SUBJECT: Ontario's Long-Term Affordable Housing Strategy (CS09075) (City Wide)

RECOMMENDATION:

(a) That the Mayor correspond with the Honourable Jim Watson, Minister of Municipal Affairs and Housing, in support of the Provincial Government’s commitment to create a Long-Term Affordable Housing Strategy.

(b) That Report CS09075, Ontario’s Long-Term Affordable Housing Strategy, be forwarded to Honourable Jim Watson, Minister of Municipal Affairs and Housing, Diane Finley, Minister of Human Resources and Skills Development Canada and the Honourable Diane Finley, Minister responsible for the Canada Mortgage and Housing Corporation as well as all local Members of Parliament and local Members of Provincial Parliament.

Joe-Anne Priel
General Manager
Community Services Department

EXECUTIVE SUMMARY:

The Ministry of Municipal Affairs and Housing (MMAH) is conducting a province-wide consultation on a Long-Term Affordable Housing Strategy (LTAHS). The proposed strategy is a 10-year framework aimed at making it easier for Ontario families to find and to maintain affordable housing. The Provincial Government is seeking opinions that will ultimately frame the strategy and help identify initiatives that can support these directions. Feedback will be received until December 31, 2009.
In anticipation of the final submission due date for the provincial consultation, Housing Division staff undertook an internal consultation process with a number of other staff and senior Community Services Department staff to gather opinions and thoughts on the strategy. Hamilton’s Legal Clinics have taken a lead in the community by hosting two meetings to gather opinions from local stakeholders, which took place on August 20 and September 2, 2009. The distinct housing needs in Hamilton were emphasized when Provincial staff came to Hamilton on September 10, 2009 for a public consultation meeting.

Staff supports the commitment of the Provincial Government to establish a LTAHS as housing needs in Hamilton remain strong, based on the following well-documented information:

- Hamilton has a high poverty rate. About 90,000 Hamilton residents or 18% live below the poverty line as defined by Statistics Canada.
- 22% of renters (about 26,000 households) spend more than 50% of their income on rent, placing them at great risk of becoming homeless.
- There are almost 5,000 active applications on the waiting list for social housing; the fact that the size of the waiting list has stayed relatively steady over the years reflects that little affordable housing is being built. In 2009, the waitlist has increased by 1,000 applicants.
- Over 3,000 people stayed at an emergency shelter at least once in 2008.

The Province is seeking answers to the following five questions, which will help the development of a LTAHS for Ontario:

1. What specific roles should each of the housing partners play in the delivery of affordable housing?
2. What changes are needed to our housing programs to better use resources and improve access to affordable housing? Changes could include modifications to the Affordable Housing Program or the simplification of Housing and Homelessness Programs.
3. What changes are required to the Social Housing Reform Act, 2000 to reduce the regulatory burden and improve the management of social housing?
4. What creative new ideas could improve the current housing system? This could include new planning tools, innovative financial options and new green technologies.
5. What should be used as the housing indicator for Ontario’s Poverty Reduction Strategy? In this context, what do terms like affordable, adequate and suitable housing mean to you?
In response to the aforementioned questions, the following key themes emerged:

- The provincial role should be to provide municipalities with the appropriate tools, powers and flexibility to address housing needs and to implement local solutions.

- Housing exists as a continuum and a connected system of services. For example, helping a family living in social housing to purchase their first home frees up the social housing unit for perhaps a family facing homelessness that is in need of subsidized accommodation.

- Housing is linked to other policy areas such as poverty reduction, health, education, economic development and neighbourhood revitalization.

- The provision of affordable housing is more cost-effective than providing accommodation through other means such as emergency shelters.

- Funding should be allocated to programs and services to help people find and maintain housing, which includes funding to enhance supports needed to keep individuals housed.

- Any changes to the Social Housing Reform Act, 2000 must be targeted and specific. While it is important to update the way social housing is administered, it is equally important to revisit how it is funded. The Provincial Government should implement a full financial up-load of all social housing operating and capital costs, which are presently paid by the municipal tax-base.

- Predictable, sustainable and flexible funding is needed to address affordable housing and homelessness. Municipalities do not have the fiscal capacity to absorb these costs without significant sustained and co-ordinated funding from senior levels of government. Multi-year funding commitments, along with local flexibility in funding use are needed.

- We need local solutions and a heightened degree of accountability for outcomes, but with understanding, agreement and greater co-ordination among senior levels of government with appropriate levels of funding. Creating LTAHS with goals, activities and outcomes will help clarify who is doing what and why.

Providing comment to the Province gives the City of Hamilton an opportunity to shape senior government housing policy and actions. It is important that the new LTAHS trigger policy, program and legislative changes and enhancement that will increase local flexibility to improve housing opportunities and quality of life for Hamilton residents.

**BACKGROUND:**

The LTAHS is intended to provide a framework vision, principles and goals to support the continued development of affordable housing in Ontario over the next 10 years.
Stable and secure housing provides a foundation for people to escape from poverty and homelessness; reduces the need for more costly government services; and, attracts and keeps the skilled workers needed to improve our economic competitiveness.

Housing is important in building strong, sustainable communities. Adequate, affordable and suitable housing improves the social, environmental and economic well-being of Ontario families. The LTAHS is guided by the following vision, principles and goals:

**The Province's Vision:**

"To improve Ontarians' access to adequate, suitable and affordable housing and provide a solid foundation on which to secure employment, raise families and build strong communities."

**Principles:**

- People-Centred
- Partnership-Based
- Flexible and Long-Term
- Coordinated (including across provincial ministries)
- Fiscally Responsible
- Accountable
- Market Supportive (Proposals should be deliverable within the context of how communities have changed over the past decade.)

**Provincial Goals:**

Opportunities for Ontarians to achieve their Housing Goals: Families and individuals have opportunities and support to obtain affordable housing so that they can succeed and contribute to their communities.

Local Solutions in a Flexible Provincial Framework: Local governments can apply local solutions to local problems within a flexible provincial framework that links to provincial interests and objectives.

Innovative Financing and Sustainable Funding: Predictable, sustainable investment and innovative financing by all orders of government.

Strong, Engaged Housing Partners: Housing partners contribute to achieving the Province's vision for housing in Ontario through innovation and by applying best practices.

A Healthy Private Marketplace: Ontario has a healthy private market for housing that meets the long-term needs of Ontarians.

On September 10, 2009, a public consultation session was hosted by the Provincial Government at the Ukrainian Catholic Church of the Resurrection in Hamilton. Attendance was very strong with participation from a cross-section of housing
stakeholders from Hamilton and other regions. The common themes arising from the participants included:

- The importance of having senior levels of government remain engaged and co-ordinate housing and homelessness issues.

- Recognizing the previous historical investments in local housing stock, the province must ensure that housing solutions are flexible, targeted and cognizant of the unique housing needs at the municipal level. For example, housing programs that work well in Hamilton may not be as effective in Windsor, due to different market conditions and needs.

- A range and a variety of housing programs and policy solutions are needed at all points of the housing continuum.

- Housing, poverty and homelessness are all related and the Provincial Government needs to commit to a robust Poverty Reduction Strategy.

Long-Term Affordable Housing Strategy Consultation:

Through consultation sessions, the Province is looking for ideas to include in the LTAHS that support improved service delivery; reduced administrative burden and that also reflect the current and changing fiscal environment. The consultation is a question-driven process. The Province is seeking answers to the following five questions, which will help the development of a long-term housing strategy for Ontario:

Acknowledging that other housing stakeholders are independently forwarding comments to the Provincial Government on the LTAHS, staff initiated an internal consultation with various housing areas. The following comments reflect those discussions:

1. What specific roles should each of the housing partners play in the delivery of affordable housing?

Staff support the principle put forth by the Province, which calls for stronger and co-ordinated inter-governmental relations and responsibilities. Filling that need continues to be important in Hamilton where diverse stakeholders have a history of working well together. Creating a LTAHS with specific goals, activities and outcomes will help clarify who is doing what.

Shared accountability frameworks and reporting requirements for similar or related programs would help reduce confusion and increase understanding of appropriate outcomes within the overall housing system. For instance, there may be opportunities to increase efficiency and co-ordination within the federal Homelessness Partnership Initiative and the provincial Consolidated Homelessness Partnership Program. Making timeframes comparable, reporting mechanisms more transparent and deliverables aligned across programs will reduce confusion, increase consistency and boost results evaluation. This
coordination will give a better understanding of how and why housing outcomes are tied to larger policy initiatives like Poverty Reduction.

The concept of affordable housing must be seen as providing a range of housing opportunities along a continuum. In Hamilton, there is recognition that some people in our community have special needs and that an adequate income alone will not provide the stability they need. People in need of supportive housing include: young (single) parents, homeless youth and people with serious mental health issues, with addiction problems or both. Affordable housing is not just about buildings, but more importantly, it is about the people who live there. Housing alone will not address the complex issues facing some individuals and families.

2. **What changes are needed to our housing programs to better use resources and improve access to affordable housing?** Changes could include modifications to the Affordable Housing Program (AHP) or the simplification of Housing and Homelessness Programs.

The Affordable Housing Program (AHP) – Rental Component has been a success in Hamilton resulting in 622 new rental units in 11 projects. The AHP can be more successful with the Provincial Government providing companion Rent Supplement funding to allow the new units to be available on a rent-geared-to-income basis. As well, the Homeownership Component of the AHP has been successful in Hamilton with 197 households making the transition from rental to first-time homeownership. The paramount program change is to make these two important initiatives permanent.

Municipalities are often better able than senior governments to integrate lessons emerging from housing initiatives and make on-the-ground connections between housing and other social policy and land-use planning areas. Without emphasizing the importance of local expertise, there is a danger of developing a “one-size-fits-all” approach that does not recognize ‘real’ housing needs at the community level.

In addition to the Affordable Housing Program, staff highlighted other programs as excellent examples to improve the ways individuals can access and maintain affordable housing including: Hostels to Homes Pilot Project, Housing Allowance Program and the Rent Bank.

- **Hostels to Homes Pilot Project (H2HP)** – An effective way to end homelessness is to provide people with permanent housing. Once people have access to the security and stability of housing, they can then begin to address other challenges. The success of Hamilton’s H2HP demonstrates the effective use of supports to help individuals move from emergency shelters into stable housing.

  The H2H pilot program provides flexibility in the use of shelter per diem funding to assist frequent shelter users to find and move into permanent housing. Supports are provided for up to 18 months. With over 200 people
engaged and over 80 individual people housed since the beginning of the program in 2007, it is critical that the Province make H2HP a permanent component of its new affordable housing strategy.

- **Housing Allowance Program** – This program is an example of a lower cost program with high positive impact. At its core, the Housing Allowance Program promotes the use of existing stock to increase access to affordable housing. As a five-year program it is an example of funding that allows for planning beyond one-year. With a $200.00 per unit rent reduction for landlords in 250 units, Phase I of this program was so successful that additional funding was secured through Delivering Opportunities for Ontario Renters and the City’s Future Fund. Phases I and II of this program made rent more affordable for 440 households in Hamilton.

- **Rent Bank** – The five-year funding commitment from the Province for the Rent Bank is a great improvement from the previous shorter-term contracts. Although the Rent Bank Program funding must be delivered in accordance with provincial criteria, the Province has provided municipalities with the flexibility to establish local rules to best reflect the unique community needs with the goal of preventing evictions. A total of 271 households in Hamilton received assistance from the Rent Bank program in 2008.

Stable, sustainable and predictable funding underpins any changes necessary to impact the overall housing system. The province should transition from the current annualized funding model to adopt steady and predictable funding for three or five-year cycles. Being able to rely on funding without the worry of quick turnover and renewal periods enables more focus on the business of helping individuals and families find and maintain housing.

3. **What changes are required to the Social Housing Reform Act, 2000 to reduce the regulatory burden and improve the management of social housing?**

In Hamilton, the annual social housing subsidy cost is approaching 40 million dollars. There must be recognition of the enormous cost at the local level. To not burden an already overextended municipal tax-base, the province should upload 100% of the social housing subsidy cost. Social housing should not be based on the property taxes through Hamilton’s levy.

The Social Housing Reform Act, 2000 (SHRA) sets out provincially mandated rules for operating the centralized social housing waiting list. However, there is a huge unmet need for more subsidized housing and the waiting list is far too long. Waiting times can stretch for years depending on the unit size and location. For vulnerable individuals and families struggling to pay the rent and who may be at risk of losing their home, being told they must wait years for an affordable home is difficult and frustrating.
The current system of priority status ranking contributes to long waits. Feedback from staff indicates that priority status rules are not consistent with the needs of those on the waitlist. Consequently, anyone with non-priority or chronological status has a wait-time up to seven years. Although the underlying problem is a shortage of subsidized rent-geared-to-income homes for low-income residents who cannot afford market rents, there is also more that can be done to determine how to improve the current waiting list system to enhance the City’s intended objective of providing access to housing.

4. What creative new ideas could improve the current housing system? This could include new planning tools, innovative financial options and new green technologies.

The current housing system can be immediately improved by the Provincial Government co-ordinating the range of housing responsibilities in various provincial ministries. Large-scale co-ordination amongst ministries will help to ensure that individuals and families receive the services they need. Further, aligning services helps to ensure programs are complimentary and not working at cross purposes. For example, there are five separate ministries with specific housing and homelessness program delivery functions that would be better aligned into one comprehensive Ministry of Housing.

Staff highlighted homeownership programs as an effective way to help individuals and families move along the housing continuum. In the new LTAHS, the Province should increase affordable homeownership programs. Helping renters to become homeowners frees up rental units, including social housing units. Further, for most people, homeownership remains the largest investment they will make. Homeownership helps individuals accumulate an asset while generating tax revenue at the local level.

5. What should be used as the housing indicator for Ontario’s Poverty Reduction Strategy? In this context, what do terms like affordable, adequate and suitable housing mean to you?

Affordable

Quite obviously, the major determinant of housing affordability is the adequacy of monthly income. Although it is understood that the housing market responds to supply and demand elements, the bottom-line is that there are few opportunities in the market place for those unable to pay or for those with very low incomes. It is commonly considered that a household is experiencing affordability issues if more than 30% of gross monthly income is spent on shelter costs. For example, households living in rent-geared-to-income dwellings are not spending a disproportionate amount of income on housing; therefore, they are better able to acquire food and other life necessities. However, this is not the case with many renter households. Specifically, with respect to social assistance, staff believes in the need to change the Ontario Works Shelter portion to be reflective of actual shelter costs in the community.
Adequate

2006 Census data indicates over 14,000 dwellings in Hamilton are in need of major repair. Between 2001 and 2006, the number of dwellings in Hamilton in need of major repair has remained consistent at 7% of the total dwelling stock. Further, in 2006, there were 53,160 dwellings in need of minor repairs. To help individuals and families live in safe and healthy homes, a measure of adequacy is necessary when discussing affordable housing issues. Further, this underscores the need for the Provincial Government to be a funding partner with the federal Canada Mortgage and Housing Corporation – Residential Rehabilitation Assistance Program in a way similar to other provinces across Canada.

Suitability

Individuals and families should live in conditions that accommodate each family size. People need to be in housing that suits their physical and social needs - e.g. Mobility issues for seniors, those with young children or those with disabilities. Suitability measure should also include how accessible housing is to amenities like hospitals, schools, transportation, employment and shopping. Looking at housing from a continuum perspective, it is important to have a range of housing to suit the varied needs of the individuals and families in our community.

The Province has appropriately recognized that addressing affordable housing issues is a cornerstone of an effective Poverty Reduction Strategy. Staff are pleased that the Provincial Government is striving to meet its target of cutting child and family poverty by 25% by 2013. In supporting the Province’s efforts, the City of Hamilton sees the importance of making affordable housing a priority in poverty reduction.

ANALYSIS/RATIONALE:

Provincial leadership is critical to affordable housing solutions. The Provincial Government is responsible for funding income support programs, homelessness and housing support services, as well as regulating social housing. The funding of social housing by the Province must be addressed. Hamilton supports the creation of LTAHS as it will benefit individuals and families in Hamilton and across the province.

Providing input to the LTAHS is a good opportunity as this is the first comprehensive Provincial housing strategy in Ontario since the 1990’s. It is important that Hamilton’s unique housing conditions and needs be heard during the Provincial consultations. As stated in the City of Hamilton’s housing and homelessness documents, Keys to the Home: A Housing Strategy for Hamilton and Everyone Has a Home: A Strategic Plan to Address Homelessness, everyone has a role to play in ensuring Hamilton is a community where affordable housing matters and where everyone has a home.
ALTERNATIVES FOR CONSIDERATION:

The absence of an approved Council resolution endorsing an Ontario Long-Term Affordable Housing Strategy may inadvertently suggest that the City of Hamilton is not engaged in housing issues, which is clearly not the case. Failure to give input into the Provincial consultation weakens Hamilton’s efforts to make Hamilton a community where affordable housing matters and where everyone has a place to call home.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

There are no financial, staffing or legal implications.

POLICIES AFFECTING PROPOSAL:

There are no policies that affect this proposal.

RELEVANT CONSULTATION:

Recognizing that community housing stakeholders are independently forwarding comments to the Provincial Government on the consultation, staff initiated an internal consultation process. City of Hamilton Housing Division staff and other Community Services Department staff were consulted to ensure their knowledge and expertise is noted. Internal discussions took place August 7, 12, 17, 20 and 24, 2009. Hamilton’s Legal Clinics hosted two advance meetings August 20 and September 2, 2009 to ensure other local stakeholders had an opportunity to provide input.

Good attendance and active discussion among all stakeholders occurred when Provincial staff came to Hamilton on September 10, 2009. Both City of Hamilton staff and community housing stakeholders participated in the three-hour consultation. Provincial staff engaged participants, took diligent notes and gave assurance that information provided during the meeting would be considered as the Province creates the LTAHS.

The Affordable Housing Flagship and its members were actively involved in promoting the LTAHS consultation process; and, as we understand, will directly provide comments to the Province about future policy directions.
CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
The public are involved in the definition and development of local solutions.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Human health and safety are protected.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Poverty is reduced.

Does the option you are recommending create value across all three bottom lines?
☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?
☑ Yes ☐ No

Having the City of Hamilton engaged in larger province-wide initiatives, such as the LTAHS, ensures City staff become more knowledgeable of and responsive to boarder issues that impact at the local level.