Provinces allows flimsy controls
Municipalities fight for moderate rents

BY LINDA HOSSIE
Gerrard Coffey lives in a bachelor apartment in an old building on Jarvis Street downtown Toronto. In its one small room, he has put up a tiny kitchen table, two chairs and the large L-shaped desk where he does his freelance work. A landline telephone and bookcase covering almost half the wall. His 10-speed bicycle leans against the left wall. At the front of the room, a small sofa is pushed against the wall. A television is in one corner, with an upright wooden chair in front of it.

The kitchen and bathroom are separate alcoves off the main room. There is one window with a view of the St. George's house and two neighboring high-rises. It is hardly lavish accommodation, but the rent is right for the artists, students and older people who are there. It is the kind of inner-city neighborhood. About 70 bachelor units in the building rent for $321 to $323 a month.

The building is threatened with demolition, although it has been given a year's respite by the city's demolition-control bylaw. Only because Ward 6 Alderman Martin has "twiggled" that the owners needed a demolition permit to tear down the inner walls over the building's fate, the city may have any control over the building's fate.

The city originally wanted a tough demolition-control law, but, after repeated political battles were waged to get it, the provincial government last May gave the city council only a watered-down version of its request -- the power to delay demolition for one year.

"It's meaningless, really," Mr. Martin says. "One year is nothing in development terms."

The fights to save the Jarvis Street building from demolition, and the fight for even the slightest control the city has, are typical of the municipal efforts to save or create merely moderately priced rental housing.

Municipalities are in an awkward position with housing. The real power is elsewhere, in the market. And the political fallout when housing is in short supply lands directly on politicians at city hall.

For several years, the provincial and federal governments have shown a decreasing inclination to invest in rental housing, a fact that finally manifested itself in the current federal review of all "converting" programs.

Municipalities, stuck with long waiting lists and a deteriorating stock of old apartment houses, have been left scrambling for something to fill the void.

"If I have to tell you how many calls I get a week from people who have small children, with another empty room, I have to ask them to get into housing," Ward 6 Alderman Joanne Campbell says. "Who says life is not tough these days?"

The estimates of families and single people who need housing in Toronto range from a conservative 75,000 to a more likely 110,000. It is thought that about 3,400 people are homeless, Ms. Campbell says that estimate could be doubled.

The number of people on the current waiting list for Cityhome, the city's non-profit housing company, has increased from 1,500 in 1984, Queen's Park gave Cityhome the go-ahead to build another 500 units under Canada Mortgage and Housing Corp. non-profit housing program.

"Can you spare your money for housing when you build only 200 units a year?" Ms. Campbell asks.

When housing problems fall, the pieces are picked up by city's social agencies, and by the community groups and private citizens who run rooming houses and the crown housing for the homeless.

A city health report last October pointed out that "inspectors are frequently called into rooming houses in response to complaints of overcrowding, infestations of pests and vermin, deteriorating hygiene, faulty sewage and other conditions associated with trying to stretch physical and human resources beyond their limits."

After paying for what the health department called "unaffordable housing," one-on-one contractors of the single-family homes surveyed were $200,000 of what they needed for non-housing costs -- transportation, food and child care.

"People are going hungry and/or undernourished in Toronto because of the scarcity of low-cost housing," Mr. Martin says.

Meanwhile, the health department reported the number of new rental units entering the private housing market fell by 96 percent between 1979 and 1981.

While, between 1979 and 1981, 31,000 small housing units rose by 62 percent to 2.4 million units. Faced with these facts, most municipalities have developed a distinct fund fit for non-profit housing, built under the current federal program. While the federal government has earmarked incentive programs for both market and non-profit housing, the non-profit program has produced the most reliable supply for municipal purposes.

"It ended up that the subsidy to get a private unit on the market was the same as a non-profit unit," Mr. Martin says. "And, with non-profit, you can control and predict the rent. Once we get to that point in society, there's absolutely no logic in providing private-sector housing (for the moderately priced rental market)."

"I believe that, if the resources were at their disposal, local governments could allocate them better," Toronto Mayor Edward Keenan said in his 1981-1982 budget presentation. "I believe this because local governments are close to housing market realities."

Needless to say, that argument is limited to a municipal perspective. Cityhome, in its provincial responsibility, has been spending on housing programs has come from the richest government level, the federal.

Talks are reportedly to be under way about changing the intergovernmental arrangements for housing programs, but the change under discussion would give greater control to the provincial, not municipal governments.

While most housing programs have focused on supplying new units of the existing stock of moderately priced apartments, conventional and non-conventional. Demolitions, conversions to luxury units, apartment complexes, have been left unattended by the current government.

Under the existing Landlord and Tenant Act, a landlord may evict tenants if he plans to make extensive renovations to the building. Tenants groups say that many landlords use that as an excuse to get tenants out, for the quick way of renovation that "puts in gold doorframes," and the possibility for new tenants who move in once the work is complete.

While the problem is the quality of older rental housing, much of which has failed to keep pace with the recent, extensive report on housing, the Social Planning Council in its report, "Housing in 1981" estimated 1981 census figures showing 3,469 units in need of major repair across Metropolitan Toronto.

The municipal response to all of this has been to stick a governmental finger in the dike whenever possible. In Toronto and Cityhome, condominium developments are being held pending an improved vacancy review system. While the current system, sometimes look as occasionally done the 2 per cent mortgage.

One novel approach is a one-year delay on demolition. In Ottawa, CityCouncil allows all applications for residential demolition, but it does not have the powers that the Toronto has to delay for a year.

Meanwhile, municipalities are legitimizing for the right to use the supply of permanent moderately priced rental-housing land.

Close is the top of Toronto's list is the desire to acquire existing apartment buildings to convert to non-profit use. Richard Peddie, Toronto's director of housing, between 1979 and 1981 forecasts about $30,000 an unit to buy existing buildings at $30,000 an unit for renovation. But, like many small partnerships, compared with $60,000 to $170,000 a unit to build housing from scratch.

But provincial regulations permit the city to buy existing housing only if it is vacated. It has found it necessary the need of expensive repairs.

Mr. Martin says that, if the city bought the buildings, it could convert them to non-profit use, lease the buildings back to the tenants and recover its investment over the years in rent.

"This is a moment in history, we could literally buy every stick of housing that's on the market," he says, "and ensure a steady supply, at almost no public expense."

One novel approach being put to use in Toronto is a partnership between the city and Brindall Ltd., to build non-profit housing in the Donforth and Mountjoy area. The company pays the city for the land and is paid by provincial government for commercial development and bonuses. On one parcel of the land, Brindall will agree to pay for permits and taxes in the land and leave it back to Cityhome.

The provincial government has been interested by local opposition, but, if it goes ahead, it will be the test for another because Brindall, a private company, can write off up to 30 per cent of the project's cost.

To counter this, the government is for new single for buildings outside the federal program -- the creation of a pool of capital through provincial levies on residential and commercial development. A city housing report last December indicates that, with out underhand or harvesting, the city could collect as much as $4.5million a year from the levies.

But current provincial legislation restricts the use of money raised through a trend that finally manifested itself in the current federal review of all "converting" programs.

A recent report to council by consultant Eli Comy reiterates provincial municipal legislation. Mr. Comy advises the city to put more of its projects to the province and take a more entrepreneurial approach to housing develop dealing to make the units of housing year each for the next several years.

The consultant provided details a possible program that would include combined condominiums. One of the programs did not recommend a system that would propose a tenant permit a tenant to be considered for a year, and to be reviewed every year. The recommendation depended on the cooperation of senior governments.

Last of a series