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FOR MAYOR OF TORONTO

POSITION PAPER: HOUSING

Ari Goldkind releases *Toronto is Your House* housing and homelessness foundation

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This platform addresses the critical shortage of affordable housing, the dire conditions faced by many current social housing and homeless residents in the fourth-largest city in North America. ***Toronto Is Your House*** is a 12-point integrated strategic plan, with an investment of between \$1.1 billion and \$1.6 billion over four years, depending on the levels of support from other levels of government and community business partnerships. The plan will:

- Leverage existing space and resources to immediately decrease the shortage of affordable units.
- Use inclusionary zoning and Section 37 as an incentive to developers to offer more affordable units and reduce gentrification.
- Comprehensively tackle the Toronto Community Housing repair backlog that, without immediate attention, will be the size of the city's annual police budget within two years. This project will start by hiring skilled workers who live in TCHC communities to work on repairs in their own units & buildings.
- Facilitate new cooperative/condominium ownership models that will allow TCHC residents to have a real stake in their homes and an incentive to be part of physical building need and community solutions.
- Increase the city's stock of new rental housing units, with a focus on integration with new transit builds that make new housing construction more desirable.
- Lead to more equitable distribution of affordable housing instead of ghettoizing large parts of Toronto.
- Incentivize single-family homeowners in an aging city to offer more affordable units, particularly for families.
- Expand micro-housing such as single-room occupancy and dormitory-style units, through pilot projects in priority neighbourhoods that will provide housing to our most vulnerable residents.
- Improve access to mental health and addiction services in the city's shelter system.
- Re-evaluate the pace at which Build Toronto and TCHC are selling off city assets to private developers, and compromising our land asset base for new affordable housing.
- Engage other levels of government -- provincial, federal and our peers in other GTA municipalities -- in a discussion that leads to constructive outcomes rather than more reports gathering dust.
- Do the city's part to address the real elephant in the housing room -- that real incomes are static or even falling relative to inflation, while rents are rising every year.

The reality of wait list applicants

Cranes in the sky is a hollow and even cruel statement to make when there are so many people on the ground who don't even have a roof over their heads they can truly afford, or even a roof over their head at all. Right now, we have 90,000 people on the waiting list for affordable housing, which is close to double the number of units operated by Toronto Community Housing."

This number – 90,000 – represents individual waiting list applicants and does not include their families. The total number of people on the list is over 170,000 which is THREE times the number of units TCHC currently operates. The

City of Toronto is the second-largest landlord in North America, and we are failing our residents when it comes to this most basic of needs. This is all happening while the condominium market continues to explode and we have a housing repair backlog that is close to our annual policing budget and almost double what we invest in transit every year. There are also over 5,000 people living on the streets, with a winter that is going to be as harsh as last year's was. To me that is nothing less than a civic shame.

The city: taking a leadership role.

Other candidates are proposing initiatives that won't even cover new arrivals to the city year-over-year. My *Toronto Is Your House* plan will lead to real progress and real housing for people who need it. The plan starts by using incentives for developers to be part of the solution, which are profitable across the board. We can't rely on the "let's build 15,000 new units" kind of thinking because it takes years for these units to be built. Developers' core business is building new housing, and I think the city should be a secondary builder while focusing on creating solutions within our real mandate, which is facilitating solutions and investing the necessary resources to make them happen.

We also can't let price sticker shock drive how we approach housing, because spending money on it now will save us a multiplier on that cost later. Many of my individual proposals are pilot projects, so the city can experiment with what works based on what has worked in other cities, quantify the results and make changes as necessary, and give residents confidence that they aren't pie in the sky ideas."

The city also needs to show leadership on positively impacting the very definition of affordable housing, which is a function of our residents' incomes and cost of living which is turn impacted by childcare, transit and so many other services the city provides. We need to lead by example in paying city workers and those who work for companies doing business with the city fairly.

Leverage existing space and resources to immediately decrease the shortage of affordable units.

Making vacant condominium and rental units available to 1,000 residents on the TCHC waiting list, as a pilot project, by September 2015; and increasing availability as new condominium developments begin construction.

Cost: \$150 million over four years.

I will work with council, TCHC and developers to make 1,000 rental units, located in currently vacant condominiums, available to 1,000 applicants on the current waitlist by September 2015. Priority for this pilot initiative will be given to families and seniors who represent 30% of the current waiting list.

I realize this number seems modest, but I think it's smart to treat this idea as a pilot project of sorts at first so we can fine-tune it to work on a larger scale. Over my first year, I would focus on bringing the city, developers, residents, private condo owners and housing associations together to work on the pilot and a long-term strategy. To address fears that homeowners may have about this, I'll cite Cabbagetown and Parkdale as examples of neighbourhoods with large low- and middle-income populations where property values aren't exactly declining, and crime is declining dramatically. People of all socioeconomic stripes live harmoniously together in our city; it's one of the things that makes it a truly special place to live especially in relation to other large cities where there is a drastic geographic separation between haves and have-nots.

One-third of condo owners are renting out the units they own, rather than actually living in them. The unsold rate, of units that are still technically owned by the developers, is at 6.7%. Estimates for condos that are purchased but are unoccupied, and in many cases owned by people who live outside the city or even the country and are merely flipping them for profit, are as high as 25%. Meanwhile, our official vacancy rate across the board is listed as 1.7%, average rents are increasing dramatically despite all the cranes in the sky that some like to trumpet, and the wait-list for affordable housing increases. You don't need to be a real estate or rental housing expert to realize that a.) we're not having anything close to an honest conversation about housing and b.) supply-side solutions to our housing crisis are not going to work.

With 70,000 new condo units coming online in the next 5-7 years in addition to what is already under construction, the city has an enormous opportunity to leverage this development to help ease the affordable housing crunch if we move on it right now. If developers have deals in place for the city to purchase or lease 10-20% of units (as a rough number) before the development starts construction, they can start building faster. And speed is the number one

incentive for any developer. In terms of incentivizing this idea for private unit owners and landlords, I think we can use Land Transfer Tax credits, possibly even on a retroactive basis or looking at offering credits on selling or leasing units for use as affordable housing. We can also be creative with Section 37 funding requirements, because “community benefit” would be built right into new developments. These are ideas we can experiment with gradually to gauge costs and then modify as needed.”

Use inclusionary zoning and Section 37 as an incentive to developers to offer more affordable units and reduce gentrification.

Allowing density increases to developers as an incentive to build more affordable housing, using Section 37 for direct housing benefits and spreading that benefit equitably across the city.

Cost: \$25 million annually in consulting & planning costs, recouped through increased Section 37 funding from higher-density builds.

I will immediately get to work helping the city work with developers to leverage inclusionary zoning and Section 37, so that they become tools to improve the housing situation in our city for people who need it, just as much as they are used to make high-income developments more desirable.”

This initiative is very closely related to my first idea of using vacant units to immediately provide affordable housing to people on the TCHC waiting list, however this one is based on integrating that strategy over the long term.

Inclusionary zoning refers to allowing developers to increase the density of projects in exchange for making a certain percentage of units affordable. Due in part to the success of large-scale projects like the Regent Park redevelopment, developers are starting to realize that including affordable housing in new builds is a real win, because it guarantees them rentals and unit sales from the city or other housing partners on units that might otherwise sit vacant. We are using inclusionary zoning to literally transform one of the most notorious neighbourhoods in Toronto right now in Regent Park, and we can do it elsewhere.”

According to the 2014 *Section 37 Final Report* by Gladki Planning Associates, the city took in over \$500 million in cash and accrued interest through Section 37. While much of that money is used for attractive and functional public spaces, there is also a huge inequality because it is allocated directly to wards for new space development rather than spread out across the city. People often see it as a slush fund for building parkettes. That said, when we use Section 37 the right way we get jewels like the Regent Park Aquatic Centre and Daniels Spectrum. We are about to do it again in Lawrence Heights, another low-income neighbourhood with endemic poverty and decay. My plan will both dramatically increase the Section 37 income the city receives and ensure that affordable housing is part of the vast majority of new developments. If 20% of the 125,000 new condo units that are either under construction or approved are designated as affordable on a geared-to-income basis, that’s 25,000 new units of affordable housing. It would represent close to a 50% increase over TCHC’s current 58,000-unit portfolio, it cuts the waiting list by close to one-third in four years. That is meaningful progress.

Lastly, there is another benefit to this approach that will improve the finances and even more so the morale of the city. Developers are constantly fighting the city to get higher building heights and density. The Minto towers at Yonge & Eglinton are a recent example. These battles pit the city and its residents against themselves and an industry that no matter how you view it creates a great deal of jobs and economic benefits. And we almost always lose those battles when they get appealed at the Ontario Municipal Board. My thoughts on the OMB are a whole other policy paper, but I suggest that ***Toronto Is Your House*** would be a huge step towards the city having a constructive rather than adversarial relationship with the building industry. They can do things the city cannot and should not. And they can do it better if we incentivize them to build in a way that reflects the city’s real housing needs and actually increases their profits. They can make more money on a 30-storey building than an 18-storey project, even if 20% of the space is devoted to affordable units, and again they can start building faster. This approach will help us unify rather than gentrify the city. Right now, too many people are forced to move where it isn’t practical for them to live because they have no other economic choice.

I also suggest that inclusionary zoning be used to include space for small and micro-business, the arts, daycare and other community uses. Doing so would allow more people with modest incomes to live closer to where they work,

dramatically cut their financial and time cost of living, and change their own definitions of affordable housing. This is a true demand-side solution to the affordable housing crisis we face.

A made-in-Toronto, can-do approach to Toronto Community Housing and the repair backlog

Cost: \$400 million over four years, spread between various levels of government.

I will facilitate honest conversations and workable strategies to fix TCHC's core structural issues and the repairs backlog, including putting skilled workers who live in TCHC to work with the city covering labour and materials costs, and put my skills as a negotiator that are superior to other candidates to work engaging other levels of government.

I do respectfully believe that I am the strongest negotiator in the race, with the mindset and tactical savvy to get council and other levels of government involved in helping fund real solutions with real dollars. I am also the most creative and visionary in my approach to working with TCHC communities towards new rental/ownership models and engaging people who live there in helping to do repair work. There are literally thousands of either unemployed or underemployed skilled and unskilled labourers living in Toronto Community Housing. *Toronto Is Your House* will immediately put them to work, and pay them either directly or through rental credits, to immediately begin fixing repairs like plumbing and drywall with materials costs covered by the city. This may seem like an expensive solution, but it's cheaper and faster than negotiating contracts with third-party companies. And I believe these people will be thrilled to get to work improving the buildings and communities in which they live, rather than waiting years for simple repairs as is the case now because TCHC is so overloaded and backlogged. We could start doing that tomorrow if we wanted to.

Rob Ford might have been fixing faucets and handing out magnets while letting broken water tanks flood buildings, but regardless of his motives he did bring attention to the scope of the problem. I'll say it again -- the TCHC's current repairs backlog is now very close to what we spend on policing every year -- \$862 million, and it's going to triple in the next decade if we do not act now. To that end, I will set a target of \$200 million in direct capital investment per year over the next decade into the repairs backlog for repairs that require larger capital costs such as engineering or complete rebuilds. If the city puts its share of that money where its mouth is, other levels of government will lose political capital if they don't follow suit. Healthy, sustainable private investment will follow. That is the essence of negotiating -- making it about solutions that work for everyone rather than one party 'winning' or 'saving'."

Facilitate new cooperative/condominium ownership models that will allow TCHC residents to have a real stake in their homes and an incentive to be part of physical building need and community solutions.

Right now, the City of Toronto is the second-largest landlord in North America. And while I believe we need to look after our most vulnerable residents, it is vital that the city be able to focus on its core strengths -- on the housing file rather than taking on more responsibility than we are able to handle. We need to look at co-operative renting and ownership models, working with housing associations and developers who have the expertise and skilled people power the city does not. We have empirical data that tells us people who have an ownership stake in where they live take better care of their homes. Large-scale redevelopments such as Regent Park and Lawrence Heights are part of the overall strategy, but we also need to make sure residents in neighbourhoods that we are planning to rebuild completely have places to go first or we create a whole other set of problems. That's been about the only downside to Regent Park, too many people left and didn't return. Co-op housing works, and *condominium* doesn't have to be a dirty word.

Developing our rental housing stock building strategy in concert with new transit expansion; and slowing the pace at which Build Toronto and TCHC are selling off city land & property assets.

Cost: \$100 million annually starting in 2016 when Sheppard East and Finch West LRT lines begin construction.

I will treat the city's role in building new housing and new transit as directly connected projects. My transit plan commits to beginning construction of two shovel-ready and fully-funded LRT lines in 2016. I will work with council, other levels of government and private industry to raise \$100 million annually, starting in 2016, on construction of new rental housing buildings on these routes. And I will mandate an immediate stop to the sale of city-owned property along the routes that are part of my transit plan, until that overall planning and surveying is completed and forward-thinking housing and communities can be built.

Selling off city land to private developers to fund and/or cover shortfalls in our general budget, which is what Build Toronto and TCHC have been doing under Rob Ford's singularly myopic mayoralty, is like burning the furniture to heat the house. Space and arterial corridors in which we can build are already at a premium, and if we allow the condominium gold rush to continue unchecked where we are planning new transit, it will add hundreds of millions of dollars to the cost of building transit. We need to listen to city planners who have already told us this.

Development that has happened and continues to happen along the Sheppard subway is a case study in how not to think of housing and transit together. That development is almost exclusively geared towards wealthy residents who drive, and there is no inclusion of affordable housing whatsoever. I'm not suggesting that premium condos should be excluded from air rights, but that development needs to be much more balanced. These corridors and vertical spaces are essential to any long-term strategy to build more affordable housing. We need to engage developers and incentivize them to wait to begin construction until all the costs and benefits to affordable housing and transit are properly assessed. Developers sit on land for years all over the place, especially in the suburbs. They will be happy to wait five years to build projects if a plan is in place that will make them a lot more profitable and desirable.

Incentivize conversion of single-family homes into affordable housing, particularly to seniors on fixed incomes who may already be considering downsizing

Cost: \$10 million annually on a pilot project basis

I will spearhead incentives and streamlined zoning, to encourage single-family homeowners to convert more homes into multi-unit housing. This will start with a \$10 million per year pilot project investment in 2015, with the goal of 500 home conversions annually.

It is a demographic reality that many seniors are already downsizing to condominiums all over the city, or are staying in their homes because they don't have any other options. I think this idea could be a bigger part of the solution to the affordable housing than I'm getting into here, and the way to explore the concept is to start with a modest pilot project. This program would be entirely voluntary, and use property tax credits and accessible home care services to bring in participants. It doesn't even have to necessitate people selling their homes if they either want to rent them out or downsize to a smaller unit in their own home. It can grow organically over time. This idea also has the potential to constructively address the shortage of space in city-run seniors' homes and the cost of home care in a city that's getting older very quickly.

I will give you one example of how this project could work in a real-world scenario for both a family who needs affordable housing and a senior citizen who is living alone in a large house. There are thousands of trained personal support workers who are vastly underpaid in our city. A single mother with two young children could find an affordable apartment, and a job, helping care for her elderly landlady, who might otherwise need to move to a very expensive seniors' home, in one fell swoop. This just one example of interdependent thinking about how we provide affordable housing and other social services that could help transform our city in so many ways. And it's also why a small-scale pilot project that will show residents how this can work and organically increase participation is the way to go.

Begin a pilot project in city-funded or P3 partnership micro-housing

Cost: \$20-\$25 million annually or less if other governments contribute.

I will invest \$75-100 million over the course of my term as mayor on single-room occupancy and dormitory-style housing, which would be available to low-income renters and the homeless. The first three buildings will open in 2017. I would like to see at least one of them in Scarborough, Rexdale and downtown.

We know that it is cheaper to literally give housing to our most vulnerable people than it is to shelter them, and it's dramatically less expensive than incarcerating them. With a roof over their heads, people in desperate straits can focus on getting healthy, finding work, and moving up from the margins of the city. There is a large percentage of people who live on the streets, the so-called "hardcore homeless", who do so by choice because they see the shelter system as dangerous and unhealthy. *Microhousing* will get many of these people off the streets.

Over time, I believe that the money we invest into *microhousing* will be recouped through saving money on other expenditures. Once again, starting small with pilot projects that demonstrate to residents that they work and address

justifiable concerns is the approach I will take. I also believe that the province and the federal governments will see the business case in terms of lowering their costs in areas like mental health services, corrections and other things on which they are currently wasting a lot of money.

Investing in upgrading mental health, addiction recovery, housing and job training services in the shelter system and in new micro-housing units

I will invest \$5-7 million per year, out of my 50 cents a day plan revenue, in improving access to the services needed by people in our shelter system to help them transition to independent living.

The cause and effect between homelessness, mental health issues and addiction is well-documented. I think the city's front-line shelter workers and organizations such as Woodgreen do an absolutely incredible job with the resources they have. And I think they could do even more to help people move up from the margins if the city makes very targeted investments. The Fred Victor Centre at Queen and Jarvis (funded by the city in partnership with various non-profit agencies) and Harbour Light (run by the Salvation Army) are two examples of facilities that offer this approach with remarkable results. My belief that government exists to help those who cannot help themselves without government is on the record, and this is a reflection of that belief. I also recently proposed shelters **where LGBTQ youth could live in safety and comfort**; this investment program would be invaluable in those facilities where addiction is even more of a risk factor due to issues of abuse and violence."

Engaging other GTA municipalities as well as the provincial and federal governments in creating an integrated regional housing strategy.

Cost: \$5-10 million for external consulting from housing experts.

As mayor, I will ensure that Toronto takes a leadership role in a regional strategy to address affordable housing, based on the fact that a lack of affordable housing in Toronto affects the entire Greater Toronto Area.

Toronto is what's called a catchment basin for new Canadians. Close to half of all people who come to Canada settle here. The old model was that people came to Toronto to build their lives until they could afford to buy a house in the suburbs. That is changing dramatically. People are downsizing and coming back into the downtown core. Cities like Mississauga and Markham are now much more comparable to Toronto in terms of employment opportunities, and they're catching up to us on housing, planning and transit. By continuing to equitably spread affordable housing across the GTA, Toronto can make its responsibility much more manageable. This is more a philosophy than a policy, but I believe that a region-wide planning strategy can lead to initiatives that benefit every city in the GTA.

Engaging other levels of government and community partners towards implementing constructive long-term solutions

This part of my plan is more of a broad-based strategy and working philosophy rather than it is a formal initiative. I will put my core skill, which is being an advocate and negotiator for people with profound needs, to its greatest possible use in turning talk into action.

I advocate and negotiate for residents of our city every day, on matters that often dictate the courses the rest of their lives will take. This isn't meant to knock other candidates' experiences, it's to inspire your confidence that mine can lead to faster, more tangible results. We need to move the needle from talking about housing to implementing ideas that our planners have already put forward, and putting new innovations as I'm proposing in **Toronto Is Your House** to work. I believe I am the candidate who can push through the bottlenecks, get real money to the table and move things forward."

Addressing income inequality -- the ultimate demand-side solution.

Cost: \$25-\$30 million annually in wage increases.

I will immediately mandate a living wage of \$16 per hour for all city employees, including young people, and adherence to that standard by any company doing business with the city. I will also advocate for cost-of-living increases indexed to inflation in all public sector union agreements, in exchange for compromises in management staffing costs.

I will seek council support to institute my living wage policy within 30 days of taking office. And I will use the platform of the mayor's office to communicate to the haves of our city that paying a little bit more so that people -- many of whom might very well be their employees -- can live in truly affordable housing, is an investment worth making.

At the same time, I do believe that the city needs to look at our public service, put our incredible wealth of talent and passion to more effective use and optimize the value we are receiving. There is no gravy train, but it is undeniably true that there is too much management redundancy and far too much underutilization of our public sector employees' skills. Another urgent matter we have to address in terms of the public sector and the overall income picture for our city is unfunded pension liabilities, which are increasing at an unsustainable pace in a city whose population is getting older. That said, there are 5,000 unfilled positions with the city right now. That isn't attrition, it's neglect. My platform, not only on housing but elsewhere, will create an opportunity for the city to transition many public sector workers into new roles, ones that in many cases will revitalize their careers. I am a proud supporter of public-sector unions and collective bargaining, and I am not going anywhere near union-bashing here. What I am saying is that if the city works with labour to facilitate creative solutions -- such as exchanging wage flexibility for tens of thousands of long-term jobs to cite just one example -- very good things will happen for our city.

Real incomes have not increased in decades, while the cost of living goes up 4-5% every single year and rents rise at a similar pace. That reality in a city where real estate profits are skyrocketing while the affordable housing crisis worsens every day makes me viscerally ashamed. It's a worldwide social justice issue that's too big for one mayor to fix, but I will do my part and then some.

Affordable housing budgets for two people who make the same income are quite often dramatically different. For example, a single man making \$45,000 a year has a completely different notion of what constitutes affordable housing than a single mother who makes \$45,000 a year but has children who she needs to take care of and quite likely doesn't have access to subsidized daycare.

Toronto is our house. It is your house. And I will work to build a city where you can truly have a home.

Articles of interest:

Rental vacancies drop despite GTA condo boom (Susan Pigg, Toronto Star Oct 13/2014)

http://www.thestar.com/business/real_estate/2012/12/13/rental_vacancies_drop_despite_gta_condo_boom_report.html

A dizzying condo market in Toronto (Ian Austen, New York Times July 2/2013)

<http://www.nytimes.com/2013/07/03/business/a-soaring-condo-market-in-toronto-ignites-fears-of-a-crash.html?pagewanted=all>

Section 37 2014 Review (Gladki Planning Associates)

<http://www.toronto.ca/legdocs/mmis/2014/pg/bgrd/backgroundfile-66994.pdf>

Toronto public housing repair backlog could top \$2.6 billion in 10 years -- but there's a plan (Laurie Monsebraaten, Toronto Star, Oct 20/2013)

http://www.thestar.com/news/gta/2013/10/30/toronto_public_housing_repairs_would_top_26b_in_10_years_but_there_s_a_plan.html

BC Housing: Single-room occupancy

<http://www.bchousing.org/Initiatives/Access/SRO>