

Analysing the City of Toronto's Multi-Unit Residential Acquisition Program

Speakers:

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Land Acknowledgement

We wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional lands of the Huron-Wendat, the Seneca, and most recently, the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.

Questions?

Ask in person



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Celia Wandio

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Presentation Outline

1. Policy context – housing policy & municipal finance
2. Need for acquisition funding
3. MURA – origins and funding to date
4. Evolving municipal role in housing
5. Current and potential funding tools
6. Conclusion

Policy Context

Municipalities are “creatures of the province”

Devolution of social housing to municipalities in Ontario, 1998

Municipalities struggling to pay for expanded responsibilities

City of Toronto Act, 2006 gives City of Toronto additional revenue tools

Recent provincial acts have limited municipal revenues

Federal re-engagement in housing with National Housing Strategy

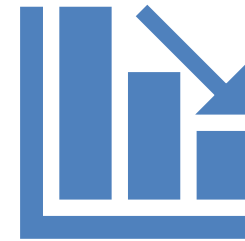
Understanding the Need for Acquisition Funding

Naturally Occurring Affordable Housing



NOAH is affordable because of:

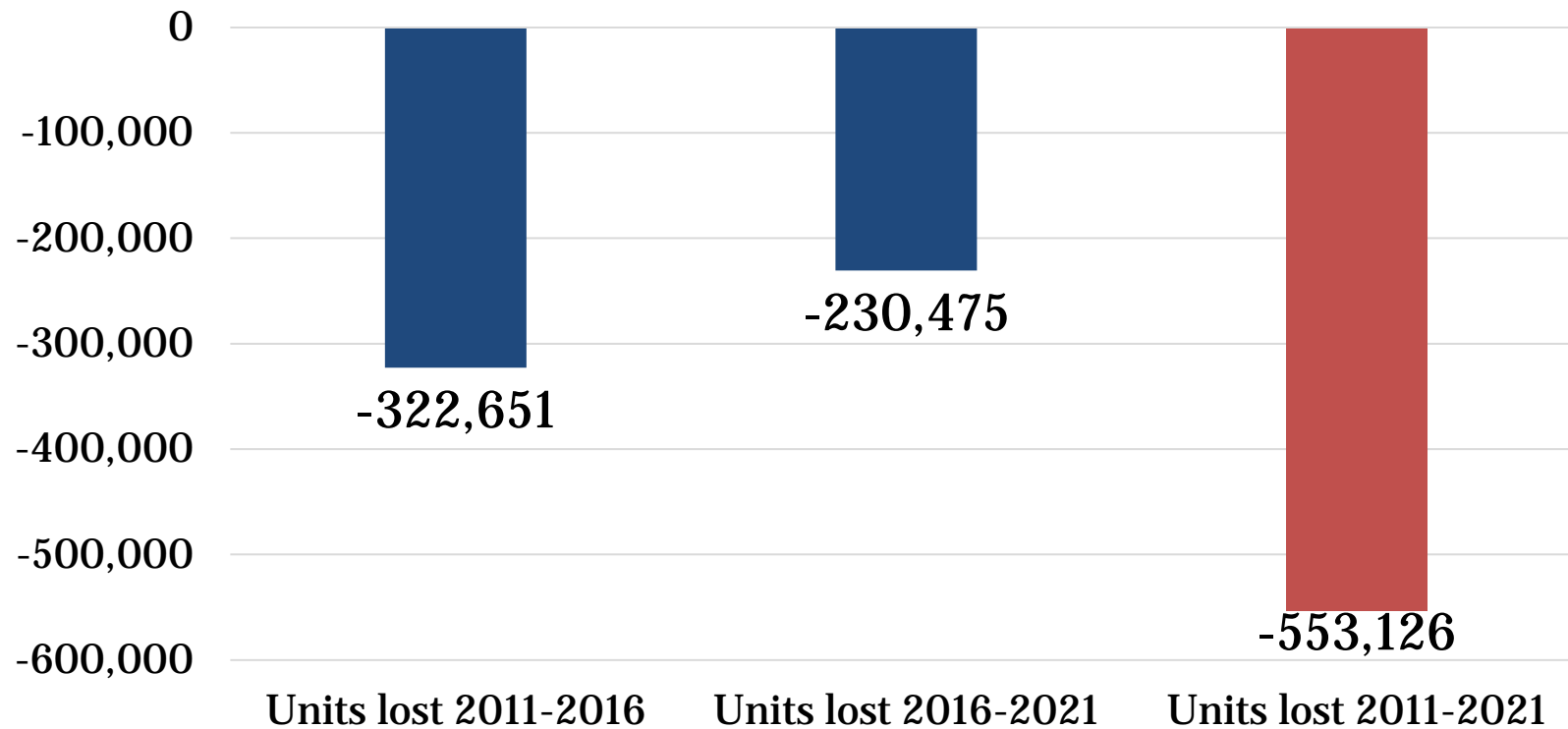
Property age
Location
Poor maintenance



NOAH is being lost due to:

Aging and deteriorating rental stock
Conversion/redevelopment
Rising rents so units no longer affordable
Lack of regulation/tenant protections

Loss of Non-Subsidized Rental Units (Under \$750 Per Month)



Source: Steve Pomeroy, 2022, using Census data

Loss of Rooming Houses



Rooming houses are a vital source of affordable housing



Data from a 2017 Parkdale study found that 347 dwelling rooms had been lost due to conversion in the previous 10 years, with another 818 rooms at risk



New rooming house regulations may increase risk of conversion

Reasons for Acquisition Strategies

1. Cost efficient
2. Relatively quick to implement
3. Supports tenants and equity-deserving groups
4. Supports non-profit housing sector, including community land trusts
5. Long-term affordability

MURA: A Municipal Response to the Loss of NOAH

Acquisition Funding in Canada

Federal

- Acquisition an aspect of Rapid Housing Initiative funding, but not acquisition of tenanted rental properties

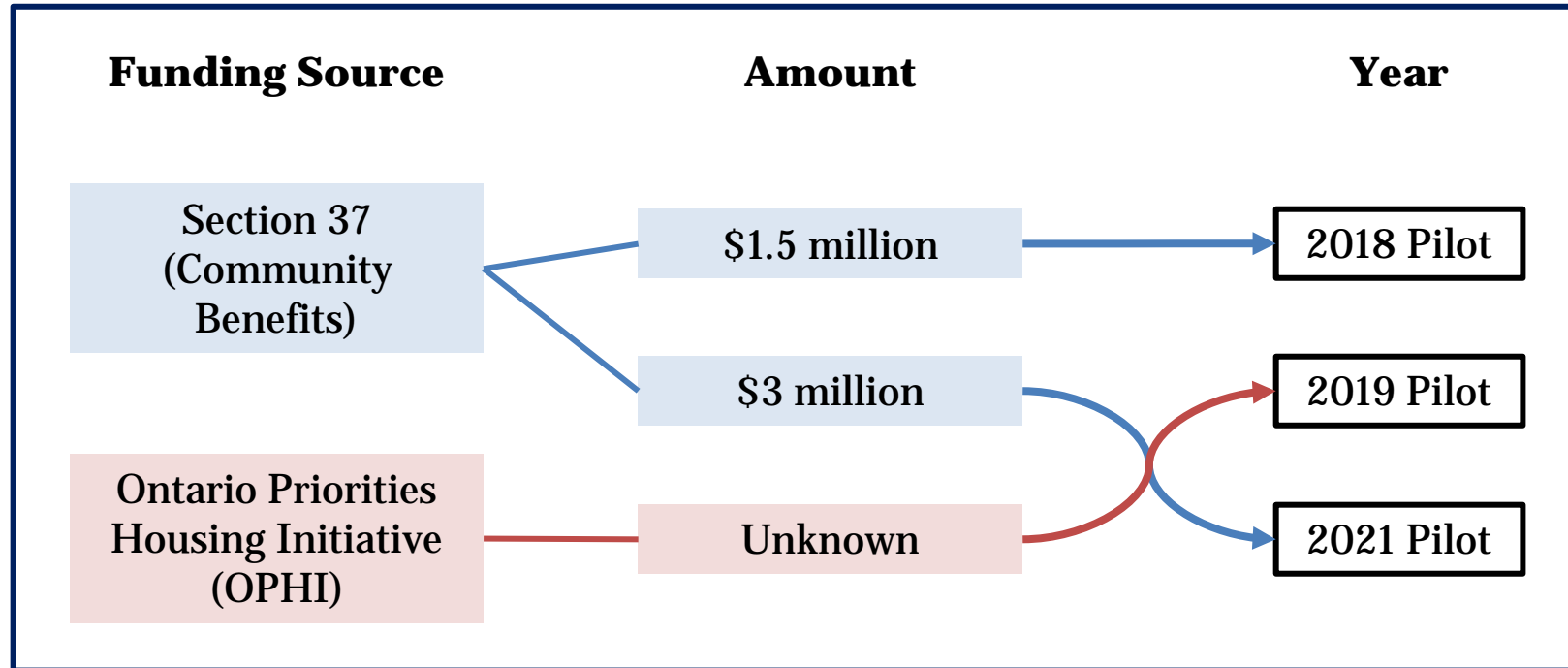
Provincial

- Acquisition eligible under Ontario Priorities Housing Initiative (OPHI), 2019-2022
- Province of BC's new Rental Protection Fund, announced January 2023

Municipal

- Vancouver's SRO (single-room occupancy hotels) acquisition program
- Montreal's rooming house acquisition program, 1989-1992
- More examples in American context

Pre-MURA Acquisition Pilots



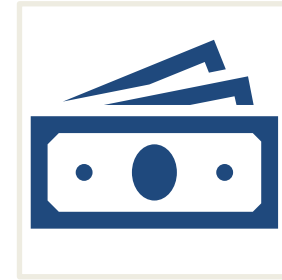
MURA Program Details



Can be used for apartment buildings (up to 60 units) and rooming houses

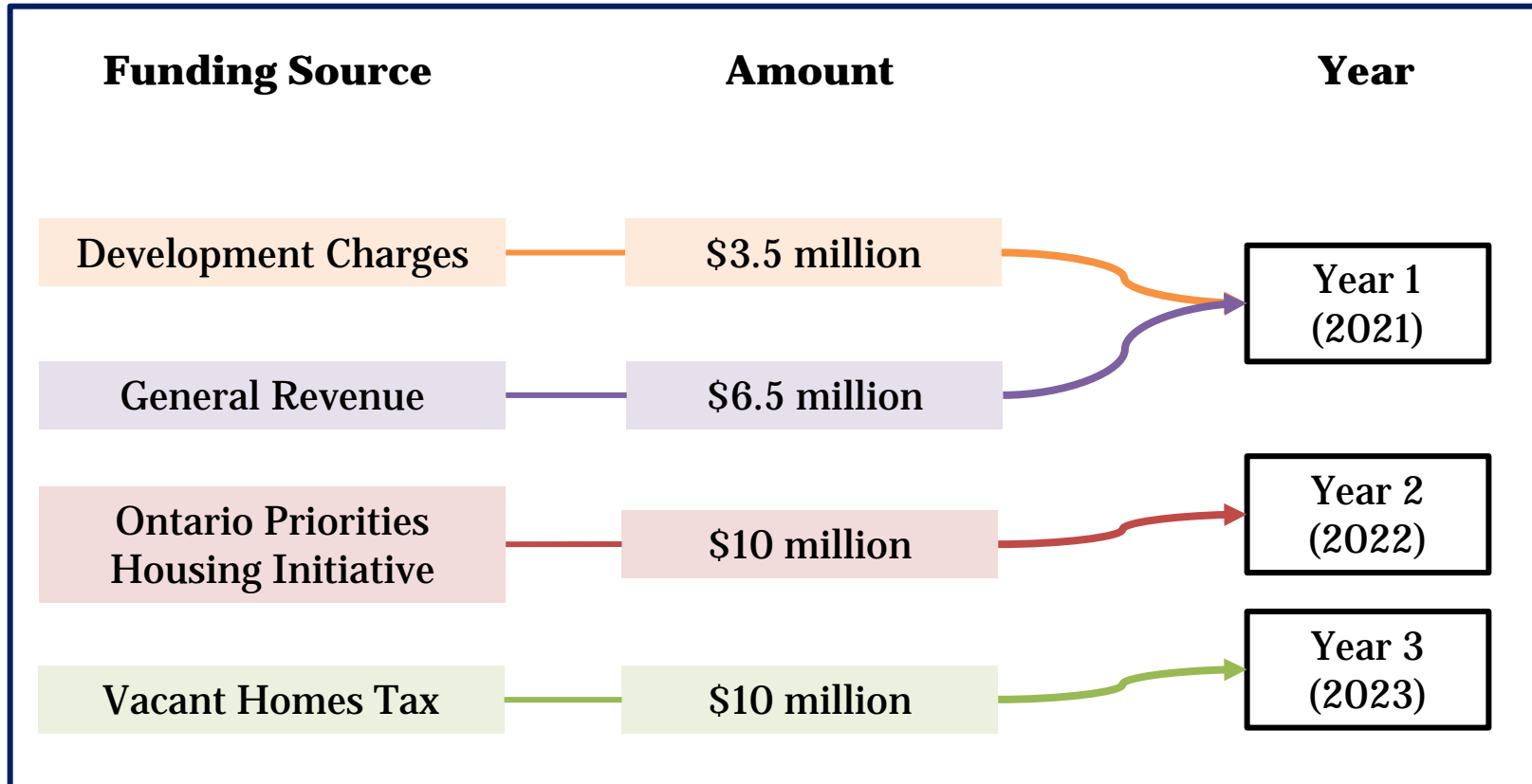


Properties must be at risk of being lost due to conversion



Payment process compatible with property acquisition

MURA Funding, 2021-2023

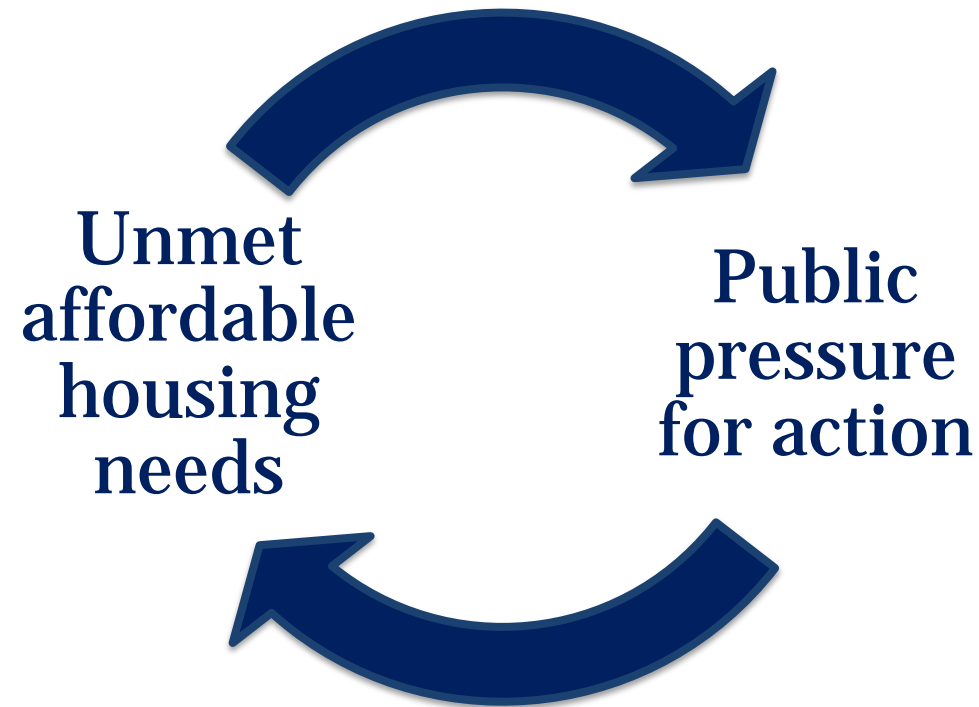


The Municipal Role in Affordable Housing Policy

Municipal Affordable Housing Programs

Municipality	Capital Grant Program(s)	Revenue Source(s)
Halifax Regional Municipality	Affordable Housing Grant Program (AHGP)	Bonus Density Program
City of Vancouver	Community Housing Investment Program (CHIP)	Development charges Empty Homes Tax
City of Edmonton	Affordable Housing Investment Plan (AHIP)	General revenues First Homes Program

Origins of Municipal Role



Justification for Municipal Role

Responsive to
and aware of
local needs

Opportunities
for public
engagement

Increased
flexibility

MURA & the Municipal Role

Responding to unmet housing needs

Responding to local housing advocacy

Sensitive to needs of local housing providers

Funding to Fulfill the Municipal Role in Housing

Current & Potential Revenue Sources for City of Toronto

Funding Source	Currently Used?	Used for MURA?
Development Charges	Yes	Yes
Community Benefits	Yes	Yes
Vacant Homes Tax	Yes	Yes
Property Tax	Yes	Yes
Municipal Land Transfer Tax	Yes	Not directly
Provincial/Federal Transfers	Yes	Yes
Municipal Income Tax	No	No
Municipal Sales Tax	No	No

Growth-Related Funding Tools

Includes community benefits and development charges

Previously used for acquisition pilots and Open Door Program

Revenue limited by legislative changes

Development Charges & Housing

- From 1997 to 2019, the Development Charges Act enabled the collection of DCs for a wide range of local services, which was interpreted to include affordable housing
- City of Toronto began collecting DCs for “shelter and housing” in 2004
- 2019 DCA amendment excluded housing and other “soft services”
- 2020 DCA amendment explicitly added “housing services” to list of eligible services
- 2022 DCA amendment (via Bill 23) removed “housing services” from list

Vacant Homes Tax

Toronto tax
based on
Vancouver
experience

Allocated to
MURA in 2023;
revenues
uncertain

Primary goal is
to return homes
to rental market

Property Tax

Regressive tax

Can harm affordability

Competing priorities for funding

Municipal Land Transfer Tax (MLTT)

**Volatile and
unpredictable
revenues**

**Increases costs
of buying a
home**

**“Luxury” tax
bracket could
approximate
progressive tax**

Provincial/Federal Transfers

- Senior levels of government have greater fiscal capacity
- Can take the form of conditional or unconditional transfers
- Senior levels of government often prefer conditional transfers
- Transfer approach decreases flexibility and municipal fiscal autonomy
- Federal and provincial funding is vital in addition to own-source municipal revenues

Conclusion

Acquisition of private rental housing should be a major priority in housing policy

Municipalities have taken on a greater role in affordable housing because of unmet needs (including for acquisition) and public pressure

Municipalities are able to respond to emerging local needs

The MURA Program is at risk due to constrained municipal finances

Both new municipal revenue tools and increased senior gov't funding are needed

Thank you for listening!

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