Toronto homeless advocates protest budget cuts

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Anti-poverty advocates and homeless people held a demonstration outside Toronto Mayor Rob Ford's office February 15. Members of the Ontario Coalition Against Poverty erected a makeshift homeless shelter using mattresses and blankets to protest budget cuts that will eliminate approximately 115 beds from homeless shelters as well as the Personal Needs Allowance, a subsidy for daily necessities, given to those in shelters. Demonstrators strung up banners reading "Cuts Kill the Poor" and "Cuts Hurt People."

The mock shelter was torn down by city police, who later removed protestors who had occupied the mayor's office. Mayor Ford, a right-wing populist regularly lampooned for his lack of political acumen, was absent from the scene. Approached for comment while he attended the Canadian International Auto Show, Ford brusquely replied that there are "plenty of beds."

The mayor's assessment is belied by the city's homeless death toll and shelter occupancy rates. During the first six weeks of 2013, 8 homeless individuals have died on Toronto streets. Since 1985, over 650 homeless deaths have been recorded. The number is expected to exceed 700 by the end of this year. Homeless shelters routinely experience a shortage of beds. A recent figure puts the average occupancy rate at 96 percent. During cold winter months, the beleaguered shelters must often turn away those seeking refuge.

The attacks on Toronto's homeless and working poor reflect a concerted effort between the municipal and provincial governments to force the most marginalized sections of society to shoulder the costs of the continuing economic crisis. In January, the provincial Liberal government cut a massive $21 million, or 16 percent, from homelessness-prevention funding. Chief among the cuts was a $12.8 million reduction in the Community Start-up and Maintenance Benefit, which helps low-income families access and maintain affordable housing. Also scrapped was $3.7 million in medical benefits for Toronto's poorest residents.

City Hall has meted out its share of eviction notices and has moved to sell-off some public housing stock. Spearheaded by the mayor, the freezing of property and vehicle ownership taxes in 2011 has eroded city revenues. The reactionary layer of city councilors grouped around Mayor Ford and his brother, Councilor Doug Ford, are now invoking the city's fiscal crisis as political cover to savage necessary social programs.

Analysis conducted by the Wellesley Institute, a Toronto-based research centre, notes that gross operating expenditures for the city increased by just 0.2 percent between 2011 and 2012. This rate has failed to keep up with inflation and population growth. Addressing City Hall, the report reads: "There are some Toronto City Councilors who consider this reduction in real, per-capita spending a victory. This lopsided view is like a family celebrating lower grocery bills without noticing that their children are hungry."

The sentiment is likely lost on the Fords, who are heirs to a multi-million dollar printing empire. They most recently presided over the passing of the 2013 budget, which includes further subsidies to the city's business elite in the form of a paltry 0.6 percent increase in commercial property taxes. Even this measure was conceded unwillingly. The mayor is desperately seeking to rehabilitate his public image, which has been tarnished by a series of personal spending and abuse of power scandals.

The drive to enrich Toronto's most affluent at the expense of its most vulnerable is a bipartisan one. "Progressive" former mayor David Miller came to power in 2003 promising to clean up corrupt backroom dealings. He left office in 2010 with a record of

generous commercial property tax breaks, grants, and subsidies. His term was marked by a series of grossly undervalued commercial land assessments, allowing big developers to purchase swathes of the city for a pittance and reap unprecedented profits. These favourable business conditions saw condo developers descend upon Toronto en masse. The city is home to the most active condo industry in North America, selling 22,654 units at its height in 2007.

In this regard, the temporary closure in January of a McDonald's location in Toronto's upscale Yorkville neighbourhood is particularly instructive. After it was revealed in 2008 that the restaurant was paying a meager $1,250 per month for rent to the city, municipal administrators attempted to raise the rent to $195,000 per year. McDonald's declined and instead offered to purchase the location. The obliging city council sold it to the company for $3.38 million, well below market evaluations of $7 to $9 million. It was well-known at the time that condominium developers could have constructed and sold units in that location for $2 million each.

McDonald's then sold the property for the same price to Bazis International Incorporated, a subsidiary of Bazis-A Corporation, the leading construction company in Kazakhstan. The deal that the City had made with McDonald's stipulated that any profit on a subsequent sale of the Yorkville property be given to the city, so McDonald's simply flipped the land to a corporation associated with Bazis for no profit. That corporation then sold the land to Bazis itself for $9.3 million. This "healthy" windfall profit was effectively a subsidy for a large commercial developer, as city council knew that McDonald's could easily avoid any payments to the city by organizing such a multi-flip maneuver. McDonald's, not to miss any opportunity, then arranged with Bazis for a free retail spot in the new development.

Bazis is infamous for a failed development project in the heart of the city. Its One Bloor East condo project, touted as an 80-storey oasis of "effortless sensuality" at the "epicenter of Canada", had potential buyers lined up around the block to make initial deposits. The developer purchased the lot for $63 million. Financed in part by American banking giant Lehman Brothers and French bank Société Générale, the project was thrust into disarray following the financial crash of 2008. As a result of their massive losses, both financiers were forced to pull their funding, causing Bazis to fall into arrears on payments related to the condo project . It sold the property to prominent developer Great Gulf Homes in 2009 and has since plunged back into the Toronto condo market with four new luxury properties.

All of this takes place over the heads of Toronto's working families, many of whom live on the brink of homelessness. As of December 2012, the waiting list for public housing had reached a staggering 87,486 households, a 69 percent increase since the start of the recession in 2008. City Council responded to these alarming numbers by cutting the funding for new affordable housing by 50 percent, from $49 million to $24 million. In November of last year, it approved the sale of 55 of the 619 single-family homes owned by Toronto Community Housing Corporation, the city's largest social housing provider.

Toronto has the country's second-highest average rental cost, $1,149 per month for a two-bedroom apartment, as compared with $1,210 in Vancouver and $708 in Montréal. Average household income for those on lengthy public and or subsidized housing waiting lists is $16,155, barely enough to cover the rent. In contrast, the top 20 percent of households earn $171,900. It is these layers of the affluent upper middle-class that condominium developers are courting.

The city's homeless are simply cut out of the picture. The same day that the McDonald's-Bazis deal made the front pages in the local press, figures were released showing Toronto's 2012 homeless death toll of 37 was the highest since 2007.