

Submission to the Planning and Housing Committee on PH28.3 New Multi-Unit Residential Acquisition (MURA) Program to Protect Existing Affordable Rental Homes

By Melissa Goldstein, October 28, 2021

Summary

Public programs to transfer private market affordable housing to public or non-profit ownership are an important tool that cities including Vancouver, Montreal, San Francisco, Chicago, and New York City are using to preserve their rapidly disappearing deeply affordable housing. These programs have proven to be not just far more effective at preserving affordable housing and protecting tenants from displacement than other policy tools and initiatives, but they are very cost-effective: acquiring and rehabilitating existing affordable housing units is significantly less expensive than building new affordable housing, even when life cycle issues are taken into account. We have seen the effectiveness of this approach here with recent acquisitions of at-risk private market rental housing.

The proposed MURA Program is an important step forward in Toronto's efforts to address its affordable housing crisis. To maximize the Program's effectiveness:

- **It is important that the funding allocated through the MURA Program be increased in step with the real estate market so that non-profit organizations will continue to be able to afford to acquire priority properties at fair market value.**
- **As one of the most cost effective methods of addressing our affordable housing and homelessness crisis, the City should seek additional opportunities to increase MURA Program funding and annual funding allocations so that even more affordable housing can be preserved and even fewer tenants will face eviction and homelessness.**

Dear members of the Planning and Housing Committee and Toronto City Council,

I would like to express my overwhelming support for the MURA Program proposal.

A year ago, the Neighbourhood Land Trust released a report that I wrote with the Dwelling Room Preservation Policy Working Group, called [Fixing the Leaky Bucket: A Comprehensive Policy & Program Framework to Preserve Toronto's Supply of Deeply Affordable Housing](#).

The report was the culmination of a community based policy development process that aimed to address a critically important problem: Toronto is losing private market affordable rental housing far faster than it is being built as a result of redevelopment, conversion, disrepair and upscaling (the process of evicting low-income tenants, making minor improvements, raising rents, and renting the unit to more affluent tenants).¹ Indeed, a [recent study found](#) that over a five-year period (from 2011 to 2016), for every new affordable unit of housing created through government funding programs in Canada, (with "affordable" defined as units with monthly rents below \$750), Canada has lost 15 existing private market affordable rental units.

¹ To make matters worse, the new affordable housing that is being created is largely less affordable than what is being lost and is often only affordable for a short period of time. This means that not only is new development not coming close to offsetting the losses of affordable housing, but the current implementation of Toronto's affordable housing development strategy is setting the city up for an even greater housing affordability crisis in the future.

The stark reality is that without intervention to preserve Toronto's existing supply of affordable housing, public investment in building new affordable housing will not succeed in a) growing the supply of affordable housing, b) reducing the number of low/lower income people whose housing needs are not being met, or c) improving the housing security of the population.

The report looked for answers to our affordable housing crisis by reviewing the policies and programs other North American cities have put in place to prevent the loss of private market affordable rental housing and better protect tenants. It found that public programs to transfer private market affordable housing to public or non-profit ownership are an important mechanism that cities including Vancouver, Montreal, San Francisco, Chicago, and New York City are using to preserve their rapidly disappearing deeply affordable housing. These programs are important, as they are far more effective at preserving affordable housing and protecting tenants from displacement than other policy tools and initiatives, and they are very cost-effective: acquiring and rehabilitating existing affordable housing units is significantly less expensive than building new affordable housing, even when life cycle issues are taken into account. (See pages 23-28 of the report for details.)

We have seen the value of affordable housing acquisition in Toronto with the recent acquisition by non-profits and land trusts of a number of at-risk rental properties in Parkdale and Kensington Market that provide low-income tenants with affordable and deeply affordable housing. The non-profit acquisition of these properties has preserved the affordability of this housing, will improve the living conditions of this housing, and will protect low-income tenants from predatory landlord behaviour, displacement, and possible homelessness.

The report recommended that the City of Toronto establish a permanent small sites acquisition program that would provide capital grants to non-profit housing organizations or community land trusts to facilitate the purchase and conversion of at-risk private market affordable rental housing into permanently affordable housing. It also recommended that this program be supported with:

- a notice rights or right-of-first-refusal policy to enable non-profit organizations to secure properties before they are purchased by speculators;
- data collection and monitoring of at-risk sites;
- pre-development and capacity-building grants for non-profit organizations; and
- funding for renovation and rehabilitation of acquired sites.

I am incredibly pleased to see the City proposing to implement almost all of these recommendations. The MURA initiative will result in the conversion of private market rental housing into permanently affordable, non-profit rental housing, it will prevent the displacement and eviction of vulnerable tenants, and it will provide new tenants with the assurance that their housing will be stable and secure for the long term.

As one of the most cost effective methods for addressing our affordable housing and homelessness crisis, the City should seek additional opportunities to increase MURA Program funding and its annual funding allocations. More funding will mean that we will lose even less affordable housing, that fewer tenants will be evicted, displaced from their homes and communities and put at risk of homelessness, and that more tenants will enjoy long-term housing security.

Given that real estate prices in Toronto continue to climb, it is also important that the funding allocated through the MURA Program be increased in step with the real estate market so that non-profit organizations will continue to be able to afford to acquire priority properties at fair market value.

Melissa Goldstein is an affordable housing and homelessness advocate with more than a decade of professional affordable housing-related experience through roles with the Parkdale Neighbourhood Land Trust, Houselink Community Homes, Toronto Drop-In Network, Wellesley Institute, TCHC, as well as volunteer with various housing advocacy groups, including Housing Action Now. She lives in Ward 9.