



Dear Budget Committee,

Re: BU 2.1 - 2023 Capital and Operating Budgets

More Neighbours Toronto appreciates the opportunity to comment on Toronto's 2023 municipal budget. The effects of the housing crisis can be seen throughout the budget, in the need for shelters and social programs, but also in TTC revenues allocated for streets-to-home workers for those who have turned to the only available form of shelter they can find - the transit system, in the overburdened hospitals, libraries, and in the requests for increased security. We see multiple departments struggling with staff recruitment and retention: the \$3,300 average rent for a two-bedroom apartment in Toronto means that a household needs to be earning \$132,000 to afford this under the City's definition.

The housing crisis is the everything crisis and solving it will facilitate solutions for other issues. We have the following comments for Toronto's 2023 budget:

1. Support increased funding to improve recruitment and retention at City Planning

More Neighbours supports the recent decision to increase Planning department staff. The department has lost many good staff in recent years due to poor compensation relative to the private sector and high cost of living (see [2022 PH35.23](#)).

Increased staff can be supported by cost recovery through application fees. However, we must ensure that this results in an improvement in processing times. A target processing time of 18 months is already quite long [compared even to other Ontario cities](#), let alone internationally. The City Planning budget note finds that even this target is only hit 30% of the time, and a [recent Altus report](#) suggests there is little variation whether the application is for 50 units or 500 units. This makes midrises challenging to build affordably and it is embarrassing for a city the size of Toronto. We must hire the staff to prioritize and process applications better, and monitor outcomes to make adjustments.

2. Invest in zoning reform

Support the Housing Secretariat and other departments involved in developing and delivering on the 2023 Housing Action Plan. This, combined with increased City Planning capacity will allow the city to deliver on citywide reforms that permit more housing. We would encourage Council to take advantage of this work and consider it a long-term investment in Toronto's future. If done well, more as-of-right projects will free up staff to work on large upcoming projects in the Port Lands, Quayside, Downsview and expansions along transit corridors. Making the most of these projects are part of making Toronto a city of opportunity again.

To do this well, economic feasibility must be considered as part of the zoned capacity. The City has seen how interest rate increases and supply chain issues have affected

its own Housing Now sites and is wisely revisiting the heights and densities of the developments in an effort to maintain or improve affordability. The same problems have affected other developments and some will likely be reapplying for zoning amendments. Even prior to interest rate changes, a number of Avenue and Area studies aimed at producing midrise have not been successful because they failed to account for the true costs of building midrise under Toronto's long timelines and restrictions. Many plans do not account for the experience of the future residents who would actually live in the buildings, instead restricting floor plates and applying angular planes, resulting in impractical "bowling alley" unit floor plans and driving up costs. If economic feasibility and future residents' needs were a part of these plans from the start, we could have gotten it right the first time without the need to redo this work as the housing crisis continues.

This is not theoretical; New Zealand's recent changes around gentle density have [doubled housing completions in a decade](#). By simply allowing more to be built, we can revive neighbourhoods with declining populations, make places for nurses, teachers, and families to live.

As-of-right zoning also protects against some of the City's worries about Bill 23. Much has been said about the reduction of development charges acquired from affordable and non-profit homes but making use of latent infrastructure in neighbourhoods with declining populations will reduce the need for new infrastructure. More importantly, we do not yet know what changes will be made to rental replacement and permitting growth in neighbourhoods will reduce the kind of displacement that occurs during demolition and replacement of highrise buildings.

3. New revenue tools

The vacant home tax comes into effect this year and should bring some units back onto the market. Similarly, we appreciate the City looking into a "use it or lose it" tax on vacant land ([2022.MM43.24](#)). However, these ideas can be expanded on to apply to all vacant or underused properties by a tax on the land value. This tax would encourage developers to move more quickly, and it has the added advantage of being less vulnerable to loopholes or market speculation than a vacancy tax or land transfer tax. Land does not simply disappear. The City should ask the province for access to land value data from MPAC and permission to implement a land value tax, which could be phased in as a replacement for a portion of the property tax.

We also encourage Council to implement the Housing Action Plan, particularly items that counter NIMBYism and speed up approvals, in order to make the case for Toronto to receive a significant portion of the Federal Housing Accelerator Fund.

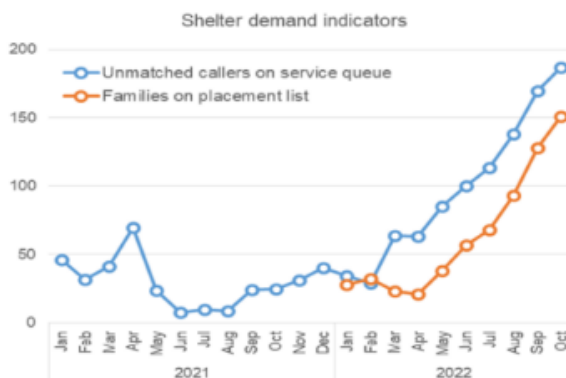
Finally, we note that higher density homes tend to be more efficient to provide City services to. A broader tax base is one simple way to keep taxes low without significantly affecting services, although we would suggest that the City prioritize equalization of the residential and multi-residential tax rates rather than continuing to place higher taxes onto older apartment rentals, whose residents tend to be lower income.



4. Better implement the Housing First approach to homelessness

As a result of the lack of permanent housing options to place people into, more people are experiencing homelessness for longer periods, turning to encampments or staying in precarious situations. This can lead to long-term issues that put them at risk and put pressures on health care and other services. In the long run, all of this is more expensive than providing housing. Per their budget note, if the number of people in TCHC housing required shelters instead, this would cost the city \$3.5 billion per year. Then there are the millions that Toronto is spending on private security. Getting people into permanent housing is a money-saving investment as well as being the right thing to do.

This is the idea behind the Housing First approach to homelessness that the City claims to be trying to implement. However, the number of shelters at capacity and the residents unable to find space when phoning central intake, as well as people being moved from one temporary shelter to another, demonstrate that we are failing. We cannot brag about below-inflation tax increases while preventable deaths continue in Toronto.



From: [Shelter, Support and Housing Administration Budget Note](#)

The City’s plan to close at least 5 of the 23 temporary shelter sites that were opened during COVID is incredibly concerning given that existing shelters are at capacity

most nights, more people are being turned away and the City is housing fewer people from the shelter system. Shelters are not a long-term solution to the housing crisis, but until real housing solutions are allowed and completed, we cannot close shelters or reduce shelter capacity, despite their high costs, poor security and many challenges relative to permanent housing solutions. The City needs a demonstrated plan for safely relocating residents and having appropriate capacity in the existing system before closures should be implemented. This can only happen as we create spaces that allow people to move into permanent homes. The Housing Secretariat budget for new supportive housing opportunities and the budget for TCHC repairs should be a top priority.

Toronto's Modular Housing Initiative and partnership with the Federal government's Rapid Housing Initiative have been successful, but have slowed since the initial site approvals. We encourage the City to continue to expand these programs, and examine measures to expedite them (eg. PH1.7). We note that improving citywide zoning will help future sites avoid the delays at 175 Cummer Ave. that will keep desperately-needed housing units in storage through another winter.

We also applaud the City's recent move to legalize multi-tenant housing throughout the city. However, making this housing used primarily by low-income residents the only one in the entire city subject to minimum parking requirements was not a promising start in prioritizing affordability and the needs of those seeking housing. We hope that the real challenges of all Toronto residents and the feasibility of building housing will weigh more heavily in the upcoming 2023 Housing Action Plan.

Conclusion

Security, COVID recovery and climate action have all been noted as overall themes of this budget. All of these connect to housing.

With recent deaths following shelter hotel closures and violent attacks on those experiencing homelessness, it is clear that those without a safe place to call home are at risk. The budget should not just ask whether we need more security, but security for whom. It should not just react, but aim to proactively shelter vulnerable people from harm. Housing is security.

COVID continues to affect the workforce, particularly essential workers. Workforce housing that is affordable, with a frequent, reliable transit system to get people where they need to go: these are the basic components that a major Canadian city should be providing. We should aim to be a welcoming and innovative city, lowering housing costs so that money that was going to real estate and landlords can be spent productively. We must allow housing for nurses, teachers, construction workers and people at entry level.

Finally, we cannot "TransformTO" while retaining two-thirds of our residential land for the most inefficient land use. We cannot prioritize "stability" over opportunity. Good land use is a climate priority: policies that protect car-centric, inaccessible neighbourhoods and promote the demolition and replacement of highrise apartment buildings are not the policies of a city that is serious about climate change.

We hope to see a budget that truly commits on housing. Otherwise, the impacts of the housing crisis will increase and worsen many other challenges in the City. Prioritizing housing in this budget will make things easier in future budgets

Regards,
Colleen Bailey
Director, More Neighbours Toronto