

A Supportive Housing Plan for Toronto

Rationale:

The 1996 DHC System Design plan identified a need for an additional 5128 supportive housing units to meet provincial housing targets. It is estimated that there are currently 1,138 supportive housing beds in Toronto and consumers have access to 700-800 Habitat beds.

The cancellation of the Non-Profit housing program by the provincial government in 1995 has meant that there is no vehicle to ensure the construction of affordable housing stock that can be accessed by consumers. In addition the low vacancy rates experienced in Toronto (less than 1%) and the changes in rent control limits the availability and affordability of private market housing stock.

It is acknowledged that Toronto has a homelessness problem and that up to 1/3 of the homeless population have mental health problems. Shelters are overflowing and there are reports of psychiatric facilities discharging consumers directly to the streets or shelters.

The literature on homelessness identifies mental illness and poverty as risk factors for homelessness and stresses that solutions must include access to a range of housing forms and flexible support services.

Since November, a group of community mental health and housing providers have been meeting with staff from the Centre for Addiction and Mental Health, municipal officials and representatives from Canada Mortgage and Housing to develop a plan to meet the challenge of developing 5000 affordable housing units as called for by the Golden Task Force. Our plan is consistent with the Task Force themes of shared responsibility among the community and three levels of government. We believe we can achieve the target for supportive housing set by the Task Force.

This plan has been developed with an eight-year time horizon given the magnitude of the challenge. However, by 2003 Toronto must have alternative supports in place, in order to downsize long term psychiatric beds. Our plan will ensure that up to 3100 additional affordable housing units are operating or underdevelopment by 2003. The recent Ministry of Health announcement of \$21 million has a primary focus on putting community services in place to support people with serious mental illness. While \$700,000 will be used to add 100 beds to Habitat, this leaves a shortfall of at least 4900 beds. Given the development time for new or rehabilitation of housing stock, decisions need to be made now to ensure that new stock begins to come on stream by 2000-2001.

Active participation of the Ministry of Health is required to ensure that this plan is achieved. The Ministry now has responsibility for Special Needs Housing and has to recognize that availability of affordable housing has a direct link to health status and service use by people with serious mental illness. As well, given that the Ministry will fund 85% of the cost of hospital construction, and the cost of nursing homes, a case can be made for investment in housing and supports that will reduce the need for hospitalization.

Our plan has three components:

- A **rent supplementation** program to enable consumers to secure private market housing stock that becomes available. We propose using the existing vacancy allowance fund in the community mental health vote for this purpose. Transfer payment agencies could apply for a flexible subsidy of up to \$500 per month per consumer. 300 additional private market spaces would be secured each year beginning in 1999. This program would secure up to 1500 spaces by 2003 and 2400 by 2006. First year costs would be \$1.8 million. Annualized costs would be \$9,000,000 by 2003 and \$14,400,000 by 2006.
- A **building fund** program that will enable public private partnerships to get the housing built. This fund would provide equity funding equivalent to the difference between a CMHC mortgage and the full cost to build the unit. This is estimated to range from 25%- 40% of build costs, depending on the cost of land, municipal approval process etc. Based on current and possible partnerships we believe a commitment to develop 250 units in 1999 is achievable. Equity requirements in 1999 would range from \$5.99 million to \$9.6 million. By 2003 we believe 1600 units could be under development with an equity requirement ranging from \$38-\$61 million. By 2006, 2600 affordable housing units would be on line, with an equity cost range of \$62- \$99 million. If funded as capital costs these costs would represent one-time expenditures, as opposed to ongoing operating costs.
- A **housing services** component that will ensure that supports are available to consumers and housing providers to encourage stable tenancies in the affordable housing of the consumers' choice. The Ministry is currently expanding community treatment and support services in Toronto. New and existing services should be able to access the rent subsidies and new housing for the consumers they serve as they are bought on stream. However Toronto is still far behind the case management benchmarks required for 2003. We propose that \$1.8 million in funding be added each year beginning in 2000 to expand existing community supports and facilitate the development of new approaches to the provision of residential supports. Costs for this initiative would be \$7.2 million by 2003 and \$12.6 by 2006.

Housing providers developing new units will also require “enhanced management” funding to cover the additional costs associated with providing housing to vulnerable populations. Requirements for this funding begin in 2000 and are estimated at \$1,436 per unit annually. By 2003 costs would be \$1.94 million. Once the 2600 new units are operational, costs would be \$3.73 million annually.

We are proposing that the Ministry provide funds to develop partnerships among service providers, consumers, families and the development industry. Facilitating information flow about housing development opportunities, assisting with negotiations, and coordinating the development of proformas for municipal and lenders’ approvals will be required. \$200,000 per year would cover staffing and operating costs for the partnership development process.

The plan has an eight year time horizon which ensures that a significant number supportive housing beds are in the system by 2003. Expansion of housing options continues to 2006 and runs in parallel with the reduction of hospital beds. Bed reduction rates can be adjusted depending on the availability of housing stock and support services.

Details of each component of our plan are presented on the following page.

Details of each component of our plan:

Year	1999	2000	2001
Rental Support Units	300	300	300
Rent Support Costs	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,800,000.00
New Units	250	250	300
Total Cost	\$ 23,941,730.77	\$ 23,941,730.77	28,730,076.92
25% Equity	\$ 5,985,432.69	\$ 5,985,432.69	\$ 7,182,519.23
40% Equity	\$ 9,576,692.31	\$ 9,576,692.31	\$ 11,492,030.77
Enhanced Management		\$ 359,000.00	\$ 430,800.00
Housing Support		\$ 1,800,000.00	\$ 1,800,000.00
Partner Development	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
Operating Costs	\$ 2,000,000.00	\$ 4,159,000.00	\$ 4,230,800.00

Year	2002	2003	Subtotal
Rental Support Units	300	300	1500
Rent Support Costs	\$ 1,800,000.00	\$ 1,800,000.00	\$ 9,000,000.00
New Units	400	400	1600
Total Cost	\$ 38,306,769.23	\$ 38,306,769.23	\$ 153,227,076.92
25% Equity	\$ 9,576,692.31	\$ 9,576,692.31	\$ 38,306,769.23
40% Equity	\$ 15,332,707.69	\$ 15,332,707.69	\$ 61,290,830.77
Enhanced Management	\$ 574,400.00	\$ 574,400.00	\$ 1,938,600.00
Housing Support	\$ 1,800,000.00	\$ 1,800,000.00	\$ 7,200,000.00
Partner Development	\$ 200,000.00	\$ 200,000.00	\$ 1,000,000.00
Operating Costs	\$ 4,374,400.00	\$ 4,374,400.00	\$ 19,138,600.00

Year	2004-6	total
Rental Support Units	900	2400
Rent Support Costs	\$ 5,400,000.00	\$ 14,400,000.00
New Units	1000	2600
Total Cost	\$ 95,766,923.08	\$ 248,994,000.00
25% Equity	\$ 23,767,855.77	\$ 62,074,625.00
40% Equity	\$ 38,028,569.23	\$ 99,319,400.00
Enhanced Management	\$ 1,795,000.00	\$ 3,733,600.00
Housing Support	\$ 5,400,000.00	\$ 12,600,000.00
Partner Development	\$ 200,000.00	\$ 1,200,000.00
Operating Costs	\$ 12,795,000.00	\$ 31,933,600.00