

Ontario's Long-Term Affordable Housing Strategy

Submitted by:

The District of Nipissing Social Services Administration Board (DNSSAB) with input from the Poverty Reduction Working Group, Nipissing District.

December, 2009

Ministry of Municipal Affairs and Housing
Housing Policy Branch
14th Floor, 777 Bay Street
Toronto ON, M5G 2E5

December 24, 2009

Re: Ontario's Long-term Affordable Housing Strategy Consultation

The following is input into Ontario's Long-term Affordable Housing Strategy Consultation, submitted by the District of Nipissing Social Services Administration Board (DNSSAB) with input from the Poverty Reduction Working Group, Nipissing District. It can be noted that the DNSSAB also provided input into Ontario's long-term affordable housing strategy by sending a delegation to the Sudbury consultation held in October of this year. Additionally, another of the local planning tables which is chaired by DNSSAB – the Nipissing District Homelessness Partnership – provided input into this housing consultation through a meeting with the Nipissing MPP, Monique Smith. Thus major housing stakeholders in Nipissing District have had the opportunity to provide input into the provincial housing strategy and on behalf of these stakeholders, DNSSAB extends appreciation to the province, for providing this opportunity.

Before providing input into the province's five housing questions as outlined in the housing consultation document, we would like to acknowledge the work that is being done on the housing front, in Nipissing District.

Since the take-up of the Canada-Ontario Affordable Housing Program (AHP) in 2005, over 220 new affordable housing units are being built in Nipissing District. This represents the first affordable housing in our area since 1993. The AHP extension is looking equally promising as there are additional affordable housing units that potentially could come to fruition, bringing the District's total to over 300 units. Additionally, the funding for social housing retrofits and homeowner repairs in the latest round of AHP, will help to upgrade the existing housing supply. These housing developments are clearly increasing the supply of affordable housing in the district and helping to maintain and upgrade the existing housing stock.

The above housing activity has been made possible through the contributions of your government, as well as the federal and municipal partners. The federal– provincial AHP allocation for Nipissing District of approximately \$13 million to date combined with the DNSSAB contribution (through our municipal funders) of approximately \$3 million has provided the necessary funding to move these significant housing projects forward. Additional municipal contributions made through the use of planning tools and local planning capacity, has also assisted in the implementation of the AHP program. And finally, community proponents have also played a valuable role in delivering these new affordable housing units to Nipissing District. Thus the AHP represents an effective model of housing development that is based on partnerships and shared program implementation and delivery.

The Current Backdrop

The five questions that are in the provincial housing consultation document (see “questions for discussions” below) are being answered in this submission amidst the following backdrop:

- We realize that in view of the recent economic statement, your ministry and government face formidable fiscal pressures and challenges in terms of delivering programs and services. The economic recession and subsequent recovery are presenting challenges, the likes of which, have not been encountered in decades. With this in mind, we believe that our recommendations are not only necessary but are pragmatic, given the times.
- The Ministry of Municipal Affairs and Housing has now summarized the results of the 13 public housing consultations held earlier this year.¹ Given this input, our submission generally avoids duplication of these recommendations, although it does build upon, or overlaps with, some of the summary recommendations that we feel require further emphasis.
- Related to the point above, the input in this submission generally avoids duplicating or repeating the common knowledge within the housing field that has developed around the housing issues and solutions. There are numerous housing submissions and reports (and some books) in circulation that state what the housing issues are, and what the proposed solutions to these issues are. Some of these reports are by recognized authorities in the housing field. There have also been numerous housing forums, meetings, and discussions held in recent years, out of which, further housing issues and proposed solutions /recommendations have emerged. Common housing themes and solutions have emerged from this large body of evidence and although our recommendations touch down upon some of these themes, we are trying to avoid “recreating the wheel”.
- The following input is largely based upon our own empirical evidence of housing need at the district level. It draws upon local research, and a community housing forum that was held in North Bay in 2008 (see attached brochure).

Questions for Discussion

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

- The provincial and national governments need to play the role of *funders of housing*, with the funds being allocated through a housing plan that is set within their respective authoritative and legislative frameworks. **This funding needs to be firmly**

¹ Ontario’s Long-Term Affordable Housing Strategy, ‘What We Heard’.

entrenched in annual block-type or base funding, as opposed to the random bilateral agreements (such as AHP) currently being experienced.

- The municipal governments in turn should be the *implementers of housing* and they use the federal and provincial funds to address the housing needs within their communities. **Where evidence exists of local housing needs, the municipalities should have flexibility in using the funding to meet these needs.** The municipalities also add additional resources through their local planning tools and capacity, and their local expertise in implementing projects and programs at the community level.
- In addition to the three levels of government, the private housing industry (contractors, developers, realtors, apartment building owners, and landlords) also has a role to play in the development of affordable housing. The research however – both local and provincial - indicates that there are barriers that need to be addressed before this industry can fully participate.² **If Ontario’s long-term housing strategy is going to be successfully formulated and implemented, it needs to address the concerns of the private housing industry also.**

2. What changes are needed to our housing programs to better use resources and improve access to affordable housing?

- **Sufficient Administration funding should be provided within the AHP allocations** to cover the full cycle of program and project development, delivery (including legal costs), and ongoing monitoring.
- **The provincial government should deliver the replacements for the housing units it will take out of the market, or has created additional demand for, due to project work in other sectors which may inadvertently, reduce affordable housing supply.** In other words, if one arm of the provincial government takes this housing out of circulation another arm should provide equivalent housing somewhere else.

The concern lies where there are extensive infrastructure projects such as new highways, etc. being built in and around cities. Through land appropriation, valuable affordable housing stock may disappear in concert with these projects. The opportunity cost of this housing needs to be considered in the project business plan.³

² Nipissing District Housing Needs, Supply & Affordability Study (2008), pp. 168, 173, 174; Housing in Nipissing Communities, Building the Foundations – Executive Summary; Poverty Reduction and Affordable Housing, A Submission to the Ontario Government from Ontario’s Housing Industry (2008).

³ A current example of this is in North Bay, where the installation of the new highway #17 bypass could result in the loss of affordable housing and apartment buildings, on the north eastern corner of Trout Lake Road and Pearson and Laurentian streets.

- **There should be a bias towards renovation over new build where there are high vacancy rates or surplus buildings suitable for conversion/renovation.**
- The Province of Ontario should **ensure that there is effective coordination and increased allocation of support service funding** to meet the needs of clients living in supported housing. Each *physical* unit of supported housing in Ontario (i.e. the bricks and mortar – new or existing), should be accompanied by a *service* unit of supported housing (i.e. the bundle of support services required by the client who lives in the housing). One without the other is proving to be very ineffective.
- **Address the disparity between the housing subsidy formulas and processes used by the Ministry of Municipal Affairs and Housing, and the Ministry of Health,** as the disparity leads to inequities in how many individuals may be housed for the same amount of funds. The Ministry of Health and Long Term Care uses a flexible process for its Mental Health Housing which results in the housing provider using the funds to house as many individuals as possible. On the other hand, the Ministry of Municipal Affairs and Housing (MMAH) uses only the Rent Geared to Income (RGI) formula for its supplement system. This means the MMAH housing provider will almost always pay larger portions of supplement than those paid by the MOHLTC housing providers (see appendix p. 9 for detailed example provided by the Canadian Mental Health Association, Nipissing Regional Branch).

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

- **The S.H.R.A. needs to be made more responsive to the needs of low income tenants,** who can lose the housing under it for reasons relating to income without an effective appeal mechanism. Some social housing tenants who no longer qualify for housing subsidies under the Act have no effective appeal route – the L & T Board will not hear their cases. It should. This change could reduce the regulatory burden on housing providers.
- **The management of social housing could be improved if funding were made available for community development workers.**⁴ No one benefits when a social housing tenant who could have been helped to participate more fully in the responsibilities of tenancy, is evicted.

⁴ Within the housing context, the community development worker would accompany clients in carrying out the various tasks they need to accomplish in order to stay in their housing. For example, this might include everything from telling them about the Rent Bank and helping them through that process, to assisting them in their interactions with organizations such as the Ministry of Community and Social Services and the Children's Aid Society.

4. What creative new ideas could improve the current housing system?

- Our forecasts for affordable housing in Nipissing District indicate that we need approximately 160 additional affordable housing units annually, through to 2016 (this includes 50 homeownership opportunities). This means that at the very least, **the district's current AHP activity needs to be sustained for the next six years.** Meeting these targets through the supply of housing only, will be very challenging. However, increasing the number of programs (such as the AHP Housing Allowances) that address increasing demand can help to offset the need for new housing supply. **In areas (such as Nipissing District) where there has been a successful uptake of the AHP Housing Allowances, the province could look at increasing program allocations.**
- Related to the above point, now that the *supply* of housing has started to be addressed through the AHP (i.e. new and renovated housing stock), **the ministry should focus on addressing the demand for housing** (i.e. income distribution and housing costs). Focusing on housing demand would include a review of the existing demand-sided programs (such as Ontario's social assistance shelter component) and the consideration of new demand-sided programs (such as the Ontario Housing Benefit which is mentioned below). **Ontario's long-term housing strategy will be most effective if it balances housing supply with housing demand.**
- DNSSAB and the PRWG are advocates of a portable housing benefit for low-income individuals and families. **We fully support the Ontario Housing Benefit** as recently proposed by the coalition of industry and community organizations.⁵
- If Building Fire Codes are all that is standing in the way of basement apartments and legality, **there is a way of preserving this affordable housing** that is revenue neutral, in the longer run. **Low interest loans could be provided for the construction of an extra exit or adequate fire barriers**, secured by a mortgage registered against title to the property in question. Like the successful federal home renovation tax credit program, this would create jobs too.
- At the municipal level, planning tools, such as those used by North Bay and some of the other municipalities, are one example of municipalities doing their part in the development of affordable housing.
- At the provincial level, **Brownfield redevelopment into housing land could be facilitated by exempting non-polluting purchases, from the perpetual liability for pollution (i.e. escaping noxious substances, etc.) that the current legal regime allows.** As it is now, potential low-income housing developers are scared off by these provisions.
- General public awareness around the topic of housing appears to have increased. This is likely a result of the media attention being given to the issue of housing and

⁵ A Housing Benefit for Ontario, One Housing Solution for a Poverty Reduction Strategy (Nov. 2008).

poverty, and also the news coverage on housing building and development activity under the AHP. However, in concert with this “media awareness” **a public education campaign is needed** that will educate the public around the importance of affordable housing and the crucial role it plays in the community. **These campaigns need to be rolled out at the local (district or county) level, throughout the province.** This will help to combat NIMBYism (not-in-my-back-yard) and will keep the general public informed as to the societal merits of affordable housing. **The province’s long-term housing strategy needs to incorporate an effective communication strategy that can be implemented at the local level.**

- **Convene a Cabinet Minister Housing Table** similar to that of the G-North Table for the Growth Plan for Northern Ontario. The evidence shows that housing outcomes can affect other key outcomes in multiple policy areas such as early learning and childcare, education, health, labour force activity, economic development, and poverty. Viewed from this perspective, a long-term strategic housing plan merits the same type of cross-sectoral action as an economic development plan. **A Minister’s Table would provide the horizontal policy and program decision-making that Ontario’s long-term housing strategy now requires.**⁶

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?

- Various housing indicators could be used for Ontario’s poverty reduction strategy. There are many considerations for determining which indicators to use – these include: the availability, reliability, cost, and source of the data; the level of geography with which the data is available; the responsibility for gathering, compiling, analyzing, and reporting the data /indicators; the statistical type of indicators to be used (correlational vs. causal, etc.); the purpose of the indicators (reporting to the general public or stakeholders vs. evaluating program outcomes); etc.

The following are some general housing indicators which may be useful:

- *Core Housing Need*. This is a current housing indicator developed by CMHC which speaks to the three national housing standards: affordability, suitability, and adequacy. This would be suitable as one of the main housing indicators for the poverty reduction strategy. However, it does have geographical limitations and it is only available every 5 years (with the census). The province could consult with Statistics Canada and CMHC as to whether the frequency and levels of geography for this indicator, could be increased. Note: core housing need overlaps with some of the

⁶ The G-North Ministers Table is comprised of 15 provincial Cabinet Ministers. The table was convened in order to ensure the coordination of government policies and investments in the development and implementation of the Growth Plan for Northern Ontario (implemented under the Places to Grow Act). It is the first Minister’s table of its kind in Ontario.

indicators listed below, i.e. it would capture some of the same individuals and families. Thus if core housing need is used as a poverty-reduction indicator, it should be designed to be used for certain sub-groups of the population in order to prevent overlap and duplication.

Housing Cost Indicators

- *STIR* (shelter-to-income-ratio). This is an indicator that measures the percentage of income spent on housing. The higher the STIR, the more that is spent on housing. At the municipal level, STIR reflects local incomes and the cost of housing in that particular municipality. STIR can be calculated for various family types, households, and demographic groups.

$$\text{STIR} = \left(\frac{\text{housing costs}}{\text{income}} \right) \times 100$$

- *Social Assistance Housing Gaps*: This measure would apply to all social assistance recipients who do not live in social housing. It is the difference between the shelter component in OW and ODSP for a given individual or family, and the actual market rent and utilities that the individual or family pays in their community.

Social assistance housing gap = monthly shelter component – (average monthly market rent + average monthly utilities).

- *Renter Affordability Gaps (non-social assistance recipients)*: the difference between the maximum rent and utilities a household would pay based on 30% of its income, and the average market rent for the size of apartment required by the household, within a given community.

Renter affordability gap = (income x 0.3) - (average market rent + utilities)

Housing Supply Indicators at the Community Level

- *Rental housing construction - starts and completions* (annual).
- *Vacancy rates* (as published by CMHC –limited geography however).
- *Housing stock /inventory (by type) per capita*: houses (ownership); private rental apartments; on-campus student housing (where applicable, i.e. for college & university students); emergency shelter beds; social housing; supportive /supported housing; long-term care housing; ALC beds.
- *Official Plan Status*: this indicator would measure the extent to which, affordable housing is, or is not, provided for in the Official Plans of Ontario's respective municipalities (for example, some Official Plans have quantified affordable housing targets while others don't).

Housing Demand Indicators at the Community Level

- *Household and population growth rates (annual)*: these would be based on the census and inter-censal population estimates.

- *Per-capita number of households with annual income of \$20,000 or less.* Also calculate the historic real growth (inflation adjusted) of these households by community, to determine the direction of the growth trend.
- *Social assistance (OW & ODSP) caseload per capita:* for example, the number of people on OW & ODSP / 1,000 population. This will provide an indication of the demand for low-income housing needed in a given community.

Housing Outcomes at the Community Level

- Measure how effective the new housing strategy is, in housing those that are marginalized or most in need, based on the core housing need indicator. This includes population segments such as off-reserve Aboriginals, immigrants, people with disabilities, lone-parents and non-family households (singles).

Appendix

Example for Question #2, last bullet point, p.5 – provided by the CMHA, Nipissing Regional Branch.

Many of the individuals being housed in the Ministry of Health and Long Term Care's (MOHLTC) mental health housing, are on ODSP. As a result of this, the rent subsidy formula was designed so that the supplement pays the difference between the shelter portion from ODSP and the market rent. The same formula is used for individuals on OW. If someone receives their funding through employment, WSIB, CPP, OAS or other funding sources, the RGI calculations will be used. The flexibility of this process allows the housing provider to use the funds to house as many individuals as possible.

The Ministry of Municipal Affairs and Housing (MMAH) however, uses only the Rent Geared to Income (RGI) formula for its supplement system. This means the MMAH housing provider will almost always pay larger portions of supplement than those paid by the MOHLTC housing providers.

Example:

In real terms, in 2005 *Strong Communities* funding came through from MMAH for 8 units of housing for adults living with serious mental illness in the District of Nipissing. The funding for these units was just over \$40,000 per year. Since 2005, 8 units of *Strong Communities* housing have been in existence and supplemented by this funding at an RGI rate. In 2006, 8 units of housing for individuals living with serious mental illness and connected to the justice system in the District of Nipissing were funded through the MOHLTC. The funding for these units was just over \$25,000 per year, and currently 11 units are being supplemented through this funding. **This means that the average cost for the MMAH RGI formula is \$5,000 per year per unit, and the average cost for the MOHLTC's more flexible formula of funding is \$2,270 per year per unit, or less than half of the MMAH rate.**