

# Toronto mayor moves to privatize public housing

Jack Miller, Carl Bronski  
22 March 2011

Rob Ford, the right-wing multimillionaire mayor of Toronto, has used a recent scandal over expense account claims and untendered contracts at the city's public housing corporation to purge housing advocates from the corporation's board, press for privatizing management of the municipality's social housing program, and test the waters for a sell-off of its extensive stock of single-family dwellings and apartments.

The Toronto Community Housing Corporation (TCHC) is, after New York City's Public Housing Authority, the largest residential landlord in North America. Its 2,240 high-, medium- and low-rise buildings—worth about C\$6 billion—accommodate some 164,000 low-income tenants, and it employs 1,400 workers, many of whom are unionized. It generates annual total revenue of approximately C\$620 million, most of which, after a 20 percent deduction for property taxes, is placed back into its operating budget. Tenants pay a third of whatever income they have in rent.

In late February, the contents of two reports by the city's auditor-general were leaked to the *Toronto Star*. Those reports exposed serious violations of the corporation's tendering process and listed several thousand dollars' worth of highly questionable employee expenses incurred by senior management at TCHC, including boat cruises, manicures/pedicures, massages, and chocolates from high-end retailer Holt Renfrew. The first report, on procurement of supplies and services, documented several instances in which the TCHC had signed contracts without first opening them to competitive bidding. This conflicted with the corporation's stated policies and allegedly resulted in an annual loss of C\$4 to C\$10 million in savings.

Media attention—and that of Ford and his team of councillors—was, however, focused on the second report, which documented the expense account claims. Although several managers clearly fed at the trough of the public purse, Ford and his cabal of right-wingers, aided and abetted by much of the corporate media, have cynically manipulated the furor over managerial fat cats to press for further cuts to an already shredded social safety net.

Ford, who recently won election on a “Stop the Gravy Train” anti-tax populist platform that sought to portray unionized municipal workers as lazy, overpaid louts and social programs as lavish and often unnecessary, seized on the expense claims scandal to attack the very notion of social housing. Pro-Ford newspaper columnists and radio hosts—who have yet to utter a word over the billions of bailout dollars floated to prop up the banks and the auto companies, not to mention the daily tax-write-offs of four-martini smoked-salmon “business” lunches—excoriated the entire TCHC for the inappropriate expenditures, while omitting or barely mentioning that the offending managers had been fired some months ago.

In his expense claim report, the city auditor wrote that around C\$200,000 could be saved annually by adhering strictly to the documented policy on expenses which would include the cancellation of the employees' annual Christmas dinner—which at C\$53,000 was the largest expense. Unreported in the mainstream press was the fact that the 750 workers and managers who attended that traditional affair ended up

with little more than a basic dinner and a couple of drink tickets at a cost per person of less than C\$70.

Councillor Doug Ford, the mayor's brother, was first off the mark with official condemnations, stating that the administration is preparing for a “complete overhaul in the whole system.” While refusing to make any further commitment on behalf of the mayor, he expressed his own preference for a privatized model: “It's proven. It works.” A few days later, the mayor, in a radio interview, said he would “absolutely” consider privatizing social housing. “I have no problem looking at TCHC and how we're delivering these services,” he said. “If contracting it out is the way to go, that's the way we're going to go.”

Ford, who has already announced his intention to privatize garbage collection and ordered preparations for hiring replacement workers (i.e., scabs) should workers resist, used the auditor's reports to boost his fatuous claim that the city's budget crisis can be solved without damaging services if there is but a determined campaign to cut “waste.” Declared Ford, “If I've said it once, I've said it thousands of times: we have a spending problem not a revenue problem.”

In the three weeks since the auditor's report on the TCHC was released, the fallout from it has dominated municipal politics. Ford immediately moved to purge the entire 13-person TCHC Board of Directors and install on an interim basis Case Ootes, a former oil industry executive and just-retired long-time right-wing city councillor and previous deputy mayor, as his housing “czar.”

The Board, comprised largely of social housing advocates and real estate specialists, is an “arm's length” agency of the city. Four board members are city councillors, appointed by the municipal assembly, with political considerations predominant in their selection. Seven board members, including the chairperson, are private citizens, also appointed by the city council, following a selection process guided by an executive recruitment agency. The final two are tenant representatives, elected by the tenants themselves. The board is responsible for appointing the CEO, whom only the board has the right to dismiss—neither the mayor nor council can do that directly.

Egged on by the hysterical press, Ford demanded the resignations of the entire Board as well as the CEO, Keiko Nakamura, who had not been hired until well after the period in which the various scandals had taken place. She pointedly refused to resign. However, as the rhetoric from the politicians and the right-wing media grew more heated, the “civilian” board members backed down. On March 3, they collectively agreed to resign. They were followed the next day by two of the board's councillors, Frances Nunziata and John Parker, both Ford supporters.

This left the two councillors, Raymond Cho and Maria Augimeri (herself a former public housing tenant), and the two tenant representatives. All four argued that they had been appointed to the board in December and had so far attended only a single board meeting. It did not make sense that they should be held responsible for events that had happened before they joined the board. The tenant representatives further

maintained that their resignation would be a failure of their responsibility to the tenants who had elected them to safeguard tenant rights.

At a meeting of city council on March 8, Ford's supporters proposed a motion to dismiss all four remaining board members and temporarily replace the entire board with a single individual—Case Ootes. Because the motion had been introduced without prior notice, it required a two-thirds majority to avoid being sent for preliminary discussion by the council's executive committee. With all the opposition councillors voting against, the motion failed to gain the required support.

The right-wing press was furious at this delay in implementing the mayor's plans. The *Toronto Sun's* full-page headline the next morning read, "Greedy, petulant, self-righteous jerks!" and its editorial indulged in a stream of venom against the councillors who had voted in favour of following due process. Ford immediately called a special meeting of the executive committee for the following day, to bypass the council and ram through his demands.

However, the mayor had, to his temporary chagrin, overlooked the fact that members of the public are allowed to attend meetings of the executive committee and make five-minute presentations. Over the next few hours, dozens of TCHC tenants signed up to speak. Threatened with a protracted demonstration of support for the remaining board members, Ford cancelled the executive committee meeting. Instead, the mayor exploited a procedural loophole that allowed him to call a special meeting of the full council for the following evening, at which the motion could be re-introduced without requiring a two-thirds majority.

At that meeting, with the gallery crammed with tenants vocally opposing Ford's positions, the mayor was nonetheless able to garner the votes required to dismiss the remaining board members. In the floor debate, opposition councillors aimed their fire at the anti-democratic manoeuvres engineered by Ford.

With their signs outside the meeting and catcalls from the gallery, tenants went much further highlighting the danger of a continuing erosion of their housing conditions should the system be privatized.

One opposition motion did narrowly pass at the special meeting stipulating that the TCHC "immediately post on the TCHC website, all expense records of all TCHC board members and all TCHC staff members whose salaries exceed \$100,000." Both Mayor Ford and his brother voted against the motion. When asked at a post-council news conference why he had voted against a measure promoting transparency, the mayor refused to answer and abruptly left the room.

But Ford was not done yet. Within days, he demanded and received the resignation of Derek Ballantyne, the CEO of Build Toronto—the organization tasked with determining which city assets should be sold to private investors. Ballantyne—a career professional in the non-profit and government sectors—had been the CEO of the TCHC during the period that the city auditor had cited in his two reports. The move only served to raise concerns that Ford was using the auditor's report to "clear house" of anyone associated with social housing advocacy and to prepare the way for the further sell-off of housing stock and the contracting out of public management functions. Following Ballantyne's resignation, Case Ootes, in one of his first acts as housing czar, fired TCHC CEO Nakamura.

Tenants and tenant's rights groups have been quick to point out that even though they oppose privatization, conditions in Toronto's public housing units are often abysmal. Bedbug, mice and cockroach infestations are common. Elevators in high rises are consistently out of service. There are sewage back-ups, mould, collapsed ceilings and broken windows. Where the city has already contracted out building maintenance, conditions are even worse. The TCHC was forced to take back the maintenance contract for a towering high-rise in Toronto's St. Jamestown neighbourhood from Greenwin Property Management, because squalid conditions had resulted in a calamitous fire.

The problems at the TCHC are the result of decades of neglect and

political opposition to public housing at all levels of government.

The process leading to the formation of the TCHC began in the mid-1990s. Until then, the federal government had assumed responsibility for funding public housing across the country. But under the federal Liberal government of Jean Chretien, Ottawa devolved that responsibility to the provinces, as part of Finance Minister Paul Martin's wholesale assault on social spending.

Mike Harris, head of the Conservative Ontario government that came to power in 1995, opposed public housing in principle. As part of their US Republican-inspired Common Sense Revolution, the Harris Conservatives passed the *Social Housing Reform Act of 2000*, pushing responsibility for low-income housing to the municipalities—along with a C\$1 billion repair backlog in Toronto alone—without making any additional funding available. The Ontario Liberal government under Dalton McGuinty, which came to power seven-and-a-half years ago, has done nothing to redress the Harris government's abandonment of public housing.

Toronto's housing crisis must be met with an immediate program of emergency measures, including a massive injection of funds to repair and build decent public housing stock. Rent payments everywhere should be capped at no more than 20 percent of residents' income. A massive social housing program must be initiated, providing comfortable, secure and affordable accommodation for students, workers, the unemployed, and pensioners.

These necessary measures will only be implemented through the bringing to power of a workers' government committed to placing the utilities, the banks, and basic industry under public ownership and the democratic control of the working class.

*The authors also recommend:*

Ontario to strip Toronto transit workers of right to strike  
[10 March 2011]

Toronto announces privatization of municipal workforce  
[12 February 2011]



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**