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reporting to the public on civic affairs.

# CIVIC AFFAIRS

## INFORMATION ON REGENT PARK

The following statement is intended to provide information of assistance to the electors in voting on the referendum by-law on the REGENT PARK (NORTH) development.

### HOUSING ENTERPRISES PLAN

The submission to the electorate on January 1, 1947 of a proposal to re-develop Regent Park (North) at an estimated cost of \$5.9 million was based on a preliminary plan put forward by a limited-dividend company operating under the National Housing Act, Housing Enterprises Limited.

Housing Enterprises' estimate was not checked in advance by civic officials. It would appear that it was founded on inadequate information and was obviously below the amount a more careful estimate would have disclosed.

In February, 1947, after the referendum approval by a vote of 29,677 to 18,028, Housing Enterprises stated, on the basis of experience with two smaller projects and because of rising costs, that it was unable to proceed.

### DEVELOPMENT UNDER THE HOUSING AUTHORITY

Following the withdrawal of Housing Enterprises, the City Council decided to go ahead on its own. Enabling legislation was secured from the Province and in May 1947 the City set up the Housing Authority of Toronto.

In July, 1947, the City Council by unanimous vote confirmed the undertaking of re-development by the Authority and expropriated the necessary land, covering six major city blocks.

The Housing Authority project was to contain 1,062 dwellings averaging 2 2/3 bedrooms per unit, compared with 854 units averaging 2 bedrooms under the abortive Housing Enterprises proposal. Based on the 1948 contract price for the first 56 units, the complete estimate for land and buildings was \$11.9 million.

The Councils of 1947 and 1948 launched the re-development at more than double the capital cost indicated in the 1947 referendum without calling for a new vote. The Ontario Municipal Board approved debenture financing in 1947, 1949, 1951 and 1952 totalling \$8.4 million before requiring another referendum.

In proceeding without electoral assent, the Council was following a common, though in the Bureau's view, an undesirable practice. Also, under the new plan, the annual burden on local taxpayers was not expected to exceed the estimated deficit under the original referendum proposal, while payment of full taxes by the Authority would yield the City Treasury much more than the suggested contribution in lieu of taxes from Housing Enterprises. In addition, subsidy agreements with the Province and the Dominion made the project subject to broad supervision by these authorities.



## CAPITAL COSTS

The City estimated the full cost of obtaining and clearing the site at \$2.3 million, and the gross cost of construction of apartments and group houses including a central heating plant and an administrative and community building at \$9.6 million, or \$9,040 per dwelling unit.

The Federal Government undertook to pay half the cost of cleared sites up to a maximum of \$1.15 million. The Province agreed to contribute \$1,000 per dwelling unit on an experimental basis. Later, their subsidy offer was extended to the entire project.

The re-development has been laid out in three sections. Last spring, the City calculated that increased land values would push up, the cost of the sites by some \$825,000, or a 36 percent increase. The figure was based on the actual cost of cleared sites for the complete Eastern section, the major portion of the Central section and negotiations for the remaining properties.

The actual cost of construction has been held closer to the Housing Authority's estimate. For the Eastern and Central sections, the expenditure is running at some \$9,856 per unit or about 9 percent higher than anticipated. In view of the increased cost of labour and materials, the performance has been more than satisfactory, provided the original estimate was a reasonable one.

## PROGRESS ON CONSTRUCTION

The rate of progress on clearing of sites and construction has been largely determined by the necessity of re-housing displaced residents as the work proceeds. This course of action has required the letting of contracts piecemeal. As the development has moved forward, it has been possible to speed up the rate of construction and the Housing Authority has succeeded in this objective.

Other factors in extending the time required for re-development include the additional formalities which a public agency must observe in proceeding with a housing project, the necessity of awaiting clearance with the Dominion and the Province in order to qualify for grant support, and uncontrollable construction difficulties--specifically a nine weeks work stoppage of lathers with cumulative effects on other aspects of the building programme.

## OPERATING COSTS

Operating costs have been calculated in line with the National Housing legislation on the theoretical basis of amortization of capital expenditures over fifty years at 3 percent interest. The operating picture on which the Housing Authority sets its rents and figures its deficit excludes the entire cost of the cleared sites and the Provincial construction subsidy.

The Authority now reckons its operating cost to be \$65 a month per dwelling unit. Adding in the amortized cost of the building subsidy and the land, the full operating cost on a 3 percent fifty-year basis is \$73.60 a month. These figures compare with a top rental of \$93 a month and an average rental of \$57 a month.

For the 1,062 units, the Housing Authority estimated the annual deficit, including the City's cost for land at \$177,000. Higher rent revenues have offset any sizeable increase in the expected deficit. This calculation, again, is based on fifty-year, 3 percent amortization.

The City's actual method of debenturing has been by thirty-year serial debentures with a level principal instalment and a reducing interest payment. The market interest rate has been rising and for these shorter term issues now stands close to 4 percent. Even with the higher interest rate, more speedy repayment will reduce the total interest charges; but, under the City's method of financing, the actual deficit to be met from local taxation will be considerably larger in the earlier years and should be transformed into a surplus by the end of thirty years.



In the  $4\frac{1}{2}$  years to the end of 1951, Toronto taxpayers have paid out \$575,000 as the actual cost of debt charges and operating deficits on Regent Park (North).

The Housing Authority's current operating costs, exclusive of debt charges, are still relatively small but for several reasons have been higher than might be expected in relation to the number re-housed. The Authority has acknowledged a responsibility to residents of the area while they are still in the old housing. The Authority has paid to move some tenants to temporary accommodation, has provided heating from a plant which is not used to full capacity, has spent money on general planning, and has met other non-repetitive expenses.

### THE RENT SCALE

Rents for Regent Park are graded in relation to the tenant's ability to pay. The rent scale is based on a research study of rental systems in subsidized housing projects in other English-speaking countries. The rent scale, including the determination of "family income", forms part of the agreement with Ottawa under which the land subsidy is being paid to the City.

A family whose declared income is equal to the "minimum budget" for a family of its size is asked to pay 20 percent of its income as shelter rent. (Figures released by the Toronto Welfare Council in May 1947 were used to set the minimum family budgets). Families with more income are expected to pay a higher proportion in rent, families with less a reduced proportion. An additional service rental covering heat, water, etc. is also graded, but on a slightly different basis.

Shelter rents range from \$20 to \$80 a month; tenants within the recognized income ranges pay from 14.81 percent to 22.67 percent of income. Service rentals run from \$9 to \$13 a month, bringing the minimum total to \$29 and the maximum to \$93.

The highest shelter rent used to be \$72 per month but the ceiling was raised in September of this year to \$80. No other change has been made in the scale.

Neither the shelter nor the service rents are set according to the size of the accommodation. The tenant is allocated space to suit the number in his family and is then charged on the basis of ability to pay in relation to the average unit cost of the accommodation. Lodgers, roomers or boarders are prohibited.

In determining family income, the policy adopted is to include the pay of the family head, exclusive of family allowance monies, plus an arbitrary contribution of \$10 per week from secondary wage earners.

### TENANT SELECTION

The civic authorities undertook to provide accommodation for families who were resident in the area on the date of expropriation. With very few exceptions, those from the priority group who have remained are in income categories that entitle them to accommodation at less than the maximum rental.

By next spring, all priority families will be re-housed. They will occupy only some 535 dwelling units. While it was never anticipated that the entire accommodation would be taken up by prior residents, selection of new tenants is only now beginning.

In selecting new tenants the policy is to house families with incomes ranging downwards from \$4,800, on the basis of need for accommodation and residence in Toronto since the end of the war. The decision to accommodate families throughout the permitted income range rather than concentrating on those in the poorest economic circumstances involves exclusion of some families less able to pay commercial rents than those accepted.

### SOCIAL AND ECONOMIC BENEFITS

Although complete information is not available, sufficient evidence has been assembled to



suggest a remarkable reduction from the former high cost of policing, fire protection, health services and other municipal services in the area.

Reduced expenditures on policing and on health and welfare services point to a social improvement which cannot be measured entirely in dollars and cents. Better school attendance is another social improvement noted.

Through the payment of full taxes, the area will yield at least four times the tax revenues otherwise obtainable. Under the plan for 1,062 units, tax payments were estimated at \$200,000 a year. The figure is partially confirmed by the amount being paid at the present stage of reconstruction.

#### MANAGEMENT OF THE PROJECT

In contrast with the adverse publicity stirred by the City's refusal to permit installation of television aerials, most tenants appear to be well adjusted to residence in this multiple-dwelling project.

The management of Regent Park appears to be efficiently handled by a comparatively small staff. With 485 families already re-housed, there have been no rent arrears or rent losses in  $3\frac{1}{2}$  years' operation. Some "problem" families have yet to be placed in permanent accommodation and about twenty families have left at the request of the Administrator.

#### THE AMENDED PLAN

A recent proposal to include a number of six-storey apartment buildings in the Western section would increase the accommodation in that section from 412 to 624 dwelling units. It would add an estimated \$1.9 million to the construction costs. In addition, it is planned to include 16 dwelling units in the administration and community building. This latter change would decrease the available recreational facilities but would add nothing to the overall cost.

The amended plan would increase the population per acre over the entire project area by about 20 percent but it would more fully utilize the redevelopment site.

The project, as amended, would qualify for an additional construction subsidy of \$228,000 from the Province. The Federal Government has also agreed on the new basis to a further land grant of \$212,000.

The entire cost of the amended project is estimated at slightly more than \$16 million, including contributions of \$1,362 thousand from the Federal Government and \$1,290 thousand from Ontario.

Under this plan, the annual cost to local taxpayers is calculated, on a fifty-year 3 percent basis, at \$235,000.

Construction of the additional units would increase the contribution to tax revenues from the project area by an estimated \$40,000 to bring the total yield to some \$240,000 yearly.

The question now before the voters is based on the amended plan; \$5 million is the estimated amount the City must invest, in addition to the total of \$8.4 million already authorized, to complete the enlarged project.

Dated November 26, 1952

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Director