

Confronting the Challenge of Affordable Housing in Ontario

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Confronting the Challenge of Affordable Housing in Ontario

- Incomes not keeping pace with escalating costs of rental and ownership housing



What Rent Can People Afford?

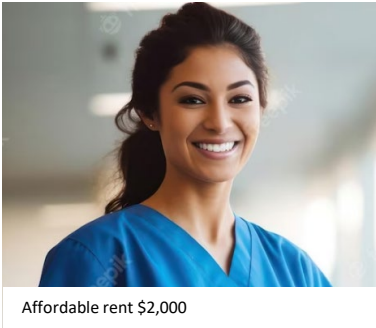
Ontario Today



Affordable rent \$1,139



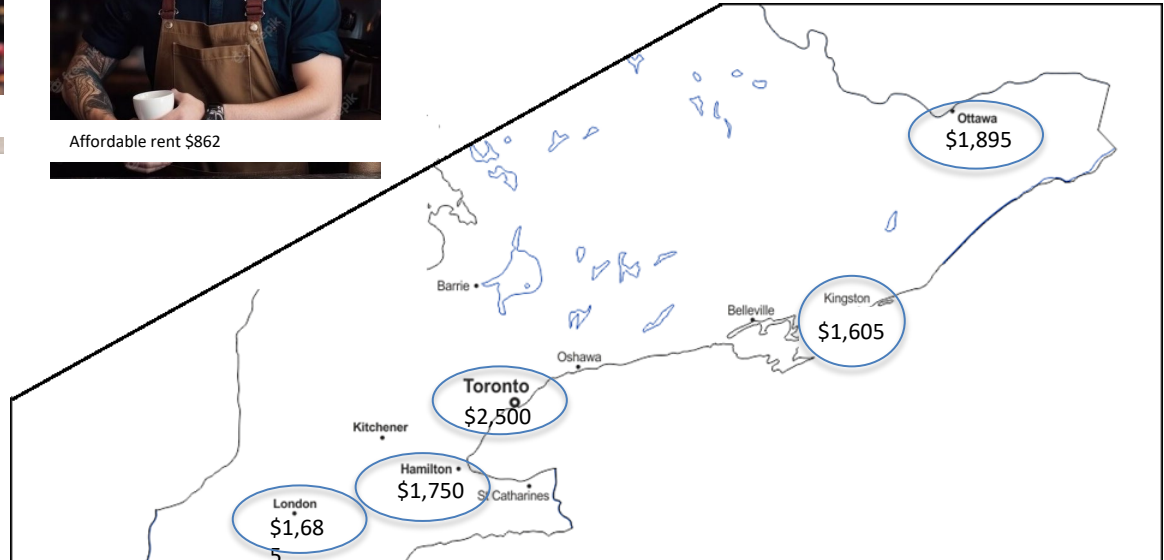
Affordable rent \$862



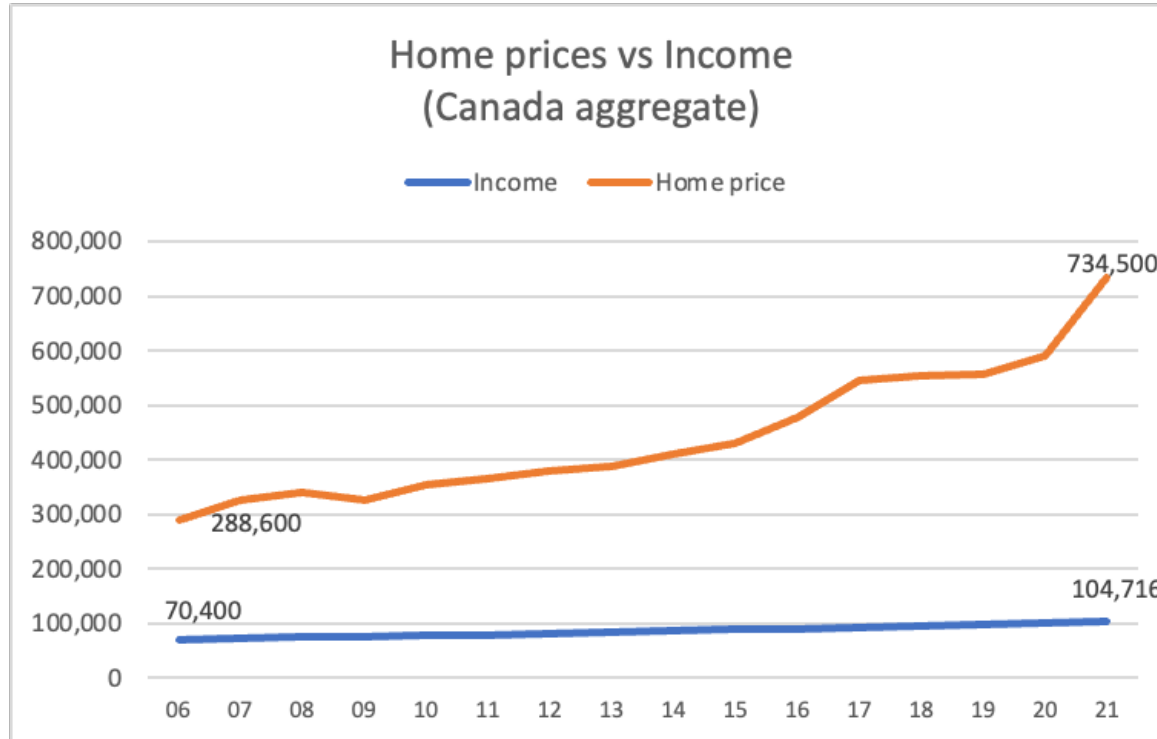
Affordable rent \$2,000

Growing gap between rents and incomes: workforce implications

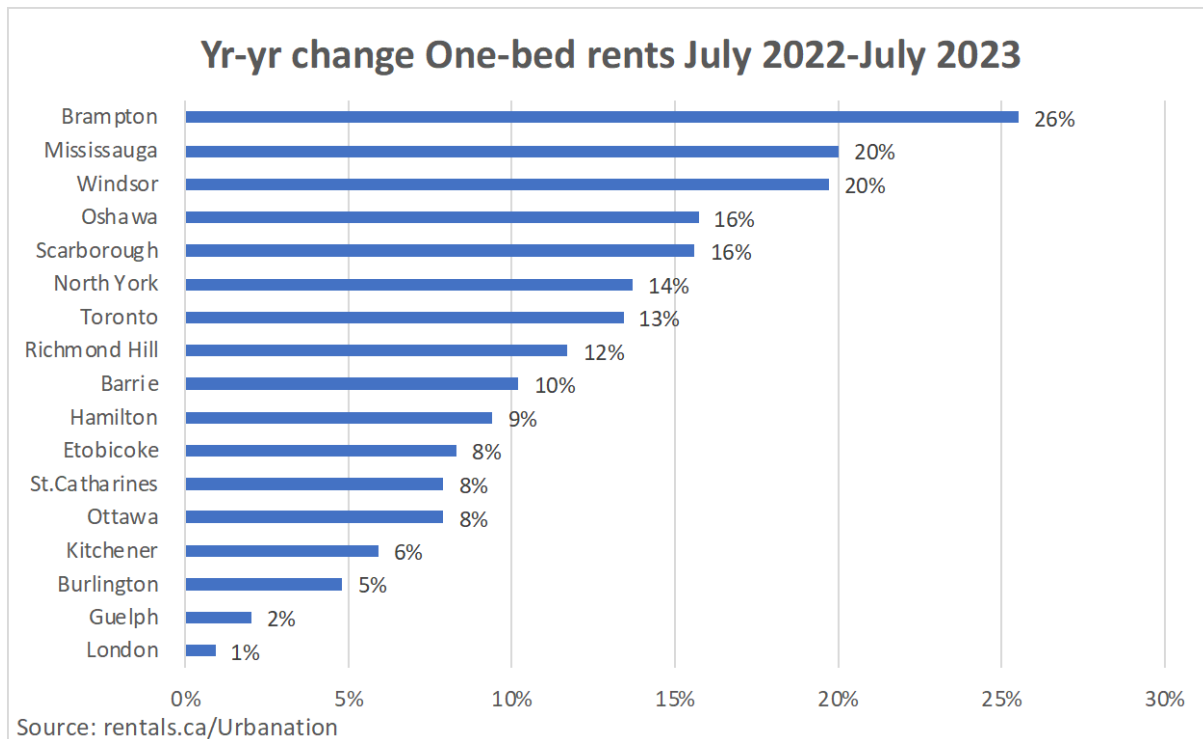
July 2023 Current market rent – 1BR avg.



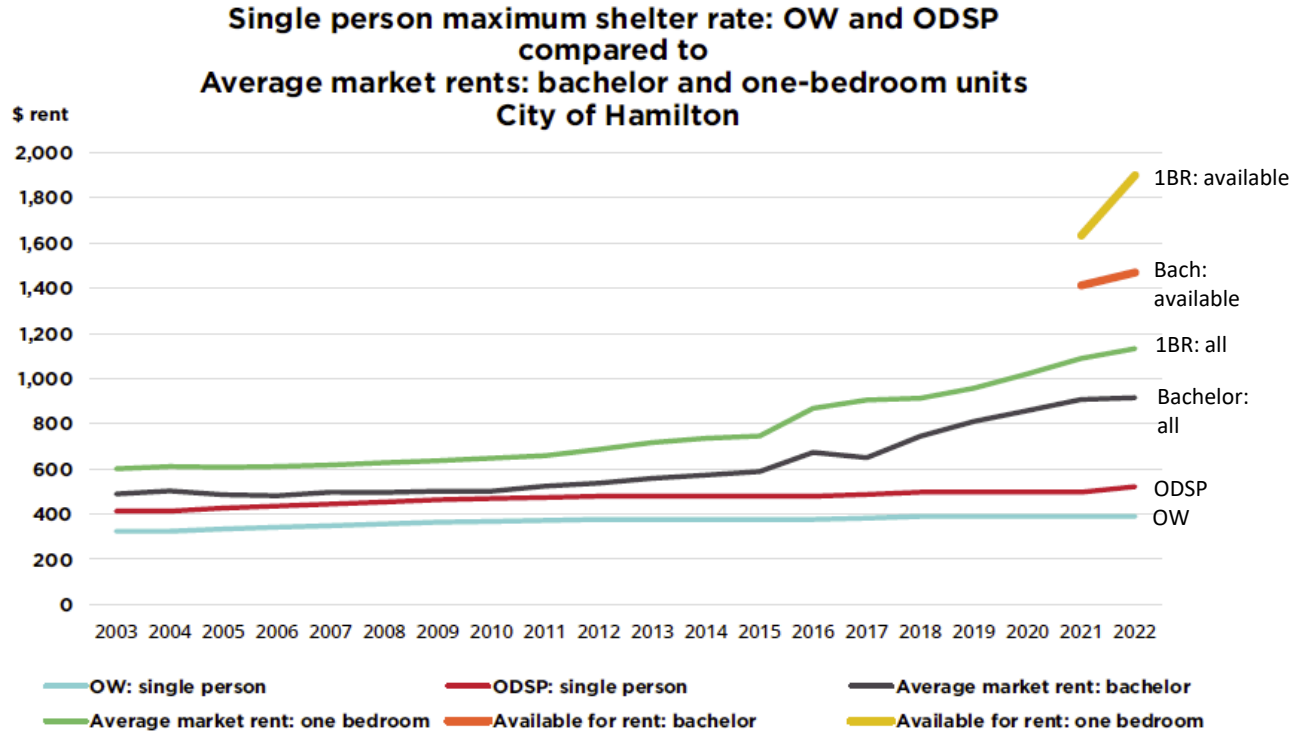
Incomes vs House Prices



Rents Rising at Alarming Rate



Rent Severely Unaffordable on Social Assistance: Singles



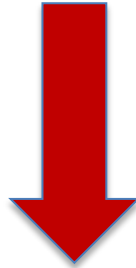
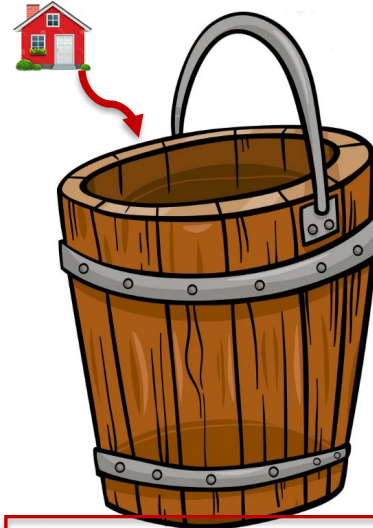
Confronting the Challenge of Affordable Housing in Ontario

- Incomes not keeping pace with escalating costs of rental and ownership housing
- Affordable rental housing is eroding faster than new affordable housing has been built



Erosion of Affordable Rental Housing Stock

For every new unit added under the National Housing Strategy



We are losing....

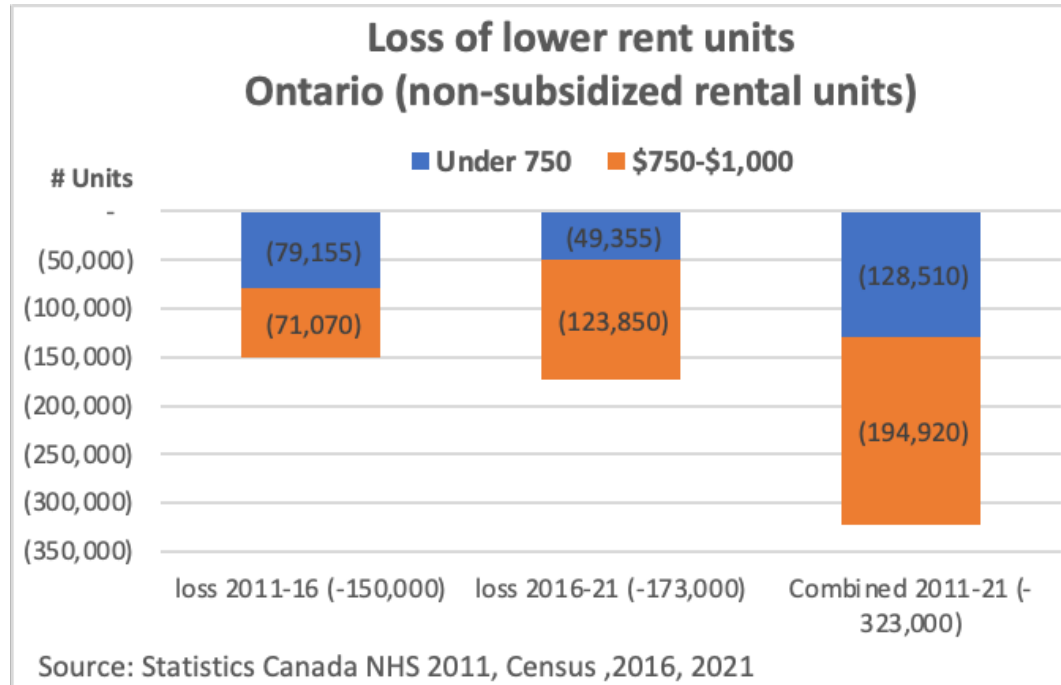
- 9 units under \$750 in Canada
- 12 units under \$750 in Ottawa
- 23 units under \$750 in Hamilton



*Census 2011-2021

Erosion of lower rent stock

While not building enough – also losing affordable



Focus Consulting Inc. & CHEC

Confronting the Challenge of Affordable Housing in Ontario

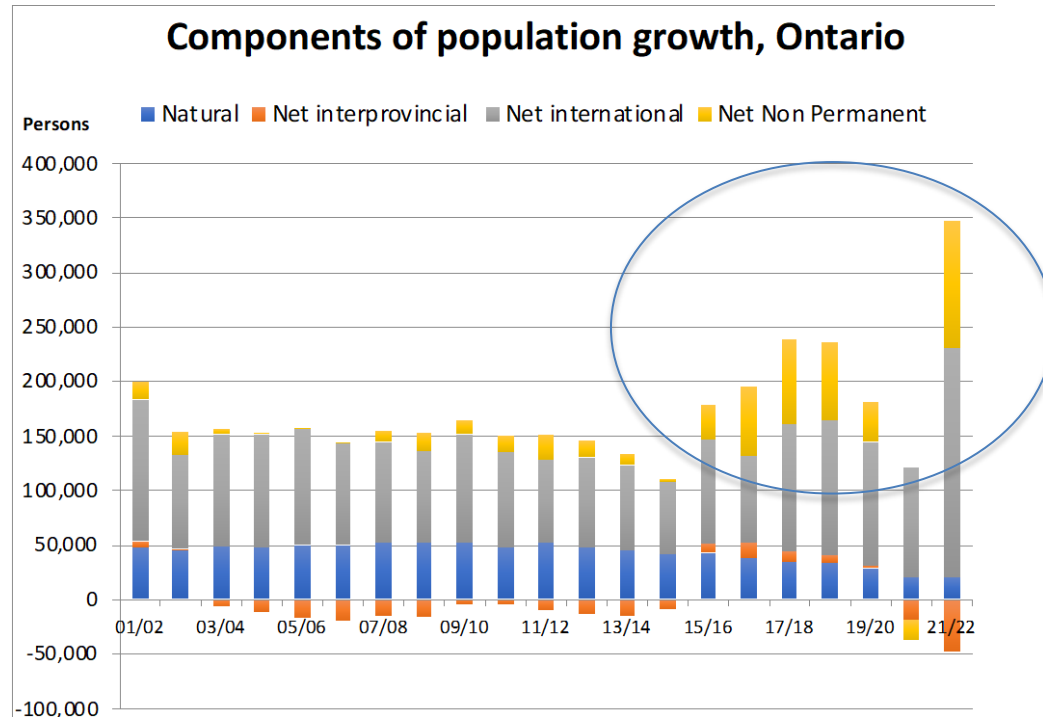
- Incomes not keeping pace with escalating costs of rental and ownership housing
- Affordable rental housing is eroding faster than new affordable housing can be built
- Current housing strategy (new build) won't make sizeable impact on affordability
 - Housing prices / rents will continue to increase faster than incomes
 - Rapid population growth projected to continue



Key cause: increased demand after 2015

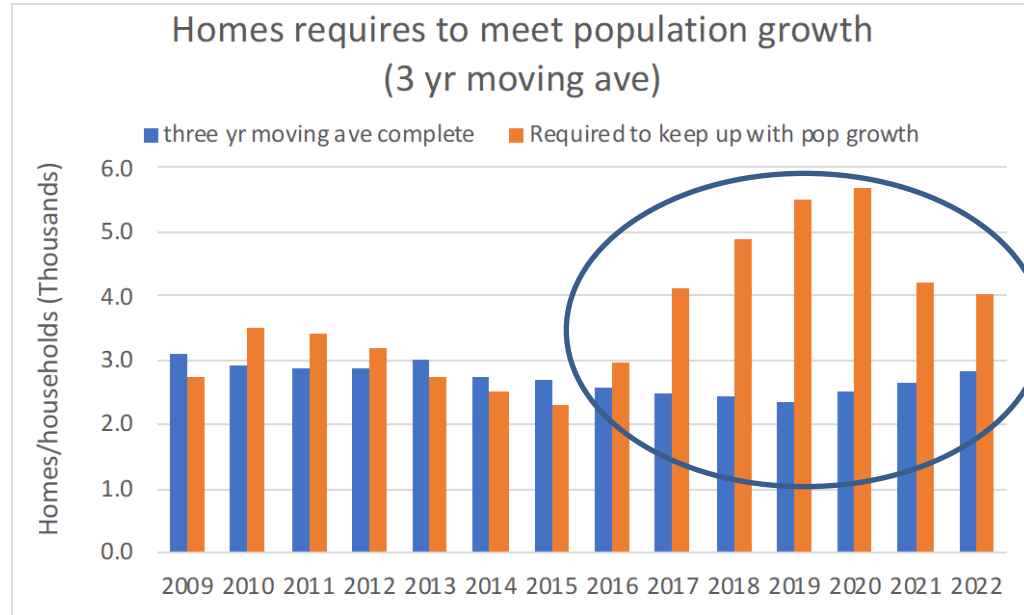
Demand increasing a lot

Note significance of international and
NPR (= international students)



Rapidly rising demand not met by sufficient supply

(Hamilton data)



Focus Consulting Inc.

Need to expand new home construction from average last five years of 3,400 up to 4,800/yr - an increase of 28%



Understanding the Housing System

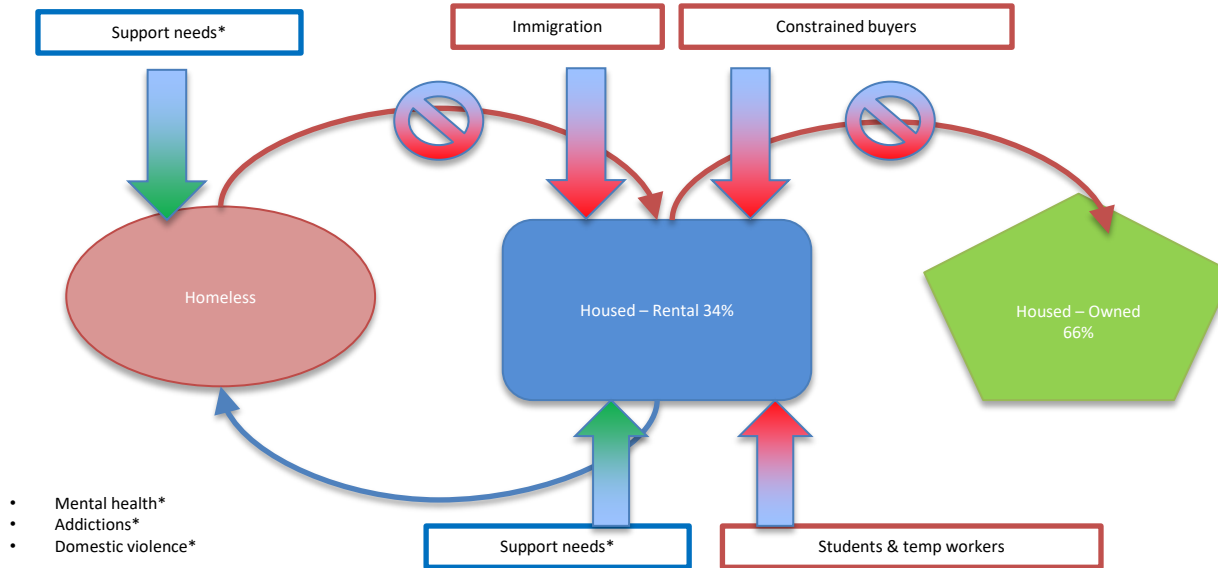


Housing 'Career'



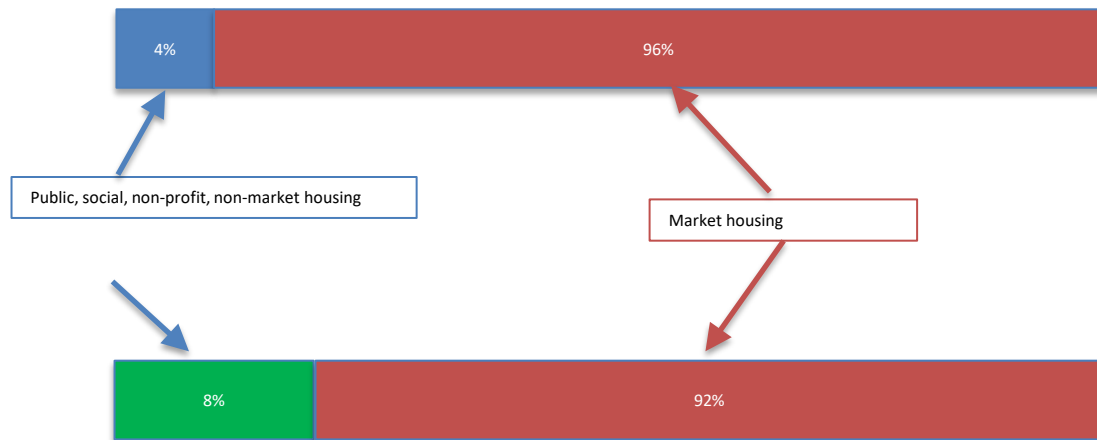
Kendig, H., Paris, C. and Anderton, N. (1987) *Towards fair shares in Australian housing*, Canberra: Highland Press.

Today's Housing System & Pressures



Non-market Housing Sector in Canada

Current Sector Structure



Scotiabank recommendation & OECD average

Re-Cap: Affordable Housing Challenges

- Housing crisis = housing system that no longer functioning as well as it used to
 - We need people to be able exit renting into ownership
 - We need to prevent people from falling into homelessness
 - We need to be able to rapidly re-house people who become homeless
- Need to strategically increase supply of non-market rental housing
 - Invest in deep affordability for most vulnerable
 - Can grow non-market efficiently with modest public investment
- Need to **simultaneously address acute needs (e.g. homelessness) & system reform**

Future Directions



Elements of a New Approach

- New supply policies need to support growth of the non-market sector
- Mitigation of affordable market rental erosion
 - Acquisition – non-market
 - Preservation / Retention
- Portable rental assistance – quick, effective mitigation
 - Housing affordability = shelter costs + *incomes*
- Supportive housing
 - Mental illness, addictions, intimate partner violence, families
 - Significant cost avoidance in policing, criminal justice, social services; more appropriate use of health services
 - Encampments cost \$ that can be better deployed elsewhere
- Align housing strategy with population growth
- Regional approach to housing needs & delivery

Hamilton Housing Sustainability & Investment Roadmap (HSIR)

- A strategic approach to the housing & homelessness ecosystem
- Guided by 'four pillars' framework for affordable housing
 - Construction, Acquisition, Preservation/Retention, Supports

Four Pillars of the Roadmap

New Construction

- Build moderately affordable units
- Increase planning incentives
- Identify land and integrated developments
- New financing strategies
- Support current Indigenous-led projects & future growth
- Grow internal organizational capacity for consistent development 'pipeline'

Acquisition

- Strategic purchase of "at-risk" affordable market units
- Business case analysis for land and/or under-utilized buildings
- Create Acquisition Assistance Fund and nimble process with social purpose lenders and philanthropic sector

Preserve & Maintain Existing Affordable Units

- Asset rationalization study – all City and non-profit providers
- Repair existing RGI units
- Policies to increase non-profit provider access to equity
- Review and rationalize tenant and landlord support programs
- Portable Housing Allowances
- Policies to protect market rental units

Provision of housing-based supports

- New supportive housing units
- Increase supports for people with high acuity needs
- Invest in ending chronic homelessness
- Transform the RCF system to meet tenant needs

Priority Actions

- Need a strategic & systems approach to the housing & homelessness ecosystem
 - Learnings from the Hamilton Roadmap
- Housing affordability = housing costs + income
 - Need dual strategy on housing & income
- Grow the non-market rental housing sector
 - Modest public investment | patient investment model
- Invest in rapid re-housing to high-fidelity supportive housing
 - At Home / Chez Soi was 80% effective and costs less than costs avoided in other sectors (for high needs clients)
- Immediate opportunity
 - Municipal 10-year Housing & Homeless Action Plans expire in 2024 – opportunity for new systems approach

Thank You



Canadian Housing Evidence Collaborative

www.chec-ccrl.ca





AMO 2024 Building Affordable Housing in London

Matt Feldberg
Director, Municipal Housing Development
City of London



Agenda

- London-based Context
- Market Factors
- Supporting the Local Sector
- Defining Success



London-based Context



London's Municipal Government Context

- Mid sized city, about 420,000 people.
- Single tier municipality.
- 4-year property tax budget over \$5.7 Billion.
- Home to Fanshawe College and Western University.

2024 Property Tax Rate Increase:

8.7%



London's Housing Context

- Post pandemic (same as many cities)
 - More homelessness – couch surfing, living with friends, living on the street.
- In 2024, the AMR for a single bedroom is: \$1,192 per month.
- Vacancy rate of 1.5%.
- 47,200 total rental units of which 17,000 in core housing need.
- London is Service Manager for City and County.



London's Subsidized Housing Context

63 Non-Profits, Co-Ops, etc.	3,500 Units
Local Municipal Housing Corporation	3,500 Units
Affordable housing – Municipal, Provincial and Federal programs	2,500 units
Annual property tax supported rent-geared to income subsidy	\$19 Million
Annual property tax supported affordable housing capital	\$16 Million (5-year program)



Whole of Community System Response

- Re-aligning supports for those in-need.
- Changing how London approaches homelessness.
- 200+ local sector leads from healthcare, service agencies, development community and governments.
- 2 of 15 proposed hubs.
- Over 100 units of highly-supportive housing occupied or in progress.



Market Factors



Inter- Connected Programs and Responses

47,000 Units
by 2031
**Provincial
Initiative**

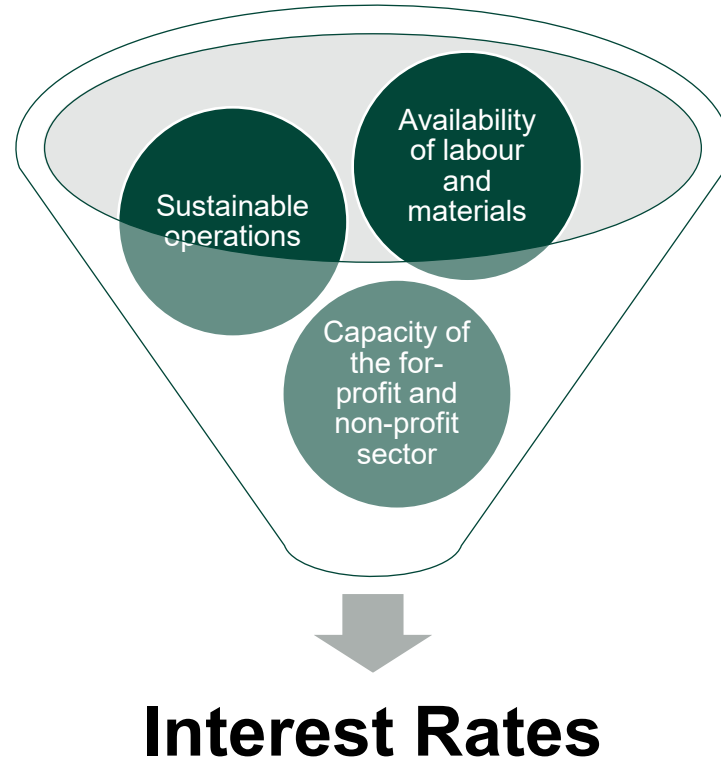
Roadmap to
3,000
**Municipal
Initiative**

Housing
Accelerator
Fund
**Federal
Initiative**

Homelessness
response,
immigration,
education, etc.



Factors Influencing Success





Closing the Gap

- \$32 Million to \$34 Million to construct 80-units
- \$15 Million through debt, equity, etc.
- **\$7.5 Million gap remaining**

Municipal Contribution

- \$45,000 per unit – Roadmap to 3,000
- \$20,000 per unit – DC Exemption

\$422,000 per unit		\$402,000 per unit
\$94,000 per unit	Additional Funding Needed	\$74,000 per unit
\$45,000 + \$20,000 DC exemption	Municipal Contribution	\$45,000 + \$20,000 DC exemption
\$188,000 per unit	Own Sources, CMHC Affordable Housing Fund Loan	\$188,000 per unit
\$75,000 per unit	CMHC Affordable Housing Fund Forgivable Loan	\$75,000 per unit
Downtown Building		Outside of Downtown Building



Supporting the Local Sector



Guiding Principles

1. Protect existing affordable and rent-geared-to-income units.
2. Maximize impact of municipal investments.
3. Address some of the capital needs to support development and redevelopment.
4. Support a sustainable financial model.
5. Support a mixed community approach.



Active Support

- Concierge services by a dedicated team at the City.
- Pre-qualified over 60 unique organizations to participate in new affordable housing.
- Purchase sites for re-development and disposal of lots and blocks for affordable housing.
- Support financing through EoM, CMHC liaison, etc.



Lifecycle Renewal and Redevelopment

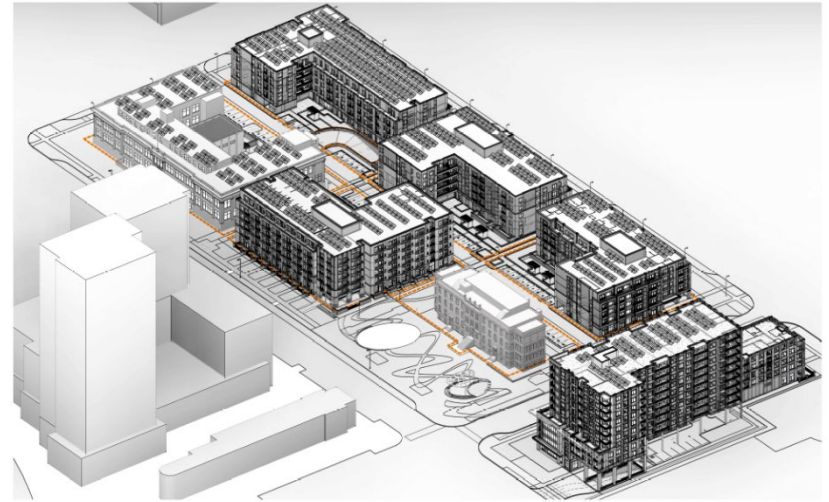


- 30-year-old buildings.
- Significant greenspace.
- On higher-order street.
- Opportunity to leverage value.
- Mix of RGI, affordable and market.



New Affordable Housing Development

- 681 total units.
- 365 affordable, 316 market.
- Former hospital lands, City-owned property.
- \$14 Million contribution.
- Active and ongoing support.





Defining Success



Flexible and Consistent

- Many challenges are local, but we're not the only ones.
- Different ways to define success.
- Partnerships increase the capacity of the sector and the City.
- Establish clear program parameters that the local development and non-profit community can understand.



RAISING | CHEZ
THE ROOF | TOIT

Long-term Solutions for Canada's Homeless

NOT JUST A TOQUE

THE TOQUE CAMPAIGN

HOUSING IS A
HUMAN RIGHT





Canada is in a homelessness crisis

Canada doesn't have or build enough housing and the most vulnerable Canadians are at risk

“Canada needs about 3.5 million additional housing units by 2030 to restore affordability.” –CMHC

New development is hampered by a lack of skilled trades

“Construction firms are reporting major issues with labour availability... [resulting in a] slowed pace of construction in Atlantic Canada.“ - AEC



A long term solution to homelessness



AFFORDABLE HOUSING

Acquire properties for redevelopment to include new affordable rental housing



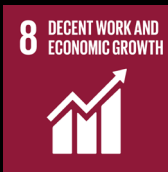
TRADES TRAINING AND EMPLOYMENT

Use these active construction sites to create hands-on opportunities for trades training programs



TENANT SUPPORT

Partner with local housing first support providers to operate housing and ensure tenants thrive





105
AFFORDABLE HOUSING
UNITS CREATED

214
TRAINEES
SERVED

88%
FULL-TIME JOB
PLACEMENT RATE

300+
COMMUNITY HOUSING
UNITS RENOVATED





CASE STUDY: RENOVATION

MUNICIPAL PARTNER – CITY OF GREATER SUDBURY



10

units of renewed
affordable rental
housing



25

people at risk of experiencing
homelessness have safe affordable
homes with wrap around supports



31

people with barriers to
employment received trades
training experience at these
renovation projects



CASE STUDY: PRESERVATION

MUNICIPAL PARTNER – CITY OF TORONTO



24

units retained as affordable for 100 years



44

person capacity for housing with wrap around supports



96

youth with barriers to employment will receive hands on trades training opportunities



PRE-DEVELOPMENT – CMHC Federal Lands Initiative



24

units retained as affordable for 100 years



65

youth with barriers to employment will receive hands on trades training opportunities



30

person capacity for housing with wrap around supports



ISM ARCHITECTS
Inc.
WESTSIDE LUTHERAN CHURCH

CASE STUDY: NEW CONSTRUCTION

PRE-DEVELOPMENT PROJECT



96

new units of housing created in partnership with Redwood Communities



5

One of five projects managed on behalf of clients



100+

Over one hundred at risk youth will gain hands on trades training experience

Raising the Roof Funders and Partners



Housing and hope for homeless youth



TD READY COMMITMENT

McConnell
SUPPORTING RTR 2022-2024



GROSVENOR



METCALF FOUNDATION



La Fondation Emmanuelle Gattuso



J. P. Bickell Foundation



The Chawkers Foundation

Red River



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