

A CITY LEFT BEHIND:

Poverty Reduction, Election Promises, and the 2019 Budget

PROGRESS ASSESSMENT: YEAR 1 OF 4

FEBRUARY 2019



ABOUT SOCIAL PLANNING TORONTO

Social Planning Toronto is a nonprofit, charitable community organization that works to improve equity, social justice, and quality of life in Toronto through community capacity building, community education and advocacy, policy research and analysis, and social reporting.

Social Planning Toronto is committed to building a “Civic Society,” one in which diversity, equity, social and economic justice, interdependence, and active civic participation are central to all aspects of our lives — in our families, neighbourhoods, voluntary and recreational activities, and in our politics.

To find this report and learn more about Social Planning Toronto, visit socialplanningtoronto.org.

REPORT AUTHOR

Beth Wilson

CONTRIBUTORS

Devika Shah, Lisa Ferguson

A City Left Behind: Poverty Reduction, Election Promises, and the 2019 Budget

ISBN: 978-1-894-199-50-6

Published in Toronto
February 2019

by Social Planning Toronto
2 Carlton St., Suite 1001
Toronto, ON M5B 1J3

ACKNOWLEDGEMENTS

Many thanks to City staff from the Affordable Housing Office and Children's Services Division for their quick and helpful responses to our requests for information regarding the budget.

FUNDING SUPPORT

Our thanks to our key funders, United Way Greater Toronto and the City of Toronto.



EXECUTIVE SUMMARY

In Toronto, one in five adults and one in four children live in poverty, with much higher rates among Indigenous, racialized, and newcomer communities.¹ Hundreds of thousands of people across the city are struggling to make ends meet. Toronto suffers from an ongoing housing and homelessness crisis. We have a critical lack of high quality, affordable child care, a costly and crumbling public transit system, and lengthy waiting lists for affordable recreation programs.

THE PROSPERITY PLEDGE: A 2018 ELECTION COMMITMENT TO TAKE ACTION ON POVERTY

In the lead up to the 2018 City of Toronto municipal election, Social Planning Toronto, Commitment TO Community, and Faith in the City asked candidates for mayor and City Council to sign the “Prosperity Pledge,” an election promise to follow through on actions to advance the City’s Poverty Reduction Strategy during the 2018–2022 term of Council. The Pledge included specific, measurable commitments to be met by 2022, with a focus on housing and homelessness, public transit, child care, and recreation.

19 of the 26 elected members of Toronto City Council, including Mayor Tory, signed the Prosperity Pledge — a total of 73% support from the new Council.

2019 CITY BUDGET SHOWS MAYOR AND COUNCIL NEED TO PICK UP THE PACE IN DELIVERING ON ELECTION PROMISES

The 2019 City budget offers the first opportunity for Toronto City Council to begin to make good on its election promises to act on poverty during the current term of Council. This report assesses their progress to date, and the news isn’t good. Our analysis of the preliminary 2019 City budget suggests that, **if Toronto City Council maintains its current pace of action, it is unlikely to deliver on six of the seven specific actions it committed to by 2022.**

POVERTY REDUCTION PROGRESS BEYOND THE PROSPERITY PLEDGE

In response to the hardship that many residents face, Toronto City Council unanimously adopted *TO Prosperity: Toronto’s Poverty Reduction Strategy* in 2015.² It is important to acknowledge that since the adoption of this strategy, Council has taken some important steps beyond the seven pledge commitments, including:

- providing free public transit for children under 12,
- introducing reduced transit fares for social assistance recipients,
- expanding nutrition and social-recreational programs for children and youth,

- contributing to the expansion of child care subsidies for low-income families, and
- committing City-owned lands for the development of new rental housing.

Despite these initiatives, the city's affordability crisis persists, requiring bold action now and over the next four years of this term of Council.

CURRENT PACE OF ACTION

The table opposite is an illustrative exercise to demonstrate the number of years it would take to deliver on each election promise, based on the current pace of action. Our calculations are based on publicly available information included in City of Toronto budget documents and Toronto City Council minutes. Where information was unclear in the budget documents, we contacted senior City staff to request clarification of figures. All sources are cited in the text, and the appendix includes a clear description of our calculations.

This exercise illustrates Council's slow start in delivering on critical issues affecting Toronto communities that a majority of members of Council committed to during the election. Based on the current pace of action, commitments on affordable housing and child care, in particular, will take over a decade to fulfill.

It is important to note that these figures can change if:

- our governments at the municipal, provincial or federal level choose to invest, or make funding cuts, in the related areas. For example, the City of Toronto has made applications for funding through the federal government's National Housing Strategy. Similarly, any order of government may make funding decisions that impact child care access and the affordability of child care; or
- Toronto City Council chooses to either raise revenue or shift existing priorities in order to fully fund its own plans and deliver on its election promises to reduce transit fares and expand recreation spaces. We certainly hope those Council-approved plans will be fully funded and implemented on schedule. However, our calculations are based on the present state of funding, not stated intentions.

RELIANCE ON SENIOR ORDERS OF GOVERNMENT AND DELAYS IN COUNCIL-APPROVED IMPLEMENTATION PLANS

In areas of shared governmental responsibility, the City is largely relying on senior orders of government to come through with new funding to address the critical shortage in supportive and affordable housing and child care spaces and subsidies. Certainly, the provincial and federal governments have a responsibility to act. However, mounting crises, born out of political neglect over decades, show we ought not to put all of our eggs in that basket.

With regard to the expansion of shelter beds, City budget documents suggest that all 1,000 new beds will be added by 2020. That will be an important accomplishment. However, the reality is that all of those beds are needed right now. As City documents reveal, respite centres, Out of the Cold programs and 24-hour drop-ins are assisting over 1,000 people a night who can't access a proper shelter bed.³ Further, without increased investment in affordable and supportive housing, the homelessness crisis will continue to grow, putting more pressure on the City to respond through the further addition of shelters.

Prosperity Pledge election promise to be fulfilled by 2022	Based on Current Pace of Action		
	# Years it Will Take to Fulfill Election Promise	Year Election Promise Will Be Fulfilled	Age Mayor Tory Will Be When Promise Fulfilled
7,200 new supportive housing units	16.9	2035	81
At least 8,000 new deeply affordable rental housing units	14.1	2033	79
1,000 new shelter spaces	1	2020	66
Reduced TTC fares for an additional 157,000 lower-income adults	6.8	2025	71
11,500 new child care spaces	24.5	2043	89
5,000 subsidized child care spaces	26.3	2045	91
40,000 new recreation program spaces	5.3	2024	70

See appendix for details on these figures.

In areas where the City has a primary responsibility, such as increasing access to affordable transit for low-income residents and improving access to recreation programs, the City is delaying full implementation of Council-approved plans.

On the following two pages, we show the progress to date on each of the four areas.

HOUSING AND HOMELESSNESS

Supportive housing: Of the 7,200 new supportive units in the Pledge, 1,278 new units/supports will be provided over the next three years. There are no plans for the remaining 5,922 units/supports.

Deeply affordable rental housing: Of the 8,000 new deeply affordable rental housing units in the Pledge, 1,707 units/allowances will be provided over the next three years. There are no plans for the remaining 6,293 units/allowances.

Shelters: Of the 1,000 new shelter spaces in the Pledge, all 1,000 are expected to be completed in 2020.

CHILD CARE

Child care spaces: Of the 11,500 new child care spaces in the Pledge, 2,817 will be completed by 2024. There are no plans for the remaining 8,683 spaces.

Child care subsidies: Of the 5,000 new subsidies in the Pledge, 760 will be added by

2022. There are no plans for the remaining 4,240 subsidies.

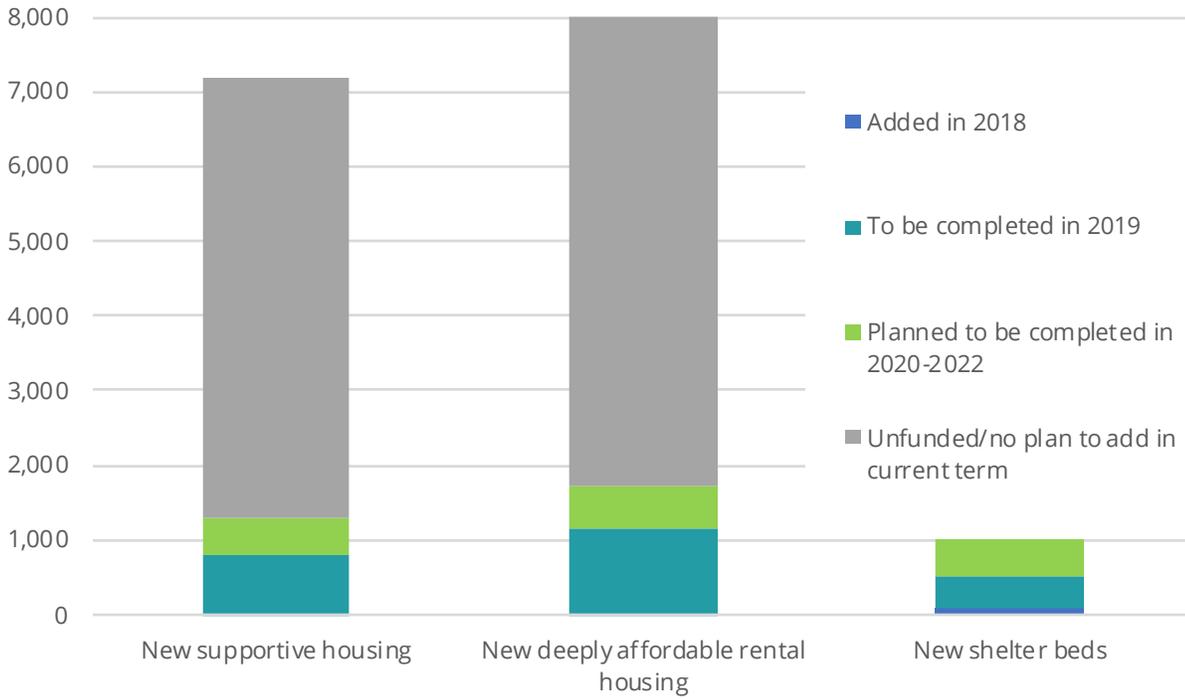
PUBLIC TRANSIT

Reduced transit fares: The Pledge called for reduced transit fares for an additional 157,000 lower-income adults. The 2019 budget expands eligibility for 23,000 adults. At present, funding to expand eligibility for the remaining 134,000 adults is not confirmed.

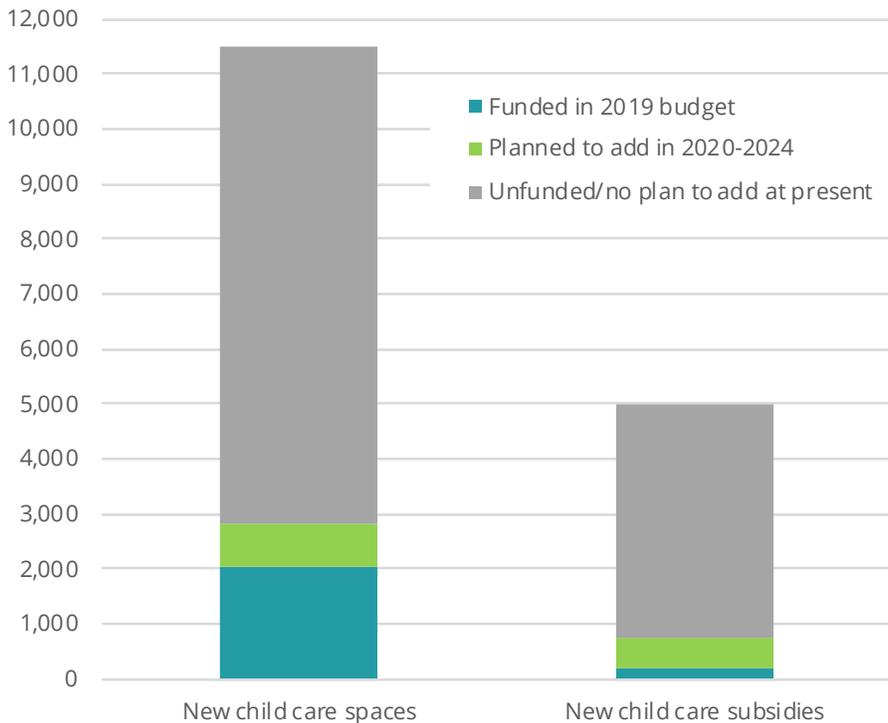
RECREATION

Recreation program spaces: Of the 40,000 new recreation spaces in the Pledge, 7,500 are included in the 2019 budget. The remaining 32,500 are unfunded.

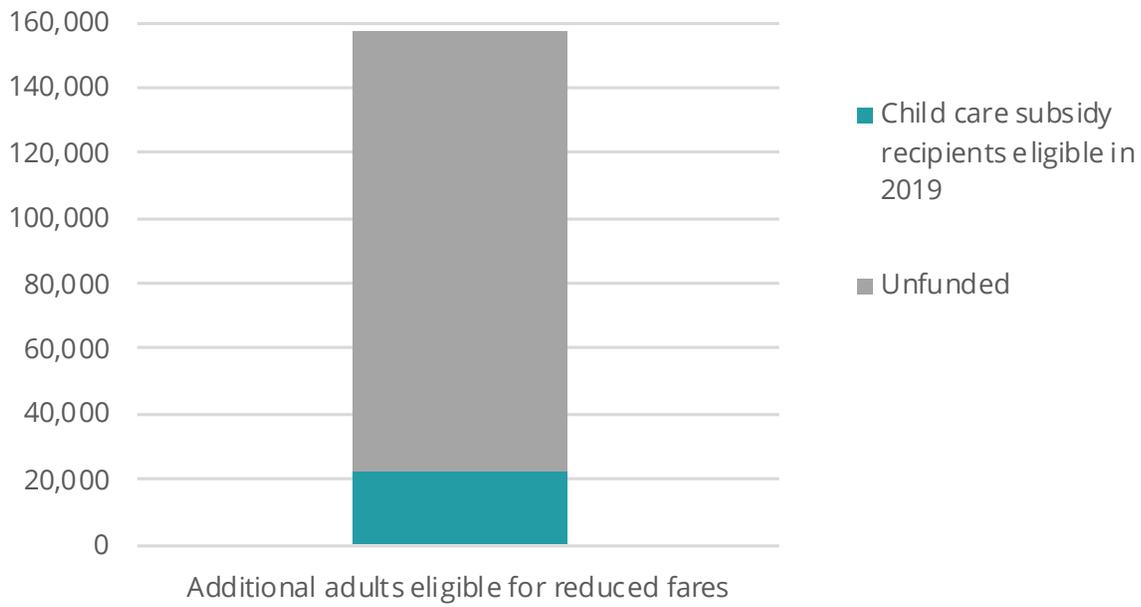
Housing and Homelessness



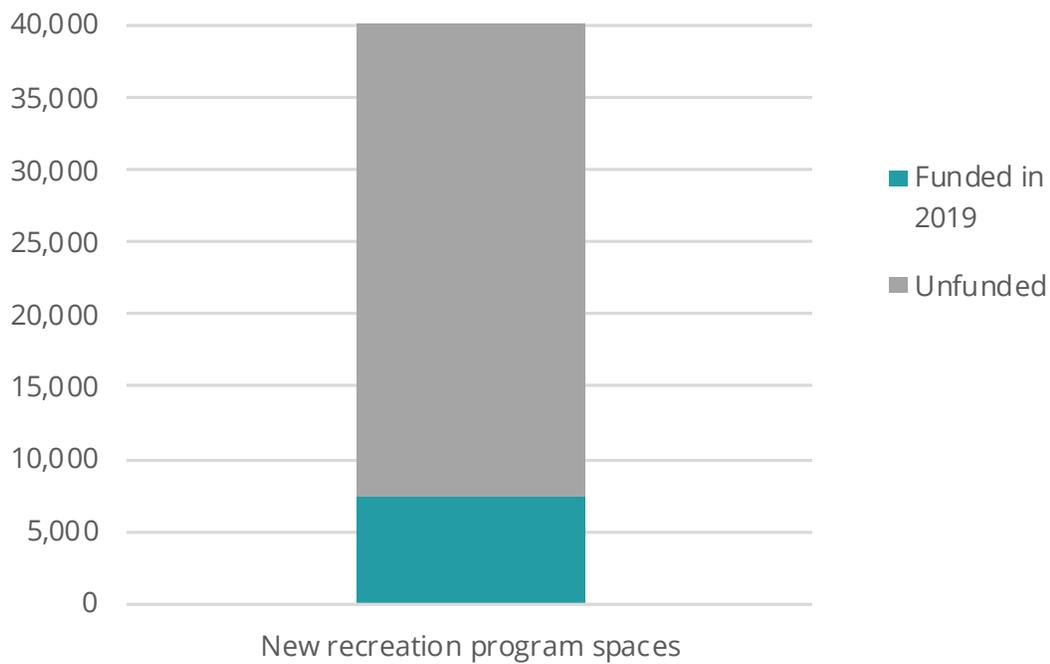
Child Care



Public Transit



Recreation



TORONTO THE GOOD? IT'S A CHOICE

Rather than fully funding Council-approved strategies and plans, the budget reveals the real priorities of Council — low property taxes that especially benefit the affluent, no new revenue tools (i.e., taxes from other sources), and expensive capital projects that don't deliver on the critical needs of Toronto residents. For example, the City's capital budget prioritizes unnecessarily expensive capital projects like the rebuild of the Gardiner Expressway, an option that breaks the bank to save drivers a few minutes on their commute while leaving precious little for affordable housing and other infrastructure needs. The current budget is designed to serve the most affluent Torontonians at the expense of everyone else, especially the poorest of our city.

TIME FOR THE MAYOR AND CITY COUNCIL TO GET THIS BUDGET BACK ON TRACK

The good news is the 2019 City budget process is not over.

There's still time for the Mayor and Toronto City Council to make real change for the hundreds of thousands of Toronto residents struggling in our city. The Mayor's Executive Committee meets on Monday, March 4, to review and make recommendations on the 2019 City budget. Toronto City Council holds the final vote on the budget at its March 7

meeting. At either meeting, the Mayor and members of Council have an opportunity to get this budget back on track.

We urge Toronto City Council to either raise new revenue or shift existing priorities in the 2019 budget in order to:

- fully fund Phase 2 of the Transit Fare Equity Program to extend eligibility for reduced transit fares to Toronto residents who receive housing supports,
- follow Council's original plan to expand recreation program spaces by 25,000 in 2019,
- fund all 760 child care subsidies in 2019 rather than phasing in the new subsidies over four years, and
- increase funding for deeply affordable rental housing, supportive housing, and child care spaces to ensure that Council is well situated to deliver on its housing and child care promises by 2022.

We also strongly recommend that Council recognize Toronto's homelessness crisis as a human rights disaster, affirm the human right to housing, and take immediate action with its provincial and federal counterparts that reflects the urgency of this life-and-death crisis in our city.

Now is the time for the Mayor and members of Council to show they're serious about making good on their election promises and to signal a strong commitment to action on poverty for the next four years.

INTRODUCTION

This city has some serious challenges. One in five adults and one in four children in Toronto live in poverty. Indigenous, racialized, and newcomer families are even more likely to struggle with low incomes.⁴ We've got an ongoing crisis of homelessness and lack of affordable housing — where we don't even have the capacity to provide a proper shelter bed for all of the city's homeless population on a nightly basis. Over 100,000 households are on the waiting list for social housing, and almost half of all tenant households lack affordable housing.^{5,6} We've got a costly and crumbling public transit system, with transit fares that are out of reach for many residents living with low incomes. We've got the most expensive child care in the country, with more than 11,000 children on the waiting list for a subsidy, and even if you have money, you may not be able to find a spot for your child.^{7,8,9} And we've got lengthy waiting lists for recreation programs.¹⁰

That's just the short list.

The newly elected City Council has an opportunity to take on these challenges and make a real difference in people's lives, particularly those struggling. In this report, we take a deep dive into the 2019 City budget to assess how well Council is doing in making good on its election promises to act on poverty during this Council term.

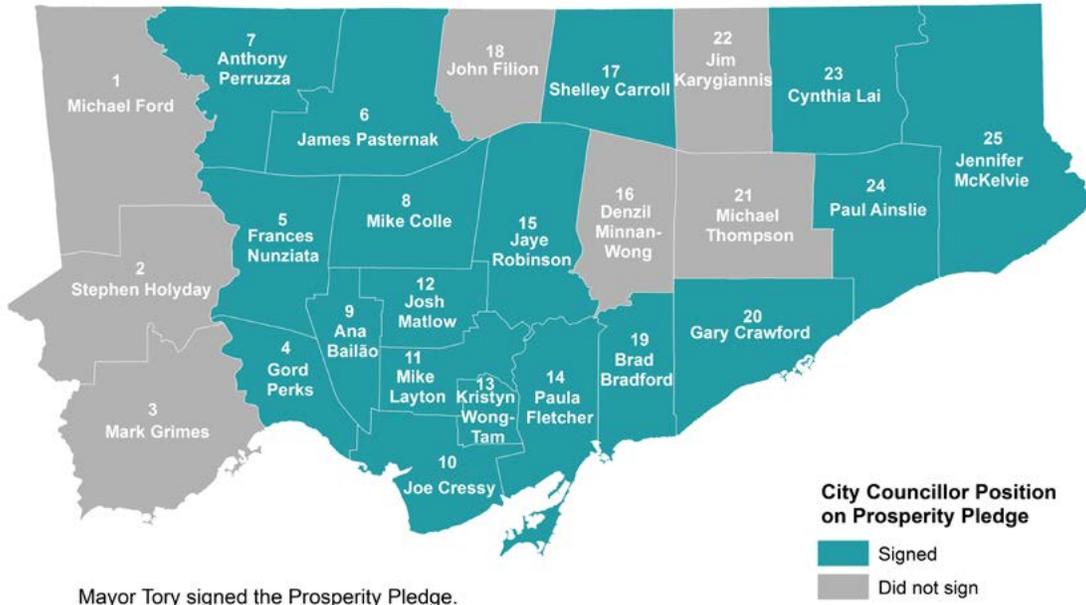
THE PROSPERITY PLEDGE: AN ELECTION COMMITMENT TO TAKE ACTION ON POVERTY

In the lead up to the 2018 City of Toronto municipal election, Social Planning Toronto, Commitment TO Community, and Faith in the City asked candidates for mayor and City Council to sign the Prosperity Pledge, an election promise to take specific actions to advance the City's Poverty Reduction Strategy during Council's 2018–2022 term.

Candidates who signed the Pledge committed to the full funding and implementation of the City's Poverty Reduction Strategy and related Council-approved equity strategies, including a promise to implement the following actions during the 2018–2022 term:

- 7,200 new supportive housing units, at least 8,000 new deeply affordable rental housing units, and 1,000 new shelter spaces;
- Reduced TTC fares for an additional 157,000 lower-income adults;
- 11,500 new child care spaces, including 5,000 subsidized spaces; and
- 40,000 new recreation program spaces.

73% of Toronto City Council Members Signed Prosperity Pledge, Committing to Specific Actions to Reduce Poverty



THE 2019 CITY BUDGET: COUNCIL'S FIRST OPPORTUNITY TO DELIVER ON THE PROSPERITY PLEDGE

The 2019 City of Toronto budget presents the first opportunity for Toronto City Council to make good on its election promises to act on poverty. This assessment describes City Council's progress to date on those election promises based on the programs and services funded in the staff-recommended budget and the recommendations endorsed by Council's Budget Committee at its February 20 meeting.

19 of the 26 elected members of Toronto City Council, including Mayor Tory, signed the Prosperity Pledge — a total of 73% support from the new Council.

ELECTION PROMISE #1: HOUSING & HOMELESSNESS

PROSPERITY PLEDGE PROMISE

Create 7,200 new supportive housing units, at least 8,000 new deeply affordable rental housing units, and 1,000 new shelter spaces during the 2018–2022 term of Council.

WHAT'S IN THE 2019 CITY BUDGET?

SUPPORTIVE HOUSING

City budget documents indicate that, in 2019, 61 new units of supportive housing will be completed, 36 units will be converted into supportive housing, and new housing supports will be provided to residents in 690 existing rental housing units, resulting in a total of 787 new supportive housing units/new households receiving supports in 2019.¹¹ In 2020, 22 new units of supportive housing will be completed, and 168 units will be converted into supportive housing. In 2021, 301 units will be converted into supportive housing. In total, 1,278 new units of supportive housing/new households will receive supports over the next three years.

DEEPLY AFFORDABLE HOUSING

The city's Affordable Housing Office projects that 434 affordable rental housing units will be completed in 2019, with an additional 1,000 units in 2020, and 1,000 in 2021.¹² The City defines affordable housing as

that providing rent at or below average market rent. Average market rents are not affordable for a large number of households in Toronto.

The Prosperity Pledge called for the creation of at least 8,000 units of deeply affordable housing, where the rent is set at or below 30% of a household's income (i.e., rent-geared-to-income). Senior staff in the city's Affordable Housing Office have indicated that housing allowances intended to draw households from the social housing waiting list have been attached to a minimum of 10% of affordable housing units completed in recent years.¹³ Based on these figures, we anticipate that 44 deeply affordable rental units will be completed in 2019, 100 in 2020, and 100 in 2021.¹⁴ These figures are included in our assessment below.

In January 2019, Toronto City Council passed a motion to implement its "Housing Now" plan to build residential housing on 11 City-owned sites.¹⁵ At present, this plan includes 363 units of deeply affordable housing. We have included these future builds in our assessment below.

In addition, the budget includes funds for 1,000 new housing allowances in 2019, supported by senior orders of government.¹⁶ Senior city staff have also confirmed that 100 new rent-geared-

to-income housing allowances will be provided to low-income households in existing buildings in 2019.¹⁷ The expansion of housing allowances is reflected in our assessment as well.

To summarize, a total of 1,100 new housing allowances and 44 new units of deeply affordable rental housing are included in the 2019 budget. In 2020–21, 200 new units of deeply affordable rental housing are anticipated based on the 2019 budget. The Housing Now plan will add an additional 363 deeply affordable rental units in future years.

SHELTER BEDS

In 2018, Toronto City Council adopted a three-year plan to expand the number of new shelter beds by 1,000. In 2018, 101 beds were added.¹⁸ In 2019, an additional 400 will be completed, and in 2020, the remaining 499 are to be added.¹⁹ City staff have indicated that progress in adding the new shelter beds has been slow due to challenges finding suitable space and the high cost of land/properties. Budget notes indicate that the city has experienced a “significant delay” in bringing these new shelters online.

OTHER CRITICAL HOUSING AND HOMELESSNESS ISSUES

The 2019 budget is short \$45.4 million for shelters.²⁰ The City has requested that the

federal government provide this funding to support the substantial increase in the number of refugees in need of shelter in Toronto. It is unclear what will happen to shelter services if those funds are not provided.

The City budget includes a \$243.438 million operating subsidy to allow Toronto Community Housing to maintain 2018 levels of service.²¹ The City will also borrow \$61.912 million to support repairs of tenant homes in Toronto Community Housing. Despite these new funds, if no further actions are taken, the City projects that the Toronto Community Housing repair backlog will grow from \$1.763 billion in 2019 to \$3.161 billion in 10 years’ time, a 79% increase.²² Without new funding for repairs, thousands of housing units will be shuttered beginning in two years’ time.

HOW’S COUNCIL DOING SO FAR?

Toronto’s affordable housing and homelessness crisis has been decades in the making. The waiting list for social housing now surpasses 100,000 households.²³ Nearly half of all tenant households lack affordable housing.²⁴ Toronto’s shelter system has never met its own occupancy standard of 90% since that standard was re-established by Council in 2013.²⁵ The City’s respite centres, Out of the Cold programs, and 24-hour drop-ins are now assisting over 1,000 people a night who can’t find a proper

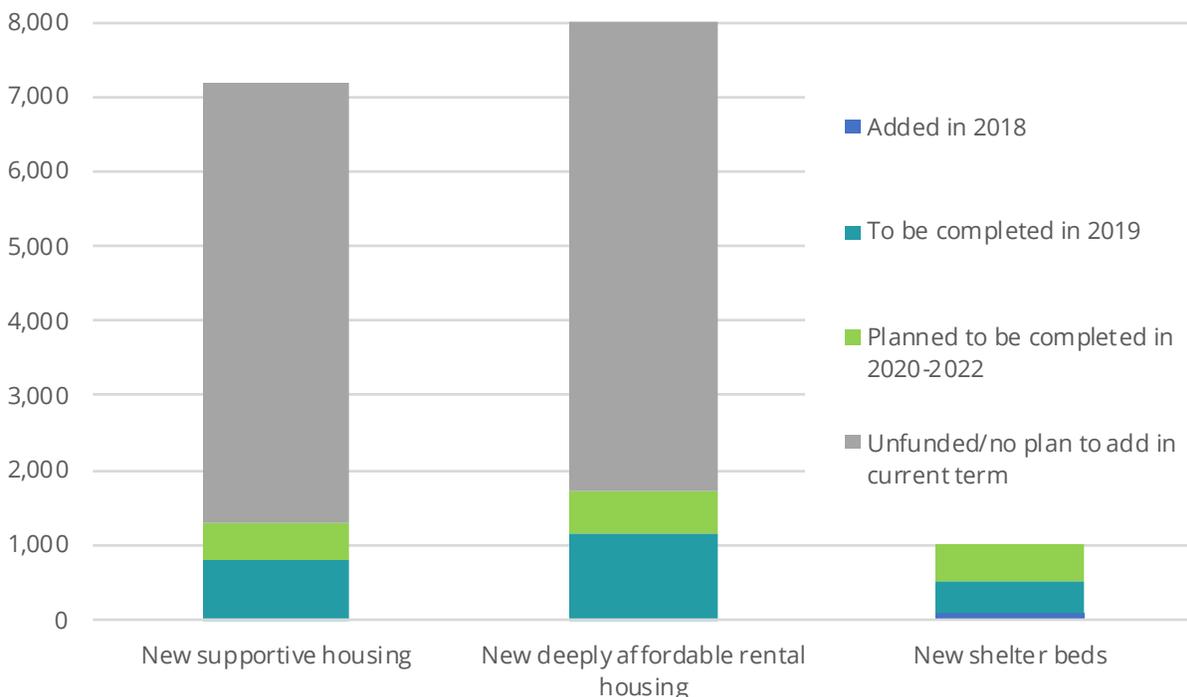
shelter bed.²⁶ These programs are not shelters. They do not meet the City's shelter standards. Yet, this is the state of the crisis.

In light of the extent of the crisis, we would hope that City Council would embrace much higher goals than those set out in the Prosperity Pledge. However, this does not appear to be the case. Budget documents show limited action to address the housing crisis. While the City is set to meet its target of 1,000 new shelter beds by 2020, on any given night, we can see that it is not nearly enough and not happening quickly enough to meet the basic survival needs of people who are homeless in our city.

The federal government's introduction of its National Housing Strategy holds out hope

for addressing, at least in part, the city's housing crisis. The City of Toronto has a "high expectation" that the National Housing Strategy will support key priorities including "Funding and financing for Toronto Community Housing capital repairs; Funding and finance for new rental housing; and Confirmation that the Canada-Ontario NHS Bi-Lateral Agreement will be activated."²⁷ Several proposals are under review at present.

In January 2019, Toronto City Council adopted the "Housing Now" plan, to build over 10,000 units of residential housing on City-owned properties. The plan provides for one-third of the units to be available at average market rents, one-third at or below 80% of average market rent, and one-third



that would likely be sold as condos.²⁸ While an important commitment by Council, only 363 units are to be provided with deeply affordable rents.²⁹ In response to community advocacy, City Council passed motions that increase the potential of creating more deeply affordable housing within the Housing Now plan.³⁰

Toronto City Council has a long way to go to making good on its housing election promises. It is unclear how these remaining components will be implemented without additional revenue or shifting priorities.

ELECTION PROMISE #2: PUBLIC TRANSIT

PROSPERITY PLEDGE PROMISE

Provide reduced TTC fares for an additional 157,000 lower-income adults during the 2018–2022 term of Council.

WHAT'S IN THE 2019 CITY BUDGET?

The 2019 budget includes an additional \$2.4 million to partially implement Phase 2 of the Transit Fare Equity Program.³¹ The program was established to make transit more affordable for low-income residents by providing reduced transit fares and passes. According to 2019 City budget documents, eligibility for the discount transit fare program will be expanded to include approximately 23,000 adults in receipt of child care subsidies. The City estimates that half of these parents will apply for the discount in 2019.

The budget only provides for a partial implementation of Phase 2 of the program. Under the Council-approved implementation plan, eligibility was supposed to be expanded in 2019 to include low-income adults who receive housing supports as well as child care subsidies.³² However, the budget does not provide funding for those receiving housing supports.

HOW'S COUNCIL DOING SO FAR?

As part of the City's Poverty Reduction Strategy, Toronto City Council passed a motion to create the Transit Fare Equity Program.³³ Recognizing the importance of access to public transit, Toronto City Council created this program to provide reduced transit fares and passes for low-income adults.

In 2016, Toronto City Council set out an implementation plan for the program to take place in three phases:

- Phase 1 — starting in March 2018 — includes only Ontario Disability Support Program and Ontario Works clients not in receipt of transportation supports;
- Phase 2 — starting in March 2019 — extends eligibility to residents receiving housing supports or child care fee subsidy whose household income falls under the Low-Income Measure +15% eligibility threshold; and
- Phase 3 — starting in March 2020 — extends eligibility to all other Toronto residents living with an income below the Low Income Measure +15% threshold.³⁴

Phase 1 of the plan was implemented beginning in April 2018, providing eligibility to reduced transit fares for social assistance recipients who were not in receipt of

transportation supports. City budget documents note that the program was underspent by \$1.5 million in 2018 due to slow take up of Presto Cards and the one-month delay in implementation.³⁵

Phase 2 was to be implemented beginning in March 2019, expanding eligibility to low-income adults who receive child care subsidies or housing supports. However, the 2019 budget only extends eligibility to child care subsidy recipients and does not include individuals receiving housing supports.

A City staff briefing note states:

While this proposal extends eligibility to those in receipt of a child care subsidy, it does not extend eligibility to those in receipt of housing supports, as originally planned. This is due to the logistical difficulties of identifying and verifying eligible residents in receipt of housing supports.

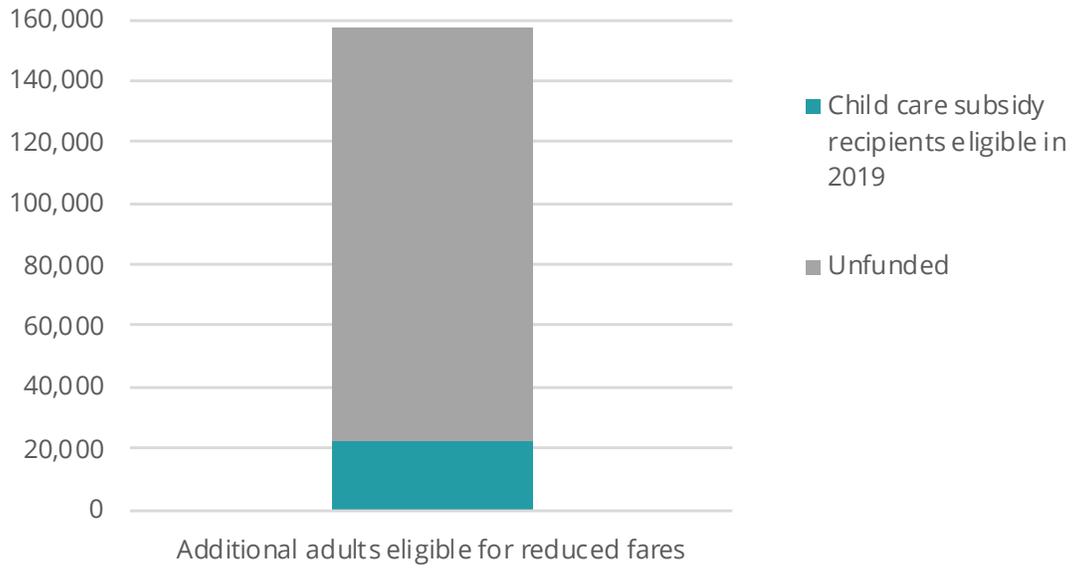
The City of Toronto contracts with more than 200 housing providers that individually manage income verification for all Rent-Geared-To-Income residents. The City does not currently have access to this information.

When the Fair Pass Discount Program is fully implemented in 2020, all low-income Torontonians, which includes those receiving housing supports, will be eligible to apply for Fair Pass.³⁶

It must be pointed out that Toronto City Council adopted the implementation plan in December 2016. Over two years ago, the plan was set to expand eligibility to include housing support recipients in 2019. Despite this, the City has indicated that they are unprepared to fully implement the plan as approved by Council.

According to 2018 City budget documents, \$4.5 million would have been required this year to fully implement Phase 2 of the program.³⁷ The 2019 budget includes \$2.4 million for the partial implementation of Phase 2. The budget briefing note indicates that the program will be fully implemented in 2020. According to 2018 City budget documents, costs for Phase 3 implementation of the program in 2020 are estimated at \$19.3 million. As well, there will be additional costs related to the full year implementation of Phase 2 and the expanded eligibility for individuals receiving housing supports.

Many of the City's plans and strategies lay out important actions to make Toronto a more livable and inclusive city. They are often enthusiastically adopted by Council but suffer a similar fate as the Transit Fare Equity Program, with delays in implementation. The delay in the full implementation of Phase 2 of the Transit Fare Equity Program does not send a positive signal for future years when greater levels of investment will be required.



Toronto City Council has a long way to go to making good on its public transit election promises. It is unclear how these remaining components will be implemented without additional revenue or shifting priorities.

ELECTION PROMISE #3: CHILD CARE

PROSPERITY PLEDGE PROMISE

Create 11,500 new child care spaces, including 5,000 subsidized spaces during the 2018–2022 term of Council.

WHAT'S IN THE 2019 CITY BUDGET?

City staff have confirmed that 2,817 new child care spaces are under construction at this time, with 2,035 expected to be completed in 2019, pending no major construction delays.³⁸ The remaining 782 spaces are expected to be completed between 2020-2024.

The 2019 budget includes \$2.058 million in funding for 210 new child care subsidies for families with low incomes.³⁹ The Children's Services budget notes indicate that 550 additional child care subsidies will be added between 2020–2022, resulting in a total of 760 new child care subsidies during the current term of Council. These subsidies are funded by the City of Toronto through its 20% contribution to the Child Care Growth Strategy, with funds phased in over four years.

The 2019 budget also includes \$1.680 million in General Operating Funding to improve child care affordability for all families.

HOW'S COUNCIL DOING SO FAR?

The Children's Services budget notes reveal the considerable challenges families face in accessing licensed and affordable child care in Toronto. Licensed child care spaces provide for less than 20% of the city's children, and fee subsidies are available to only one-third of children under age 13 from low-income families. Over 11,000 children are on the waiting list for subsidized child care in Toronto — while a considerable drop in recent years, still a substantial level of unmet need.^{40,41} Recent research from the Canadian Centre for Policy Alternatives confirms that Toronto has the highest child care costs in the country for infants and preschool age children and second highest for toddlers.⁴²

The 2019 City budget shows limited movement to improve access to child care and ensure affordability for families. Based on current budget figures, Toronto City Council appears to be far off the mark from delivering on its election promise of creating 11,500 new child care spaces, including 5,000 subsidized spaces, by 2022.

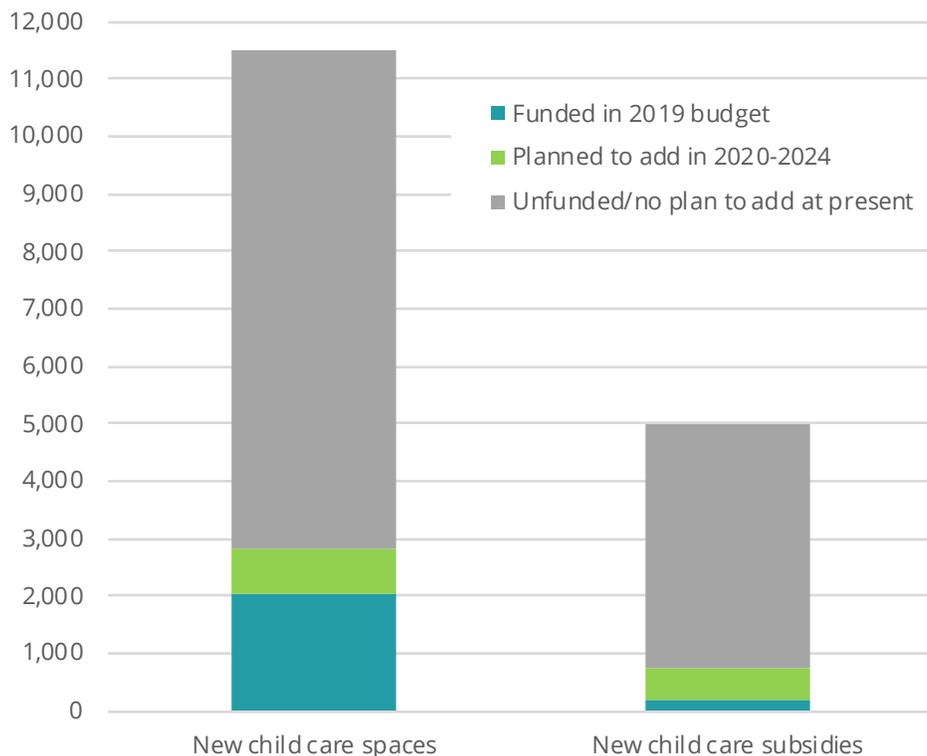
This situation may change — for better or for worse — depending on the actions of the federal, provincial and municipal governments.

In 2016, the provincial government committed to creating 100,000 child care spaces for children under age four across Ontario.⁴³ Based on past allocation practices, this would result in approximately 30,000 new spaces in Toronto. In 2017, the federal government announced new funding that could create up to 40,000 new child care subsidies across Canada.

These provincial and federal announcements offered hope for the expansion of licensed child care and improvements in affordability. However, with the election of a new government in Ontario in 2018, it is unclear whether past provincial child care commitments will be

met. In addition, Ontario Premier Doug Ford has spoken publicly about making changes to full-day kindergarten.⁴⁴ This could affect the child care needs of Ontario families. Families, child care providers, and advocates have expressed concerns about the future of licensed child care in the province.

Historically, improvements in access to high-quality and affordable child care have been driven largely by senior orders of government. Decisions at a provincial level will impact child care funding flowing to the municipality. Further, Toronto City Council has a long-standing practice of contributing 20% of total child care growth funding based on provincial funding that the City receives.



If new provincial funding is not provided, or worse, service cuts are implemented, will Toronto City Council make the investments needed to mitigate cuts and expand the system to better meet the needs of families?

In addition to this uncertainty, City budget documents indicate that funds from the city's National Child Supplement Reserve, which support 220 child care subsidies for families on social assistance, will be depleted in 2020.⁴⁵ This will require the City to find \$2.2 million from another source of funding to maintain these subsidies beginning in the 2020 budget.

Provincial and federal government action will certainly impact the experience of families in accessing high-quality, affordable child care in Toronto.

Toronto City Council has a long way to go to making good on its child care election promises. It is unclear how these remaining components will be implemented without additional revenue or shifting priorities.

ELECTION PROMISE #4: RECREATION

PROSPERITY PLEDGE PROMISE

Create 40,000 new recreation program spaces during the 2018–2022 term of Council.

WHAT'S IN THE 2019 CITY BUDGET?

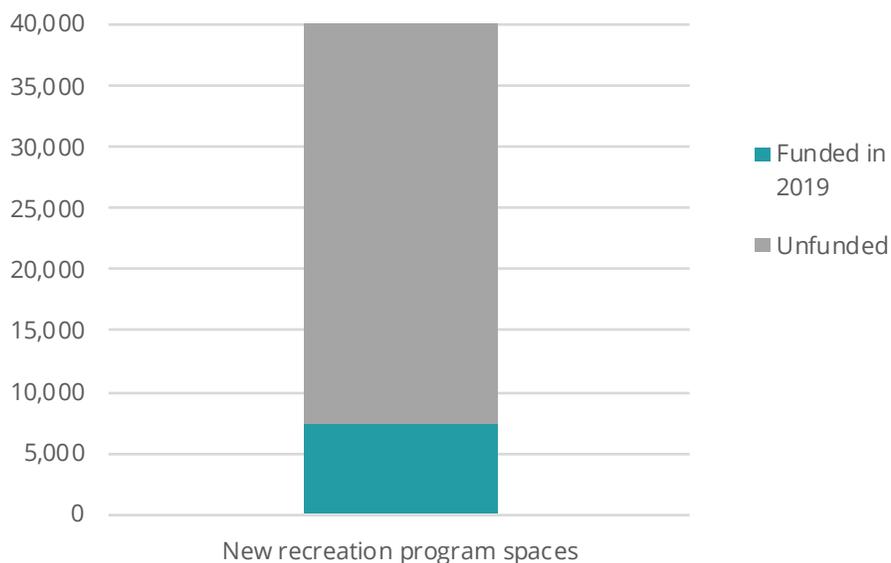
The 2019 budget includes \$539,000 (gross; \$417,200 net) to add 7,500 recreation spaces for “high-demand introductory instructional programs across the city.”⁴⁶ This new addition falls far short of the original plan for 25,000 new recreation spaces in 2019.

The budget includes a proposed 4.09% recreation program fee increase, which will especially impact modest-income residents and is far higher than the 2.55% inflationary

increase to property taxes for homeowners. In addition, the budget includes a \$600,000 reduction to the Welcome Policy, a subsidy program that provides access to recreation programs for low-income residents in centres that charge fees.

HOW'S COUNCIL DOING SO FAR?

In 2018, Toronto City Council adopted a three-year Community Recreation Growth Plan to begin to address the waiting list, which had reached over 198,000 applications for recreation programs — an increase of 74% in three years.⁴⁷ The three-year plan called for 10,000 new spaces in 2018, 25,000 in 2019, and 25,000 in 2020, for a total of 60,000 new spaces. Recognizing the lengthy waiting list, City Council elected



to add 20,000 instead of 10,000 recreation spaces in the 2018 budget, adjusting the total to 70,000 new spaces over three years.

The Prosperity Pledge called for 40,000 new recreation spaces in the 2018–2022 term of Council, based on the original 60,000-space expansion plan.

The 2019 budget presents a revised five-year Community Recreation Growth Plan, including 20,000 new spaces in 2018, 7,500 in 2019, 15,000 in 2020, 15,000 in 2021, and 12,500 in 2022. The revised plan extends the original three-year plan to a five-year plan and reduces the number of new spaces in 2019 to just 7,500 from the planned 25,000. It is another example of how the City delays implementation of Council-approved plans, putting off action to provide needed City services to a later date.

Toronto City Council has a long way to go to making good on its recreation election promises. It is unclear how these remaining components will be implemented without additional revenue or shifting priorities.

CONCLUSION

A RELIANCE ON SENIOR ORDERS OF GOVERNMENT AND DELAYS IN IMPLEMENTATION PLANS

Our analysis shows that Toronto City Council is taking small steps in areas where the municipal government shares responsibility with senior orders of government. However, Council is largely depending on those senior orders of government to act. Certainly, the provincial and federal governments have a responsibility to invest in critical programs like housing and child care. However, they have demonstrated an unwillingness to do so, at least to the degree required to mitigate the crisis. Relying primarily on senior orders of government has not resulted in an adequate response to the city's urgent housing and child care needs.

City documents indicate that all 1,000 new shelter beds will be added by 2020, despite challenges in bringing new shelters online. Unfortunately, the situation is so severe that more than 1,000 people a night are relying on respite centres, Out of the Cold programs, and 24-hour drop-ins for overnight services in place of a proper shelter bed.⁴⁸ The need for new shelters is urgent, and the full complement of 1,000 new beds is still over a year away. As well, the homelessness crisis will only worsen without substantial investment in affordable and supportive housing.

In areas where the municipal government holds primary responsibility, such as introduction of reduced transit fares and expansion of recreation programs, our analysis shows that the budget fails to fully fund the Council-approved plans. Delayed implementation is the fate of many Council-approved plans, including the Transit Fare Equity Program and the Community Recreation Growth Strategy.

A LONG ROAD AHEAD

In the table on the following page, we have calculated the number of years required to fulfill each election promise based on the current pace of action reflected in this year's budget. Our calculations are based on publicly available information included in City of Toronto budget documents and Toronto City Council minutes. Where information was unclear in the budget documents, we contacted senior City staff to request clarification of figures.

Based on the current pace of action, it is unlikely that six out of seven of Toronto City Council's election promises on poverty will be fulfilled within the 2018–2022 term of Council without substantial new investment. Our calculations suggest that Council's election promises on housing and child care may take more than a decade to fulfill. This exercise illustrates Council's slow pace of

action in delivering on its election promises on poverty.

It is important to note that these figures can change if the municipal, provincial or federal government chooses to invest (or reduce funding). New funding from the federal National Housing Strategy could improve the outlook on affordable and supportive housing. Any order of government could make decisions that impact access to high quality, affordable child care. If City Council sticks to its Council-approved plans regarding reduced transit fares and expansion of recreation spaces, including the schedule for implementation, members of Council can make good on these election promises. We hope that Toronto City

Council and senior orders of government come through for the people of Toronto. However, the calculations in this report are based on the present state of funding, not what decisions may be made in the future.

The preliminary budget, rather than fully funding Council-approved strategies and plans, prioritizes low property taxes that especially benefit the wealthy. It offers no new revenue tools to support much-needed programs, services, and infrastructure, and it squanders funds on unnecessarily expensive capital projects like the Gardiner Expressway rebuild while starving revenues for affordable housing and other urgent infrastructure needs.

Prosperity Pledge election promise to be fulfilled by 2022	Based on Current Pace of Action		
	# Years it Will Take to Fulfill Election Promise	Year Election Promise Will Be Fulfilled	Age Mayor Tory Will Be When Promise Fulfilled
7,200 new supportive housing units	16.9	2035	81
At least 8,000 new deeply affordable rental housing units	14.1	2033	79
1,000 new shelter spaces	1	2020	66
Reduced TTC fares for an additional 157,000 lower-income adults	6.8	2025	71
11,500 new child care spaces	24.5	2043	89
5,000 subsidized child care spaces	26.3	2045	91
40,000 new recreation program spaces	5.3	2024	70

See appendix for details on these figures.

TIME FOR THE MAYOR AND CITY COUNCIL TO GET THIS BUDGET BACK ON TRACK

The Mayor and City Council still have time in this budget process to make real change for the hundreds of thousands of Toronto residents struggling in our city. There are two more opportunities to get this budget back on track: at the Mayor's Executive Committee on Monday, March 4, and at the Toronto City Council meeting on Thursday, March 7, for the final budget vote.

We urge Toronto City Council to take the following actions in the 2019 budget:

- fully fund Phase 2 of the Transit Fare Equity Program to extend eligibility for reduced transit fares to Toronto residents who receive housing supports,
- follow Council's original plan to expand recreation program spaces by 25,000 in 2019,
- fund all 760 child care subsidies in 2019 rather than phasing in the new subsidies over four years, and
- increase funding for deeply affordable rental housing, supportive housing, and child care spaces to ensure that Council is well situated to deliver on its housing and child care promises by 2022.

We also strongly recommend that Council recognize Toronto's homelessness crisis as a human rights disaster, affirm the human right to housing, and take immediate action

with its provincial and federal counterparts that reflects the urgency of this life-and-death crisis in our city.

Now is the time for the Mayor and members of Council to show they're serious about making good on their election promises and to signal a strong commitment to action on poverty for the next four years.

REFERENCES

- ¹ Wilson, B., Maddox, R., Polanyi, M., Kerr, M., Ekra, M. & Khanna, A. (2018). 2018 Toronto Child & Family Report: Municipal Election Edition. Toronto, Ontario: Social Planning Toronto, Well Living House, St. Michael's Hospital, Children's Aid Society of Toronto, Colour of Poverty, Colour of Change, OCASI, Family Service Toronto, and Ontario Campaign 2000. https://assets.nationbuilder.com/socialplanningtoronto/pages/2079/attachments/original/1538147211/2018_Child_Family_Poverty_Report_Municipal_Election_Edition.pdf?1538147211
- ² City of Toronto (no date). Toronto Poverty Reduction Strategy. Toronto, Ontario. <https://www.toronto.ca/city-government/accountability-operations-customer-service/long-term-vision-plans-and-strategies/poverty-reduction-strategy/>
- ³ City of Toronto (2019, February 14). Daily Shelter and Overnight Service Usage. Toronto, Ontario. <https://www.toronto.ca/city-government/data-research-maps/research-reports/housing-and-homelessness-research-and-reports/shelter-census/>
- ⁴ Wilson, B., Maddox, R., Polanyi, M., Kerr, M., Ekra, M. & Khanna, A. (2018). 2018 Toronto Child & Family Report: Municipal Election Edition. Toronto, Ontario: Social Planning Toronto, Well Living House, St. Michael's Hospital, Children's Aid Society of Toronto, Colour of Poverty, Colour of Change, OCASI, Family Service Toronto, and Ontario Campaign 2000. https://assets.nationbuilder.com/socialplanningtoronto/pages/2079/attachments/original/1538147211/2018_Child_Family_Poverty_Report_Municipal_Election_Edition.pdf?1538147211
- ⁵ City of Toronto (no date). Toronto Progress Portal. Toronto, Ontario. <https://www.toronto.ca/city-government/data-research-maps/toronto-progress-portal/>
- ⁶ City of Toronto (2017). 2016 Census: Housing, Immigration and Ethnocultural Diversity, Aboriginal peoples. Backgrounder. Toronto, Ontario. <https://www.toronto.ca/wp-content/uploads/2017/12/8ca4-5.-2016-Census-Backgrounder-Immigration-Ethnicity-Housing-Aboriginal.pdf>
- ⁷ City of Toronto (no date). Toronto Progress Portal. Toronto, Ontario. <https://www.toronto.ca/city-government/data-research-maps/toronto-progress-portal/>
- ⁸ Macdonald, D. & Friendly, M. (2019). Developmental Milestones: Child care fees in Canada's big cities 2018. Ottawa, Ontario. <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2019/02/Developmental%20milestones.pdf>
- ⁹ City of Toronto, Children's Services (2017). Toronto's Licensed Child Care Growth Strategy for Children Under 4: 2017-2026. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2017/cd/bgrd/backgroundfile-102626.pdf>
- ¹⁰ City of Toronto, Parks, Forestry & Recreation (2018). Parks, Forestry & Recreation Budget Notes. Toronto, Ontario. <https://www.toronto.ca/wp-content/uploads/2018/10/8ed2-PFR-2018-Operating-CA-Public-Book.pdf>
- ¹¹ City of Toronto, Shelter, Support & Housing Administration (2019, February 13). 2019 Operating Budget Briefing Note #19. Supportive Housing Units Scheduled to be Built in Toronto. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-126639.pdf>
- ¹² City of Toronto, Affordable Housing Office (2019). Affordable Housing Office Budget Notes. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-123807.pdf>
- ¹³ E. Hunter (personal communication, 2019, February 21).
- ¹⁴ Ten percent of 434 affordable units in 2019 equals 44 (rounding up); 10% of 1,000 in 2020 equals 100; 10% of 1,000 in 2021 equals 100.
- ¹⁵ Toronto City Council (2019, January 30). Minutes of Toronto City Council Meeting, January 30, 2019. Toronto, Ontario. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX1.1>
- ¹⁶ City of Toronto, Shelter, Support & Housing Administration (2019). Shelter, Support & Housing Administration Budget Notes. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-123815.pdf>
- ¹⁷ E. Hunter (personal communication, 2019, February 21).
- ¹⁸ City of Toronto, Shelter, Support & Housing Administration (2018). Update and Options to Enhance Homeless Services. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/cc/bgrd/backgroundfile-124112.pdf>
- ¹⁹ *ibid.*
- ²⁰ City of Toronto, Shelter, Support & Housing Administration (2019). Shelter, Support & Housing Administration Budget Notes. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-123815.pdf>
- ²¹ *ibid.*
- ²² City of Toronto (2019). Revised Presentation by the City Manager on Preliminary Tax and Rate Supported 2019 Operating Budget and 2019-2028 Capital Budget and Plan. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-124052.pdf>
- ²³ City of Toronto (no date). Toronto Progress Portal. Toronto, Ontario. <https://www.toronto.ca/city-government/data-research-maps/toronto-progress-portal/>
- ²⁴ City of Toronto (2017). 2016 Census: Housing, Immigration and Ethnocultural Diversity, Aboriginal peoples. Backgrounder. Toronto, Ontario. <https://www.toronto.ca/wp-content/uploads/2017/12/8ca4-5.-2016-Census-Backgrounder-Immigration-Ethnicity-Housing-Aboriginal.pdf>
- ²⁵ City of Toronto (2019, February 14). Daily Shelter and Overnight Service Usage. Toronto, Ontario. <https://www.toronto.ca/city-government/data-research-maps/research-reports/housing-and-homelessness-research-and-reports/shelter-census/>
- ²⁶ *ibid.*
- ²⁷ City of Toronto, Shelter, Support & Housing Administration (2019, February 13). 2019 Operating Budget Briefing Note. National Housing Strategy – Funding Requests and

Commitments. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-126637.pdf>

²⁸ Toronto City Council (2019, January 30). Minutes of Toronto City Council Meeting, January 30, 2019. Toronto, Ontario. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX1.1>

²⁹ Rider, D. (2019, January 23). Toronto's affordable housing proceeds, but John Tory and council begged to do more. *Toronto Star*. www.thestar.com/news/gta/2019/01/23/torontos-affordable-housing-plan-proceeds-but-john-tory-and-council-begged-to-do-more.html

³⁰ Toronto City Council (2019, January 30). Minutes of Toronto City Council Meeting, January 30, 2019. Toronto, Ontario. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX1.1>

³¹ City of Toronto, Social Development, Finance & Administration (2019). Social Development, Finance & Administration Budget Notes. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-123816.pdf>

³² Toronto City Council (2016, December 13). Minutes of Toronto City Council Meeting, December 13, 2016. Toronto, Ontario. <http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilMinutesReport&meetingId=10878>

³³ *ibid.*

³⁴ *ibid.*

³⁵ City of Toronto, Social Development, Finance & Administration (2019). Social Development, Finance & Administration Budget Notes. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-123816.pdf>

³⁶ City of Toronto, Social Development, Finance and Administration (2019, February 4). 2019 Operating Budget Briefing Note #06. Toronto Poverty Reduction Strategy. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-124434.pdf>

³⁷ City of Toronto, Social Development, Finance and Administration (2018). Social Development, Finance and Administration Operating Program Budget Notes. Toronto, Ontario. <https://www.toronto.ca/wp-content/uploads/2018/06/9805-SDFA-2018-Ops-Public-Book.pdf>

³⁸ S. McNamee (personal communication, 2019, February 19).

³⁹ City of Toronto, Children's Services (2019). Children's Services Budget Notes. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-123808.pdf>

⁴⁰ City of Toronto (no date). Toronto Progress Portal. Toronto, Ontario. <https://www.toronto.ca/city-government/data-research-maps/toronto-progress-portal/>

⁴¹ Through provincial and municipal funding, the waiting list for subsidized child care decreased by 36% since 2016

⁴² Macdonald, D. & Friendly, M. (2019). Developmental Milestones: Child care fees in Canada's big cities 2018. Ottawa, Ontario. <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2019/02/Developmental%20milestones.pdf>

⁴³ City of Toronto, Children's Services (2017). Toronto's Licensed Child Care Growth Strategy for Children Under 4: 2017-2026. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2017/cd/bgrd/backgroundfile-102626.pdf>

⁴⁴ CBC News (2019, February 1). Ford government says full-day 'learning' will stay, but it won't necessarily be kindergarten. <https://www.cbc.ca/news/canada/toronto/ford-government-says-full-day-learning-will-stay-but-it-won-t-necessarily-be-kindergarten-1.5002881>

⁴⁵ City of Toronto, Children's Services (2019). Children's Services Budget Notes. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-123808.pdf>

⁴⁶ City of Toronto, Parks, Forestry & Recreation (2019). Parks, Forestry & Recreation Budget Notes. Toronto, Ontario. <https://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-124026.pdf>

⁴⁷ City of Toronto, Parks, Forestry & Recreation (2018). Parks, Forestry & Recreation Budget Notes. Toronto, Ontario. <https://www.toronto.ca/wp-content/uploads/2018/10/8ed2-PFR-2018-Operating-CA-Public-Book.pdf>

⁴⁸ City of Toronto (2019, February 14). Daily Shelter and Overnight Service Usage. Toronto, Ontario. <https://www.toronto.ca/city-government/data-research-maps/research-reports/housing-and-homelessness-research-and-reports/shelter-census/>

⁴⁹ Senior staff in the City's Affordable Housing Office indicated that housing allowances intended to draw households from the social housing waiting list have been attached to a minimum of 10% of new rental housing units in recent years. We used this 10% figure to calculate the new builds that would be deeply affordable, as this is the best data currently available. (Many thanks to the Affordable Housing Office for responding to our request within our tight deadline.) As noted, city staff indicated that the figure could be higher than 10% as other funds may be attached to specific developments that increase the affordability of the units. It is important to note that the number of years it would take to fulfill this housing promise could be less than 14.1 years. For example, if housing allowances are attached to as much as 20% of new rental units, the time it would take Council to deliver on this housing promise would decrease to 12.3 years. However, even with this best case scenario, the commitment would not be fulfilled for over a decade based on the current pace of action.

APPENDIX

THE PROSPERITY PLEDGE

"I PLEDGE, if elected to Toronto City Council, to work with community, business and faith leaders to reduce poverty and inequality in Toronto, and to support the full funding and full implementation of Toronto's Poverty Reduction Strategy (TO Prosperity) and other Council-approved equity initiatives over the 2018–2022 term, including the following approved actions:

- *7,200 new supportive housing units, at least 8,000 new deeply affordable rental housing units, and 1,000 new shelter spaces*
- *Reduced TTC fares for an additional 157,000 lower-income adults*
- *11,500 new child care spaces, including 5,000 subsidized spaces*
- *40,000 new recreation program spaces"*

ASSESSING PROGRESS ON THE PROSPERITY PLEDGE

In our assessment of Council's progress on the Prosperity Pledge, we were generous in how we measured progress. For example, while the Pledge calls for 7,200 new supportive housing units, we included not only new units but new supports for residents in existing rental housing. To calculate the number of new deeply affordable rental housing units, we included new units and new housing allowances.

We used information from the 2019 City budget, Toronto City Council minutes, and data from senior City staff to calculate the number of years it would take to fulfill each election promise, reflecting the current pace of action. See the table on the following page for detailed calculations.

Prosperity Pledge

Election Promise	Details	Calculation
7,200 new supportive housing units	1,278 new units of supportive housing/new households who will receive supports over the next three years	1,278/3 years = 426 average per year; 7,200/426 = 16.9 years
At least 8,000 new deeply affordable rental housing units⁴⁹	1,000 new housing allowances in 2019; 100 new RGI housing allowances in existing buildings in 2019; 434 affordable rental units to be completed in 2019, 1,000 projected to be completed in 2020, and 1,000 in 2021. According to the city's Affordable Housing Office, a minimum of 10% of new affordable rental housing in recent years has included housing allowances intended to draw households from the social housing waiting list. Housing Now plan passed in January includes 363 units of deeply affordable housing.	Deeply affordable/housing allowance calculation: 434 * .10 = 44; 1,000 * .10 = 100 Total new affordable units/ allowances = 1,000 allowances + 100 allowances + 44 new units + 100 new units + 100 new units + 363 Housing Now units = 1,707. 1,707/3 years = 569 average per year; 8,000/569 = 14.1 years
1,000 new shelter spaces	101 added in 2018, 400 to be added in 2019, with remainder to be added in 2020	Commitment of 1,000 new beds to be met in 2020, 1 year
Reduced TTC fares for an additional 157,000 lower-income adults	23,000 additional adults eligible in 2019	157,000/23,000 = 6.8 years; budget documents state plan to meet full commitment in 2020. However, based on current pace of action, it will take 6.8 years.
11,500 new child care spaces	2,035 new child care spaces to be completed in 2019; 782 new spaces to be completed between 2020–2024	2,817/6 years = 469.5 average per year; 11,500/469.5 = 24.5 years
5,000 subsidized child care spaces	760 new subsidies to be added between 2019–2022	760/4 years = 190 average per year; 5,000/190 = 26.3 years
40,000 new recreation program spaces	7,500 new recreation spaces in 2019	40,000/7,500 = 5.3 years; budget documents state plan to exceed commitment by adding 50,000 by 2022. However, based on current pace of action, it will take 5.3 years.

Data sources are cited in each section of the report.

