



The Blueprint To End  
Homelessness In Toronto  
a two-part action plan



# The Blueprint to End Homelessness in Toronto



**Homelessness has a devastating impact on Toronto.** More than 30,000 women, men and children crowd into the city's homeless shelters annually<sup>1</sup>. Many thousands more sleep on the streets or join the ranks of the "hidden homeless". There are about 70,000 households on Toronto's social housing waiting list<sup>2</sup>. And, on the brink of homelessness, are 150,000 households paying more than half their income on shelter<sup>3</sup>.

**Homelessness and insecure housing are triggering a health crisis:** The lack of safe, affordable housing leads to increased illness and premature death<sup>4</sup>. But it's not just the homeless and inadequately housed who are suffering. Toronto's

affordable housing crisis is disrupting neighbourhoods and threatening the city's competitiveness in the international economy. It is costing taxpayers \$159 million annually just for homeless shelters and services.

**Homelessness has been growing rapidly, almost six times faster than the overall population.** In 1960, there were 900 beds in the city's shelter system and 1.6 million people living in Toronto<sup>5</sup>. By 2006, Toronto had 4,181 shelter beds in a city of 2.6 million<sup>6</sup>. The face of homelessness is changing as more families and children line-up for shelter.

## Homelessness a “national disaster”

On October 28, 1998, Toronto City Council adopted a call from the Toronto Disaster Relief Committee to declare homelessness a national disaster. On November 22, 1998, the mayors of more than one dozen of Canada’s largest cities endorsed the campaign. Why name it a disaster? The impact is huge. Toronto’s Homeless Memorial at the Church of the Holy Trinity lists almost 500 homeless deaths in recent years. Under federal and provincial law, when mayors declare a local disaster, senior levels of government are expected to offer emergency assistance and long-term support for re-building. The disaster declaration was designed to draw attention to the profound problems of growing homelessness and to re-enlist the senior levels of government as partners in the solutions.

## The Blueprint: Empty the shelters and build new homes

New York City has a blueprint to end homelessness. More than 200 U.S. cities have adopted 10-year plans to end homelessness. Winnipeg, Saskatoon and Vancouver

have federal, provincial, municipal agreements to reduce homelessness and build new homes.

Toronto has had plenty of studies going back to the early part of the last century, but it still doesn’t have a comprehensive plan with realistic targets. *The Blueprint to End Homelessness in Toronto* is a practical plan based on current and future needs. It aims to:

- immediately move up to half the sheltered homeless into homes through an enhanced rent supplement program, and
- fund almost 200,000 new and renovated homes in healthy, mixed-income neighbourhoods over the next ten years.

Toronto’s *Blueprint* is built on a detailed policy framework. That document sets out current housing statistics, a historical survey of housing studies in Toronto and Canada, a ward-by-ward housing review and other important information. The framework document and other material is available from The Wellesley Institute on our web site at :

[www.wellesleyinstitute.com/theblueprint](http://www.wellesleyinstitute.com/theblueprint)

1 Toronto Shelter, Support and Housing, 2006

2 Toronto Shelter, Support and Housing, 2006

3 Statistics Canada, Households Paying More than 50% of Income on Rent, 2001 Census

4 See, for instance, Housing and Health, Public Health Implications of the Crisis in Affordable Housing, October 1984

5 Social Planning Council of Metropolitan Toronto, 1960; Statistics Canada

6 Toronto Shelter, Support and Housing, 2006; Statistics Canada

# Counting the cost of “doing nothing”

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.

**Health Costs:** The death rate for homeless people is eight to ten times higher than housed people of the same age<sup>7</sup>. Health profiles show that the poorest neighbourhoods – those with the worst housing – have the poorest health<sup>8</sup>. Poor housing, poverty and homelessness drive up health care costs.

**Social Costs:** Poor housing and homelessness shatters communities. Poverty is persistent and deep in downtown neighbourhoods, and increasingly in the suburbs. Poor homes, poor neighbourhoods and poor services combine to create poor outcomes.

## Criminalizing homelessness is expensive

A Montreal study of a municipal bylaw that bans homeless people from sleeping in parks found that the number of tickets issued by police grew four-fold from 1994 to 2004 to a total of 22,685. In 72% of cases, the person convicted was sent to jail because they couldn't pay the fine<sup>9</sup>. In Toronto, the average cost to taxpayers for a month in jail is \$4,333<sup>10</sup>. The average cost for a month in social housing is \$199.92<sup>11</sup>.

**Economic Costs:** Toronto's affordable housing crisis is hurting our economy, as well as undercutting our productivity and competitiveness in the national and global economies. The Toronto Board of Trade has stated: “Ultimately, the supply of affordable housing affects the success of all businesses. Along with other infrastructure components, it helps to determine whether or not companies and employees locate in the city. A lack of affordable housing can lead to a host of other, more serious social and economic problems.”<sup>12</sup>

*“Housing is a necessity of life. Yet, after ten years of economic expansion, one in five households in Canada is still unable to afford acceptable shelter – a strikingly high number... What's more, the lack of affordable housing is a problem confronting communities right across the nation – from large urban centres to smaller, less-populated areas. As such, it is steadily gaining recognition as one of Canada's most pressing public-policy issues. We are used to thinking of affordable housing as both a social and a health issue... However, working to find solutions to the problem of affordable housing is also smart economic policy. An inadequate supply of housing can be a major impediment to business investment and growth, and can influence immigrants' choices of where to locate.”*

TD Economics, Affordable Housing in Canada, In Search of A New Paradigm, 2003

**Adding Up The Tax Bill:** Poor housing, and homelessness, is costly for taxpayers. Thousands of homeless people are forced to sleep in homeless shelters. Hundreds of homeless people end up in jails. Homeless people and those poorly housed have a higher rate of illness. The average monthly costs of housing and homelessness are: social housing (\$199.92); shelter bed (\$1,932); provincial jail (\$4,333); hospital bed (\$10,900)<sup>13</sup>.

### **Growing Population, Growing Housing Need:**

Toronto's population is projected to grow by 429,400 people over the next 25 years, which means that the city will need more than 165,000 new homes just to keep pace<sup>14</sup>. The private ownership and rental housing markets are able to meet the housing needs of upper and many middle-income households. But an increasing number of low, moderate and even middle-income households are unable to afford the high rents and high home costs in the private markets.

### **Toronto's income mix<sup>15</sup>**

Total number of households	943,075	(100%)
Annual income under \$10,000	66,420	(7%)
Annual income \$10-20,000	108,770	(11.5%)
Annual income \$20-30,000	103,330	(11%)
Annual income \$30-40,000	103,610	(11%)

### **Affordable rents are NOT affordable for many households**

Toronto's Official Plan, borrowing from federal and provincial housing agreements, defines "affordable rents" as the average rent charged in the private market. The average market rent for a typical two-bedroom apartment in Toronto is \$1,060 per month<sup>16</sup>. To afford that rent, a household needs an annual income of \$42,400. More than 40% of Toronto households (382,000 households – or almost a million women, men and children) have annual incomes less than \$40,000. About one-in-five Toronto households are considered in "housing core need"<sup>17</sup>. That number is up from 1996, and up dramatically from 1991. Even during the economic good times of the past decade, the numbers of people suffering severe housing problems has increased from 1991.

**Few New Affordable Homes:** In the early 1990s, about 2,100 new affordable homes were built every year in Toronto<sup>18</sup>. Then the federal and provincial governments cut billions of dollars in funding and downloaded responsibility for housing to municipal governments. Development of new homes has stalled. No new affordable homes have been built in 23 of the city's 44 municipal wards over the past decade. Only 1,435 new "affordable" homes were completed in the other half of the city – and just 613 of those were truly affordable to low and moderate-income households<sup>19</sup>. In the last year, there has been an uptick in new affordable housing development, but the patchwork of funding and programs at the federal, provincial and municipal levels has failed to deliver the numbers of new affordable homes that are desperately needed.

7 Cheung, Angela M., and Stephen W. Hwang. 2004. *Risk of Death among Homeless Women: A Cohort Study and Review of the Literature*. Canadian Medical Association Journal 170, no. 8:1243-1247.

8 See, for instance, [www.torontohealthprofiles.ca](http://www.torontohealthprofiles.ca).

9 RAPSIM survey of tickets issued to homeless individuals, 2005

10 Ministry of the Solicitor General

11 City of Toronto, Shelter, Housing and Support, 2006 approved budget

12 Toronto Board of Trade, *Affordable, Available, Achievable, Practical Solutions to Affordable, Housing Challenges*, 2003

13 Toronto Shelter, Support and Housing; Ontario Ministry of Solicitor-General; Ontario Ministry of Health

14 Ontario Ministry of Finance, *Ontario Population Projections Update*, April 2006

15 Statistics Canada, 2001 Census

16 Canada Mortgage and Housing Corporation, *Toronto Rental Market Report*, 2005

17 Statistics Canada, 1991 Census, 1996 Census and 2001 Census

18 *Where's Home*, 1999

19 City of Toronto Status of Affordable Housing and Shelter Initiatives, June 2006

# Blueprint to End Homelessness in Toronto

The *Blueprint* is a practical plan to move thousands from homelessness to homes, meet the growing need for affordable homes over the next decade, create thousands of new homes annually and provide rent subsidies to tens of thousands of low and moderate-income households. It will engage the federal, provincial and municipal governments, along with partners from the community and business sectors.

## Part one: Move the “sheltered” homeless into homes

Every night, about 3,700 women, men and children are crowded into cots, bunks and motel rooms in Toronto’s homeless shelter system<sup>20</sup>. This is not only unhealthy and uncomfortable, but it wastes tax dollars. Taxpayers pay two and one-half times as much for homeless shelters as for rent supplements. Shelters cost ten times as much as social housing.

### Comparing the cost of shelters to supplements and social housing

	Shelters <sup>21</sup>	Rent supplement (private rental) <sup>22</sup>	Social housing <sup>21</sup>
Daily	\$ 63.52	\$ 23.00	\$ 6.57
Monthly	\$ 1,932.00	\$ 701.00	\$ 199.92
Annual	\$ 23,185.00	\$ 8,415.00	\$ 2,399.04

A plan to move half the sheltered homeless into homes would require 1,850 rent supplements and would cost the city \$15.5 million annually. That would be offset by the expected \$43 million in shelter savings. But there is a bureaucratic barrier. Government programmes operate in silos that prevent effective co-ordination. For instance, the Ministry of Community and Social Services – which pays shelter per diems – doesn’t allow shelter funding to be converted to cost-effective housing subsidies.

## Part two: A comprehensive affordable housing strategy

Crowded shelters are the tip of the iceberg – a visible sign of a deep affordable housing crisis that affects hundreds of thousands of Torontonians. *The Blueprint to End Homelessness in Toronto* sets out a ten-year plan with seven practical steps.

The plan sets an annual target of 4,500 new homes, 2,000 supportive housing homes, 8,600 renovated homes, 9,750 rent supplements, emergency relief, eviction prevention and an effective inclusive planning strategy. The combined capital and operating cost would be \$837 million to be cost-shared among the municipal, provincial and federal governments. The return on investment in reduced program spending, along with increased property, income, sales and payroll taxes, would significantly offset the new spending.

## Setting out the solutions

*The Blueprint to End Homelessness* sets out seven policy options:

What is needed	Why it is needed
<b>1 Annual target of 4,500 new affordable homes</b>	Toronto needs 3,300 new affordable homes annually to meet projected population growth <sup>23</sup> ; plus another 1,200 new homes to meet the existing need. A target of 25% should be set aside for off-reserve Aboriginal housing under Aboriginal control.
<b>2 Annual target of 2,000 new supportive homes</b>	Special housing designed to meet special physical and mental health needs, including both brick and mortar and support services.
<b>3 Annual target of 8,600 home renovations</b>	Toronto has 173,000 homes that need major or minor repairs <sup>24</sup> . Over 10 years, 8,600 renovations annually would meet the needs of half the homes by targeting low and moderate-income households.
<b>4 Annual target of 9,750 rent supplements</b>	About half the new supplements would go to new homes to ensure mixed-income neighbourhoods, with the rest going to households in existing housing that cannot afford their rent. Toronto's social housing waiting list offers rent subsidies to about 4,000 new households annually. Added to the annual target, 13,750 households would be helped every year.
<b>5 Maintain effective emergency relief</b>	Toronto budgets \$159 million annually for homeless shelters and services (\$105 million from the provincial government) and \$13.5 million for capital improvements. As people move out of shelters, spending can be shifted to long-term initiatives.
<b>6 Effective homelessness prevention strategy</b>	More than 30,000 households faced eviction in 2005 – the most ever in the history of Toronto <sup>25</sup> . As many as two-thirds end up in shelters or among the “hidden homeless” <sup>26</sup> . It's far less costly to prevent evictions.
<b>7 Effective zoning and planning strategy to create 3,300 new low and moderate-income homes</b>	Inclusive planning and zoning tools to effectively use local powers to create mixed-income and liveable neighbourhoods, as in Vancouver and Saskatoon.

20 Toronto Shelter, Support and Housing, April 2006

21 Toronto 2006 budget, Shelter, Support and Housing Administration

22 *From Tent City to Housing, An Evaluation of City of Toronto's Emergency Homelessness Pilot Project*, June 2004

23 Ontario Ministry of Finance, *Ontario Population Projections Update*, April 2006

24 Statistics Canada, Census of Canada, 2001

25 Ontario Rental Housing Tribunal, 2005

26 Linda Lapointe, *Analysis of Evictions Under the Tenant Protection Act*, City of Toronto, March 2004

# Getting the job done

Housing is expensive, especially in a major metropolitan area like Toronto. The cost of land, construction, building operations and maintenance, utilities and financing are considerable. But the costs of inaction are even more enormous, and the returns – personal, social, economic and financial in both the short and the long-term – are significant.

## Getting the homes built

A typical modest new affordable home in Toronto costs about \$150,000. The single biggest operating cost is the financing. A capital grant of \$75,000 would cut financing costs and create new homes at or near the average market rents. But many Torontonians cannot afford the average market rent, so rent supplements are required. Two subsidy streams – capital costs to get the homes built and rent supplements to make them truly affordable – are required. Supportive housing for those with special needs require additional support services. Aboriginal people form a large share of Toronto's homeless and under-housed population, so one-quarter of the new homes would be set aside for off-reserve Aboriginal housing under Aboriginal control.

New homes are an investment in people and communities, and the direct and indirect economic returns are large: Improved health, better neighbourhoods, more jobs (in construction and spin-off jobs in manufacturing and services), increased tax revenues for governments (property, payroll, income and sales taxes). As the ownership market in Toronto appears set to slow, following the downturn in the U.S. private housing market, increased investment in affordable housing cannot come at a better time.

## Who pays what: Picking up the tab...

The total annual price tag would be \$585 (capital) and \$252 million (operating) in 2006 dollars. Almost all the capital dollars for the first year have already been committed under existing federal and provincial initiatives, so the building can be ramped up quickly. More than half the operating funding is already committed in the Toronto municipal budget. As shelter usage drops over the years, the savings in program costs can be shifted to housing-related programs.

## Toronto's share: \$103 million

The City of Toronto currently pays \$54 million of the annual homeless shelter and services costs. It will benefit financially as people move from shelters into homes. *The Blueprint to End Homelessness* calls on Toronto to take a lead by committing ten percent of the capital costs (\$49 million). Part can be drawn from existing reserves and the rest from new spending.

## Social housing returns big tax dollars to municipal government

Social housing is a smart investment: In 2005, Toronto taxpayers paid \$128.8 million to Toronto Community Housing (the city's non-profit housing agency, which manages 58,500 homes). TCH returned \$116 million that year in municipal property taxes – making it the single biggest taxpayer in Toronto<sup>27</sup>. No other municipal investment delivers such a large and direct return.



## Ontario's share: \$417.25 million

A key provincial priority for the *Blueprint* is rent supplements to reduce overcrowding in the shelters and ensure affordability in new homes. In the 2003 provincial election, the Liberals promised 35,000 rent supplements for Ontario, with 11,500 for Toronto. To date, they have committed only 6,670 rent supplements for all of Ontario<sup>28</sup>. The Ontario government, which funds jails, hospitals and shelters, will realize the biggest savings from shifting homeless people from expensive institutional settings to cost-effective homes.

## Jobs and taxes: Adding up the return on investment

Using economic multipliers, the new housing is expected to generate 21,600 person-years of employment<sup>29</sup>. The supportive housing would create more than 200 new jobs. By year ten, the new housing would add more than \$175 million annually in property taxes to the City of Toronto; plus tens of millions in income and payroll taxes to the federal and provincial governments.

## Federal share: \$316.75 million

In addition to funding for new homes, the federal government has a key role in supporting a comprehensive housing renovation plan to bring Toronto's aging and deteriorating housing stock up to standard. The federal government Residential Rehabilitation Assistance Program, which has successfully provided housing rehab funding for several decades, is due to expire at the end of fiscal 2006. The federal government can fund its share of Toronto's housing plan through a combination of wise investment

of existing housing surpluses, continued allocation of a portion of the CMHC's and government's annual surpluses and, if necessary, new federal spending.

## CMHC's multi-billion dollar annual surplus

CMHC's 2006 corporate plan projects operating expenses of \$384 million and revenue at almost \$8 billion – for a total surplus of \$7.6 billion<sup>30</sup>. Current plans call for most of that surplus to be banked in the CMHC's Canada Housing Trust. While prudent business practices require a portion of the surplus to be banked, significantly more than the current projected net income of \$965 should be invested in new housing initiatives.

## Pay now or pay even more later

Homelessness is costing Torontonians a great deal in shattered lives and shattered communities. Municipal taxpayers are paying ten times more to keep a homeless person on a cot in a shelter than to provide them with good quality, cost-effective social housing. And the costs will continue to ramp up. 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.

Toronto has a rich history of housing success stories – from the Spruce Court Apartments in 1914 to the St. Lawrence neighbourhood of the 1970s. *The Blueprint to End Homelessness in Toronto* offers a practical plan to build dynamic, healthy and wonderful neighbourhoods and a strong city.

27 Toronto Community Housing, Annual Report 2005

28 Ontario Ministry of Municipal Affairs and Housing, September 2006

29 Clayton Research Associates for Co-operative Housing Association of Ontario, 1993

30 Canada Mortgage and Housing Corporation, Annual Report for 2005

The target...	Who is responsible...	Capital	Operating	Funding options...
New supply: 4,500 new homes	City of Toronto to administer funding for community-based non-profit and co-op housing	\$337.5 million	Covered by rents	Current unallocated commitments: \$120m from C-48, \$200m from AHP Other options: Reinvest part of federal housing surplus Federal and Ontario governments to cost-share, with municipal contribution
Supportive housing: 2,000 homes	City of Toronto and Local Health Integration Networks to co-ordinate with community-based providers	\$150 million	\$10 million plus rents	Operating costs: expand Ontario Ministry of Health supportive housing funding
Renovations: 8,600 homes	City of Toronto to administer housing repair initiatives	\$84 million	n/a	Renew and expand federal Residential Rehabilitation Assistance Program
Rent supplements: 9,750 subsidies	City of Toronto and social housing providers to administer new subsidies	n/a	\$60.5 million	Government of Ontario to expand its rent supplement block grant to Toronto, and offset costs with savings from reduced shelter, hospital and jails spending
Emergency relief shelters and services	City of Toronto and community-based agencies	\$13.5 million	\$159 million	Existing funding – already allocated. Current provincial share is \$105m. As shelter population declines, savings can be directed to housing-related initiatives
Prevention: rent and energy banks	City of Toronto and community-based agencies	n/a	\$22.5 million	Increase existing provincial rent and energy banks to prevent evictions
Inclusive planning: 3,300 new low and moderate-income homes	New planning and zoning tools from City of Toronto to regular new housing development	n/a	n/a	Inclusive planning and zoning tools to make sure that 20% of new homes are targeted to the lowest income; next 20% targeted to moderate-income
Total: 9,800 new homes 8,600 renovated homes 9,750 rent supplements Emergency relief/prevention	Partners: City of Toronto, community and private sectors, federal and provincial governments	\$585 million (\$335.5m already committed; \$249.5m new)	\$252 million (\$160m already committed; \$92m new)	Combined capital and operating: Federal share: \$316.75 million Provincial share: \$417.25 million Municipal share: \$103 million



*“The pioneering work of Toronto’s first Medical Officer of Health, Dr. Charles Hastings, led to better housing, including the city’s first affordable housing project – Spruce Court Apartments – in 1913. Almost 100 years later, Spruce Court continues to offer good quality, affordable homes and is highly prized by its Cabbagetown neighbours.”*

*“Every nation that permits people to remain under fetters of preventable disease and permits social conditions to exist that make it impossible for them to be properly fed, clothed and housed so as to maintain a high degree of resistance and physical fitness; and, who endorses a wage that does not afford sufficient revenue for the home, a revenue that will make possible development of a sound mind and body, is trampling on a primary principle of democracy.”*

Dr. Charles Hastings, Toronto’s first Medical Officer of Health, 1918

## For more information

Plenty of current data, a review of 43 major housing studies going back to 1918, a ward-by-ward analysis of housing and poverty numbers and other information is included in the framework document, which is a companion to the *Blueprint to End Homelessness*. The *Blueprint*, the framework, regular updates, new data, monitoring and assessments are all available from The Wellesley Institute.

## Stay in touch

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45 Charles Street East, Suite 101  
Toronto, ON, Canada, M4Y 1S2 Tel 416-972-1010  
[contact@wellesleyinstitute.com](mailto:contact@wellesleyinstitute.com) [www.wellesleyinstitute.com](http://www.wellesleyinstitute.com)

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