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Flawed housing program

September 21, 2009

A celebration is planned in Toronto tomorrow at the construction site of a desperately needed affordable housing project: the YWCA Elm Centre on Elm St. in downtown Toronto. It represents stability and hope for 300 low-income women and their families.

Nearly half the units are to be set aside for women with a mental illness. Another 50 units are for aboriginal women. Both groups are particularly vulnerable to homelessness, so there is a great deal to celebrate about this project.

But the difficulties faced by the YWCA in launching the project illustrate the daunting challenge that lies ahead as we try to provide housing and social supports for tens of thousands of others in need.

Across the province, there are 130,000 households on waiting lists for homes they can afford. So severe is the shortage of affordable housing that families can wait up to 10 years for a subsidized apartment.

Despite the obvious need, however, the inadequacy of government programs to fund affordable housing means too few social service agencies are likely to follow in the footsteps of YWCA Toronto. In order to get \$38 million in government funding for its housing project, the YWCA had to commit to raising \$42 million from private donors. Few other groups would be willing to make that commitment – or to spend almost three years fighting with banks and government agencies to get a decent mortgage, as the YWCA had to do.

So while we celebrate this project, we must ask: Who will build the next one, and the one after that?

YWCA Toronto, which is dedicated to housing, employment and advocacy for women and girls, is a large and well-known agency. "I don't think a smaller organization would be able to do this," notes chief executive Heather McGregor.

And yet that is just what the government expects to happen. Ottawa and Queen's Park no longer pay the full capital cost of new affordable housing, as they did 15 years ago. Now, the senior governments and municipalities pay a per-unit amount and expect community groups to take a mortgage for the rest. The interest on the mortgage is supposed to be paid by private fundraising.

Needless to say, fundraising in this economy is not easy, although the YWCA has raised \$11 million of its initial \$15 million goal. Getting a mortgage is not much easier. Prior to a breakthrough with a provincial agency, Infrastructure Ontario, the YWCA negotiated fruitlessly with the banks. What about the federal government's Canada Mortgage and Housing Corp.? The YWCA was told it could not deal directly with that agency.

While the YWCA succeeded through sheer determination, it is clear our current affordable housing programs are not up to the task of meeting the demand.

The Ontario government is developing a long overdue affordable housing strategy. It must be

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prepared to do far more to assist community groups in actually getting the housing built.