

# BEHIND THE ISSUES: Ontario 2003

## Investing in affordable homes

### **Made-in-Ontario affordable housing crisis**

When the Progressive Conservative Party was elected in Ontario in 1995, they promised to get the government out of the housing business and let the private market deliver new, much-needed affordable housing for low-income households.

The Tories gutted tenant protection laws in order to allow rents to rise to their so-called natural level. They promised these changes would stimulate tens of thousands of new units of affordable housing.

The Tories called co-op and non-profit housing a “boondoggle” and downloaded the cost and administration of provincial social housing programs to municipalities. They promised to cut the waiting list for affordable housing, which was then almost two years long.

The Tories cut shelter allowances (the money paid to welfare recipients to help them cover the rent) by 21.6%, then promised a housing subsidy to every needy household in the province. Here is Tory Premier Mike Harris, from the Common Sense Revolution:

“We will end the public housing boondoggle that profits only the large property developers and return to a shelter subsidy program for all Ontarians who need help in affording a decent level of shelter. By spending money on people instead of bricks and mortar, we will be in a position to eliminate the two-year waiting list for affordable housing.”

Eight years on, the Tory housing policies have failed on all counts:

Instead of more affordable private rental units, as the Tories promised, Ontario has had a net loss of about 45,000 private rental units, along with a combined loss of about 83,000 social housing units. There is now an all-time record 71,000 households on Toronto’s social housing waiting

list – and with an annual turnover of about 4,000 to 4,500 units, it could take as long as 17 years to get to the top of the list. Waiting lists are up across the province.

And, not only did the Tories fail to deliver on their pledge of a universal shelter subsidy program, but they cut thousands of rent supplement units. In recent years, the Tories have re-announced a modest new rent supplement program (funded entirely with surplus federal housing dollars) at least six times, but the number of new units is less than the number of units that the Tories cut from provincial rent supplement programs since 1995.

Thanks to the new fast-track eviction process created by the Tories in 1998, landlords can evict tenants in a matter of days, often before tenants even realize that they are at risk. The law gives landlords a built-in incentive to evict by allowing them to raise the rents on vacant units as high as they want.

One out of every five tenant households in Ontario is paying more than half their annual income on rent. That’s 270,000 households – or close to three-quarters of a million women, men and children living on the brink of homelessness. Another 298,740 renter households are paying more than 30% of their income for their housing, which puts them in the category of “core need”.

Homelessness is on the rise throughout the province, with shelters reporting large increases in recent years. Many are operating over capacity and put mats on the floor to accommodate the overflow crowd. Some are turning away families and individuals desperate for a warm place to spend the night.

Ontario’s two other major political parties have said that they would reverse the Tories’ disastrous housing policies.

## A real investment in affordable housing

There is a real alternative: A substantial public investment in new affordable social housing based on a administratively-efficient and fully-accountable program of capital grants coupled with rent supplements for low and moderate-income households in both existing and newly-built units.

This investment plan, along with a return to effective tenant protection laws (real rent regulation and strong laws to protect existing rental housing from demolition and conversion), would reverse the trend of the past eight years and start to ease the province-wide housing crisis and homelessness disaster.

The Ontario Alternative Budget for 2003 has a housing plan that would generate 15,000 new social housing units annually, plus rent supplements for 40,000 low and moderate-income renter households annually.

The cost of these initiatives:

- \$630 million annually for 12,600 new provincially-funded affordable units,
- \$196 million annually for 40,000 new rent supplement units.

Over five years, this sustained investment will generate 75,000 new affordable rental units and rent supplements for 200,000 low and moderate-income households.

*Michael Shapcott is Co-ordinator of the Centre for Urban and Community Studies at the University of Toronto. For more information on housing in Ontario, see: "**State of the Crisis, 2003: Ontario housing policies are de-housing Ontarians**," a technical paper from the Canadian Centre for Policy Alternatives and the Ontario Alternative Budget Working Group. It is available on the CCPA Web site at [www.policyalternatives.ca](http://www.policyalternatives.ca).*



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