

# A Shared Housing Agenda

## *Priorities for Ontario in 2018*

Ontario has a housing crisis that affects people of diverse ages, income levels, family types, and cultural backgrounds. Affordable housing of decent quality is essential for the health and wellbeing of Ontarians.

Some of the most critical barriers to safe and affordable housing are intersectional, especially around gender and racial discrimination. Young millennials getting by on low-paid or contract work struggle to find an affordable apartment, or to save for a home. Newcomers face similar barriers. People living on low wages, pensions or benefits, or in precarious jobs, find few options they can afford. People with disabilities – physical, mental health, age-related, or other – have particular needs not being met by the current housing system. People from racialized communities experience compound disadvantage in the housing market, and also discrimination. The same is true for Indigenous, Métis and Inuit communities.

These issues require provincial leadership. Ontario can help make sure our housing market works well. It can help people who are struggling to afford market rental or to leave homelessness behind. In a province with escalating housing costs, housing supply shortfalls, but strong economic growth, it is time for action. Building on the opportunity the National Housing Strategy provides, action by Ontario can support local activity to meet community needs.

Six housing priorities stand out for Ontario in 2018. These have been identified by the organizations named on this document. They are not listed in order of priority, and action is needed on all of them to meet the housing needs of Ontarians.

In sum, this housing crisis is not inevitable. With action and alliances, Ontario can help create a system of housing that meets the needs of community, especially those who are disproportionately more vulnerable than others.

This shared agenda had been endorsed by a coalition of organizations who all look forward to working with the Government of Ontario to advance housing solutions. Signatories include:

Addiction and Mental Health Ontario	Ontario Home Builders' Association
Alterna Savings and Credit Union Ltd.	Ontario Non Profit Housing Association
Centre for Addiction and Mental Health	Open Policy Ontario
Canadian Mental Health Association, Ontario	Options For Homes
Canadian Mental Health Association, Toronto	Pooran Law
Cooperative Housing Federation of Canada, Ontario	Reena
Daily Bread Food Bank	Scadding Court Community Centre
The Daniels Corporation	The Wellesley Institute
ERA architects	Theia Partners
Evergreen	Toronto Alliance to End Homelessness
Fred Victor	Tower Renewal Partnership
Habitat for Humanity GTA	Trillium Housing
Home Ownership Alternatives	United Way Greater Toronto Area
Houselink Community Homes	Waverley Projects
Kehilla Residential Programme	YWCA

This document was prepared by a coalition of organizations as part of the Housing Action Lab, a cross-sector collaboration convened by Evergreen to deliver scalable solutions to the issues of housing affordability and sustainability. A full list of 28 signatories can be found on the last page.

## Ontario's 6 Housing Priorities

**Issue #1:** Housing options for the middle class

*The response we need: **Build market rental and affordable ownership***

**Issue #2:** Not enough affordable rental housing

*The response we need: **More community/social housing***

**Issue #3:** Unaffordable rents

*The response we need: **A portable housing benefit for Ontario***

**Issue #4:** Housing for people experiencing homelessness

*The response we need: **Supportive housing***

**Issue # 5:** Housing options for Indigenous People

*The response we need: **An Indigenous housing strategy***

**Issue #6:** Erosion of existing rental housing

*The response we need: **Sustained supply of existing rental***

## Issue #1: Housing options for the middle class

### *The response we need: **Build market rental and affordable ownership***

With rapid growth and escalating prices, housing options have been narrowing for the broad middle-income part of Ontario's population – households with incomes of \$40,000 to \$100,000. These income groups include many private renters and most condo renters.

Ontario is forecast to add more than 50,000 households a year, with at least 30 percent of these being renters.<sup>1</sup> As homeownership costs escalate, more people are renting. In recent years, 71 percent of Ontario's growth has been renter households, with zero net increase in homeowners under \$80,000 income or under age 45.<sup>2</sup> There have been huge increases in young adults renting, people renting condos, and people paying high rents.

Ontario needs a better rental supply strategy than speculative condo investment. As well as community housing, we need an active private sector that builds all-rental apartment buildings. Unlike condos, this requires patient investment funds seeking long-term stable returns. More rental development is starting to happen, but production is modest and rents are high.

Work for the National Housing Collaborative has put forward proposals for governments to help support unsubsidized, market-based rental production<sup>3</sup>. Historically in Ontario, new rental supply has relied partly on a government role in creating a suitable climate for investment. Ontario also has an opportunity to take affordable ownership to a larger scale.

Ontario also needs more active steps to ensure that affordable market options are available to middle-income homebuyers. In recent years, a few 'affordable ownership' developers have emerged. For example, a person may be able to afford \$300,000 of a condo worth \$400,000, while a non-profit organization owns the remainder. As Ontario's big cities face continuing high prices, approaches like this will increasingly be needed.

## Issue #2: Not enough affordable rental housing

### *The response we need: **More community/social housing***

30 percent of Ontario households rent their home.<sup>4</sup> Renting is the main option for people who are young, newly arrived, less affluent, or at transition points in life. One-third of Ontario's renters have incomes under \$30,000, making it difficult to afford market rents.<sup>5</sup>

As Ontario grows, it adds about 50,000 households each year, including 7,000 low-income renter households.<sup>6</sup> Ontario has 282,000 social housing units, mostly built 25 to 50 years ago, and this is not enough for today's needs. Most people with low incomes must find private rental, and all too often they can only afford apartments in disrepair, in basements, and in disadvantaged neighbourhoods.

Affordable rental is part of the range of housing our communities need. While portable housing benefits are essential, they do not address shortfalls in supply, especially in fast-growing local communities.

Community housing includes non-profit, co-op, and municipal housing. It usually includes some units affordable to people with low incomes, and some with market rents. Community housing is a way to build mixed communities and to help local groups meet the needs of the people they serve.

Ontario was once a leader in community/social housing, but we now build far less per capita than other large provinces.<sup>7</sup> The National Housing Strategy (NHS) is an opportunity to change this. By signing on to the National Housing Strategy the province will add 2,000 new units of affordable rental housing a year. With additional investment, Ontario could build 4,000 to 6,000 affordable rental units a year over the next 10 years – and meet housing needs on all parts of the income spectrum as Ontario grows.

### **Issue #3: Unaffordable rents**

#### ***The response we need: A Portable Housing Benefit for Ontario***

Most people on low wages, pensions, or social benefits live in private rental, but struggle to afford it. Over 600,000 Ontario renter households spend at least 30 percent or more of their income on housing, and at least 160,000 lowest-income households spend over half of their income on housing.<sup>8</sup> The struggle to afford market rents puts people in precarious situations that lead to arrears, evictions, and even homelessness.

A housing benefit (allowance) is a form of rent assistance, available to households that struggle to afford market rents. Most affluent countries with strong social safety nets have a universal income-tested housing benefit.<sup>9</sup> Broad housing benefit programs exist in five provinces<sup>10</sup>, and Ontario has experimented with small pilot programs.

A housing benefit would create a fairer system than today, where a minority of low-income renters get Rent Geared to Income (RGI) in social housing, and most receive no subsidies. A housing benefit can help people regardless of where they live, with little delay. It addresses the biggest issue, affordability, which is especially severe in high-cost urban housing markets.

The Ontario government has agreed to implement a Housing Benefit in Ontario as part of the federal-provincial-territorial framework for the National Housing Strategy (NHS). This builds on proposals developed by community organizations and experts. A housing benefit could be delivered mostly through the tax system, like the Canada Child Benefit.

The agreement lays the groundwork for federal -provincial co-funding of its NHS housing benefit proposal. A strong provincial role is needed, as it must be coordinated with other rent subsidies and social transfers. Ontario should collaborate with the federal government and provincial stakeholders to make this new housing benefit happen.

## **Issue #4: Housing for people experiencing homelessness**

### *The response we need: **Supportive housing***

Several thousand Ontario residents are homeless on any given night.<sup>11</sup> Some people are homeless for only a short period, but others are homeless longer and need more help to get stable housing. People experiencing chronic homelessness are the largest number of people on the streets, and account for the greatest shelter usage. The factors that lead to chronic homelessness are complex, and vary from person to person. However, many people experiencing chronic homelessness struggle with mental health or addiction issues.

Supportive housing is the key to ending chronic homelessness. It provides affordable rents, and has support staff who help people living with mental health issues, addictions, or other disabilities to maintain stable housing. Experience in Ontario and around the world shows that supportive housing is better for the individual and less costly for the taxpayer, compared to the alternative of being in a homeless shelter, on the streets, or in a hospital.

Community agencies in Ontario have experience with supportive housing. Supportive housing can include a range of approaches from lower to higher supports. They include small apartment buildings owned by these agencies; leasing units from a private landlord; Housing First with flexible supports and rent supplements; and supporting people in social housing. Ontario needs a range of approaches to meet the diverse needs in different communities.

Ontario needs to incentivize additional supportive housing, with provincial funding that community agencies and municipalities can use.

## **Issue # 5: Housing options for Indigenous People**

### *The response we need: **An Indigenous housing strategy***

In Ontario, 85% of the Indigenous (First Nations, Métis, and Inuit) population lives off-reserve in urban and rural communities<sup>12</sup> – large and small, northern and southern. While many Indigenous people are doing well, there are also many people living in poverty<sup>13</sup>. Indigenous people experience a higher incidence of homelessness than most population groups, and experience greater problems related to housing affordability and disrepair of their homes.<sup>14</sup> Indigenous

women and girls are more likely to experience all forms of violence, sexual exploitation and human trafficking which places them at increased risk of homelessness<sup>15</sup>.

Ontario has been working with Indigenous community organizations, including ONPHA's Urban Aboriginal Housing Advisory Committee and the Ontario Aboriginal Housing Services, as well as many others to create an Indigenous housing strategy for this province. All housing programs must be culturally sensitive to the self-determined needs of Indigenous people and support culturally appropriate, Indigenous-led, designed, delivered and evaluated, housing and related services.

An Indigenous housing strategy is a necessary part of ensuring a good future for Ontario's Indigenous communities in the era of reconciliation. An effective strategy will require adequate provincial funding.

## **Issue #6: Erosion of existing rental housing**

### ***The response we need: Sustained supply of existing rental***

Purpose-built rental apartment buildings house 1 in 8 Ontario households. This includes about 630,000 units in private rental apartment buildings and a majority of the 280,000 social housing units.<sup>16</sup> These apartments, mostly high-rises, are a large resource of relatively affordable housing for households with mixed incomes and those who depend on public transit.

Most private rental stock was built 40 to 60 years ago, and most social housing 25 to 50 years ago. As it ages, there is a shortfall in investment in repair and retrofit to keep it in good condition.

This housing is far less energy-efficient than newer housing or most low-density housing. There are opportunities to make it more energy-efficient, reduce greenhouse gas emissions and save costs for landlords. At the same time, we can improve community amenities and quality of life for residents.

The Tower Renewal Partnership has developed detailed knowledge of the repair and retrofit needed, and has used global best practices in carrying out this type of work. This partnership and the National Housing Collaborative have developed detailed proposals to implement a program on a large scale.<sup>17</sup>

With new federal financing available in the National Housing Strategy, and with the knowledge base and detailed policy proposals that exist, now is the time to make this a housing priority in Ontario.

## Conclusion

In sum, this housing crisis is not inevitable. With action and alliances, Ontario can help create a system of housing that meets the needs of community, especially those who are disproportionately more vulnerable than others. Below is a list of organizations who share these priorities for housing and are looking forward to working with the Government of Ontario to address them.



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## References

- <sup>1</sup> CMHC (2016), *Long-term Household Growth Projections: 2015 Update*.
- <sup>2</sup> 71% from census and NHS data, 2011-2016; under \$100,000 and under-45 from census data 2006-2016. See also <http://www.wellesleyinstitute.com/housing/6-toronto-rental-housing-highlights-in-the-2016-census>
- <sup>3</sup> Ballantyne, D. / DKGI (2016), *National Housing Collaborative: Rental Supply Options Research Paper* (National Housing Collaborative) <http://nhc-cpl.ca/wp-content/uploads/2016/12/NHC-Supply-Options-Paper-Final.pdf>
- <sup>4</sup> 2016 Census, cat. 98-400-X2016228.
- <sup>5</sup> *ibid*; 35.6% under \$30,000.
- <sup>6</sup> 2006-2016 average annual growth 61,000 households (census data); renters under \$35,000 (2016 dollars) calculated by Wellesley Institute from census microdata.
- <sup>7</sup> Average annual new affordable rental production (2002–2013): Quebec 2,500 units/year, BC 1,400 units/year: respectively 33 and 34 per 100,000 population. Source: Suttor (2016), *Still Renovating: A History of Canadian Social Housing Policy*, table 8.5. The per-capita equivalent for Ontario today would be 4,400/year.
- <sup>8</sup> 2016 census data: 612,215 renters paying 30% or more (cat. 98-400-X2016230); 2009 SLID data: 32% of 516,312 first-quintile renter households paying 50% or more. The latter from ONPHA and CHF (2014), *Where's Home 2013?*, 44. 2016 Core Need data by tenure and income not yet available when this brief was written.
- <sup>9</sup> Kemp, P., ed. (2007), *Housing Allowances in Comparative Perspective* (Policy Press).
- <sup>10</sup> Provinces include: Quebec, Manitoba, Ontario Alberta and British Columbia <http://nhc-cpl.ca/wp-content/uploads/2016/07/Myths-and-Facts-Final.pdf>
- <sup>11</sup> 35,000 Canadians are homeless on a given night. See Gaetz, S. et al. (2016), *The State of Homelessness in Canada 2016* (Canadian Observatory on Homelessness). Estimates of homelessness in Ontario are approximately 12,000 per night: see Mason, J. (2018), "Ontario 360 – Affordable Housing – Transition Briefing", <http://on360.ca/30-30/ontario-360-affordable-housing-transition-briefing>; this is consistent with Ontario's 44 percent of Canadian shelter beds: see Segaert (2012), *The National Shelter Study* (HRSDC).
- <sup>12</sup> Smylie, J., et al. (2011), *Our Health Counts: Urban Aboriginal Health Database Research Project*. <http://www.ourhealthcounts.ca/images/PDF/OHC-Report-Hamilton-ON.pdf>
- <sup>13</sup> Seventh Generation Midwives Toronto (2018), *Our Health Counts Toronto*. <http://www.stmichaelshospital.com/pdf/news/180228-ohc-toronto-full-report.pdf>
- <sup>14</sup> Patrick, C. (2014), *Aboriginal Homelessness in Canada: A Literature Review* (Canadian Observatory on Homelessness).; Statistics Canada (2017), *The Housing Conditions of Aboriginal People in Canada*.
- <sup>15</sup> Brennan, S. (2011) "Violent Victimization of Aboriginal Women in the Canadian Provinces, 2009 (Statistics Canada, cat. 85-002-X) shows that close to 67,000 or 13% of all Aboriginal women aged 15 and older stated that they had been violently victimized; Aboriginal women reported experiencing close to 138,000 incidents of violence and were almost three times more likely than non-Aboriginal women to report having been a victim of a violent crime.
- <sup>16</sup> ONPHA/CHF (2014) *Where's Home 2013?*; Lewis/CMHC (2016), *Profile of Purpose-Built Rental Housing in Canada*
- <sup>17</sup> Ballantyne, D. / DKGI (2016), *National Housing Collaborative: Rental Supply Options Research Paper* (National Housing Collaborative) <http://nhc-cpl.ca/wp-content/uploads/2016/12/NHC-Supply-Options-Paper-Final.pdf>

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