NEIGHBOURHOOD CHANGE & Building Inclusive Communities From Within

Policy Brief

Research Partnership: Trends, Processes, Consequences, Interventions

In a State of Good Repair?

The City of Toronto's Public Housing

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The Context

On January 13, 2012, the Cities Centre at the University of Toronto hosted a seminar titled "Not for Sale: A Better Strategy for Toronto's Public Housing." The presentations and discussions were wide-ranging, but the immediate issue was the proposed sale of 704 stand-alone houses approved by the Toronto Community Housing Corporation (TCHC) Board. Most of these are relatively large three- to five-bedroom houses, an important stock of affordable housing for large families. Only about 20% of TCHC units have three bedrooms or more, and only 4% have four bedrooms or more, whereas 97% of the stand-alone houses have three bedrooms or more and 18% have four bedrooms or more (City of Toronto, 2012a, Table 3). Almost 84,000 households are currently on the waiting list for social housing in Toronto, a number that has set a new record every month since fall 2008 (Shapcott, 2012).

TCHC argues that it needs the revenue from the sale of these houses to help fund an estimated $650 million repair backlog in its portfolio ($751 million in 2012) with a future increment of $100 million annually unless the Corporation receives substantial capital funding. A Special Housing Working Group, led by the Chair of Toronto's Affordable Housing Committee, is currently studying alternatives to selling 619 of the houses as well as strategies for dealing with the repair backlog.[1] The Working Group will report to the City's Executive Committee on September 10, 2012, and presumably then to City Council.

The sale of these houses has been vigorously supported by TCHC as a way of partially solving its funding predicament and just as vigorously opposed by housing advocates as a strategy that will decrease the amount of affordable housing in the city without providing a long-term funding solution for TCHC (e.g., Walks, 2012; Wellesley Institute, 2011, numerous bloggers). Except for reports by TCHC, however, there has been little detailed analysis of TCHC's repair needs. This policy brief explores the nature and origins of TCHC, the extent of the repair backlog, and the variation in needed repairs according to a number of factors: the percentage of rent-geared-to-income units in each development, age of the development, size and built form of the development, tenant type

[1] The difference between 704 houses and 619 houses is accounted for by 11 houses already approved for sale by Council, 18 houses under contract to supportive housing agencies and not recommended for sale, and 56 vacant houses that have been approved for sale by the Ontario government.

(seniors vs. other), and location by electoral ward within Toronto. Finally, we briefly consider alternative sources of capital for the necessary repairs.

Nature and Origins of the Toronto Community Housing Corporation

Toronto Community Housing Corporation (TCHC), the largest provider of social housing in Canada and the second largest in North America, administers about 58,500 units, housing 164,000 tenants or about 5% of Toronto's residents. TCHC was established in 2002, primarily in response to the Ontario government's transfer of responsibility for social housing from the province to the municipalities. TCHC resulted from the merger of three long-standing social housing providers: Metropolitan Toronto Housing Authority (MTHA), Metropolitan Toronto Housing Company Limited (MTHCL), and Cityhome.[2]

Rent-geared-to-income units administered until 2002 by MTHA were built under various public housing programs, primarily in the 1960s and 1970s. The developments are located throughout the City of Toronto, with the exception of higher-income areas in North Toronto, North York, and central Etobicoke. They are often situated on less attractive and/or accessible suburban sites that developers did not want for more luxurious housing (Murdie, 1992). MTHCL developments from the 1950s and 1960s were also built on low-cost suburban land, primarily in North York and Scarborough, but in the 1970s more projects were built in the former City of Toronto, closer to seniors and the services they need. About 80% of the MTHCL units were designed for seniors (McMahon, 1990; Murdie, 1992).

Cityhome was established in 1974 by the former City of Toronto as a municipal non-profit housing corporation providing affordable accommodation in the central city for low- and moderate-income singles and families. Its developments reflect changes resulting from the termination of Canada's public housing program in 1978, after which more emphasis was placed on the development of non-profit and cooperative housing for a wider range of income groups. Cityhome developments are on average smaller and tend to be more diverse in size and style than MTHA and MTHCL developments. Some are part of large new neighbourhoods such as St. Lawrence in downtown Toronto, while others have been integrated into existing neighbourhoods (Murdie, 1992).

Relationship Between Poor Housing Conditions and Neighbourhood Poverty

It is generally acknowledged that there is a strong relationship between poor housing conditions and neighbourhood poverty. For example, United Way Toronto's (2011) recent study of "vertical poverty" concluded that the housing conditions of private rental high-rise buildings in Toronto's inner suburbs are considerably worse in high-poverty neighbourhoods than in low-poverty neighbourhoods. They also noted that poor housing conditions in private rental buildings tend to be associated with a weaker sense of belonging to the neighbourhood, a stronger desire to move to another neighbourhood, and reduced ability to sustain strong neighbourhoods (United Way Toronto, 2011: 158).

Comparing private rental and public housing, it was noted that aside from a similarly high need for major repairs to individual units, TCHC tenants reported an even higher incidence of elevator breakdowns and disrepair in the common areas, especially safety issues such as entry door locks. Thus, the need for capital investment in the TCHC portfolio is real and must be taken seriously.

[2] Shortly before the creation of TCHC, these providers were consolidated into two companies: Metropolitan Toronto Housing Corporation (formerly MTHA) and Toronto Housing Company (formerly MTHCL and Cityhome).

The Capital Repair Backlog

Both TCHC and the Social Housing Services Corporation (SHSC) argue correctly that the capital repair problem derives primarily from the province of Ontario's decision in 2000 to transfer management of social housing from the province to the municipalities without sufficient capital to maintain the housing in good repair.[3] Before the transfer of social housing, TCHC received a dedicated annual share of provincial funds for capital repairs. Subsequently, all three levels of government assisted, but only with one-time contributions. Consequently, the capital repair backlog increased dramatically as the housing stock continued to age (Toronto Community Housing Corporation, 2012).

Estimates of capital repairs are based on a building condition audit (BCA). SHSC suggests that this is not an exact science and estimates depend on assumptions made by engineering consultants, especially concerning the life expectancy of various elements of the building (Social Housing Services Corporation, 2004). In comparing the capital repair estimates of a number of different consulting firms who evaluated social housing buildings in Ontario, SHSC found that some consultants underestimated the life span of building elements and provided higher estimates primarily to avoid lawsuits that might result from underestimates of future repair needs (Social Housing Services Corporation, 2007).

The Facility Condition Index (FCI)

TCHC uses an industry standard Facility Condition Index (FCI) to determine the state of repair of its properties. The index is a relative indicator of building condition calculated as (the cost of repairing deficiencies/the current replacement value) for each development expressed as a percentage. The cost of repairing deficiencies is based on a detailed building condition audit (BCA). Replacement value excludes land value and the value of any reusable part of the structure or its components (Toronto Community Housing Corporation, 2008: 5-6). The FCI for the 314 TCHC developments included in this analysis ranges from 0.4% to 53.4% with an average of 11.89% and a standard deviation of 7.99%. Clearly, "state of repair" varies widely within the TCHC portfolio.

TCHC divides the resulting percentages into four categories ranging from "good" (FCI<5%) to "fair" (FCI 5%–12%) to "poor" (FCI 12%–20%) to "critical" (FCI>20%) (Toronto Community Housing Corporation, 2012, Table 2, p. 6). These categories are specific to TCHC. BC Housing (2011) uses the same index and descriptors but somewhat different ranges of the FCI to describe the state of repair of its stock: "good" (FCI ≤5%); "fair" (FCI 6%–10%); "poor" (FCI 11%-30%); and "critical" (FCI>30%). An earlier document from TCHC indicates that in the residential property industry the following categories and ranges are generally agreed upon as standard: "good/excellent" (FCI ≤5%); "good" (FCI 6%–10%); "fair" (FCI 11%–15%); "poor" (FCI 16%–30%); and "critical" (FCI>30%) (Toronto Community Housing, 2008: 5-6). To add further confusion, TCHC notes the following definitions in the Glossary of Terms on its web site: Facility Condition Index: "good" (FCI ≤5%); "fair" (FCI 5%–10%); and "poor" (FCI 10%-30%) (http://www.torontohousing.ca/cmp/glossary).

Clearly, there is subjectivity in delimiting the range of FCI levels within categories. Also, the rationale for the different ranges is not clear, although BC Housing (2011, Table 1) provides a detailed table showing the potential impact of its four FCI categories on buildings, residents, and staff. Different ranges can have an important impact on categorizing the overall state of repair of

[3] The Social Housing Services Corporation (SHSC), an independent non-profit corporation, has recently changed its name to Housing Services Corporation (HSC).

individual housing companies. For example, when FCI values >20% are used to define housing in a "critical" state of repair, 14.8% of TCHC developments fall into that category compared to only 3.7% of developments when FCI values >30% are used. The meaning of these benchmarks in the context of repair needs is unclear.

Capital Repair Backlog of the TCHC Portfolio

Without additional funding, TCHC argues that the average state of repair of its buildings will move from "fair" in 2012 to "poor" in 2015 and closer to "critical" by 2018. As buildings move into the "critical" state the units in these buildings are more likely to become unrentable due to needed repairs, with the result that TCHC will lose an important source of revenue in addition to the cost of renewing the units. Indeed, at the end of 2011, 400 TCHC units were not available to rent due to needed repairs. City Council has asked TCHC to provide the Special Housing Working Group that is to report to Council on the sale of the stand-alone houses with a more detailed understanding of the methodology it uses in determining the state of repair of its buildings (Toronto Community Housing Corporation, 2012).

As indicated in Table 1, the overall repair backlog of TCHC is substantial, cuts across all three former companies, and is projected to grow considerably in the next five years, edging closer to TCHC's definition of "critical." Without significant investment and upgrading, the negative impacts on Toronto's neighbourhoods, especially the city's Priority Neighbourhoods, will likely be substantial.

Table 1: Capital Repair Backlog of TCHC Housing by Former Company

Former Company	Total Units	Current Replacement Value (000s) (A)	2012 Capital Repair Backlog (000s) (B)	2012 FCI (B/A)	5-Year Total Capital Repair Needs (000s) (C)	5-Year Unfunded FCI (C/A)
MTHA	29,134	$4,088,092	$453,958	11.1%	$833,574	20.4%
MTHCL	20,757	$2,050,322	$198,299	9.7%	$395,074	19.3%
Cityhome	7,751	$891,785	$97,096	10.9%	$195,298	21.9%
TOTAL	57,642	$7,030,200	$749,354	10.7%	$1,423,947	20.3%

Source: City of Toronto (2012b), Appendix A. FCI=Facility Condition Index.

Note on Methodology for This Study

Given the definitional confusion concerning FCI categories, I have divided the Facility Condition Index (FCI) for the 314 TCHC developments into quartiles for the subsequent analyses (Tables 2 to 7). The lowest quartile (FCI≤6%) includes TCHC developments in relatively good condition whereas the highest quartile (FCI>15.8%) includes developments that are in most need of repair.

Factors Affecting Building Condition Estimates

SHSC (2004) notes that in addition to assumptions about the overall life expectancy of building elements, building condition estimates of public housing can be affected by a number of factors. These are noted below in the context of TCHC's 2012 facility condition index (FCI) for each development.

1. Housing Program (rent-geared-to income versus non-profit)

Rent-geared-to-income developments tend to be more modest than non-profit developments, especially with respect to interior finishes. This is primarily because non-profit developments contain a mix of units (rent-geared-to-income and market) and need to be of sufficient quality to attract market tenants. Therefore, non-profit developments may be more expensive to repair. On the other hand, entirely rent-geared-to-income developments are older than non-profit developments and may incur more need for repair because of their age. Consequently, the impact of these two factors on building condition may cancel each other out.

TCHC Housing Program: Table 2 indicates little relationship between the percentage of rent-geared-to-income (RGI) units in a development and the development's state of repair. As an example, 21.3% of developments with fewer than 50% RGI units are in Q1, the lowest quartile (best condition FCI), and only a marginally higher 25.5% are in Q4, the highest quartile (worst condition FCI). A similar pattern is evident for developments that are entirely (100%) RGI. For developments that contain 50% to 99% RGI units the distribution of developments across quartiles is slightly different: a higher percentage of developments in Q1 (34.8%) and a lower percentage in Q4 (17.4%). Overall, however, the differences in Table 2 are not statistically significant (p=.728).

Table 2: TCHC Developments: Percent RGI Units vs. Facility Condition Index
(Row Percentages)

Percent RGI Units	Facility Condition Index (FCI) in Quartiles				TOTAL	
	Q1 Lowest FCI	Q2	Q3	Q4 Highest FCI	Percent	Number
<50%	21.3	27.7	25.5	25.5	100%	47
50%–99%	34.8	26.1	21.7	17.4	100%	46
100%	23.7	24.7	25.8	25.8	100%	198
Total	25.1	25.4	25.1	24.4	100%	N=291

Source: City of Toronto (2012b), Appendix A and Toronto Social Housing Connections (1998). Calculations by the author. Quartile Boundaries, FCI (Q1: ≤6%; Q2: 6.1% to 10.3%; Q3: 10.4% to 15.8%; Q4: >15.8%).

Notes for Tables 2 through 5:

(1) The total number of TCHC developments = 314. Data for the hypothesized variables in Tables 2 through 5 were not available for all developments. The figure in the bottom right-hand cell indicates the number of available observations for each table;

(2) The Facility Condition Index (FCI) for the 314 developments is divided into quartiles. Q1 (FCI≤6%) includes TCHC developments in relatively good condition whereas Q4 (FCI>15.8%) includes developments that are in most need of repair;

(3) The numbers in the body of the table are row-wise percentages indicating the percentage of developments in each quartile corresponding to each row entry (e.g., percent developments with RGI units <50% in Q1 = 21.3%).

2. Age of Development

An older building that has not received much new investment should be in greater need of repair than a newer building.

***TCHC Age of Development*:** As indicated in Table 3, newer developments (11-20 years) are more likely to be in better condition than older developments (>40 Years). For example, 44.4% of the newest developments are in Q1 (best condition) compared to only 17% of the oldest developments. The opposite pattern is evident for Q4 (worse condition). The difference is statistically significant (p=. 000).

Table 3: TCHC Developments: Age of Development vs. Facility Condition Index
(Row Percentages)

Age of Development	Facility Condition Index (FCI) in Quartiles				TOTAL	
	Q1 Lowest FCI	Q2	Q3	Q4 Highest FCI	Percent	Number
11–20 Years	44.4	36.1	13.9	5.6	100%	36
21–30 Years	37.5	31.3	10.9	20.3	100%	64
31–40 Years	23.0	21.8	25.3	29.9	100%	87
>40 Years	17.0	21.4	36.6	25.0	100%	112
TOTAL	26.4	25.4	25.1	23.1	100%	N=299

Source: City of Toronto (2012b), Appendix A and Toronto Social Housing Connections (1998). Calculations by the author. Quartile Boundaries, FCI (Q1: ≤6%; Q2: 6.1% to 10.3%; Q3: 10.4% to 15.8%; Q4: >15.8%).

3. Size of Development and Built Form

There may be an economy of scale associated with larger projects. The need for repair and repair costs per unit tend to be highest for detached houses and semis followed by townhouses and finally, apartments. However, for large apartment buildings, parking garages and elevators add considerably to the cost of repair.

TCHC Size of Development: As indicated in Table 4, a much higher percentage of the smallest developments (44.3%) than the largest developments (17.8%) are in Q4 (worst condition). This difference is statistically significant (p=. 015).

TCHC Built Form of Development: As noted in Table 5, high-rise developments (both individually and combined with townhouses) are considerably less likely to be in serious condition than low rise/townhouse developments and especially townhouse developments. Like the stand-alone houses noted earlier the townhouse developments are an important source of affordable accommodation for relatively large low-income families, but are most in need of repair (50% in Q4). The difference is highly significant (p=. 000).

Table 4: TCHC Developments: Number of Units vs. Facility Condition Index
(Row Percentages)

Number of Units	Facility Condition Index (FCI) in Quartiles				TOTAL	
	Q1 Lowest FCI	Q2	Q3	Q4 Highest FCI	Percent	Number
<49	13.1	19.7	23.0	44.3	100%	61
50-99	22.5	32.5	22.5	22.5	100%	40
100-149	31.3	25.0	27.1	16.7	100%	48
150-199	37.8	27.0	13.5	21.6	100%	37
>199 Units	26.2	26.2	29.9	17.8	100%	107
TOTAL	25.3	25.6	24.9	24.2	100%	N=293

Source: City of Toronto (2012b). Appendix A. and Toronto Social Housing Connections (1998). Calculations by the author. Quartile Boundaries, FCI (Q1: ≤6%; Q2: 6.1% to 10.3%; Q3: 10.4% to 15.8%; Q4: >15.8%).

Table 5: TCHC Developments: Built Form vs. Facility Condition Index
(Row Percentages)

Built Form	Facility Condition Index (FCI) in Quartiles				TOTAL	
	Q1 Lowest FCI	Q2	Q3	Q4 Highest FCI	Percent	Number
High-Rise	35.8	25.4	25.4	13.4	100%	134
High -Rise/ Townhouse	25.9	37.0	25.9	11.1	100%	27
Low-Rise/ Townhouse	23.9	23.9	25.4	26.9	100%	67
Townhouse	6.1	21.2	22.7	50.0	100%	66
TOTAL	25.5	25.2	24.8	24.5	100%	N=294

Source: City of Toronto (2012b), Appendix A and Toronto Social Housing Connections (1998). Calculations by the author. Quartile Boundaries, FCI (Q1: ≤6%; Q2: 6.1% to 10.3%; Q3: 10.4% to 15.8%; Q4: >15.8%).

4. Tenant Type

Units occupied by families tend to incur higher repair costs than those occupied by seniors. This may be because units occupied by seniors are subject to less wear and tear than those occupied by families.

TCHC Tenant Type: MTHCL developments are primarily designated for seniors, whereas units in the MTHA and Cityhome developments are generally open to all ages. The relationship between former company and the facility condition index is not statistically significant (p=. 42). However, as indicated in Table 6, Q4, the quartile containing developments with the highest FCI, shows considerable variation between the lower incidence of high repair needs in MTHCL developments (18.3%) and the higher incidence in the two other former companies, MTHA (30.3%) and Cityhome (25.3%), both occupied by a much larger percentage of families.

Table 6: TCHC Developments: Former Company vs. Facility Condition Index
(Row Percentages)

Former Company	Facility Condition Index (FCI) in Quartiles				TOTAL	
	Q1 Lowest FCI	Q2	Q3	Q4 Highest FCI	Percent	Number
MTHA	21.0	23.5	25.2	30.3	100%	119
MTHCL	31.7	26.0	24.0	18.3	100%	104
Cityhome	24.2	24.2	26.4	25.3	100%	91
TOTAL	25.5	24.5	25.2	24.8	100%	N=314

Source: City of Toronto (2012b). Appendix A and Toronto Social Housing Connections (1998). Calculations by the author. Quartile Boundaries, FCI (Q1: ≤6%; Q2: 6.1% to 10.3%; Q3: 10.4% to 15.8%; Q4: >15.8%).

5. Summary

Based on these analyses, two variables (Age of Development and Built Form) were found to be especially important in accounting for variations in the Facility Condition Index. In particular, older developments and townhouse developments have a larger percentage of developments with higher Facility Condition Indexes and are therefore likely to be in need of substantial repair.

The above analyses, undertaken separately, indicate the effects of each explanatory variable, but do not consider interrelationships between the explanatory variables and the potential effect of these interrelationships on variations in the Facility Condition Index. Therefore, a multinomial logistic regression analysis was undertaken employing all five variables simultaneously to determine the independent effect of each on variations in the Facility Condition Index when accounting for the effects of the others. The result substantiates the previous analyses, indicating that Age of Development and Built Form are both important in accounting for variations in the Facility Condition Index, thereby suggesting that older townhouse developments are most in need of repair.

This finding presents a dilemma because it is developments with larger units catering to large families that serve a particularly important function in the TCHC portfolio. Many of these families would be seriously overcrowded in the generally smaller units of TCHC high-rise developments. More in-depth analysis is needed of the repair issues associated with older townhouse developments and the implications for families living in this stock.

From a methodological perspective, the previous analyses were undertaken by dividing the Facility Condition Index into quartiles instead of the categories and ranges defined by TCHC. Analyses using (1) the TCHC categories and ranges and (2) the BC Housing categories and ranges resulted in similar conclusions and confirmed the importance of Age of Development and Built Form in accounting for variations in the Facility Condition Index.

The Geography of Repair Costs

As Hulchanski (2010), United Way Toronto (2011), and Stapleton, Murphy, and Xing (2012) note, there has been a growing concentration of low-income households in Toronto's inner suburbs, especially in the high-rise housing that comprises much of the formal rental stock in this area. Also, as noted earlier, there is a potentially important relationship between poor housing conditions and neighbourhood poverty. Thus, in addition to the conditions leading to increased repair costs, it is important to consider the spatial distribution of needed repairs. Buildings that are in most need of repair in high-poverty areas are likely to have higher rates of residential turnover and cater to tenants who have very limited housing choices and need to be housed quickly. Consequently, it will likely be difficult to establish any kind of meaningful community life in these buildings and the probability of social disorder may increase.

Map 1 shows the Facility Condition Index (FCI) mapped by quartiles for Toronto's 44 electoral wards. The 2012 capital repair backlog and the current replacement value were summed for all TCHC developments in each ward and a Facility Condition Index was calculated for each ward by dividing the 2012 capital repair backlog by the current replacement value (times 100 to calculate a percentage)

Wards in the highest quartile containing developments with the worst FCI are primarily located in lower-income areas of the inner suburbs (Scarborough west of Brimley, east of Victoria Park, north of Eglinton and all wards north of Highway 401; Wards 8 and 9 (the Jane-Finch corridor), Ward 33 (northeastern North York), and Ward 1 (northern Etobicoke). Ward 13 (High Park) in Toronto's west end and Ward 29 (East York) are the only non-inner suburban areas. In several instances,

these wards contain large TCHC townhouse developments and as noted in Table 5, townhouse developments tend to be in most need of repair. Most of the wards in the second highest quartile are also located in the inner suburbs (rest of Scarborough except Ward 43; Wards 24, 26 and 34 in eastern North York adjacent to Scarborough; Wards 4 and 5 in south-central Etobicoke).

With the exception of High Park, East York, and south-central Etobicoke, many of these areas correspond with Hulchanski's (2010) City#3 (areas that decreased by 20% or more in income compared with the Toronto CMA average between 1970 and 2005) and areas with a relatively high percentage of low-income economic families in 2006 (United Way Toronto, 2011).

In order to evaluate this point in more detail, an analysis was undertaken, assigning each development to one of Hulchanski's Three Cities. Although the comparison is not statistically significant (p=.152), the trend is revealing. As indicated in Table 7, developments in City #3 (primarily inner suburban areas with a relative decrease in income, 1970-2005) are more highly represented in the two higher Facility Condition Index quartiles (greater need for repairs), whereas developments in City #1 (primarily central city areas with a relative increase in income, 1970-2005) are more highly represented in the two lower Facility Condition Index quartiles (less need for repairs).

Table 7: TCHC Developments: Hulchanski's Three Cities vs. Facility Condition Index
(Row Percentages)

Three Cities	Facility Condition Index (FCI) in Quartiles				TOTAL	
	Q1 Lowest FCI	Q2	Q3	Q4 Highest FCI	Percent	Number
City #1	29.2	27.4	20.4	23.0	100%	113
City #2	28.4	28.4	25.0	18.2	100%	88
City #3	20.2	19.3	30.3	30.3	100%	109
TOTAL	25.8	24.8	25.2	24.2	100%	N=310

Source: City of Toronto (2012b). Appendix A, Toronto Social Housing Connections (1998), and Hulchanski (2010). Calculations by the author. Quartile Boundaries, FCI (Q1: ≤6%; Q2: 6.1% to 10.3%; Q3: 10.4% to 15.8%; Q4: >15.8%). Three Cities definitions (City #1: census tracts with an increase of 20% or more in average individual income, relative to the Toronto CMA, 1970-2005; City #2: increase or decrease less than 20%; City #3: decrease of 20% or more).

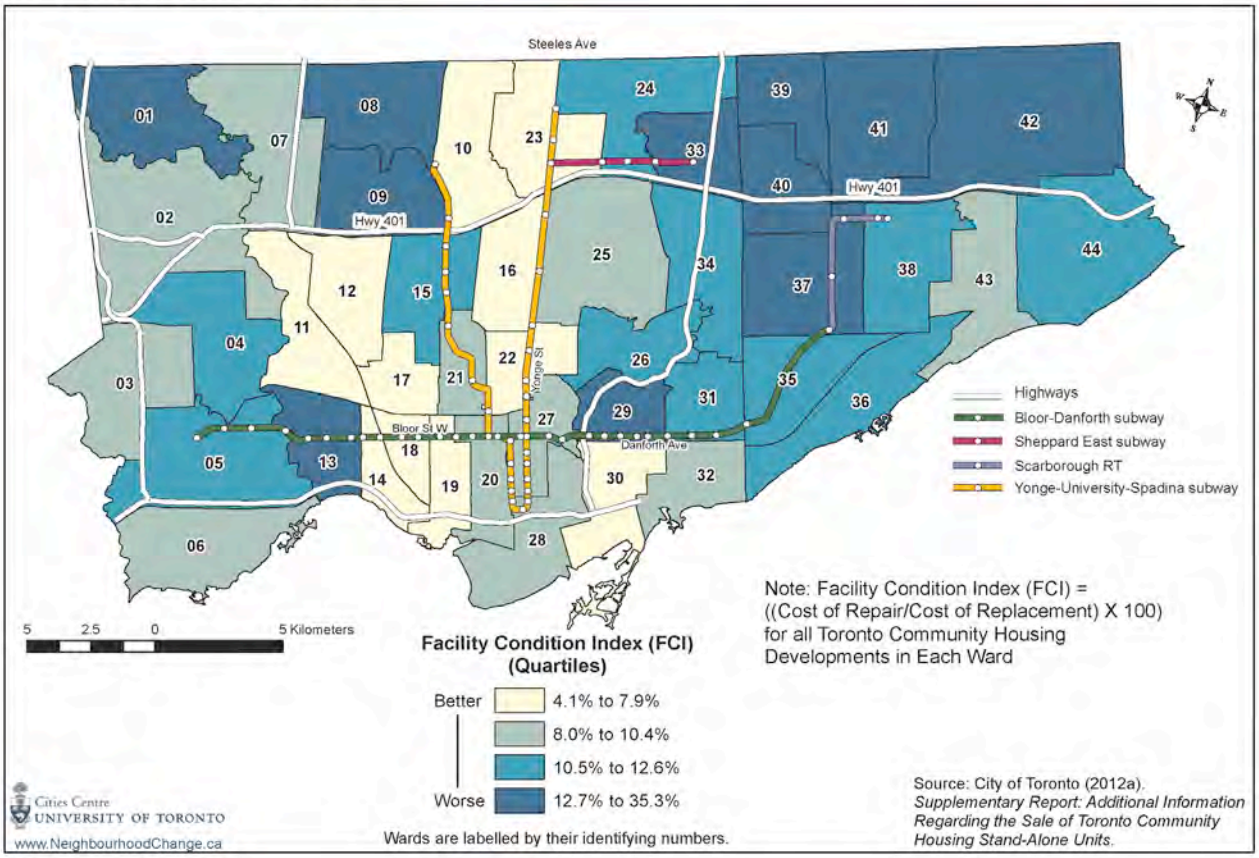
Areas of the city where poor public housing conditions and neighbourhood poverty intersect are in most critical need of investment. Wards 8 and 9 (the Jane-Finch corridor) and 40 (Agincourt) are particularly vulnerable. These wards are in both the highest FCI quartile and the lowest income quartile. Wards with developments in most need of repair (two highest quartiles in Map 1) include 11 of the city's 13 Priority Neighbourhoods.

Alternative Sources of Capital for Repair

A number of sources of capital for the repair of TCHC developments have been identified, including sale of the stand-alone houses. As Walks (2012) and others have argued, selling these houses would intensify the difficulty low-income residents, especially larger families, face in securing affordable accommodation in Toronto's high-cost housing market. Furthermore, TCHC needs sustained operating and repair funds rather than what can be obtained from the one-off sale of its stand-alone

properties. Of the other options that have been suggested, two stand out (Wellesley Institute, 2012; Social Housing Services Corporation, 2007).

Map 1: Facility Condition Index (FCI) of Toronto Community Housing Developments by Ward



The first is persuading the provincial and federal governments to contribute their fair share of the cost of maintaining the existing stock and developing new stock. Indeed, this was a recommendation of the recent report of the Commission on the Reform of Ontario's Public Services (2012: 443). This is particularly important given that social housing is a key public asset and the capital repair backlog derives in part from the Ontario government's decision in 2000 to download management of social housing to the municipalities without sufficient consideration of the financial impact of this decision.

The second, and more immediately achievable, source of capital is dedication of all or a portion of the Land Transfer Tax for social housing repair. Currently, the provincial (Ontario) and municipal (Toronto) governments collect separate components of this tax. Toronto has control over its portion. The residential Land Transfer Tax from selling an individual dwelling (house or condo) worth $500,000 (approximate average of all recent residential resales in Toronto based on Toronto Real Estate Board data) is $12,200 ($6,475 Ontario and $5,725 Toronto).[4] Although revenue from

[4] A number of websites provide a template for calculating the tax, for example <http://www.landtransfertaxcalculator.ca/> There is a rebate for first-time homebuyers.

the Land Transfer Tax varies depending on the strength of the real estate market, Toronto's portion of the current one-year return on the tax approximates the projected return on selling TCHC's stand-alone houses. Realtors, as well as the mayor and some of his supporters, oppose the Toronto portion of the tax, but it is reasonable and fair that this tax be applied towards the well-being of those who have been shut out of Toronto's booming real estate market. As Tom Slater, a leading housing researcher in the United Kingdom and Toronto, noted recently: "We have to think about housing as a question of social justice, not as a commodity" (McLaren, 2012).

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