



Toronto should invest municipal dollars in new truly affordable homes:

**Toronto budget from 1999 to 2005:
Zero new capital dollars for housing
\$31m cut in social housing operations**

February 7, 2005

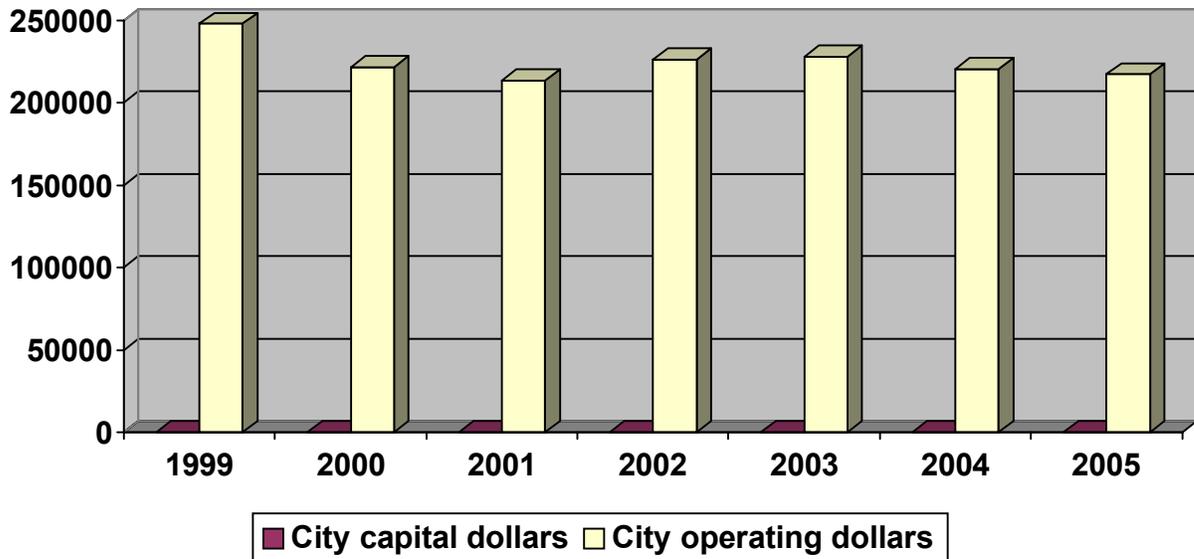
Submission by:

Michael Shapcott

Research Co-ordinator, **Toronto Disaster Relief Committee**,
Co-Chair, **National Housing and Homelessness Network**, and,
Co-ordinator, Community-University Research Partnerships Unit,
Centre for Urban and Community Studies, University of Toronto,

455 Spadina Avenue, Toronto, ON, Canada, M5S 2G8
Telephone – 416-978-1260 // E-mail – michael.shapcott@utoronto.ca

City capital dollars for new affordable housing (in \$000s) City operating dollars for existing social housing (in \$000s)



Source: Toronto Shelter, Housing and Support Division, 2005

The Toronto Disaster Relief Committee is a community-based organization that includes homeless people and their allies and advocates. We are urging Toronto City Council to include new funding for a municipal plan to end homelessness in the 2005 Toronto budget.

Toronto is facing an increasingly desperate homelessness disaster and affordable rental housing crisis:

Toronto’s current homeless and under-housed population includes:

- thousands of women, men and children sleeping rough on the streets and in parks.
- more than 4,000 women, men and children sleeping in shelters.
- tens of thousands of “hidden homeless” temporarily staying with family or friends (“couch-surfing”).
- about 70,000 households (189,000 women, men and children) on the social housing waiting list.
- 314,975 households (850,000 women, men and children) in the Greater Toronto Area in “core housing need” – or at risk of homelessness.

Evictions generate more homelessness: The numbers of homeless are continuing to grow. An analysis of evictions prepared for the City of Toronto in March of 2004 reported that about 3,900 households in Toronto are evicted every year (about 9,800 women, men and children) – that’s about 15 households every weekday throughout the year. The report found that 48% of these households joined the “hidden homeless” (moving temporarily in with family or friends); and 29% (or about 1,130 households annually) go directly to the city’s homeless shelters.

The City of Toronto is spending zero dollars on new affordable housing and is planning to cut almost \$31 million on existing social housing:

Zero dollars for new affordable housing: Toronto’s Shelter, Housing and Support Division reports that the City of Toronto has spent no municipal dollars on new affordable housing as part of its capital budget

from 1999 to 2003 and that no municipal dollars are budgeted to be spent in either 2004 or 2005. The city expects to spend a mere \$26.6 million over that seven-year period (from 1999 to 2005). All of the money is coming from the federal government or from city reserves created from provincial funds.

Almost \$31 million will be cut from municipal funding for existing social housing: Shelter, Housing and Support is reporting that direct city spending for social housing will drop from almost \$248 million in 1999 to about \$217 million in 2005.

#1 – New municipal dollars for truly affordable homes

Our first recommendation for Toronto’s 2005 municipal budget: City Council should allocate new dollars for truly affordable homes and it should reverse the cuts to the existing social housing portfolio.

We recommend that the city commit at least an additional \$14.2 million in city dollars for new subsidized housing. This would allow the city to match the \$14.2 million in re-allocated provincial dollars that Council authorized in its homelessness plan, adopted in early February.

We further recommend that the city restore social housing funding at least to 1999 levels by restoring the \$31 million cut from municipal support for existing social homes. This new money could fund more than 2,600 rent supplements for low-income households, based on the annual per capita cost of \$11,631 in the recent Tent City rent supplement pilot project.

Other Canadian cities, such as Winnipeg, have dedicated municipal dollars to housing, then challenged the senior levels of government to pay their fair share. Winnipeg, a city about one-quarter the size of Toronto, has funded about 4,500 truly affordable homes in the past five years. Toronto, over that same time, has created less than one-tenth of that number. The City of Ottawa is about to consider a long-term municipal housing strategy that calls for \$12 million in municipal funding annually for ten years. This money, matched with federal and provincial housing dollars, is expected to generate 5,000 truly affordable new homes in that city.

Toronto’s Homelessness Action Task Force set a target of 2,000 subsidized homes and 1,000 new supportive housing units annually. While Toronto City Council adopted the task force recommendations, it has consistently refused to offer any new capital dollars. That is a key reason why the city has failed to meet even the modest Golden targets. Toronto City Council on Feb. 2, 2005, re-confirmed its support for the Golden targets. Without new municipal dollars, the city will once again fail to meet the targets.

The federal and Ontario governments bear the major responsibility for Toronto’s homelessness disaster and affordable rental housing crisis. The federal government cancelled funding for new homes in 1993. In his 1996 federal budget, Finance Minister Paul Martin announced plans to download federal housing programs to the provinces and territories. The Ontario government cancelled funding for new homes in 1995 and then, following the federal lead, the province downloaded social housing programs to municipalities starting in 1998. Toronto should continue to press the senior levels of government to restore funding and programs for new truly affordable homes. But it cannot escape its own responsibility to use municipal tax dollars to support new homes.

#2 New municipal dollars for emergency relief for the homeless

Our second recommendation: Toronto should increase the municipal dollars to create new emergency shelters for the homeless and to improve conditions in existing shelters.

We recommend that the capital budget for shelters be increased to make sure that Toronto can reach the 2005 goal in the Multi-Year Shelter Strategy of 215 beds (including replacement beds).

The proposed 2005 budget has reduced the plan to develop only 60 new beds and 20 replacement beds – 135 beds short of the plan approved by Council.

We further recommend that the operating budget for shelters be increased to allow shelters to meet proper standards. Increased operating dollars are urgently required especially in light of the micro-epidemic of tuberculosis, which has already claimed several lives among Toronto's homeless; along with the outbreak of bed bugs and other serious health conditions. Shelter operators want to provide healthy and humane conditions. They require support from the City of Toronto to meet basic standards.

We are opposed to the plan to cut 1,000 shelter beds, which was reported in late January. Cutting almost one-quarter of the beds in the city's shelter system will drive more homeless into the streets. It is simply not acceptable to even consider such an option.

#3 New municipal dollars for outreach and support

Our third recommendation: Toronto should increase the municipal dollars for outreach and support for homeless people and those on the brink of homelessness.

We recommend that the operating budget be increased to allow for additional grants to successful, community-based outreach services such as the Hostel Outreach Program (HOP). HOP was created in the 1980s as a result of the inquest into the death of the homeless woman Drina Joubert. For almost two decades, HOP workers have done effective work with homeless women and men.

We recommend that the operating budget be increased to assist homeless people and those on the brink of homeless to access the Ontario Disability Support Program and Ontario Works: City staff should be directed to develop a specific strategy to make sure that homeless people using city shelters are assisted in applying for the Ontario Disability Support Program (ODSP), a form of income assistance available to those with disabilities. People who qualify for ODSP also receive a shelter allowance, which would allow homeless people who qualify to move from shelters into housing. There are many barriers to accessing ODSP. The city should develop a protocol to quickly access the eligibility of homeless people for ODSP and other income assistance programs and to assist them in applying.

We are opposed to plans for massive cuts to city staff that administer ODSP and OW. Media reports in late January said that the city is considering cutting 290 staff that administer Ontario Works (general social assistance) and a further 200 cuts to staff that administer Ontario Disability Support Program (social assistance for those with special needs).

#4 If necessary, increase taxes to support housing / homelessness

Our final recommendation: The first three recommendations from the Toronto Disaster Relief Committee will require additional funding. While the overall amount is modest compared to the size of the entire municipal budget, we recognize that the city needs to find the revenue to support these recommendations. Torontonians have consistently stated that they place a high priority on housing and homelessness initiatives. With this strong public support, City Council should secure the necessary funds either by re-allocating from other city budgets, such as the police, or through a modest tax increase. A tax increase of a fraction of one per cent would support the increased funding proposed by the Toronto Disaster Relief Committee.