

CITY BUDGET MATTERS 101

AFFORDABLE HOUSING

Each year, the City of Toronto establishes the [City Budget](#), which is a financial plan for how our local government brings in and spends money. The budget defines how much money goes toward local services such as public transit, childcare, employment and social services, and social housing. Through the budget process, the City makes funding decisions that determine how they will deliver on their strategies and previous commitments, including those regarding housing and homelessness.

WHAT IS AFFORDABLE HOUSING AND WHY DOES IT MATTER?

Every person deserves adequate housing, yet many Toronto residents struggle to access affordable housing (in Canada, [affordable housing](#) is commonly defined as costing less than 30% of a household's before-tax income). Lack of affordable housing [disproportionately affects](#) Indigenous communities, newcomers, racialized groups, single mother-led families, the LGBTQ community, younger adults, seniors, low-income residents, and people with disabilities, mental health issues, and addictions.

Safe, decent, accessible, and affordable housing is a universal human right, recognized both [internationally](#) and within [Canada](#). It is [fundamental](#) to one's dignity, safety, inclusion, and ability to contribute to local communities and to society.

Poor housing can have negative health consequences. Access to adequate housing touches almost every aspect of one's life including physical and mental health and overall wellbeing. Living in overcrowded conditions, for example, has been linked to [higher COVID-19 infection rates](#).

Every night, hundreds of people who are homeless cannot access shelter. The critical shortage of affordable housing has dire consequences for Toronto's homeless population and shelter system. The City estimates that on any given night approximately [8,700 people](#) experience homelessness — staying outdoors, in emergency shelters and 24-hour respite sites, health and treatment facilities, and correctional facilities.

Affordable housing is a cornerstone of vibrant neighbourhoods. Communities with a mixture of rental and ownership opportunities, as well as market, non-market, and social housing, are generally more [livable, economically competitive, and resilient](#).



WHAT IS THE PROBLEM?

Housing is treated as a way to make money rather than a human right.

In Toronto, housing is commonly prioritized as a means to generate wealth. Limited tenant protections and inadequate rent control policy has ensured soaring rental prices and profits for investors. Corporate and global investment in Toronto's housing and real estate market has driven up housing prices, pushed residents out of their communities, and made it increasingly difficult for those in need to access the human right to adequate housing.

Rents are expensive.

Average market rents are extremely high and for the past decade have [increased at a rate](#) that well surpassed inflation. Rent makes up the single largest monthly expenditure for most tenant households. [Almost half of tenant households](#) spend 30% or more of their income on shelter costs, and more than one in five spend 50% or more, placing them at risk of homelessness.

Poverty is high, and wages are low.

One in five adults live in [poverty](#) in Toronto. The poverty rate is even higher for Indigenous families, newcomers, immigrants, non-white Torontonians, and people with disabilities. Due to low and stagnant wages and high rents, tenant households spend a large portion of their incomes on housing, leaving very little for all other expenses.

Vacancy rates are low.

For the past decade, Toronto's [vacancy rates](#) have consistently fallen below 3% — the minimum threshold for a healthy market. COVID-19 has impacted housing — market research firm Urbanation [reported](#) that rental

prices declined and vacancy rates climbed in the GTA in 2020 — but it is unclear how it will shape the market in 2021. This is likely a temporary reprieve. The housing market still requires urgent government intervention, especially to meet the needs of Toronto's vulnerable and marginalized populations.

Home and condo prices are too high.

Average home ownership costs (including condo purchases) are [rising faster](#) than median household incomes. With ownership out of reach for so many, large segments of our population have remained in the rental market permanently, fueling further demand for rental units and, in turn, causing rents to increase.

Public investment is inadequate.

Since the mid 1990s, investment in affordable housing by the federal and provincial governments has dwindled. This has left municipalities struggling to produce, deliver, and maintain affordable housing, including social and supportive housing, and resulted in a heavy reliance on the private market to deliver on this social good.

Accessible design benefits everyone but isn't prioritized.

Persons with disabilities are more likely to [live in poverty](#) and be in [core housing need](#) than persons without disabilities — indicating a strong need for housing assistance. Although the [Accessibility for Ontarians with Disabilities Act](#) (AODA) outlines standards for accessibility, including guidelines for barrier-free built spaces, there are [no requirements](#) for houses and apartments to be accessible. As a result, there is a real shortage of accessible housing.

MOVING FORWARD: WHAT CAN BE DONE?

The COVID-19 pandemic has made clear the inseparable link between housing and health. Ensuring that adequate housing is within reach for all residents is more important now than ever. Action to ensure every Torontonian has a safe, affordable, and accessible home cannot wait.

All three levels of government have a role to play to increase the stock of affordable housing. While the federal and provincial governments play funding, regulatory, and oversight roles, cities and communities are responsible for delivering housing for residents.

To address the housing and homelessness crisis and work towards building resilient, vibrant communities, our governments can:



Increase the supply of, and equitable access to, affordable housing in Toronto neighbourhoods.

Invest in non-profit affordable housing and stimulate the supply of affordable private-market units using existing policy tools such as [inclusionary zoning](#) and [community benefit agreements](#).



Prioritize and promote housing that meets universal accessibility standards

through policy and programs. This may include accelerating new construction that is based on universal design or providing support to low-income residents who need accessibility modifications.



Invest in reliable, affordable public transportation

that will allow residents to get around more easily and expand their housing options. Affordable housing located near public transit can help low-income residents save money, access jobs, and reach critical community services.



Develop immediate actions that address poverty.

Plans to reduce poverty exist with each order of government, but coordinated and comprehensive action is urgently needed to address the high level of poverty so that people can afford housing and other living expenses.



Implement policies and services that promote housing as a universal human right and social good.

Adopting a [rights-based approach](#) to housing requires governments to be accountable to the needs of communities first, rather than markets and investors. Governments can take action to prevent evictions, strengthen and expand rent control, and increase tenant protections.



Expedite and expand housing commitments and evaluate progress made.

In December 2019, the City of Toronto adopted its [HousingTO: 2020–2030 Action Plan](#), a framework for addressing affordable housing issues that relies significantly on federal and provincial funding. Intergovernmental action, with measurable targets, is urgently needed to address housing issues in Toronto.

CALL TO ACTION

In the midst of the COVID-19 crisis, and despite resulting economic pressures, the City of Toronto must take urgent action to address the immediate housing needs of Toronto residents and begin to shape a housing market that offers a range of options. Through the municipal budget process, the City must adequately fund housing and homelessness programs and supports to achieve its *HousingTO* goals, including establishing an independent Housing Commissioner office. The 2021 budget must fully fund this role, as it is critical to addressing Toronto’s housing crisis and achieving the right to housing.

STAY INFORMED AND HAVE YOUR SAY IN THE 2021 CITY BUDGET

The decisions made during the City Budget process determine the type of city we have. The Budget process kicked off on January 14, 2021, and concludes with the final City Council vote on February 18–19. Here are some ways you can learn more or share your input about the 2021 City Budget:

- Follow our [City Budget Watch blog](#).
- [Watch](#) Council and Budget Committee meetings ([meeting dates](#)).
- Make a deputation (a five-minute speech) to the Budget Committee.
- Send written comments to the Budget Committee (email buc@toronto.ca or mail Toronto City Hall, 100 Queen St. W., 10th floor, West Tower, Toronto, ON M5H 2N2).
- Write a letter to your [local City Councillor](#).
- Read the other backgrounders in our [City Budget Matters 101 series](#).



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