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Presentation to City of Toronto Affordable Housing and Tenant Issues Committees

Report on: Rental Affordability in Toronto – The Role for Co-op Housing

Co-operative Housing Federation of Canada
Harvey Cooper
Managing Director, Ontario Region



Introduction

Good afternoon.

My name is Harvey Cooper and I am the Managing Director for the Ontario Region of the Co-operative Housing Federation of Canada. We represent 550 non-profit housing co-ops in the province, proud home to some 125,000 co-op members. In the City of Toronto, there are just over 160 housing co-ops with about 16,000 units of affordable housing

First of all I want to thank the City Councillors on both the Affordable Housing and Tenants Issues Committees, and through you the rest of Toronto City Council and Mayor John Tory for your leadership and action on housing issues.

The recent surge in housing prices, and the additional pressure it is putting on the rental market, has brought into focus for many the critical need for affordable rental housing in Toronto. As you know, for most of the 100,000 households on Toronto's affordable housing waitlist this crisis has been going on for years.

Toronto's housing co-ops are a secure home for over 44,000 people in this city. While we are seeing significant rent increases in parts of the private market today, co-ops, like non-profits, increase housing charges based on the real needs of the building to ensure that future generations can also benefit from this housing.

Affordable Housing Supply

Unfortunately, the city has seen very limited co-op development in the last 20 years. The vast majority of Toronto's housing co-ops were built from mid-1970 to mid-1990. Since then only a few new co-ops have been constructed. Those co-ops have only come about with extraordinary efforts by dedicated city councillors and city staff in the Affordable Housing Office.

The most significant reason for lack of development during the last 20 years is that Queen's Park and Ottawa offered limited funding for new housing rental supply. For about a decade starting around 1995 there was no affordable housing program to speak of.

We are seeing that change now, but it will take time and continued investment to clear the pent up demand. We appreciate Toronto's leadership role in recent years in pressing the federal and provincial governments to make more funding available for affordable housing.

That said, there is a lot that the city can and has done on its own to help spur new affordable development. We strongly support Toronto's efforts to find innovative ways to build more affordable rental housing through programs like Open Doors. By helping non-profits and co-ops access land you remove one of the major barriers to new development and ensure this housing will remain affordable long-term.

Challenges for Co-op and Non-Profit Housing Proponents

As part of the program, we recommend that the city keep an eye to ensuring that it is leveling the playing field for housing co-operatives and non-profits. The Federal/Provincial Investment in Affordable Housing Program provides very little up front funding to submit detailed proposals.

Unlike private developers and Toronto Community Housing Corporation, community-based co-ops and non-profits do not have the resources and development staff on payroll to develop comprehensive plans and guide projects through approvals. While we advocate to Ottawa and Queen's Park for changes to the program, we need our partners at the city to recognize that these proponents are at a disadvantage.

We also recommend that Toronto move quickly to pass an inclusionary zoning by-law once the enabling Ontario legislative tools come into force. Inclusionary Zoning is a tool that has worked effectively in many U.S. jurisdictions to provide moderately priced affordable housing.

Demand side of housing equation needs attention

In addition to supply it is very important to account for the demand side of the housing equation. In fact there seems to be a growing body of research and evidence that in the overheated Toronto and GTHA housing markets that speculative demand is playing a significant role that is leading to skyrocketing housing prices and rapidly increasing rents.

We encourage Toronto to work with the Province and Federal government to examine various policy tools and possible taxes levied on vacant homes, speculators, foreign buyers and a progressive property surtax.

We recommend that the any revenues generated by a policy intervention be put directly into a dedicated fund for new affordable rental housing. This would ensure that the revenue collected would benefit those most negatively impacted by the current market.

Concluding remarks

CHF Canada was very pleased to hear the Mayor reiterate last week that housing is not just another investment. It's where we build our lives.

On behalf of the co-operative housing movement, we look forward to our ongoing work with the City in addressing affordable housing issues.

I look forward to answering any questions you may have.

Thank you.

For further information contact:

Harvey Cooper
Managing Director
CHF Canada Ontario Region
416-366-1711 x 237 (work)
416-809-5048 (cell)
hcooper@chfc.ca

www.chfcanada.coop