

Province 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 in downtown Toronto.

In its one small room, he has put a tiny kitchen table, two chairs and the large L-shaped desk where he does his freelance commercial design work. Behind is a bookcase covering about half the wall. His 10-speed bicycle leans against the shelves.

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 Sears warehouse and two neighboring high-rises.

It is hardly lavish accommodation, but the rent is right for the artists, students and older people who live there in a loosely knit kind of inner-city neighborhood. About 70 bachelor suites in the building rent for \$282 to \$320 a month.

THE HOUSING



SQUEEZE

The building is threatened with demolition, although it has been given a year's reprieve under the city's demolition-control bylaw. Only because Ward 6 Alderman Dale Martin "twigged" that the owners needed a demolition permit to tear down interior walls does the city 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 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 fight to save the Jarvis Street building from demolition, and the fight for even the flimsy controls the city has, are typical of municipal efforts to save or create moderately priced rental housing.

Municipalities are in an awkward position with housing. The real power is elsewhere, the money is elsewhere. Yet 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 trend that finally manifested itself in the current federal review of all existing 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.

"I can't tell you how many calls I get a week from people who have small children, with another on the way, who ask me to help them get into housing," Ward 7 Alderman Joanne Campbell says. "They sit on waiting lists for months, and years."

The estimates of families and single people who need housing in Toronto range from a conservative 76,000 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, is 13,000. But, in 1984, Queen's Park gave Cityhome the go-ahead to build only 246 units under the Canada Mortgage and Housing Corp. non-profit housing program.

"How can you have a housing program when you build only 200 units a year?" Ms Campbell asks.

When housing programs fail, the pieces are picked up by the city's social service agencies, and by the community groups and private citizens who run rooming houses and the crowded hostels 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, proliferation of garbage, faulty sewerage 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, "nearly one-third of the single-parent families surveyed were \$800 short of what they needed for non-housing costs — transportation, food, clothing and child-care.

"People are going hungry and/or undernourished in Toronto because of the paucity of low-cost rental housing."

Meanwhile, the health department reported, the number of new rental units entering the private housing market fell by 98 per cent between 1979 and 1981, while, between 1977 and 1981, rents for small housing units rose by 62 per cent to 73 per cent.

Faced with these facts, most municipalities have developed a distinct fondness for non-profit housing built under the current federal program. While the federal Government has employed 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 rents. Once we get to that point in society, there's absolutely no logic to 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 Arthur Eggleton said as long ago as 1982. "I believe this because local governments are close ... to housing market realities."

Needless to say, that argument is limited to municipalities. Constitutionally, housing is a provincial responsibility, although most spending on housing programs has come from the richest government level, the federal.

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

While most housing programs have focused on supplying new units, erosion of the existing stock of moderately priced apartments continues.

Demolitions, conversions to luxury units, apartment-hotel units or condominium ownership have all created problems for municipalities struggling to hang on to the rental stock they have.

Mr. Martin says the condo-conversion problem is less important because it is often luxury rental units that are converted to condominiums. The current vacancy rate at the luxury end of the market is more than 10 per cent, while it is less than 1 per cent for units at the middle and lower end of the scale.

Affordable housing is often measured by the ratio between rent and income. Housing that costs roughly 25 per cent of a tenant's gross income is generally considered affordable.

By that measure, an apartment renting at \$500 a month would be affordable for a family earning \$24,000 a year. Luxury



Dale Martin



Joanne Campbell



Arthur Eggleton

apartments often rent in the \$900-to-\$1,000-a-month range.

The City of Toronto estimated that, between 1981 and 1983, it lost more than 1,000 units to demolition. A 1980 estimate showed 5,000 units lost up to that point through the "deconversion of multi-unit houses to single family residences." A rougher estimate, based only on tenant complaints, indicates that, as of September, 1984, 2,500 Toronto apartments had been lost to luxury renovations.

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 rid of tenants, do little more in the way of renovation that "put in gold door-knobs" and drastically increase the rent for new tenants who move in once the work is complete.

Equally problematic is the quality of older rental housing, much of which has fallen into a state of disrepair. In an extensive report on housing, the Social Planning Council of Metropolitan Toronto listed 1981 census figures showing 43,640 units in need of major repair across Metro.

The municipal response to all of this has been to stick a governmental finger in the dike whenever possible. In Toronto and Ottawa, condominium conversions are being withheld pending an improved vacancy rate in rental housing. Ottawa has set the rate at 3 per cent and Toronto at 2.5 per cent — rates that, given today's housing situation, sometimes look as old-fashioned as the 2 per cent mortgage.

A Toronto bylaw permits a one-year delay on demolition. In Ottawa, City Council reviews all applications for residential demolitions, although it does not have the powers that Toronto has to delay them.

Meanwhile, municipalities are agitating for the means to increase the supply of permanent moderately priced rental-housing stock.

Close to the top of Toronto's list is the desire to acquire existing apartment buildings and convert them to non-profit use. Richard Peddie, Toronto's director of housing development, says it costs about \$30,000 to \$35,000 a unit to buy existing housing and about \$10,000 a unit for repairs, compared with \$65,000 to \$70,000 a unit to build housing from scratch.

But provincial regulations permit the city to buy existing housing only if it is vacant, scheduled for demolition or in need of extensive repairs.

Mr. Martin thinks 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 costs over the years in rent.

"Right at this moment of history, we could literally buy every stick of housing that's on the market," he says, "thereby ensuring a steady supply, at almost no public expense."

One novel approach being put to use in Toronto is a partnership between the city and Bradsil Ltd. to build non-profit housing in the Danforth and Mountjoy area. The city will sell a piece of land to Bradsil for commercial development and townhouses. On one parcel of the land, Bradsil will build a non-profit apartment building and lease it back to Cityhome.

The project has been threatened by local opposition, but, if it goes ahead, it will work well for both partners because Bradsil, a private company, can write off up to 20 per cent of the project's cost.

Toronto is considering another angle for building outside the federal program — the creation of a pool of capital through municipal levies on residential and commercial development. A city housing report last December indicates that, without unduly hampering developers, the city could collect as much as \$4.53-million a year from the levies.

But current provincial legislation restricts the use of money raised through levies to developing public parks. Until that is changed, the city is powerless to use the levies for alternate purposes.

A recent report to council by consultant Eli Comay reinforces existing municipal biases for housing development. Mr. Comay advises the city to put more of its own money into housing, to take an entrepreneurial approach to housing development and to buy or build 500 units of housing each year for the next several years.

The consultant provided details of a possible program that would include those elements, but the medicinal ointment he proposed contained a familiar fly. In one way or another, every recommendation depends on the co-operation of senior governments.

Last of a series