

Affordable housing within a post-welfare state: The case of Toronto

MPA Research Report

Submitted to

The Local Government Program
Department of Political Science
The University of Western Ontario

Dave R. Guyadeen
July 2011

Abstract

In 2001, the federal government introduced the Affordable Housing Initiative as a means of stimulating the increased production of affordable housing. This represented its first significant commitment to affordable housing construction since its exit from the housing sector in the early 1990s. The program involved an investment of over \$1 billion spread over 5 years. In Ontario, over \$364 million was directed towards the production of rental and supportive housing, of which Toronto received some \$79 million. This has resulted in the construction of some 1,135 new affordable rental units in Toronto.

This paper considered the on the ground impacts of the Affordable Housing Initiative on the City of Toronto. In doing so, it examined the shifts in housing policy within Canada, and specifically Ontario with a focus on welfarism, neoliberalism and post-welfarism. A series of in-depth interviews was conducted with key housing stakeholders within the housing sector including representatives of the City of Toronto, Toronto Community Housing, and housing advocates. This has allowed for a multifaceted analysis of the program's impacts on affordable housing in the city.

The findings suggest that despite the introduction of the Affordable Housing Initiative, Toronto's affordable housing system has witnessed an increased reliance on the private sector, and the perpetuation of band-aid solutions. This has been a result of the federal government divesting itself of the burden of initiating and delivering social programs. Within the context of a post-welfare state that has been influenced by neoliberalism, this is an expected outcome. It is also noted, however, that housing policy at the local level has been subjected to provincial oversight by the Ontario Municipal Board. This serves to attenuate the influences of NIMBYism on land-use policies that are associated with the construction of affordable housing. Given the findings, the following recommendations are made: a) the senior levels of government commit to

a long-term, consistent and substantive funding program; b) the federal government adopt a more realistic interpretation of what is meant by affordable housing; and c) provincial oversight be maintained during the planning and construction of affordable housing.

Acknowledgements

I would like to express my appreciation to my supervisor Martin Horak, who guided me throughout the process, offering his insight and continued feedback (especially on neoliberalism). Special thanks are owed to my interviewees who took time out of their busy schedule to share their expertise and experiences.

Table of Contents

Abstract	i
Acknowledgements	iii
List of Abbreviations	v
List of Tables	vi
List of Figures	vii
1 Introduction	1
a) Research Question	1
b) Theoretical Framework	3
2 Case Selection and Research Methods	5
a) Why study the City of Toronto?	5
b) Literature Review	6
c) Interviews	6
d) Study Strengths and Limitations	7
3 Literature Review	9
a) Definitions	9
b) Canadian Housing Policy	12
4 Hypotheses	20
5 Overview of the Canada-Ontario Affordable Housing Program	22
6 Findings and Discussion	26
a) Reliance on Private-Sector	26
b) The Perpetuation of Band-Aid Solutions	30
c) The Influences of NIMBYism and the Importance of the Ontario Municipal Board	35
7 Conclusion	38
8 Recommendations	40
9 Further Research	41
References	42
List of Interviews	46
Appendix I: Incidence of core housing need within select CMAs, 2002-2007	47
Appendix II: Ontario municipalities' current housing expenditure vs. federal and provincial specific purpose transfers, 1988-2008	48

List of Abbreviations

AHI	Affordable Housing Initiative
AMR	Average Market Rent
CMA	Census Metropolitan Area
CMHC	Canada Mortgage and Housing Corporation
C-OAH	Canada-Ontario Affordable Housing
CSR	Common Sense Revolution
GTA	Greater Toronto Area
GTHA	Greater Toronto and Hamilton Area
HOT	Housing Opportunities Toronto
MMAH	Ministry of Municipal Affairs and Housing
NHA	National Housing Amendments
OMB	Ontario Municipal Board
ONPHA	Ontario Non-Profit Housing Association
PPS	Provincial Policy Statements
SCPI	Supporting Community Partnership Initiative
TCHC	Toronto Community Housing Corporation
YMCA	Young Men's Christian Association
YWCA	Young Women's Christian Association

List of Tables

- Table 1: Canadian housing policy stages
- Table 2: Program funding and unit allocation (Ontario)
- Table 3: Program funding and unit allocation (City of Toronto)
- Table 4: GTA rental and supportive housing funding and unit allocation
- Table 5: Central Ontario (exc. GTA) rental and supportive housing funding and unit allocation
- Table 6: Percentage of renting household accessing C-OAH program funded rental units
- Table 7: Incidence of core housing need within select CMAs, 2002-2007

List of Figures

- Figure 1: Overall structure of the AHI program
- Figure 2: Withdrawal of federal funding for social housing in the City of Toronto, 2001-2029
- Figure 3: Ontario municipalities' current housing expenditure vs. federal and provincial specific purpose transfers, 1988-2008

1 Introduction

a. Research Question

There is a growing housing affordability crisis within the Toronto region that is much larger than that of any other Census Metropolitan Area (CMA) in Canada. When compared to Vancouver (15 per cent) and Montreal (12 per cent), Toronto had the highest percentage of households in core housing need at 17 per cent in 2007 (CMHC, 2010)¹. These households tended to spend more than 30 per cent of their income on rent, and resided in housing that was inadequate in size and condition (CMHC, 2010; City of Toronto, 2009). This burgeoning crisis has been attributed to several factors, including senior level government inactivity on the issue of affordable housing.

In Ontario, the senior levels of government have persistently cut their level of funding for affordable housing over the last 20 years. The most notable decrease occurred during the early 1990s where the federal and provincial governments removed themselves from the housing sector. More specifically, affordable housing responsibilities including its on-going funding and management were downloaded onto municipalities. This has resulted in an exponential increase in municipal housing expenditures, rising from some \$145 million in 1997 to over \$1.5 billion in 2008 (Statistics Canada, 2009)². In contrast, federal housing expenditures were restricted to about \$2 billion annually between 1995 and 1997 (Fallis, 2010). During this same period, the province limited its funding to \$42 million annually with \$215 million directed towards one-time capital upgrades to existing housing (Graham & Phillips, 1998). According to Pomeroy (2007), these drastic cuts represented a decrease of almost \$700 million from a peak of 4.1 billion in 1993. In both cases, there was no direct spending for the creation of new affordable rental units. Rather,

¹ Refer to Appendix I for a graphical comparison of the incidence of core housing need within select CMAs.

² Refer to Appendix II for a graphical representation of Ontario municipalities' current housing expenditure vs. federal and provincial specific purpose transfers, 1988-2008. It should be noted that the federal and provincial figures presented represent only transfers to municipalities. Consequently, they do not provide an account of the decrease in direct spending on affordable housing.

these funds were meant to maintain the existing affordable rental stock. This lack of funding has resulted in a drastic drop in the production of affordable rental units, averaging out to some 1000 units being built annually between 1996 and 2001. This represented a significant decrease from the late 1970s and early 1980s of 20,000 units yearly (Shapcott, 2007).

On a local level, cities such as Toronto have witnessed the intensification of an affordable housing crisis. More than 640,000 Torontonians including seniors, people with disabilities and recent immigrants, require some form of assistance in meeting their housing needs (City of Toronto, 2009). Of these, 216,000 households are in core housing need with some 66,000 currently on the social housing waiting list (City of Toronto, 2011a & b).

In an effort to address this crisis, the federal government introduced the Affordable Housing Initiative (AHI) in 2001. In many respects, the AHI was considered the federal government's reengagement within the affordable housing sector since its exit during the early 1990s. It is premised on providing grants to local level housing providers with the purpose of stimulating the increased production of affordable rental units. In Ontario, the AHI is operated under the Canada-Ontario Affordable Housing (C-OAH) program. This is a multilateral agreement with the federal, provincial and municipal governments on a cost-matching basis of federal grants (CMHC, 2007).

The research question that this paper seeks to explore is: in what ways has the reengagement of the federal government within the affordable housing sector, through the C-OAH program, influenced the delivery of affordable housing in post-amalgamated Toronto? More specifically, I am interested in examining the on the ground effects of this program on the City of Toronto, a large urban center that is home to a burgeoning vulnerable population.

b. Theoretical Framework

In exploring this research question, it is important to ground the analysis within a particular theoretical framework or lens. This, according to Stelman (2005) will assist in imposing a certain frame of reference on the reality that is being examined. The theoretical lenses chosen for this paper relate to neoliberalism and post-welfarism. In the broadest of views, neoliberalism refers to the retrenchment of government with an emphasis on ‘individual choice’ and the markets. Neoliberal policies are used by governments to deregulate and privatise government functions while reducing its size and control. It tends to promote fiscal conservatism through cost cutting measures rather than government spending (Hackworth & Moriah, 2006; Kiel, 2002).

This is a useful framework for informing our discussion as it has been argued that the 1990s may have well represented the peak of neoliberalism within Ontario (see Hackworth & Moriah, 2006; Kiel, 2002). The election of Mike Harris and the Progressive Conservatives under the banner of the Common Sense Revolution (CSR) saw the retrenchment of government. The CSR movement supported a shift towards a minimalist form of government, and a reliance on the market and private sector in providing and managing affordable housing (Hackworth & Moriah, 2006).

I have suggested that the 2000s, when the AHI was created, has witnessed a movement towards a post-welfare state that has been heavily influenced by neoliberal ideologies. As a result, it is important to examine how housing policy responses are framed at the senior levels of government, and how they are translated on the ground. Within the context of this paper, it was hypothesised that the emergence of the post-welfare state has resulted in the federal government placing fewer social expenditure burdens on itself. This in turn has resulted in a reliance on the

ground on non-governmental actors such as the private for-profit and non-profit sectors in social service delivery.

2 Case Selection and Research Methods

In order to explore the proposed research question, a triangulated approach was used that involved an extensive literature review and in-depth interviews. This method is one that has been used within the housing studies literature, and has been subjected to rigorous peer-reviewed evaluations.

a. Why study the City of Toronto?

In examining the issue of affordable housing, the City of Toronto presented a unique case study within Ontario. The city has been facing a chronic affordable housing pandemic since the early 1990s. This has, arguably, been attributed to the rise of neoliberalism in Ontario (Keil, 2002). For example, the total households in need of affordable housing have increased from some 137,000 in 1991 to more than 216,000 in 2006, representing a 58 per cent increase (City of Toronto, 2011a). Many of these households are part of a burgeoning dependent population that is marginalised and ignored within the city. As suggested by Boudreau, Keil and Young (2009), this is due to the fact that the housing market has been dominated by the private sectors, which have tended to focus on the homeownership component rather than the rental market. In fact, from 2000 to 2002, only 3 per cent of new housing construction in Toronto was for rental units compared to 97 per cent for the home-ownership market (City of Toronto, 2003). Consequently, the C-OAH program represented a pivotal initiative in addressing this chronic crisis. The premise of the program is to stimulate the production of affordable housing, which is targeted towards the rising dependent population. Also, given the fact that Toronto has been heavily influenced by neoliberal ideologies during the 1990s, I was able to examine its impacts on the post-welfare state.

b. Literature review

A historical review of social housing policy in Canada was conducted with a focus on its policy shifts from welfarism to neoliberalism and most recently, post-welfarism. The premise of this was to set the context within which affordable housing in Ontario evolved throughout the years. In doing so, an extensive review of recent studies, particularly within the last decade was consulted. This included a thorough review of scholarly journals, periodicals, government documents and publications from non-governmental organisations. Also, a literature review of the management of social housing in Ontario with key recommendations for housing policy reform was conducted. This was primarily used to inform the discussion and analyses of interview results. I further examined existing statistics gathered from Statistics Canada, ONPHA, the CMHC, and the City of Toronto's Affordable Housing Office.

c. Interviews

In order to obtain a better understanding of the on the ground effects of the C-OAH program on the City of Toronto, I attempted to contact ten housing agencies representing various aspects of the housing sector. This included staff from the City of Toronto's Affordable Housing Office, planners, the Toronto Community Housing Corporation (TCHC), housing advocates, and non-profit and private sector organisations. However, only four respondents opted to participate in the study. These included two civil servants from the City of Toronto - a representative from the Affordable Housing Office and a senior planner from the Planning Department; a member from the TCHC; and a housing advocate from a well-known equity rights agency in Ontario.

Given this relatively small sample size, I opted to conduct in-depth semi-structured interviews with respondents so as to gain a comprehensive analysis of the issue facing the city. The interview process lasted approximately one to two hours, and was premised on a series of hypotheses that were developed through the literature review process (refer to Section 4).

Specifically, I focused on the influences of neoliberalism on a post-welfare state. Much like Jinha's (2009) approach, the interviews were initiated using a series of prepared questions with the purpose of engaging respondents in a meaningful manner. This included a review of their work in the housing sector, and their interactions with the C-OAH program. As the interview process continued, respondents were allowed to elaborate and highlight key aspects that they deemed to be critical to the program, while also addressing the research question. This allowed for a more exploratory approach to the interview process. It should be noted that interview texts were reported anonymously to protect informant identity.

In interpreting the results, interview notes were re-typed and organised into major themes based on the research question and hypotheses. In some cases, new and distinct categories were created as these issues were not initially considered during the literature review process. This included the influences of NIMBYism and the role of the Ontario Municipal Board (OMB).

d. Study strengths and limitations

There are several advantages to having a triangulated approach. Firstly, by reviewing the evolution of housing policy, I was able to utilise a wide variety of data sources to gain an extensive understanding of the policy shifts in Ontario. This allowed for comparisons to be made over time with respect to the economic, political and social forces that have influenced affordable housing policy. More importantly, the data gathered was not affected by reactivity, further strengthening the analyses while complementing the interviews (Neuman & Robson, 2009).

Secondly, the use of in-depth interviews allowed me to employ a microscopic approach to the research. That is, given the relatively small sample size, I was able to utilise a greater number of open-ended questions to support my analyses. These were semi-structured in nature, but allowed for free responses. This not only allowed respondents to answer questions in rich detail, but also enabled me to probe further in particular responses.

Thirdly, given the complex nature of the issue being explored, I was able to gain a comprehensive understanding of respondents' thoughts and opinions into the program and its effects on the city. In essence, I was able to understand respondents' reasoning behind their opinions. It also allowed for a critical evaluation of the program and the discovery of unanticipated findings, which were examined further (Neuman & Robson, 2009).

Lastly, owing to the fact that I have elected to examine the C-OAH program after being introduced 10 years earlier, allowed for a more accurate analysis of the program. The results generated are by no means premature in nature, but rather, an accurate account of the impact of the program on the ground. It also allowed respondents to reflect on the program's outputs and outcomes throughout the years (2001-2008).

Despite the apparent strengths, the research methods also had several limitations. The most notable include its relatively small sample size. Given that four out ten respondents agreed to participate, I was unable to obtain a broader understanding of the impacts of the C-OAH program. The sample is representative to a degree, but does not take into account the opinions of the private for-profit sectors. Also, given that I conducted a case analysis, the results obtained cannot be generalised across the Greater Toronto and Hamilton Area.

3 Literature Review

This section comprises of two main components: (a) definitions of key concepts and (b) a review of Canadian housing policy. I operationalised the notions of affordable and social housing, welfarism, neoliberalism, and post-welfarism as I used them in this paper. These concepts were used to inform my analyses of the proposed research question, and thus required much attention. Secondly, a literature review of Canadian housing policy has been conducted. Here, I examined the shifts in housing policy since the 1940s onwards with a focus on welfarism, neoliberalism and post-welfarism.

a. Definitions

Affordable Housing

There are many interpretations of what is meant by affordable housing. For example, from the perspective of the Canadian government (both federal and provincial), affordable housing refers to shelter that costs less than 30 per cent of a household's before tax income (CMHC, 2010). Unfortunately, this definition is quite narrow and unrealistic, and only represents a small proportion of the population in need of housing that is adequate and suitable. More importantly, it views affordability as being a static concept that represents a single point in time.

On the other hand, housing advocates such as the Ontario Non-Profit Housing Association (ONPHA) interpret affordable housing as being part of a continuum rather a single point. It ranges from vulnerable households in deep need, spending more than 50 per cent of their income on rent, to those who may be able to afford the 30 per cent norm, but may still experience housing need. These households may have a chronic need that requires continual support, or have no support needs but experience low income due to factors such as weak labour market skills (ONPHA, 2009). Consequently, affordable housing tends to mean different things to different

people at different times (ONPHA, 2009). It is this viewpoint that I agree with, and have used to inform my analyses.

Social Housing

Social housing is used to describe all forms of publicly assisted housing. These include public, non-profit and co-op housing (Wolfe, 1998). The purpose of social housing is to provide assistance to low- and moderate-income households obtain shelter that is adequate, suitable and affordable. These include seniors, families, single parents, recent immigrants, and special needs groups. It can be provided by municipalities, voluntary groups and community organizations such as the YMCA/YWCA. A critical component to social housing is ensuring affordability.

Welfarism

The social welfare state or welfarism can be thought of as a loose set of social policies and programs that provided Canadians with a modest level of economic security and social support (Mulvale, 2001). It was designed to address specific problems of the day relating to the production of goods and services and their distribution (Hulchanski, 2007). Also known as the Keynesian welfare state, it began during the mid-1940s and lasted until the mid-1970s. According to Fallis (2010), welfarism represented a new relationship between governments and their citizens. Governments were seen as having a legitimate role in ensuring the welfare of its society. In doing so, they were expected to mitigate the unequal distribution of income, wealth and opportunity that were present within the markets.

Neoliberalism

Based on the literature surveyed, neoliberalism appears to be an elusive and highly contested term that is rife with internal contradictions and inconsistencies. As a result, there are countless viewpoints of how neoliberalism is defined and manifested locally. Nonetheless, it is a

useful concept in examining the evolution of social housing policy in Ontario, particularly during the 1990s. Within the context of this paper, I have elected to use Hayek (1944) and Friedman's (1962) interpretation of what is meant by neoliberalism. They have suggested that neoliberalism is centered on three main ideas. Firstly, the individual is the normative center of society and should be as unencumbered by rules and collective responsibilities as possible. That is, their individual entrepreneurial freedoms and skills should be liberated (Bouderau et. al., 2009). Secondly, the market is the most effective means through which individuals can maximise their own utility functions. Lastly, state actions that interfere with either individual autonomy or market relations lead to an autocratic society. In other words, the markets should be free from state and bureaucratic controls (Bouderau et. al., 2009).

Neoliberalism therefore, can be viewed as a set of ideologies that promote the private interests through deregulation, privatisation, liberalisation of the markets, and downsizing of governments (Harvey, 2000). It has also been known to support the draconian cut-backs in the welfare state, most notably in social services including housing. In essence, it is a belief that guides the actions of governments. However, it is important to note that neoliberalism must be viewed as being part of a situation-contingent application that is influenced by specific economic structures, political culture and history (Hackworth & Moriah, 2006). These influences will determine the specific policies that will manifest themselves on the ground. Neoliberalism must not be viewed as being part of a top-down process whereby the decisions of the senior levels of government directly influence the on the ground impacts. Rather, the decisions of government coupled with locally contingent realisations will influence how neoliberalism is manifested.

There are mainly two phases to neoliberalism: "roll-back" followed by "roll-out". According to Peck and Tickell, (2002) and Hackworth and Moriah (2006), "roll-back" neoliberalism refers to the dismantling and deregulation of the Keynesian state policies including public housing and public spaces. The second phase, formally known as "roll-out" neoliberalism,

refers to the creation of new institutions and regulations of the state that promote neoliberal ideologies.

Post-Welfarism

Post-welfarism or the post-welfare state is a relatively new model that is emerging in North America and across Europe. It is thought to have emerged after the rise of neoliberalism during the early 1990s. Much like the welfare state, post-welfarism seeks to pursue the same fundamental objectives of social policy (Fallis, 2010). This includes deploying social programs as the first line of defence against economic insecurity, not the last (Battle & Torjman, 2001). However, post-welfarism recognises that governments alone cannot address issues of social policy. That is, governments are not playing a major role in alleviating the inequities of the markets. Rather, post-welfarism emphasises the need and importance of non-governmental actors such non-profit and for-profit organisations in designing and delivering social programs (Battle & Torjman, 2001). It also stresses the importance of adapting to the changing economic, political and social realities within which governments must operate.

In many respects, the post-welfare state appears to have been heavily influenced by the “roll-out” phase of neoliberalism. That is, much of its policies and programs appear to have perpetuated the ideologies of neoliberalism. For example, apart from its emphasis on partnerships with the private and voluntary sectors, it also seeks to reduce the size of governments. According to Battle and Torjman (2001), this has been done through the reduction in duplication and overlap within and between governments, particularly between the federal and provincial levels and their delivery of social programs.

b. Canadian Housing Policy

The history of Canadian housing policy is quite complex. However, an understanding of it is necessary in exploring the impacts of the C-OAH program on the City of Toronto. It will not

only serve to contextualise ones understanding, but also shape the discussion to follow. In doing so, I have elected to use George Fallis' (2010) approach of dividing the history of housing policy into four periods: 1945-1964, 1964-1978, 1978-1998, and 1998 to 2008. This allowed me to categorise the evolution of housing into three main stages: welfarism, neoliberalism and post-welfarism. As suggested by Fallis (2010), the financial crisis of 2008 and its subsequent recession represent another period of housing policy, which is beyond the scope of this paper.

The first period of Canadian housing policy extended from 1945 to 1964, and is formally known as the era of economic development (Leone & Carroll, 2010). During this time, the federal government took a leading role in housing policy development. It was primarily focused on transitioning out of a wartime economy into a period of stabilisation (Fallis, 2010). In doing so, the federal government was interested in stimulating the growth and development of new housing for war veterans, operationalising the private mortgage market, and building new dwellings to overcome the backlog from the depression and war (Fallis, 2010). This period also saw the creation of the Central Mortgage and Housing Corporation (CMHC), later renamed the Canada Mortgage and Housing Corporation. This was a crown entity that was focused on providing mortgage insurance and direct lending to returning war veterans and private developers. At this point, the market was heavily focused on homeownership and the rise of suburban development. For example, grants and loans were supplied by the federal government for the suburban development of large-scale, medium-density housing (Carroll, 2002). According to Fallis (2010), there was only a very small public housing program with no comprehensive housing policy in place.

The second period, 1964 to 1978, represented a marked shift towards a comprehensive housing policy in Canada. It can be classified as the era of social development. It began with the National Housing Amendments (NHA), which saw the entrance of the provincial governments into the housing sector (Leone & Carroll, 2010). This led to a series of cost sharing and direct

subsidy programs for many housing initiatives. It also led to the creation of the short-lived Ministry of State for Urban Affairs, which has been credited for facilitating housing policies involving all three levels of government. For example, home-ownership assistance programs, housing for seniors, and income-integrated housing were all developed in cooperation with the three levels of government (Carroll, 2002). This period also saw the widespread support for the construction and ongoing funding of public housing. In fact, by 1970, over 10 per cent of housing starts were public housing, which was targeted towards low-income households (Fallis, 2010). Recipients of public housing were charged a rent geared to their income that required deep ongoing subsidies from both the federal and provincial levels of government.

This period also led to the creation of non-profit and co-op housing programs. These were operated by a third sector, formally known as the non-profit housing sector. This form of housing relied heavily on cost-sharing funding and on-going subsidies from the CMHC and the provinces (Fallis, 2010). In most cases, the funding mechanisms were based on 75:25 per cent cost matching basis. That is, 75 per cent federal grants and 25 per cent provincial funds, with the provinces requiring 10 per cent from municipalities (Wolfe, 1998). These programs were developed with the intention of achieving social mixing within public housing. This was a rising concern for many housing advocates during this era.

According to Leone and Carroll (2010), this phase led to the rise of the welfare state in Canada, particularly in regards to housing policy. The goal of this period was to solve social policy problems through rational problem-solving techniques that involved the introduction of broader social-liberal discourses. Here, it was thought that people could be assisted in obtaining better housing through expanding government funded housing initiatives. Governments were seen as having a legitimate role in improving the welfare of its residents. Consequently, Canada was moving towards a comprehensive housing policy with over 20,000 new social housing units being constructed annually (Fallis, 2010).

The 1978 to 1998 period, formally classified as the era of contraction, began with concerns over rising government deficits, sluggish economic growth and increasing unemployment (Leone & Carroll, 2010; Wolfe, 1998; Flavo, 2006). During this period, the federal government was finding it difficult to sustain many of the social programs created during the welfare state. As Fallis (2010) suggested, this led many policy makers into believing that the welfare state had expanded too far, thereby becoming a drag on the economy. The net effect of this was the cancellation of many federally sponsored housing programs, and a transition from a strong federally controlled sector to that of a weak, almost non-existent one (Leone & Carroll, 2010). In effect, the federal government was disentangling itself from public housing. In many ways, they wanted to reduce the overlap and duplication between federal and provincial jurisdictions (Leone & Carroll, 2010). During the earlier part of this period, the CMHC no longer provided mortgage loans to non-profit and co-op housing providers in financing the construction of new units. Rather, these groups were required to secure mortgages through the private markets (Fallis, 2010). However, they still continued to issue mortgage insurance to these organisations.

By 1994, the federal government had removed itself completely from the funding and management of housing. As a result, housing responsibilities were downloaded onto the provincial governments. As Cheema and Rondinelli (2007) and Schuk (2009) have argued, downloading refers to the process through which the authority, responsibility and resources for certain services are downloaded from one level of government to another. In terms of expenditure, prior to 1994, the federal government had pledged approximately \$2.13 billion for housing; in 1995/96 and 1996/97, these figures dropped to \$2.03 and \$1.94 billion respectively (Leone & Carroll, 2010). These cuts were crippling to the management and creation of affordable housing initiatives in Canada, and specifically Ontario.

In Ontario, the issue was further compounded with the provincial election of Mike Harris under a CSR manifesto in 1995. One of his main platforms was to reduce the overlap and

duplication within and between governments – much like that of the federal government. This led to the divestment and disengagement of the provincial government from the governing and financing of social housing (Graham & Phillips, 1998). In this case, housing responsibilities were further downloaded on municipalities. In doing so, Ontario cancelled all future housing commitments and eliminated support for roughly 17,000 units that were already in the pipeline (Hackworth & Moriah, 2006). To further exacerbate the problem, the province did not grant municipalities any additional revenue generating authority. This, according to Schuk (2009) and Hackworth and Moriah (2006) limited their ability to address the needs of the community, as they did not have enough taxing authority to generate sufficient revenues for such expenditure. They were forced to operate and deliver additional social services using their existing tax base, much of which has been shrinking.

Upon the province's exit, they agreed to a one-time investment of \$215 million in capital upgrades, \$173 million to repair co-op housing and \$42 million annually for public housing (Graham & Phillips, 1998). Even though these may be construed as being significant investments, municipalities were still unable to meet the rising demand for affordable housing, further intensifying the existing housing crisis. For example, the Ontario Non-Profit Housing Association (ONPHA) (2011) has noted that Ontario's social housing waiting list has been steadily increasing since 2004. There are currently 152,077 households on the waiting list, representing an increase of over 21 per cent since 2004 (126,103).

The 1978 to 1998 era thus ultimately led to the rise of neoliberalism within the housing policy sector, particularly within Ontario. The 1990s have been thought to represent the peak of neoliberalism and the drastic "roll back" of welfare state policies. As Dalton (2009) suggested, the inability of the welfare state to deal with changing economic conditions, particularly high and persistent rates of inflation and employment, established a shift in thinking. It is this context that gave rise to the ideologies of neoliberalism. This era, specifically with regards to the CSR

movement has been thought of as a way of privatizing as much services as possible, especially within the housing sector (Hackworth & Moriah, 2006; Kipfer and Keil, 2002; Keil, 2002). The provincial government at the time believed that the markets would be able to solve the growing housing crisis while it occupied a more limited role. The intent of which was to improve the delivery of housing and forge new relationships with the private markets.

The final phase of housing policy, as defined within this paper, began in 1998 and ended in 2008. It can be categorised as the era of federal reengagement. According to Fallis (2010), this period signalled a shift in the economy to one of economic growth, low inflation and unemployment, and reduced government deficit. These shifts allowed for the development of new opportunities and initiatives within the housing sector. More importantly, the severity and visibility of the growing housing crisis during the 1980s and 1990s, coupled with growing pressures from municipalities and advocates propelled the issue of housing onto the federal government's agenda (Fallis, 2010; Leone & Carroll, 2010).

During this period, two unique programs were created by the federal government. Firstly, in 1999, they launched the Supporting Community Partnership Initiative (SCPI) with the goal of addressing homelessness. According to Flavo (2007), since 2000, the SCPI has provided approximately \$850 million in funding for "strategic investments that address homelessness".

Secondly, in 2001, the federal government introduced the Affordable Housing Initiative (AHI), which represented their first significant commitment since the 1990s. This was based on a multilateral agreement with the federal, provincial and municipal governments on a cost-matching basis of federal grants. These costs can be matched by any level of government or the private sector (CMHC, 2011). Under this initiative, the federal government has decided to decentralise decision making as to where federal monies can be spent to the provinces, municipalities and, arguably, the private sectors (Leone & Carroll, 2010). That is, municipal

service managers have been given granted the authority in determining the types of affordable housing projects that are eligible for funding without federal oversight. Housing proponents from the private and non-profit sectors can apply for funding from the service managers. This represented a significant shift from previous eras, where the federal level took more of a leadership role in the management of funds. During its first phase (2001), the federal government committed \$680 million towards rental housing, which was to be spent over five years. In 2003, they contributed another \$320 million for the funding of affordable housing for targeted low-income households, resulting in a total of \$1 billion (Leone & Carroll, 2010; Flavo, 2007). In 2005, an additional \$1.6 billion was pledged by the federal government for the provision of affordable housing (Flavo, 2007). However, this was not part of the AHI and was therefore not considered within this paper.

This period represented the emergence of a post-welfare state that has been heavily influenced by the neoliberal ideologies of the 1990s. To a large extent, it can be classified as the “roll-out” phase within the neoliberal regime that sought to create new regulations and institutions. For example, the AHI’s decentralisation of decision making as to how federal monies can be spent appears to have further allowed for an affordable housing sector that is heavily reliant on the private sector. The AHI also recognises the importance of partnerships with the private for-profit and non-profit sectors in addressing the issue of affordable housing. It is this shift that I was interested in examining, particularly with regards to its impact on the City of Toronto.

Table 1: Canadian housing policy stages

	Policy Stages (focus on Ontario)				
Characteristics	Economic development	Social development	Contraction		Reengagement
Time	1945-1964	1964-1978	1978-1998		1998-2008
			1978-1994	1994-1998	
Intergovernmental	Federal leadership	Multi-level governance consultation	Provincial leadership	Municipal leadership	Tri-level consultation
Delivery instruments	Federal loans and grants	Cost sharing and direct subsidies and loans	Loan guarantees, mortgage insurances and coproduction	Non-profit and for-profit sectors, local governments	Cost sharing between governments and the private sector
Economic conditions	Reconstruction and prosperity	Prosperity and inflation	Recession and high government deficits		Economic growth and high government surpluses
Policy framework	Beginning of the welfare state	The welfare state	Neoliberalism		Emergence of post welfare state

Source: Carroll & Leone, 2010; Fallis, 2010

4 Hypotheses

In exploring the proposed research question, a series of hypotheses were developed. These were informed through the theoretical frameworks outlined earlier including neoliberalism and post-welfarism. These hypotheses were used as a means of teasing out possible questions to be considered during the interview process. It also served to guide the discussion and analyses.

Based on the review of the literature, the following have been suggested:

1. The post-welfare state recognised the importance of partnerships with non-governmental actors. As such, the C-OAH program has allowed for greater flexibility in enticing non-profit and private sector organisations in participating within the process of developing new affordable housing. Within the context of this paper, the term private sector refers to for-profit organisations such as private developers.
2. The retrenchment of governments within the housing sector during the 1978-1998 era precipitated a reliance on private sector involvement in providing affordable housing. Consequently, the proceeding period, which the C-OAH program was created, has further continued to perpetuate this reliance on private sector involvement. That is, the program's successful operation is dependent on its ability to engage the private sector.
3. The post-welfare state places fewer burdens on governments, particularly at the senior levels, in delivering affordable housing. Therefore, the intention of the C-OAH program is to divest the federal government of the burden of initiating and delivering new affordable housing programs. They are more interested in supporting limited programmes of capital assistance rather than addressing the root causes of the affordable housing crisis plaguing many urban centers such as Toronto.

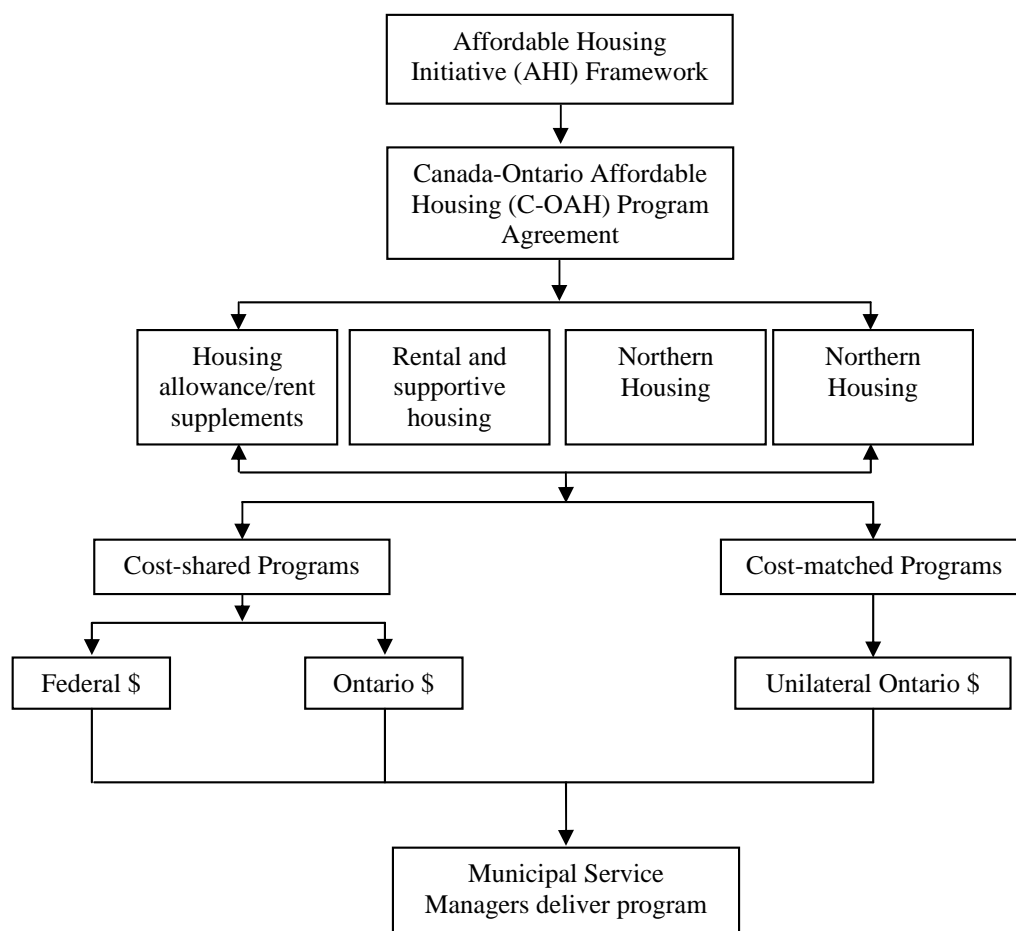
The remainder of this paper is divided into two sections. First, I discussed the broad setup and structure of the C-OAH program. This included its objective, program components, funding

allocations and responsibilities of municipal service managers. Next, I examined the detailed findings based on the triangulation of interviews and documentary data from Toronto.

5 Overview of the Canada-Ontario Affordable Housing (C-OAH) Program

In Ontario, the AHI is operated under the Canada-Ontario Affordable Housing (C-OAH) program (refer to figure 1). The main objective of this program is to increase the supply of affordable housing in Ontario through partnerships with all levels of government and housing stakeholders. This includes private and non-profit housing providers such as co-ops, service clubs, religious and charitable organisations, and municipal non-profits (MMAH, 2006). There are four main components to the program: housing allowance/rent supplements, rental and supportive housing, northern housing and homeownership.

Figure 1: Overall Structure of the AHI program



Source: CMHC, 2007

Within the context of this paper, I examined the rental and supportive housing component, which is primarily focused on providing financial assistance to non-profit and private developers. It required a total of \$364 million in federal and provincial contributions, representing the largest share of the four components (see table 2). The program has created some 5,440 units across Ontario (City of Toronto, 2006). Within the City of Toronto, over \$79 million have been allocated towards the creation of new affordable rental housing under the program. This has resulted in creation of some 1,135 affordable rental units (see table 3). The rental and supportive housing component is therefore a significant aspect of the C-OAH program as it generated the most affordable units of the various components.

Table 2: Program funding and unit allocation (Ontario)

Program component	Units	Total Funding	Funding per unit	Progress (as of 2006)
Housing allowance/rent supplements	5,000	\$80M	\$20 - \$360/month Average \$266/month	499 units
Rental and supportive housing	4,000 rental	\$280M	Average \$70,000	5,440 units
	1,200 supportive	\$84M		
Northern housing	1,500	\$30M	Average \$20,000	200 units
Homeownership	4,500	\$36M	Average \$6,500 to \$10,000	884 units
Total	16,200	\$510M		7,023 units

Source: MMAH, 2006; City of Toronto, 2006

Table 3: Program funding and unit allocation (City of Toronto)

Program component	Units	Total funding
Housing allowance/rent supplements	1,800	\$37.80
Rental and supportive housing	1,135	\$79.45
Homeownership	729	\$6.345
Total	3,664	\$123.595

Source: MMAH, 2006; City of Toronto, 2006

According to the MMAH (2006), the rental and supportive component aims to reduce the capital costs for rental and supportive housing units developed through new construction,

acquisition and conversion, or through additions and renovations to existing stock. It also enables housing providers to achieve rent levels that are below average market rents for a minimum of 20 years. In fact, rents are required to be at or below 80 per cent of CMHC's Average Market Rent (AMR). For example, in 2006, the AMR for the City of Toronto was \$1,061. Under the C-OAH program, housing providers would be required to charge a maximum monthly rent of \$849 (Government of Ontario, 2006). The program is primarily targeted towards the vulnerable populations including Aboriginal peoples; recent immigrants; persons with disabilities; persons living with mental illness; low-income seniors; victims of violence; and the working poor.

As indicated in table 2, the average combined federal and provincial contribution per affordable rental unit is \$70,000. Of this, 38 per cent or \$26,600 is provided by the federal government as up-front capital, which is available during the development and construction phase of projects. The remaining 62 per cent or \$43,400 is provided by the Government of Ontario, which is used to finance the 20 year minimum affordability payment (MMAH, 2006). Funding from this initiative is provided on a five year renewal basis. An important caveat to the program is the requirement that housing projects be "shovel ready" within three months of being approved by Municipal Service Managers.

In operating the program, the role of the municipality, through Ontario's 47 Consolidated Municipal Service Managers, is to (MMAH, 2006):

- a) plan and facilitate local affordable housing investments with local partners;
- b) ensure the appropriate target groups and clients are assisted by programs;
- c) provide appropriate development incentives to support proponents participating in the program including waiving development charges or equalisation of property taxes;
- d) establish local procurement processes including soliciting and selecting eligible projects and/or households to the province; and

- e) ensure program compliance and reporting, especially in regards to the 20 year affordability period

Service managers therefore play a critical role in ensuring that the program is successful in achieving its objective. As illustrated in figure 1, they are the ones responsible for implementing and operating the program on a local level. According to the MMAH (2006), service managers are in the best position to build partnerships within the community that address local needs.

6 Findings and Discussion

In discussing my findings, I have elected to categorise the results into three recurring themes that became apparent during the interview process. These included having a reliance on private sector involvement; the perpetuation of band-aid solutions; and the influences of NIMBYism and the role of the OMB. Within each category, I have attempted to address the issues brought forth within the hypotheses suggested.

a. Reliance on private sector involvement

The reengagement of the federal level within the social housing sector has increased the reliance on private sector involvement for the provision of affordable housing in post-amalgamated Toronto. This has been attributed to the senior level governments' exit from the housing sector during the early 1990s. More specifically, the draconian cuts that followed their exit forced many housing experts to abandon the sector in search of alternative employment, ultimately rendering the sector inoperable (TCHC, 2011; City Staff 1, 2011).

When the federal government introduced the C-OAH program in 2001, the City found itself at a crossroads. Since they lacked the necessary skills and expertise needed within the housing field, they were required to partner with private sector housing developers (City Staff 1, 2011). The reason being that they possessed the necessary efficiencies and capabilities required to stimulate the production of affordable rental units (City Staff 2, 2011). They had the initial capital investments required to get projects "shovel ready" within three months from being approved, which was a prerequisite for funding. In comparison, non-profit housing providers lacked the necessary capacities required to meet this three month rule, ultimately making it difficult for them to qualify for funding. Many non-profits did not have the initial capital investment required to get projects started. For this reason, both the city and province favoured increasing partnerships with private developers (TCHC, 2011). In fact, during the procurement process, the city staffs have

been found to favour private sector housing projects over those from non-profit housing providers (City Staff 1, 2011). For example, upon proponents (both private and non-profit sectors) submitting their housing proposal, city staff were required to determine which projects had a greater likelihood of being approved by Service Managers. In doing so, staff tended to overlook many non-profit housing proposals as it was felt that they could not meet the program's prerequisites (City Staff 1, 2011).

This preference for private sector involvement can also be traced to many provincial and city led initiatives. This includes the Municipal Housing Facility by-law and reduced property taxes, both of which were granted under the amendments to the Municipal Act in 2001. From a provincial perspective, this allowed for greater flexibility in attracting private sector interests to the sector. On a local level, these initiatives were used as a means of enticing private sector developers in entering into partnerships with the city. The Municipal Housing Facility by-law, enacted in 2002, provides loans and/or grants to the private sector in the form of waived municipal development charges for the provision of affordable housing (City of Toronto, 2002). The city also provides tax incentives to private developers who receive C-OAH program funding. For example, multi-residential properties can qualify for a residential property tax rate, which is substantially lower. This further entices private developers to participate within the program. For example, within the City of Toronto, the current city tax rate for residential properties (excluding the education tax rate) is 0.56 per cent, while the multi-residential tax rate is pegged at 1.86 per cent, resulting in a difference of 1.30 per cent (City of Toronto, 2011c). While these programs may be construed as ensuring the affordability of units, its primary goal has been to attract private sector developers. It should be noted that these incentives are applicable to both private and non-profit sectors. However, it has been more successful in garnering private sector approval given the potential financial gains.

Another interesting finding relates to the fact that much like the city, non-profit housing providers including the TCHC, have been found to rely on private sector involvement. In the case of the TCHC, they are heavily reliant on private sector involvement, particularly during the construction phases (TCHC, 2011). According to the TCHC respondent interviewed (2011), the organisation cannot provide new affordable units without partnering with the private sector. That is, they must always contract out projects to private developers. This is due to the fact that they, much like the city, lack the necessary expertise required for the construction of new units. In attracting developers to the process, the TCHC has agreed to facilitate the planning approval process including development applications, official plan and zoning by-law amendments and consultations, while the developer is solely responsible for the construction of units (TCHC, 2011).

The TCHC has also been involved in fostering public-private partnerships that favour the private sector. This a cooperative venture that is undertaken with the involvement of private and public sectors that builds on the expertise of each partner (CCPPP, 2009; Moskalyk, 2008; Wallace et al., 1998). A recent example of this type of partnership is the revitalisation of Toronto's Regent Park, located in east downtown Toronto. While the revitalisation did not create additional affordable rental units, it is still a useful case to examine since the project involved a \$1 billion reinvestment, over half of which was covered by private capital and funding from the C-OAH program. The redevelopment is one that utilized a public-private partnership agreement among all three levels of government, the TCHC, and Daniels Corporation, which is a private developer. The TCHC's interest in public-private partnerships has been partially guided by the principles of the CSR movement. That is, there is an increased reliance on the market, rather than governments in providing affordable housing to residents. As suggested by the housing advocate interviewed (2011), public-private partnerships are seen as a means of obtaining funding as governments are not injecting a sufficient amount of funds into the sector. This demonstrates the

fact that market-based logics are being utilised within the City of Toronto and its municipally operated housing provider.

Despite the perceived successfulness of entering into partnerships with the private sector, several disadvantages have been identified. The most notable includes having a fragmented housing sector whereby specific areas within the city are given more attention than others (Advocate, 2011). For example, the successful engagement of the private-sector in the revitalisation of Regent Park is, arguably, attributed to its strategic location within the City of Toronto; it is situated just south of Cabbagetown in east downtown Toronto. Cabbagetown, once considered a 'slum', has since been successfully gentrified into an urban place that attracts professionals and urbanites. As James (2010) has noted, many critics to the revitalisation of Regent Park have cited that the entrance of a private developer was a means of facilitating the gentrification of the neighbourhood, much like that of Cabbagetown.

In this regard, there has been little effort in attracting the private-sector to participate in similar ventures across the city. The case that stands out is the Jane-Finch neighbourhood of north Toronto. Similar to Regent Park, this neighbourhood consists of a large-scale production of public housing (Boudreau et. al., 2009). It also comprises of a comparable demographic to that of Regent Park and has been branded as being plagued by poverty, crime and violence. The only major difference between Regent Park and Jane-Finch is their spatial location within the city. The Jane-Finch neighbourhood is not strategically located within the downtown core, nor is it in an area that can attract a varied socio-demographic populace. In these instances, it quickly becomes apparent that attracting private developers will depend on whether or not they perceive the venture as being a profitable one.

Nonetheless, the fact that the C-OAH program is heavily reliant on private sector involvement and partnerships does not come as a surprise. Rather, it is an expected outcome as

the post-welfare state has been heavily influenced by the shifts in economic and political culture during the 1990s. It does, after all, represent the “roll out” phase of the neoliberalism. These were premised on dismantling the welfare state gains of the 1970s, thereby reducing the size of governments and liberalising the markets. Much of the literature surveyed have suggested that these policies, particularly with regards to the CSR movement, have led to the marketisation of many social services such as affordable housing (Hackworth & Moriah, 2006; Kipfer and Keil, 2002; Keil, 2002). The fact that the C-OAH program emphasizes the need and reliance for private sector involvement in delivering the program suggests that there is real reliance on them. There is an acknowledgement that governments alone cannot address the issue of housing affordability.

b. The perpetuation of band-aid solutions

Another theme that emerged during discussions with respondents is the fact that the C-OAH program has led to the perpetuation of band-aid solutions within the City of Toronto. That is, there is a tendency to provide temporary solutions that do not address the root causes of the affordable housing crisis. As suggested by respondents, this has been a result of several factors including a narrow definition of what is considered affordable housing, and providing episodic funding that is based primarily on population rather than need. These have limited the city’s ability in creating long-term comprehensive housing policies and initiatives (City Staff 1, 2011; TCHC, 2011; Advocate, 2011).

The notion of affordable housing is quite elusive. It can mean different things to different people at different times. According to the MMAH (2006), affordable housing within the context of the C-OAH program is defined as dwellings that cost less than 30 per cent of a household’s before-tax income. This definition is quite vague and unrepresentative of the crisis being faced within Toronto. It appears as though there is a disconnect between what the senior levels of government define as affordable and what is happening on the ground (Advocate, 2011). Their

definition is unrealistic and fails to take into consideration those who may be in core housing need, spending more than 30 per cent of their income on rent (Advocate, 2011). These individuals may be in a chronic state of core housing need, requiring on-going rent supplements. For example, according to the City of Toronto (2011a), in 2006, over 23 per cent or 216,070 households spent more than 30 per cent of their income on rent within Toronto. Of these, 70 per cent or 154,190 households were renters. Under the C-OAH's mandate, it is unlikely that these households will be able to benefit substantially from the program (Advocate, 2011).

As suggested from discussions with interviewees, the federal government's use of this definition was a result of them wanting an interpretation that required limited funding, and could be reached through the initial capital subsidies provided (Advocate, 2011). That is, an initial subsidy to the construction of affordable rental units is small compared to on-going shelter allowances required to maintain realistic affordable rents. The result of this is that housing providers cannot maintain rents at below market levels, but rather, must go below economic rents. However, such an approach barely meets any definition of affordability (TCHC, 2011). In fact, Dalton (2009) and Pomeroy (2003) have noted that the federal government has maintained a position of not entering into any new initiatives that involve on-going subsidies. Rather, they are only prepared to enter into a limited programme of capital assistance for additional public housing. This places fewer burdens on governments and allows them to put relatively minimal resources into developing new units (Advocate, 2011). Within the context of a post-welfare state, this is an expected outcome as there are fewer burdens placed on governments in addressing social inequities (Battle & Torjman, 2001). They have limited their responsibility to the provision of capital investments, transferring all other responsibilities onto municipalities, and arguably, the private sector.

Another aspect to this is the reliance on episodic funding that is based on the size of a city's population rather than its population need for affordable housing (Advocate, 2011; City

Staff 1, 2011). Within the City of Toronto, this is a particularly pressing issue as it limits their ability to address the core issue of housing affordability, which is providing on-going rent supplements to households in core need. As demonstrated within tables 4 and 5, while Toronto received the largest “chunk” of C-OAH program funding (\$79M) resulting in some 1,135 units, this was not sufficient in addressing the city’s needs. That is, of the 154,190 renting households in need, only 1,135 have been able to gain access to affordable rental units. This represents a mere 0.7 per cent of the total renting population (see table 6). To further exacerbate the problem, this does not include the 66,000 currently on the social housing waiting list. When compared to the regional municipalities of Durham, Halton and York, 1.5 per cent, 1.8 per cent and 1.4 per cent respectively were able to access affordable rental units. Despite these relatively small percentages, one is able to clearly identify the disconnect between housing need and the funding being provided. In many respects, Toronto has not been able to receive an equitable portion of federal funding when compared to other municipalities within the GTA. The federal government has chosen to ignore the fact that the Toronto is home to a burgeoning vulnerable population that is much larger than that of any other municipality within the GTA and Ontario. By virtue of this, they require a substantial amount of federal government investments.

Table 4: GTA rental and supportive housing funding and unit allocation

Regional Municipalities	Funding (M)	Units
City of Toronto	\$79.45	1,135
Regional Municipality of Peel	\$32.55	465
Regional Municipality of Durham	\$11.20	160
Regional Municipality of Halton	\$8.40	120
Regional Municipality of York	\$25.90	370
Subtotal GTA	\$157.50	2,250

Source: MMAH, 2006

Table 5: Central Ontario (exc. GTA) rental and supportive housing funding and unit allocation

Regional Municipalities	Funding (M)	Units
County of Simcoe	\$10.85	155
County of Dufferin	\$1.05	15
City of Hamilton	\$15.40	220
District Municipality of Muskoka	\$1.75	25
Regional Municipality of Niagara	\$7.70	110
Subtotal Central exc. GTA	\$36.75	525

Source: MMAH, 2006

Table 6: Percentage of renting household accessing C-OAH program funded rental units

Regional Municipality	Renters in housing need	Units from C-OAH program	Per cent being housed
City of Toronto	154,190	1135	0.7%
Regional Municipality of Durham	11,025	160	1.5%
Regional Municipality of Halton	6,500	120	1.8%
Regional Municipality of York	25,730	370	1.4%

Source: City of Toronto, 2011

Coupled with this is the issue of having episodic funding that continues to diminish throughout the years. Federal grants are disbursed in five years “chunks”, which limits most municipalities, particularly the City of Toronto from having a long-term sustainable housing strategy. For example, the city’s affordable housing action plan for 2010-2012, formally known as the Housing Opportunities Toronto (HOT) plan, is dependent on a long-term financing plan from the federal and provincial governments. This plan proposes 67 actions within eight strategic themes that are directed towards to the provision of affordable housing within Toronto³. As per the plan, \$484 million in annual investments are needed over the next 10 years to assist 257,700

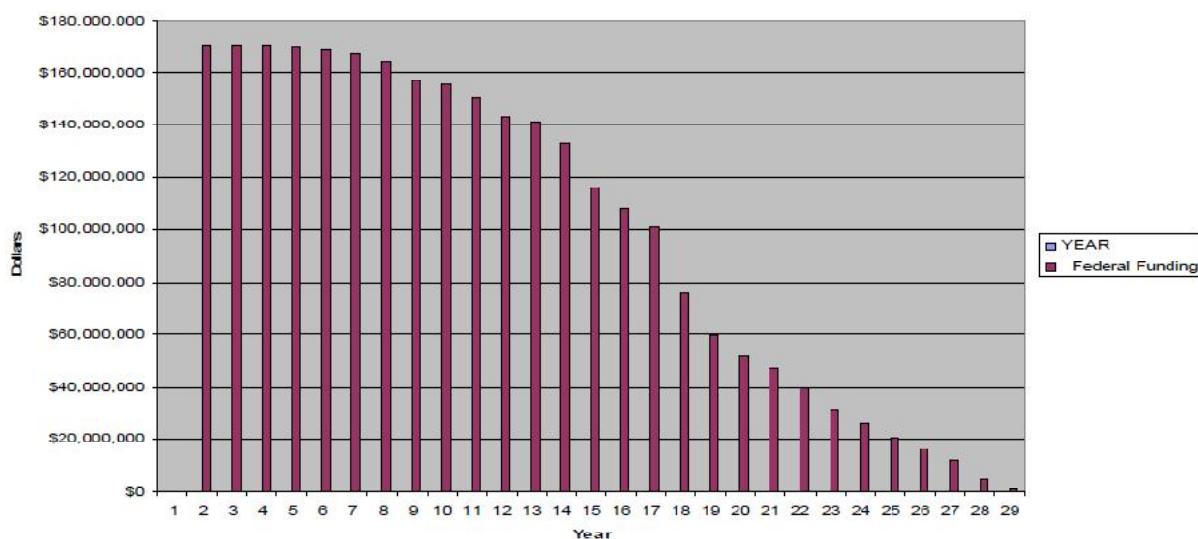
³ As per the Affordable Housing Action Plan, the eight strategic themes guiding the 67 actions for affordable housing includes:

1. Creating housing opportunities in all neighbourhoods
2. Helping homeless and vulnerable people find and keep homes
3. Assisting individuals and families to afford rents
4. Preserving and repairing rental housing
5. Revitalizing neighbourhoods
6. Creating new affordable rental homes
7. Helping people to buy and stay in their homes
8. Working together

households struggling with high housing costs or inadequate accommodations (City of Toronto, 2009). Despite the city's repeated attempts of obtaining such a long-term investment strategy, they have been unsuccessful. According to the City Staff 1 (2011), this is one of the main issues grappling the city as there no way of predicting whether the federal government will renew its C-OAH program funding commitments. It is this uncertainty that makes it difficult to plan for the long-term.

The other aspect to the problem is the fact that the funding levels are constantly decreasing and changing as the program progresses. As illustrated in figure 2, funding has begun to decline at a rapid pace since 2008 and will need to be replaced. For example, in 2008, the city lost \$570,000 in federal funding, and in 2009, it lost a further \$1,082,405 (City of Toronto, 2007). By 2015, it is expected to decrease by an additional \$31,000,000 annually. These cuts are a result of the federal government electing not to reinvest funds from expiring federal social housing agreements back into social housing (City of Toronto, 2007). By doing so, the viability of existing affordable housing within Toronto is at risk of being lost. The city's tax base is the only source of on-going revenue for housing, which makes it difficult to sustain. It is not an appropriate mechanism for funding social housing.

Figure 2: Withdrawal of federal funding for social housing in the City of Toronto, 2001-2029



Source: City of Toronto, 2007

There appears to be a limited reengagement of the federal level within the social housing sector. On the ground, the C-OAH program has made little impact on the City of Toronto's affordable housing crisis. The program places fewer burdens on the federal and provincial governments in delivering affordable housing. Their insufficient level of funding has only led to the perpetuation of band-aid solutions that do not address the issue of core housing need. Based on the findings, it is suggested that the federal government is only interested in solving some immediate concerns rather than addressing the root causes of housing affordability.

c. The Influences of NIMBYism and the Importance of the OMB

The management of social housing at the municipal level is complex to say the least. Apart from the absence of appropriate funding, social housing decision making is also influenced by local political forces that derive from NIMBYism (Not In My Back Yard). This has been particularly evident within land-use planning in Toronto, and is in fact, a major barrier to the provision of affordable housing. Specifically, the influences of NIMBYism on the planning process have been found to contribute to the continued opposition of affordable housing within particular communities. For example, during the start of 2010, councillors were faced with a controversial proposal to legalise rooming houses across Toronto. These are considered a form of affordable housing for low-income persons and workers (Kwan, 2010). The purpose of this proposal was to harmonise the rules to make rooming houses legal in areas such as Scarborough, which would stimulate further developments (Kwan, 2010). However, many Scarborough councillors opposed the proposal, stating that their constituents did not want these types of housing located within their community. In fact, many suggested that they were a "threat to single-family homes and the community's character" (Kwan, 2010). According to the OHRC (2011), these discriminatory neighbourhood opposition that is, NIMBYism creates a formidable land-use barrier to building affordable housing projects. These negative attitudes tend to delay,

halt or restrict many affordable housing developments within Toronto. More importantly NIMBYism heavily influences local political forces, as demonstrated within the case.

With the reengagement of the federal level, Toronto has witnessed a snail's pace of affordable housing development. Nonetheless, these developments tend to garner strong resident oppositions within communities, pushing the production of affordable housing into certain parts of the city (Advocate, 2011). This is especially true for non-profit housing organisations such as service clubs, religious groups and charitable organisations as they are often times directed towards a particular demographic within communities. This tends to lead to neighbourhood opposition among residents (Advocate, 2011). In this regard, the OMB has been an influential body in mediating potential conflicts. The OMB is an independent administrative tribunal responsible for hearing appeals and deciding on various contentious municipal matters including land-use planning issues (MMAH, 2010). In terms of land-use matters, the OMB must base its decision on sound land use planning principles as set forth within the Planning Act and Provincial Policy Statements (PPS). Within the City of Toronto, the OMB has been successful in driving affordable housing production in areas that may oppose its development (Advocate, 2011). As suggested by Moore (2010), while the OMB may erode local politicians' decision making authority, it allows them (local politicians) to evade responsibility for unpopular decisions. They are not influenced by NIMBYism or political will, but rather, by the planning principles set forth.

The OMB has also been found to negatively influence the decision making process within Toronto. As indicated by City Staff 1 (2011), the fact that planning applications involving affordable housing could end up at the OMB drastically influences the selection of projects. Proposals that are brought to the OMB are time consuming and expensive for the city and developers. Consequently, in selecting affordable housing projects, city staffs have developed a scoring process that reviews the likelihood of applications ending up at the OMB (City Staff 1, 2011). In doing so, they neglect projects that require substantial amendments to the official plan

and zoning by-laws, and those that may be perceived as being contentious – garnering neighbourhood opposition. This tends to shortlist many applicants during the approvals process, ignoring projects that may be of value to particular neighbourhoods within the city.

Unfortunately, the city has taken a complacent role where they are guided by proposals that are more likely to be approved, rather than those that are deemed vital to communities. The reengagement of the federal level therefore, has allowed for the further intervention of a provincial body within the affordable housing sector that has significant influences on the types of decisions being made at the local level. It should be noted that the federal level's reengagement did not precipitate the OMB's involvement, but rather, increased the need for provincial oversight. Their role is to attenuate the influences of NIMBYism on land-use policies that are associated with the construction of affordable housing. However, while they support sound planning decisions, they can negatively influence the ways in which local decisions are made in the selection of affordable housing projects.

7 Conclusion

In conclusion, the reengagement of the federal level within the affordable housing sector has significantly influenced the ways in which affordable housing is delivered within the City of Toronto. More specifically, the C-OAH program has further increased the reliance on private sector involvement, and has continued to perpetuate band-aid solutions that fail to address the affordable housing crisis plaguing the city. This has been attributed to the federal government placing fewer burdens on themselves. It has refused to develop new housing initiatives, and have limited its involvement to only providing initial capital investments to creating affordable housing. There is no long-term, consistent and substantive funding mechanism in place to sustaining housing in Toronto.

So, despite the C-OAH program representing the federal government's first significant commitment since the 1990s, its involvement has been limited in many ways. It appears as though the neoliberal ideologies of the 1990s have begun to influence the ways in which affordable housing is managed within the post-welfare state. There is an acknowledgement that governments alone, particularly the senior levels, cannot address issues of social need. Rather, there is a dependence on non-governmental actors, most notably the private sector in designing and delivering social programs to citizens. This should not come as a surprise as the dismantling of the affordable housing net during the 1990s crippled many parts of the sector, rendering it inoperable. Much of the skills and expertise required were lost during this period and has not yet resurfaced.

The findings also suggest that housing policy at the local level is subjected to provincial oversight through the OMB. This serves to attenuate the influences of NIMBYism on land-use policies that are associated with the construction of affordable housing. This is a result of local decision making being highly susceptible to political forces that are fuelled by NIMBYism. These

forces can act in ways that limit the production of affordable housing within certain parts of the city. As such, there must be a mechanism in place, in this case the OMB, which is not easily influenced by external forces. Rather, their decisions must be guided by policies that promote good planning within the city such as an Official Plan.

While the premise of this paper was to examine the influences of the C-OAH program on the City of Toronto, it has also demonstrated the importance of senior level government commitments within a post-welfare state. Housing policy at the local level cannot thrive without some form of government intervention. The 1990s has clearly demonstrated the impacts of taking such an approach. That is, the market alone is not the best mechanism for allocating goods and services as it does not take into consideration issues of equity. Rather, housing policies are dependent on a long-term commitment from governments including funding, and some form of oversight.

On a final note, it is important to acknowledge that the housing policy landscape within Toronto is rapidly evolving with the continued emergence of the post-welfare state. This paper has merely scratched the surface of the longer term impacts of having the federal government reengaged within the sector, albeit limited. This paper does suggest that the affordable housing crisis is still alive and continues to plague the city.

8 Recommendations

Based on the analysis undertaken, several recommendations have been brought forth.

These include:

1. Lobbying the federal and provincial governments to committing to a long-term, consistent and substantive funding agreement for the City of Toronto. This includes the provision of on-going rent subsidies to households in need. As demonstrated, simply providing capital grants for affordable housing do not address the core issues of affordability.
2. Expanding the federal government's interpretation of affordable housing. Currently, the definition used is unrealistic and vague. This is largely due to the fact that they view affordability as being a static point, rather than as a continuum. In doing so, they will be better able to respond to crisis plaguing many urban cities.
3. Ensuring that there is continued provincial oversight in the development and management of affordable housing. Decisions at the local level can be easily influenced by residents and other stakeholder groups. Consequently, there must be some type of mechanism to ensuring that sound planning decisions are being made.
4. Creating better opportunities for genuine non-profit sector involvement. This includes modifying program requirements such as the "shovel ready" rule as a means of attracting and facilitating non-profit sector involvement. This sector has faced the burnt force of the draconian cutbacks during the 1990s and continues to struggle within the sector. Governments must acknowledge that this sector plays a vital role in development affordable housing in many vulnerable communities.

9 Further Research

In moving ahead, the research conducted has raised additional questions that would benefit from further study. More specifically, it is recommended that interview component of the paper be expanded to include a wider range of stakeholders. These might include for-profit organisations, religious and charitable groups and community institutions. In doing so, one would be able to obtain a broader perspective on the influences of the federal government's reengagement within the social housing sector on Toronto. This would allow one to examine the particular challenges involved in engaging the non-profit sectors as they have been unable to maintain their expertise within the field.

Secondly, it might be useful to compare and contrast the impacts of the C-OAH program on municipalities across the Greater Toronto Area. As funding is based primarily on population, it would of interest to examine its effects and influences, particularly in regards to the reliance of the private sector. In doing so, the researcher must acknowledge that the City of Toronto is a unique case analysis as it home to over 2.5 million residents. The political, social and economic forces driving the city will be different from other cities within the GTA.

Lastly, a critical component that could be researched further pertains to the role of the OMB in facilitating the development of affordable housing within the City of Toronto. In this regard, it would be of great interest to examine the amount of cases brought forth to the OMB in regards to affordable housing issues and their proceeding decisions. This is a particularly important field to consider since the OMB has been found to play a major role in the development industry within Toronto.

References

- Arthurson, K., & Jacobs, K. (2009). Discourses about Australian social housing, social exclusion and employment: Indications of the post-welfare state? *Housing, Theory and Society*, 26(3), pp. 179-192.
- Boudreau, J.A., Keil, R., & Young, D. (2009). *Changing Toronto: Governing urban Neoliberalism*. Toronto, ON: University of Toronto Press.
- Bryant, T. (2004). How knowledge and political ideology affects rental housing policy in Ontario, Canada: Application of a knowledge paradigms framework of policy change, *Housing Studies*, 19(4), pp. 635-651.
- Caledon Institute of Social Policy. (2001). *The post-welfare state in Canada: Income-testing and inclusion*, Ottawa, ON: K. Battle & S. Torjman.
- Canadian Council for Public-Private Partnerships [CCPPP] (2009) Accessed from www.pppcouncil.ca/.
- Canada Mortgage and Housing Corporation [CMHC]. (2011). Affordable housing initiative. Retrieved from http://www.cmhc-schl.gc.ca/en/inpr/afhoce/fias/fias_015.cfm
- Canada Mortgage and Housing Corporation [CMHC]. (2010). *Canadian housing observer 2010*, Ottawa, ON: CMHC.
- Canada Mortgage and Housing Corporation [CMHC]. (2007). *Affordable housing initiative evaluation plan*, Ottawa, ON: CMHC
- Canadian Policy Research Network Inc [CPRN]. (2009). *Overcoming challenges in centralised and decentralised housing models: Ontario and British Columbia compared*. Research Report. Ottawa, ON: Schuk, C.
- Canadian Policy Research Network Inc [CPRN]. (2009). *Recession and stimulus spending: A preliminary examination of stimulus spending on affordable housing in Ontario*. Ottawa, ON: Jinha, C.
- Canadian Policy Research Network Inc. (2008). *The role of public-private partnership in funding social housing in Canada*. Ottawa, ON: Moskalyk, A.
- Canadian Policy Research Network Inc [CPRN]. (2002). *Housing policy for tomorrow's cities*. Discussion Paper F27. Ottawa, ON: Hulchanski, J.D.
- Carroll, B.W. (2002). Housing policy in the new millennium: The uncompassionate landscape. In Edmund P. Fowler & David Siegel (Eds.) *Urban Policy Issues*. (69-89). Toronto, ON: Oxford University Press.
- Carroll, B.W. (2000). The road to innovation, convergence or inertia: Devolution in housing policy in Canada, *Canadian Public Policy*, 26(3), pp. 277-293.

- Center for Urban and Community Studies. (2007). *Canada's dual housing policy: Assisting owners, neglecting renters*, (Research Bulletin#38) Toronto, ON: J.D. Hulchanski.
- Cheema, G.S., & Rondinelli, D.A. (2007). *Decentralising governance: Emerging concepts and practices*. G.S. Cheema & D.A. Rondinelli, (Eds). Washington, DC: Brookings Institution Press.
- City of Toronto (2011a). *Toronto regional housing data bank: Greater Toronto civic action alliance neighbourhood and affordable housing working group*, Toronto, ON: Affordable Housing Office & Toronto Community Housing
- City of Toronto (2011b). *Toronto social housing by numbers*, Toronto, ON: Social Housing Department
- City of Toronto (2011c). 2011 final property tax rate. Retrieved from http://www.toronto.ca/taxes/property_tax/tax_rates.htm
- City of Toronto. (2009). *Housing opportunities Toronto: An affordable housing action plan 2010-2020*, Toronto, ON: City of Toronto.
- City of Toronto. (2007). *Tied in knots: Unlocking the potential of social housing communities in Toronto*, (Staff Report), Toronto, ON.
- City of Toronto. (2006). *Canada-Ontario affordable housing program: Rental and supportive component*, Affordable Housing Information Session, Toronto, ON.
- City of Toronto (2003). *The Toronto report card on housing and homelessness*. Toronto, ON: City of Toronto.
- City of Toronto (2002). New affordable housing: Municipal housing facility by-law. Retrieved from <http://www.toronto.ca/legdocs/2002/agendas/council/cc020416/plt4rpt/cl005.pdf>
- Dalton, T. (2009). Housing policy retrenchment: Australia and Canada compared. *Urban Studies*, 46(1), pp. 63-91.
- Fallis, G. (2010). Progressive housing policy in the 21st century: A contrarian view, *Journal of Sociology & Social Welfare*, 37(4), pp. 173-199.
- Flavo, N. (2006). *Addressing Canada's lack of affordable housing*, Presentation for PEF Panel: Interdisciplinary Approaches to Economic Issues, Halifax, NS.
- Friedman, M. (1962). *Capitalism and freedom*, Chicago, IL: University of Chicago Press
- Government of Ontario (2006). *Canada-Ontario affordable housing program: Rental and supportive program guidelines*, Toronto, ON: Government of Ontario.
- Graham, K.A., & Phillips, S.D. (1998). "Who does what" in Ontario: The process of provincial-municipal disentanglement", *Canadian Public Administration*, 41(2), pp. 175-209.

- Hackworth, J., & Moriah, A. (2006). Neoliberalism, contingency and urban policy: The case of social housing in Ontario, *International Journal and Regional Research*, 30(3), pp. 510-527.
- Harvey, D. (2000). *Spaces of hope*, Berkeley, CA: University of California Press.
- Hayek, F. (1960). *The constitution of liberty*, Chicago, IL: University of Chicago Press.
- James, R.K. (2010). From 'slum clearance' to 'revitalisation': Planning, expertise and moral regulation in Toronto's Regent Park, *Planning Perspectives*, 25(1), pp. 69-86.
- Kipfer, S. & Keil, R. (2002). Toronto Inc? Planning the competitive city in the New Toronto, *Antipode*, 34(2), pp. 227-264.
- Keil, R. (2002). "Common-sense" Neoliberalism: Progressive conservative urbanism in Toronto, Canada, *Antipode*, pp. 578-601.
- Kwan, A. (2010, Feb 4). Rooming house by-law sparks debate. *The Toronto Observer*. Retrieved from <http://www.torontoobserver.ca/2010/02/04/rooming-house-by-law-sparks-debate/>
- Ministry of Municipal Affairs and Housing [MMAH]. (2010). Ontario Municipal Board. Retrieved from <http://www.mah.gov.on.ca/Page1755.aspx>
- Ministry of Municipal Affairs and Housing [MMAH]. (2006). *Ontario's affordable housing strategy: New approaches, new opportunities*, Toronto, ON: Government of Ontario.
- Ministry of Municipal Affairs and Housing [MMAH]. (2006). *AHP bulletin*, (No. 17). Toronto, ON: Government of Ontario.
- Moore, A.A. (2009). Planning institutions and the politics of urban development: The Ontario Municipal Board and the City of Toronto, 2000-2006. (Doctoral dissertation). University of Western Ontario, London, ON.
- Mulvale, J.P. (2001). *Reimagining social welfare: Beyond the Keynesian welfare state*, Aurora, ON: Garamond Press.
- Neuman, W.L. & Robson, K. (2007) *Basics of social research: Qualitative and quantitative approaches*. Toronto, ON: Pearson Education, Inc.
- Leone, R., & Carroll, B.W. (2010). Decentralisation and devolution in Canadian social housing policy, *Environment and Planning C: Government and Policy*, 28, pp. 389-404.
- Ontario Human Rights Commission [OHRC] (2011). Comment of the Ontario Human Rights Commission on the Provincial Policy Statement 2005. Retrieved from <http://www.ohrc.on.ca/en/resources/submissions/ppsreview?page=pps.html#fn4>
- Ontario Non-Profit Housing Association [ONPHA]. (2011). *Waiting list survey 2011: ONPHA's 2011 report on waiting list statistics for Ontario*. Toronto, ON: ONPHA.
- Ontario Non-Profit Housing Association [ONPHA]. (2009). *Rebuilding the foundations: ONPHA's vision for a more effective affordable housing system in Ontario*. Toronto, ON: ONPHA.
- Peck, J. & Tickell, A. (2002). Neoliberalising space, *Antipode*, 34, pp. 380-404.

- Pomeroy, S. (2007). *Where's the money gone? An analysis of declining government housing expenditures*. Ottawa, ON: Canadian Housing Renewal Association.
- Pomeroy, S. (2003). *Background context (1998) and various policy updates on the Canadian housing system*. Ottawa, ON: Focus Consulting Inc.
- Shapcott, M. (2007). *National housing day 2007: Despite promises, few new homes and scarce dollars*. Policy Backgrounder prepared for the Wellesley Institute. Toronto, ON.
- Social Policy Research Center [SPRC]. (1997). *The restructuring of the Canadian welfare state: Ideology and policy*, (Discussion Paper No. 77). Sydney, NSW: The University of New South Wales.
- Sousa, J., & Quarter, J. (2004). Non-market housing model in Ontario: A stakeholder analysis. *Canadian Journal of Urban Research*, 13(2), pp. 220-240.
- Statistics Canada. 2009. CANSIM Table number 3850024. *Local general government revenue and expenditures, current and capital accounts, year ending December 31, annually (Dollars)*. Retrieved from http://dc2.chass.utoronto.ca.proxy2.lib.uwo.ca:2048/cgi-bin/cansimdim/c2_arrays.pl
- Stelman, U. (2005). *Winnipeg's main street: A search for meaning*, (Local Government Case Studies 8), London, ON: University of Western Ontario
- Wallace, J., Pomeroy, S., Lampert, G., & Sheehan, R. (1998). *The Role of Public-Private Partnerships in Funding Affordable Housing*. Prepared for the CMHC Housing Affordability and Finance Series. Ottawa: Canada Mortgage and Housing Corporation.
- Wolfe, J.M. (1998). Canadian housing policy in the nineties, *Housing Studies*, 13(1), pp. 121-133.
- Wellesley Institute (2006). *The blueprint to end homelessness in Toronto: A two part action plan*. Retrieved from http://tdrc.net/uploads/file/blueprint_short_%28final_02%29.pdf

List of Interviews

Advocate: Center for Equality Rights in Accommodation Representative

City Staff 1: City of Toronto, Affordable Housing Office Representative

City Staff 2: City of Toronto, City Planning Department Representative

TCHC: Toronto Community Housing Corporation Representative

Appendix I

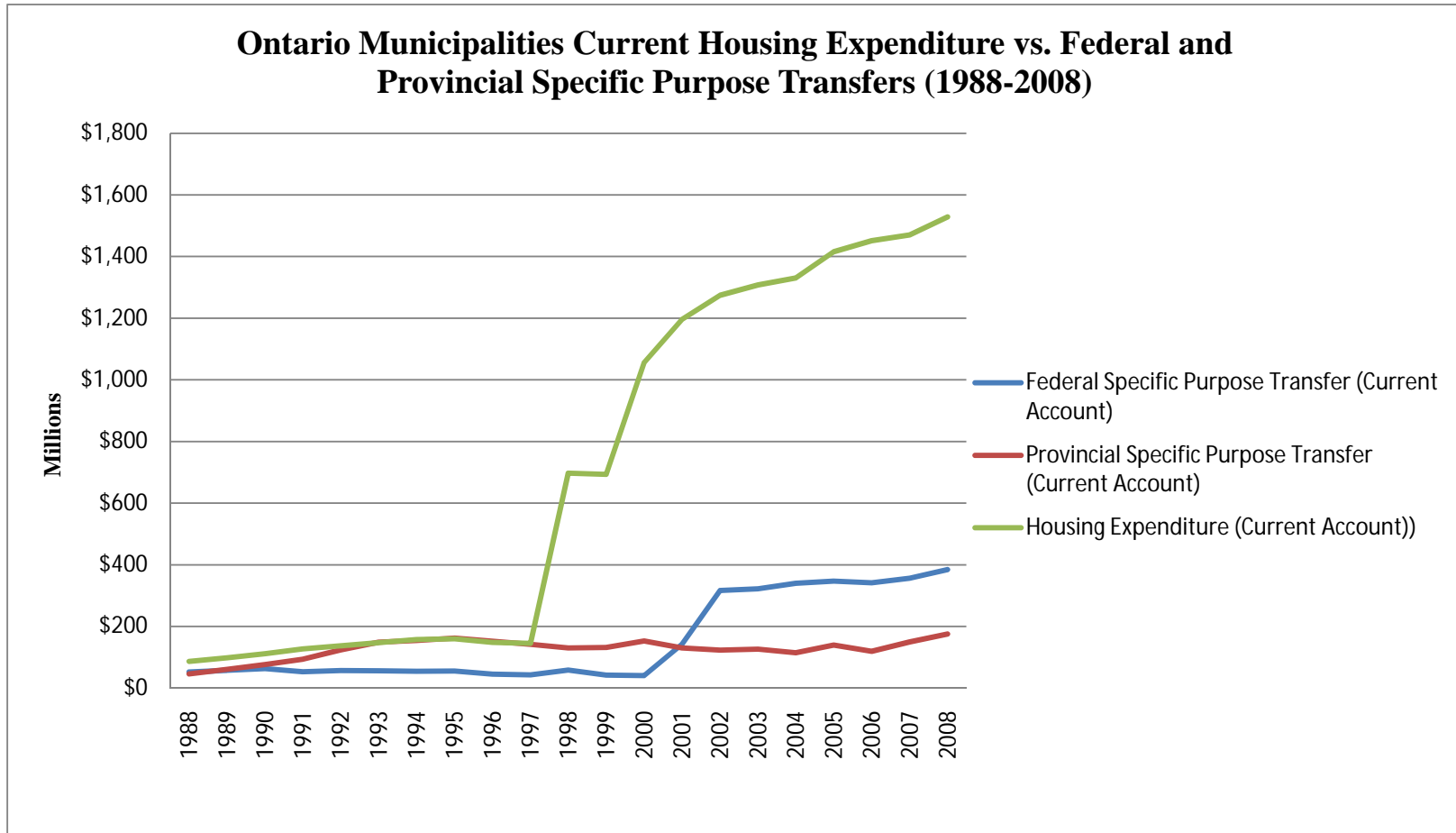
Table 7: Incidence of core housing need within select CMAs, 2002-2007

CMA	Percentage (%)					
	2002	2003	2004	2005	2006	2007
Halifax	14.9	13.3	13.6	10.2	15	12.2
Montreal	13.2	13.4	12.1	14	13.8	12.3
Quebec	8.7	7.5	8.9	8.7	8	8.1
Ottawa-Gatineau	12.4	15	13.7	13.9	14	10.4
Toronto	18.5	17.8	19.1	18.9	17.6	17.2
Winnipeg	9.2	8.7	9.9	10	10.4	10.4
Saskatoon	12	10.9	9.8	11.8	13.3	9.6
Calgary	11.8	12.3	8.8	7.3	9.6	10.6
Edmonton	12	10.6	11.3	9.6	8.3	10.4
Vancouver	19.4	18.1	17.4	15	17	15.2
Urban Canada	13.9	13.9	13.6	13.5	13.1	12.4

Source: CMHC, 2010

Appendix II

Figure 1: Ontario municipalities' current housing expenditure vs. federal and provincial specific purpose transfers, 1988-2008



Source: Statistics Canada CANISM using CHASS, 2009