

# Toronto's HOT 10-year housing strategy

“The cost to people, to our neighbourhoods and the economy, and to taxpayers of ‘doing nothing’ in the face of the affordable housing crisis is huge... The investment in new homes will improve personal health, re-build shattered neighbourhoods with mixed-income housing, build competitiveness in the Toronto economy and generate new jobs, additional taxes and create a valuable social infrastructure.”

*Wellesley Institute Blueprint to End Homelessness, 2006*

The City of Toronto released a draft 10-year housing strategy called Housing Opportunities Toronto (HOT) on Wednesday, Nov. 6, 2007. The plan is to create 209,000 new and renovated affordable homes over the next decade. It is a major step up from the dismal city affordable housing performance in recent years, which has seen less than 1,000 new homes annually. The proposed plan goes out for consultation to build political and public support over the next few months.

In summary: It's great news that the City of Toronto is seriously back in the affordable housing business and that Mayor David Miller has put his signature on the proposed plan. There's still a lot of work on the critical details to be done during the consultation process and the city needs to ante up its contribution, while working with others to secure the needed funds and programs from senior levels of government. But the debate has shifted from whether Toronto needs to do something to what Toronto needs to do. Now, Mayor Miller, members of council, municipal officials, the people directly affected by the housing crisis, housing and service providers, advocates, business organizations, faith communities, community organizations and the rest of Toronto should roll up our collective shirtsleeves and get to work on delivering the desperately needed new homes.

The HOT plan is a smart and sensible investment in people and in our city that will not only deliver much-needed affordable homes, but it will also help create strong and healthy neighbourhoods; plus jobs, tax revenues and other economic benefits. The costs of "doing nothing" in the face of Toronto's devastating affordable housing crisis are enormous; and the benefits of investments outweigh the costs. A comprehensive housing strategy for Toronto is a practical and effective response to massive housing insecurity.

This Wellesley Institute backgrounder provides some initial details on (1) what's in the plan, (2) the key critical challenges, and (3) what needs to be done.

## **1. What's in the plan**

The plan sets out a rationale for a new affordable housing strategy based on four key "powers": Healthy people, economic prosperity, environmental sustainability and livable neighbourhoods. It notes the patchwork of federal and provincial financial support for affordable homes, including the expiry of the federal homelessness strategy and the federal housing rehabilitation program at the end of fiscal 2008, along with the locked-in withdrawal of federal social housing dollars (which will mean a loss to Toronto of \$62 million by 2018 and a total of \$170 million by 2029).

Mayor David Miller's signature is at the very beginning of this document – an important sign that there is growing political will at Toronto City Hall to seriously tackle our devastating affordable housing crisis. Despite the high-profile Golden task force of 1999, housing and homelessness issues have not figured strongly on the Toronto municipal agenda in the past decade. Mayor Miller is sending a clear signal that affordable housing will be a priority.

The plan sets out six specific targets over a ten-year period, including an annual costing:

(1) Help homeless and vulnerable people find and keep homes – 13,000 households over 10 years, \$46 million annually.

(2) Assist people to afford rents through rent supplements – 60,000 households over 10 years, \$120 million annually.

(3) Preserve and fix social and rental housing and keep it affordable – 115,000 households over 10 years, \$89 million annually.

(4) Create and renew mixed, inclusive, sustainable neighbourhoods – 10,000 households over 10 years, \$100 million annually.

(5) Create new affordable rental housing – 11,000 households over 10 years, \$110 million annually.

(6) Help people to buy and stay in their own homes – 10,000 households over 10 years, \$4 million annually.

Over the ten years, 209,000 households would be assisted at an annual cost of \$469 million, according to the city figures. This target represents approximately the number of Toronto households in “core housing need” as defined by Canada Mortgage and Housing Corporation.

The Toronto plan will become part of a re-invigorated national effort by the mayors of Canada’s biggest cities (the Big City Mayor’s Caucus of the Federation of Canadian Municipalities), which will launch the new phase of its housing advocacy efforts in Vancouver in late January – just before provincial and territorial housing ministers meet for a national housing summit in the first week of February.

A strong and detailed plan in Toronto, coupled with effective advocacy by major municipalities across the country, will increase the pressure for a comprehensive and fully-funded national housing strategy.

If a lot that is in the latest Toronto plan sounds familiar, it is! Key parts of the framework mirror recommendations from the Wellesley Institute’s Blueprint to End Homelessness in Toronto, which was released one year ago and has drawn widespread support. The HOT plan acknowledges the Wellesley Blueprint.

## **2. Key critical challenges**

The latest Toronto housing plan is much more streamlined than the last major municipal housing action plan, the Mayor’s Homelessness Action Task Force of 1999. With fewer overall recommendations, it doesn’t deal in detail with the spectrum of housing needs in Toronto. Much more work will need to be done in key areas.

Here are some of the main challenges:

**(1) *Virtually no city dollars to seed the plan.*** Toronto’s 2008 capital budget (which is being debated during November, 2007) and the city’s 2008 operating budget (which will be debated shortly) contain almost no new dollars for housing and homelessness. The only major municipal spending set out in the plan is to replenish the city’s capital revolving fund to build new affordable homes – but that likely won’t come until 2009. It’s fair and appropriate that senior levels of government ante up a major portion of the costs of the housing plan, but the city needs to seed

the pot with its own dollars to show its commitment and to challenge the province and the federal government to pay their fair share. During the current budget debate, and during the consultation process, the city needs to be told to put some of its money on the table.

**(2) Household targets are tight.** The targets, as set out above, are a big improvement over the city's record in recent years, but they fall short of the current need – not to mention the half a million new residents that are expected in Toronto over the next 25 years. Almost one-third of the housing help will be delivered through rent supplements, and more than half will go to renovate existing rundown social and private homes. Both are important needs and deserve support. But that leaves only 24,000 – or less than one-quarter of the total in the plan – for desperately needed new supply. During the consultation process, the targets should be carefully reviewed and will likely need to be increased.

**(3) Not enough detail in critical areas.** Supportive housing providers have not only had to deal with an erosion of housing funding in the past two decades, but also a shift to the Ministry of Health and Long-term Care and, as the ministry prepares to download significant responsibilities to Local Health Integration Networks, a further fracturing in funding responsibilities. Aboriginal housing providers have also faced downloading and cost-cutting, along with stalling and evasion by the federal and provincial governments over the past two decades. The Toronto plan needs to take into account the treaty and historical relationships of Aboriginal people. One key tool to create new affordable homes is inclusive zoning and planning – which is receives only slight reference in the proposed HOT plan. During the consultation process, there will need to be lots of careful work to fill out the details of the plan.

**(4) Definition of “affordable” needs to be sharpened.** Toronto relies on average rents in the private market and average ownership costs in the private market to set the benchmark for affordability. But average private rents / ownership costs are not affordable, they simply reflect what the landlords / developers are able to charge, and what people who are able to access the markets are able to pay. Toronto has more than 175,000 very low-income households – with annual incomes below \$20,000. During the consultation process, a proper definition of “affordable” that is based on real household incomes needs to be adopted.

**(5) Toronto's housing plan needs to be integrated into an overall poverty reduction strategy.** Toronto City Council declared homelessness a “national disaster” in 1998. The homelessness disaster and underlying affordable housing crisis is part of a broader problem of deep and persistent poverty in neighbourhoods throughout Toronto. Throughout Toronto's neighbourhoods, there is a direct connection between poverty, housing insecurity, higher rates of illness and premature death and a range of social and economic concerns. During the consultation process, specific links from the housing plan to a broader poverty reduction strategy need to be addressed.

**(6) The racial and gender dimensions of housing insecurity need to be specifically addressed.** Toronto is proud to call itself one of the most multi-cultural cities in the world, yet poverty and housing insecurity are increasing becoming racialized – with certain groups bearing the heaviest burden. Women also bear a heavier burden of poverty and housing insecurity. The “intersection” of the two (women of colour) adds an additional dimension. The consultation

process needs to take specific account of the racial and gender dimensions of housing insecurity and ensure that racialized groups and women are fully engaged in the solutions.

**(7) A municipal champion is needed.** Mayor David Miller has personally signed the HOT plan. That's a great start. The city has an affordable housing committee, and it has an affordable housing office. But it's not clear whether these alone will have enough clout to ramp up the delivery of the new homes. As of 2006, the meagre amount of new affordable homes were scattered in less than half of the city's 44 wards. Some local politicians have behaved like feudal lords to block new homes from their neighbourhoods. This has, in turn, encouraged a small but vocal minority of NIMBY (Not In My Back Yard) groups that oppose all new developments, often with hateful and personal slurs. Mayor Miller needs to take leadership on the housing issue and Toronto urgently needs a housing champion. During the consultation process, the barriers to new development in a number of Toronto wards needs to be acknowledged and answered.

### **3. What needs to be done**

The HOT plan is a long overdue and eagerly awaited commitment by the City of Toronto to become engaged in housing solutions. The strategy should be welcomed and Toronto politicians and municipal officials should be encouraged to demonstrate their commitment by putting some cash on the table – and starting to ramp up work in all areas of the proposed plan.

The consultation process offers an excellent forum to build political and public support

The HOT plan sets out for consultation questions:

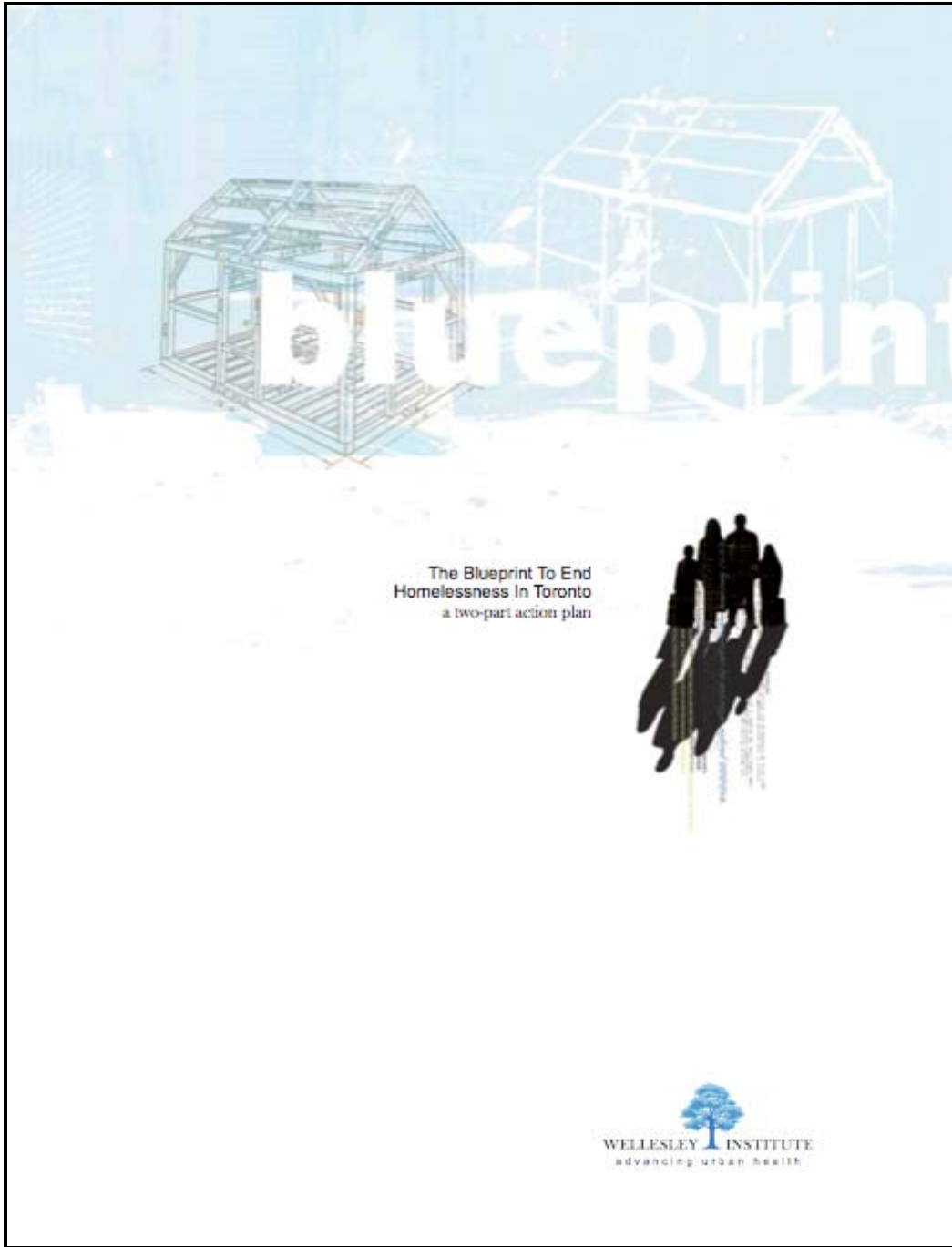
- (1) Has the framework set the right goals and targets?
- (2) What should Toronto's affordable housing priorities be for the next 10 years?
- (3) Are there ideas, innovations, programs or policies from other places that should be considered?
- (4) What role can you or your organization play in providing affordable housing?

Some key questions for the consultation process are set out above. The city needs to work with groups and individuals throughout Toronto to quickly to develop and implement specific answers.

The Wellesley Institute will continue to support the development of a comprehensive, practical and effective affordable housing strategy for Toronto. Stay tuned for details and developments in the coming months.

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The Wellesley Institute Blueprint to End Homelessness in Toronto available at:  
[www.wellesleyinstitute.com](http://www.wellesleyinstitute.com)