Such dynamics are well documented and explained for cities in general (Grigsby et al, 1987; Rothenberg et al., 1991; Baer and Williamson, 1998; Galster, 2003), and are quite relevant to inner suburban rental buildings in Toronto (Suttor, 2015).

There is also more low-income market rental demand because there is almost no new social housing. In the 1960s to early 1990s, new social housing absorbed half of the segment of GTA growth that consists of low-income renters, but now most of that segment – that 50,000 or so households each decade – must be absorbed in existing lower-priced market rental (Suttor, 2015). At one time, social housing in Toronto

helped produce mixed-income suburbs, a mixed-income downtown, and rental options outside low-income enclaves. Today, the social housing legacy of the late twentieth century is mostly in the same neighbourhoods where the negative market cycle is occurring. At one time, social housing quality was pretty good because the buildings were fairly new; today quality is poorer because repairs to old buildings have been a low priority for taxpayers and elected officials. Moreover there is a trend to lower incomes and much higher social needs in social housing (ONPHA, 2015); although this is much smaller in numbers of households than the trends in downmarket private rental, it is somewhat parallel. In earlier days social housing accommodated a wide mix of seniors and working poor alongside people with high needs, but today policy-makers understandably give priority in this shrinking, rationed system to those with highest needs. And few people with lesser needs and moderate rather than low incomes are desperate enough to wait three to eight years to get in.

The market dynamic of filtering is a familiar reality in any city, and the evolution of social housing into a lower-income, higher-need sector has occurred in most affluent nations (Maclennan and Pryce, 1996; Murie, 2005; Lupton et al., 2009). But we don't seem to recognize these very clearly in Toronto or respond to them purposefully. In moderation, the filtering down of older housing to relatively lower prices and quality can be a useful adjustment of fixed housing stock to changing demand; it can meet the needs of people who aren't buying a home any time soon. In moderation, the targeting of social housing to high needs is fair and sensible. But in extreme degree, this filtering, quality decline, social change, and disinvestment in market rental and social housing – this residualization as housing scholars call it – is a big problem. It produces housing quality that is unacceptable and bad for health and social stability (Paradis et al, 2014), and a vicious cycle of disinvestment and concentrated poverty than isn't good for Toronto as a community. It is a large contributor to the well-documented trends (Hulchanski et al., 2010) of neighbourhood polarization in Toronto. If we want to soften this dynamic and respond to it, we need to grapple more adequately with these huge housing market forces and significant social housing dynamics that affect the way the housing system responds to big social changes and absorbs the low-income slice of rapid GTA growth. We need neighbourhood strategies that include action on housing.

Housing Programs and Neighbourhoods

The City plays a large role in housing. City departments and agencies enforce property standards and do inspections, and respond to housing-related health complaints. The collaborative Tower Renewal pilot project is mostly about rental buildings in these neighbourhoods (Toronto, 2013a), and the City operates a small Toronto Renovates grant program. The City funds local housing stability programs – eviction prevention, rent banks, housing help, etc. (Toronto, 2013b) – which disproportionately serve people in these neighbourhoods. The City's planning and zoning powers affect the way new housing investment flows across the city; prevent rental to condo conversion; and can facilitate or impede the adaptation of existing houses to evolving needs.

In these lower-income neighbourhoods, about one in three rented dwellings is social housing – relatively more than in other areas. Federal and municipal funding, administered by the City, is what keeps rents low and keeps the buildings in good or poor repair. The City has some authority to adjust rules on who gets in to social housing that becomes available. The City's own housing agency owns and operates two-

thirds of the social housing. It is undertaking redevelopment in a few selected locations. The City uses federal-provincial funds and its own tax breaks to enable non-profit, private, and municipal housing corporations to create new affordable housing. The City also operates small programs of rent supplement and housing allowances for people renting in the private sector.² The new provincial housing strategy is promising more flexibility in how rent-geared-to-income subsidies are provided.

There are many precedents for neighbourhood strategies with a strong housing component (Pomeroy, 2005), some of them familiar to those who worked on Toronto's neighbourhood strategies. The European models³ that inspired Tower Renewal in Toronto are mostly about social housing estates, which is their equivalent of our postwar mixed private-and-social rental neighbourhoods. The big dollars for retrofit there are usually part of neighbourhood strategies that are not only about local services and capacity-building, but are about reinvesting, rebuilding, and income mixing in housing. The original Neighbourhood Improvement Program in Canada, in the late 1970s and 1980s (Lyon and Newman, 1986), was about improving local hard services in tandem with the original Residential Rehabilitation Assistance Program (RRAP) (Falkenhagen, 2001), which was many times bigger than its grandchild, Toronto Renovates. Sprinkled across Toronto are co-ops that were formed by tenants in that same period as a response to neighbourhood housing issues, and non-profit housing sponsored by local churches or social agencies that sought housing solutions for residents' needs. Some older areas of Montreal and New York in the 1970s and 80s – though it is hard to imagine today – faced huge issues of disrepair and even abandonment of properties. Those municipalities responded with big programs of housing rehabilitation grants and acquisition by non-profits, with local and senior government funding, as a core part of neighbourhood strategies (Van Ryzin and Genn, 1999; Schwartz, 1999).

It may seem a stretch to imagine such housing elements in neighbourhood strategies in Toronto today, but we need to think more about this. Not all housing programs can or should be place-based or neighbourhood-focused, and policy should give due priority to sustaining income and tenure mix downtown and building that mix in new GTA suburbs. But in Toronto we are in some ways back to where we were sixty and seventy years ago, with most low-income renters living in deteriorating fifty-year-old housing in declining older neighbourhoods. The working-class inner city then was not the postwar tower neighbourhoods of today, but the general housing market dynamic is the same. The main housing challenges in the City of Toronto are not, as in the 90s, about building affordable housing. They are about housing conditions and dynamics in lower-income areas with a lot of older rental apartments.

Getting Strategic About Housing and Neighbourhood

We need to think more about what mix of housing program elements should be part of neighbourhood strategies in Toronto. These are strategic choices faced by many cities, which offer many lessons (Katz et al., 2003). Perhaps it is rehabilitation funding, and perhaps it is housing allowances. In one circumstance the best option might be renovating older social housing; in another case moving some rent-geared-to-income subsidies out to other buildings. It is possible that some housing stability and eviction prevention programs should be explicitly area-targeted, or that social housing access/intake rules should change. In one case the priority may be to incentivize private developers to build new housing; in another case to protect moderate-cost rental against the logic of market forces. In one place the main housing partner may

be a private landlord or developer, in another the social housing provider, and in another a resident co-op or local non-profit that wants to buy a building. Redeveloping large social housing projects in locations with high real estate potential is not an option for most lower-income neighbourhoods, but it may also need to be part of the range of program responses. To the extent that housing issues are on the table as local needs or program options, there are also questions about the relative weight of neighbourhood voices and priorities vis-à-vis city-wide considerations when decisions get made.

There is reason to be hopeful about the engagement of the provincial and federal government in affordable housing, despite the unpropitious fiscal times. A little more money than in the past few years could open up a few possibilities. It ought also to focus our minds on the need to make best use of whatever funding becomes available. But the relationship also goes the other way. Neighbourhood issues and agendas have usually been a large factor in getting governments to give stronger priority to action on affordable housing. This was true when Toronto started into social housing in the 1940s and 50s, and when the non-profit and co-op model was invented in the 1970s. It was true in Montreal and New York a generation ago. Perhaps it can be true in Toronto and Ontario today.

At Wellesley Institute we want to contribute research on these issues in a way that will support a dialogue with key partners. If we want to foster healthy conditions of life – with more affordable rents, decent housing quality, less resorting to food banks, less day-to-day stress, fewer fears about personal safety, and better environments for children – then let us think about housing as part of neighbourhood strategies. The City, United Way, and other third sector bodies have been leaders in Toronto neighbourhood strategies. We see an opportunity and a need to contribute our expertise to these collaborative efforts and we believe the time is right to enhance the housing elements in neighbourhood strategies.

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Endnotes

- 1 For a brief discussion of the low-income share of GTA growth, see Wellesley Institute (2015). Average annual net growth in GTA households was 35,000 households (2001-2006) and 39,000 households (2006-2011); calculated from Statistics Canada, census.
- 2 For a summary of the City of Toronto’s affordable housing programs, see <http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=coaeab2cedfbo410VgnVCM10000071d6of89RCRD>
- 3 See European ‘Restate’ renewal projects and associated research program at <http://restate.geo.uu.nl>.

