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TORONTO,
CANADA

White Paper No. 310

March 15th, 1946

HOUSING

Story No. 1

What Toronto needs most as to housing at the present time is more housing units. Anything which — at present — prevents or retards the satisfying of this primary need should be combatted. Anything which will aggravate the present under-housed condition of the Toronto community should be prevented.

HOUSING

Recently Mr. Humphrey Carver, who, as Director of Housing Research, in late January, 1946, began a housing survey under the auspices of the School of Social Work of the University of Toronto in co-operation with the Toronto Reconstruction Council, has issued a memorandum. A special issue of the Reconstruction News in its introduction to this "Memorandum on the Regent Park Housing Project" contains the following statement: "Mr. Carver's training and experience includes architecture, town planning and sociology, and he has been actively concerned with the problems of slum clearance and re-housing for many years." The Memorandum, therefore, is not by a tyro and deserves careful consideration.

PURPOSES OF HOUSING

Under the caption "Purposes of Housing Projects" Mr. Carver states that "under present circumstances the principal motive must be simply to add to the number of housing units in the metropolitan area as many and as quickly as possible. Since there is a demand for housing at every income level and in every part of the metropolitan area, priority should be given, presumably, to those projects which can be brought to completion with the least interruption and difficulty", (and, it might be added, expense). It is to be hoped that the City of Toronto has not finally abdicated as an important part of the metropolitan area so far as housing is concerned.

People who are forced to live in the slums are not the only persons in Toronto who need housing accommodation. Many people with average and even large incomes, are at their wits end for even passable quarters.

THE REGENT PARK (NORTH) PROJECT AND HOUSING

The Regent Park housing project is not fundamentally a housing but a slum clearance project. If it helps housing now, it should be proceeded with now. To say the least there is grave doubt of this.

Mr. Carver's Memorandum contains this paragraph: "A motive which, under present circumstances, must take second place is the desire to improve the living conditions of those who are housed in unsafe and unsanitary dwellings . . .". When the present severe housing congestion has been relieved this may properly become the first motive of public housing authorities. The units now proposed will have, it is said, a minimum economic rent of \$35 or \$40 per month. Unless subsidized, present dwellers in Regent Park (North) will not be helped in getting better homes for those who need them most.

The best way to stimulate new housing is to make it worthwhile financially to own houses. This is fundamental. The recent increase in home owning is not on account of this, but because it is more worthwhile to buy a house even at a swollen price than to have no place to sleep.

Of course, the prevailing and evident obstructions to building at present are the difficulty of getting material and the scarcity of skilled building labour. These obstructions will not last forever, and we do not wish to add to the present stringency either by adopting unwise financial policies or living from hand to mouth. Now is the time to begin taking the long view that increases, particularly sudden increases, in property taxation over a term of years affect in an important way the demand for home owning and home construction.

"TEMPERING THE WIND TO THE SHORN LAMB"

In April, 1943, the Municipal Act was amended by adding section 316a which provided that "the Council of any municipality may in each year for the duration of the present war and with the approval of the Department provide in the estimates for the establishment or maintenance of a reserve fund for use after the war in providing necessary replacements of or improvements in public works". No doubt Toronto could have obtained this permission earlier if the Board of Control and Council had wanted to.

In the introduction to the city estimates of 1944, the Commissioner of Finance recommended strongly the setting up of such a reserve and pointed out that 45 municipalities had at that time done so. Perhaps Toronto would have joined the procession if the long view had appealed to Council. Possibly the long view would have prevailed if the majority of electors had had any views at all at the civic elections.

While some members of Council supported such a policy, it was not adopted. If the 1944 budget had provided \$1,000,000 for this purpose and the 1945 budget had done likewise, \$2,000,000 would have been available to reduce the 1946 net budget, and 1944 and 1945 taxpayers would have paid for deferred maintenance now loaded on the 1946 taxpayers. They are of course largely the same persons, but the explosion of a three-ton bomb is more devastating, to the morale at least, than separate explosions of three one-ton bombs. Some structure which might survive three one-ton explosions a year apart might go down before a single three-ton explosion. Some public bodies think it worthwhile to stabilize rates over a period of years.

The table below illustrates what has happened to the home and property owning taxpayer in the last three years.

Year	Board of Education		General		Combined Provincial Grants	Total Tax Rate for Public School Supporters (Mills)
	Estimated Government Grants	Tax Rate (Mills)	Government Grants	Tax Rate (Mills)		
1944	\$ 582,583	12.15	\$1,758,416	20.70	\$2,340,999	32.85
1945	3,426,187	9.75	876,758	21.70	4,302,945	31.45
1946	3,611,901	9.45	881,395	24.70	4,493,296	34.15

That is the Board of Education is to receive added grants in 1946 compared with 1944 of \$3,029,318 or almost 3.3³ mills on the Board of Education assessment for 1946, of which it passed on to the taxpayer 2.70 mills or almost 81.1%. The City is to receive a provincial grant in 1946 less than that of 1944 by \$877,021 or about 1 mill on the general assessment. This is 1 mill of the City increase in the tax rate of 4 mills.

Apparently the action of the Provincial Government in increasing total grants by \$2,152,297 between 1944 and 1946 has not directly benefited, in actual practice, home and property owners. If, however, the 1946 budget means, more and better services, and a considerable increase in maintenance so long deferred the citizens will not complain even if it means a lengthening of the period of inadequate housing.

Between 1939 and 1945, the cost of the debt service, borne by taxation and general revenues, decreased by over \$3,800,000.* This is purely a temporary reduction due to national circumstances and within the next few years will undoubtedly return to its former level. In the meantime other items of current expense absorbed all the decrease except about \$1,800,000.* These items will not return to their former level. It has been said that what goes up must come down. Certainly not in this case.

Thus the City is faced with a larger programme of work and services at permanently increased unit costs. The home and other property owner will pay the bill. In fact every citizen will be affected directly or indirectly.

THE FUTURE

Almost anyone who had given any thought to the situation realized that owners of homes and other real property were in for a bad time and that the building of new houses would be still further discouraged. Possibly there would be less temptation to incur small extra burdens in November and December before elections which would be passed on to the next and following years in the form of large extra burdens, if there were a three-year term in Council, one third coming up for election each year.

* See White Papers No. 281 and No. 303.

There is little use of talking about more housing units if at the same time we act as if we did not want more.

Some have described what is now happening as "chickens coming home to roost". This is inaccurate. The chickens were already on the roost, but were hidden from the view of those who looked only at the tax-rate. The important thing is not the tax-rate but how the tax-rate was arrived at. **It is not at all certain that the present tax-rate is sufficient to meet all essential requirements. Home and property owners may still have to take a beating and house construction within the city may be further handicapped.**

The present serious difficulties of housing construction, difficulties for which local authorities are not in any way responsible, are sufficiently great without adding anything on our own part toward delaying home construction **within the city itself** so that returned men and other citizens may have as soon as possible satisfactory living quarters at prices they can afford.

Until the City adopts:

1. **A master plan,**
2. **A zoning by-law in conformity with and based on the master plan,**
3. **A financial policy in conformity with housing needs,**

we need expect no major or fundamental advance in housing either for the general public or those in the lower income brackets.

At the same time there is little doubt that there should be a local housing authority occupying the whole metropolitan field which would co-ordinate, guide and stimulate the work of the various public agencies which have to do with housing in Canada.

EXCERPT FROM INTRODUCTION TO THE 1946 ESTIMATES

By Finance Commissioner Lascelles

It should be borne in mind that although the budget as herein presented, after revision by the Board of Control, provides for an estimated expenditure in 1946, exclusive of Education, of \$29,567,942 or \$3,109,511 over the estimate of 1945, the estimated expenditures for this year as originally presented for the consideration of the Board anticipated an expenditure of approximately \$4,000,000 in excess of this amount. In consideration of this fact and the fact that only a portion of a full year's expenditures involved in certain items is provided in 1946, particularly for the establishment of a fifty-six hour week in the Fire Department and

for increased personnel in the Police Department, it is evident that there is every prospect in the immediate future years of further increases in the tax rate. In this connection it should also be noted that the Capital Estimates for this year include the very large amount of \$15,684,072, including Board of Education, which will be debentured in 1946 and subsequent years as the work is completed. On the basis of the future funding of this expenditure at present indicated, there is the prospect of **an increase in Debt Charges next year of \$702,146** affecting the General Tax Rate. It may be noted that due to the deferment in the Depression and War years of the purchase of new motor and other equipment, partly in order to relieve the tax rate and partly because of the inability to purchase such equipment, the requirements in this regard have accumulated to an amount which it was not considered feasible to include as a current expenditure to be raised in this year's tax rate alone **and yet the immediate need of such equipment has become imperative for the economical and efficient operation of the departments concerned..** The Capital Estimates, therefore, include an amount of \$835,850 for this purpose to be financed by debentures repayable over a period of five years. The major items in this amount are for street cleaning and fire department equipment.

Having regard for the foregoing and in order to guard against future increases in the Tax Rate beyond a point that would be reasonably within the capacity of the taxpayers to meet, particularly in view of the uncertainties of the future, the greatest care should be exercised before entering upon any new commitments involving either Capital or Current expenditures.

As no provision has been made in the budget for contingencies, any additions will result in further increasing the Tax Rate for this year.