



## **Creating a Bold, Sustainable, Long-Term Affordable Housing Strategy for All Ontarians**

Prepared for: Jim Watson, Minister of Municipal Affairs and Housing  
Submitted by: Social Planning Toronto  
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### Agency Profile

Social Planning Toronto (SPT) is a non-profit community organization engaged in research, policy analysis, community development and civic engagement aimed at improving the quality of life of Toronto residents. SPT's work focuses on poverty reduction with an emphasis on income security, good jobs, affordable housing and strong public education.

### Setting the Context

Access to safe and affordable housing is a human right, a basic need, and a vital determinant of individual, family and community health. It is critical to Toronto's ability to attract and sustain workers as a major driver of Ontario's economy, and plays an important role in ensuring a greener, livable city and promoting vibrant communities.

Across Ontario, more than 627,000 households are in core housing need, lacking suitable, adequate and/or affordable housing and without the income to access it.<sup>1</sup> This crisis is felt acutely in Toronto where a third of all Ontario's tenant households reside.<sup>2</sup> Toronto is a city of renters where over 45% of all occupied dwellings are rental dwellings.<sup>3</sup> In a city where 1 in 4 residents lives in poverty, high rent and utility costs and lack of social housing leaves about 257,700 households without affordable homes and tens of thousands more homeless.<sup>4</sup> Overcrowding and major repair issues coupled with the affordability problem affect large numbers of residents.

Communities and groups disproportionately affected by lack of adequate, suitable and affordable housing include renters, low income residents, the unemployed, households whose major source of income comes from government transfers, the youngest and oldest in the population, women, lone parent families who are primarily mothers and children, recent immigrants, racialized groups, Aboriginal people and people with disabilities.<sup>5,6,7,8</sup>

We need a bold, sustainable, long-term affordable housing strategy that responds to the housing needs and ensures the housing rights of all Ontarians. In these tough economic times, the provincial government may be hesitant to make the full investment that is required to tackle Ontario's affordable housing crisis head on. Just tinkering around the edges of the problem will not bring a lasting solution for struggling communities. A bold strategy with the dollars to back it up is critical to Toronto residents and communities across the province.

Despite green shoot sightings with the upswing of Canadian financial markets, the people's recession in Ontario, for all intents and purposes, rages on. The number of people receiving social assistance has remained at record highs in recent months with a caseload of more than 235,000 in October 2009.<sup>9</sup> Ontario's official unemployment rate sits at 9.3%, 674,000 Ontarians, with double digit unemployment levels in Toronto.<sup>10,11</sup> We are reminded that it took almost eight years to return to pre-recession employment levels after the recession of the early 1990s.<sup>12</sup> Ontario faces particular challenges with the widespread loss of manufacturing jobs which may never return – recovery or no recovery.

Real investment to significantly expand Ontario's affordable housing stock will not only provide much needed housing but also create jobs and stimulate the economy through the challenging years ahead. Local hiring strategies and women in the trades programs can provide opportunities for communities and populations hardest hit and historically disadvantaged.

### Creating a Bold, Sustainable, Long-Term Affordable Housing Strategy

As a member of the Housing Network of Ontario (HNO), Social Planning Toronto endorses the HNO declaration calling for a long-term strategy that incorporates four key priorities:

- The affordability of housing, including measures to increase the supply of affordable housing and to make existing housing more affordable
- The availability of affordable housing that is stable, safe and in a state of good repair, and which effectively addresses the diversity of needs of communities across Ontario
- Supports, programs and protections that help all Ontarians equitably access and maintain adequate affordable housing and thrive in their communities
- A clear way to measure progress, with overall and population specific targets and timelines to ensure that housing insecurity and homelessness are being meaningfully reduced

Social Planning Toronto offers the following recommendations consistent with these key priorities:

#### **1) Ensure Affordability in Housing by:**

- **Using a rent-geared-to-income definition of affordability rather than a definition based on market rents**
- **Introducing a universal, portable housing allowance**
- **Reinstating rent control on vacant units**
- **Addressing energy poverty among low income residents**

Lack of affordable housing presents a daily crisis for many Toronto residents. On average, the monthly rents that Toronto residents pay are \$919 for a one-bedroom, \$1,075 for a two-bedroom and \$1,247 for a three-bedroom apartment.<sup>13</sup> This places Toronto at the top of the list of Ontario cities with the greatest affordability gap for the poorest one-fifth of renter households.<sup>14</sup> Over 133,000 individuals are on the social housing waiting list in Toronto alone.<sup>15</sup> Still tens of thousands more crowd the city's shelter system or sleep in the rough. While there are no reliable figures on hidden homelessness, social service providers suggest that individuals and families doubling up with friends and relatives in overcrowded conditions is common, particularly among newcomer families and youth.

To address the affordability crisis, the term “affordability” must first be properly defined. It should refer to the ability of tenant households to pay the rent – not what the market is able to charge. Increasingly housing programs have defined affordability as 80% of market rents. However, there is no relationship between this definition of affordability and the actual ability of individuals and families to afford the rent. Rents defined as 80% of market are far out of reach for low and modest income residents.

**We recommend that 30% of household income on shelter be used to define affordability, as has been the customary rent-g geared-to-income definition in social housing. This definition should be used in the development of a universal, portable housing allowance that will make rents affordable in the private market. It should be an in-situ housing allowance program that does not require residents to move in order to access the program. Controls must be put in place to ensure that the housing allowance program is not abused by private landlords who choose to hike rents to maximize their revenues from this program.**

Lack of rent control for new tenants has contributed to unmanageably high rents for many Toronto residents. As the legislation currently stands, landlords can increase rents to by any amount when a unit becomes vacant. This has resulted in increasingly disproportionate rental pricing between payments made by new tenants and by long-term tenants, where the former pay much more than the latter for similar apartments.<sup>16</sup>

**We recommend that rent controls be reinstated on vacant units to promote affordability in the private rental housing market.**

Rising energy costs are having a serious impact on low income tenants. According to Share the Warmth, the high cost of electricity and other utilities is the second leading cause of evictions.<sup>17</sup> Low income residents are disproportionately affected by rising energy costs and further disadvantaged by poorly built housing with insufficient insulation and less efficient heating systems that contribute to increased energy costs.

**We endorse the Low Income Energy Network's recommendations to: a) establish permanent, adequately-funded energy conservation programs for low-income consumers, with targets for the number of homes to be retrofitted annually. Such programs should be available at no cost to eligible participants and be equitably accessible province-wide; and b) establish a permanent Ontario Home Energy Affordability Program for low income consumers.**

**2) Increase the Supply of Affordable Housing by:**

- **Investing in a long-term, ongoing program of new social housing construction including non-profit and co-op housing**
- **Passing inclusionary housing legislation that will allow municipalities to introduce policies that ensure new residential builds are mixed income**
- **Contributing new funding to the Ontario Community Housing Assistance Program (OCHAP) or a similar vehicle to immediately expand rent-geared-to-income housing in existing housing co-ops**

Social housing is a cost-effective method of providing affordable housing, and has been found to be ten times less costly to addressing homelessness than the shelter system.<sup>18</sup> Senior levels of government have long abandoned the building of new social housing, despite the growing need. The provincial government needs to recommit and invest in the ongoing development of social housing construction, including non-profit and co-op housing, in Ontario. Despite favourable market conditions, private developers have not built new rental housing to any sufficient degree and in particular, have not created new affordable housing units for low income residents. It is simply not a profitable venture. An ongoing, long-term commitment to construct new social housing is vital to addressing Ontario's affordable housing crisis.

While investment in new builds is critical, creating affordable housing from the ground up takes time. The provincial government can start to expand the stock right now through two initiatives. First, make the necessary legislative or regulatory changes to allow municipalities to introduce inclusionary housing policies. These policies ensure that new private residential developments include a portion of units available at a cost substantially below market. Give municipalities the power to choose inclusionary housing policies.

Second, create a housing fund that *all* housing co-operatives can access to provide more rent-geared-to-income affordable housing within existing co-ops. Co-ops are mixed income communities where members pay either full market housing charges or receive a reduced rate (based on their income and the availability of funding). Today few co-ops have subsidy funds to provide rent-geared-to-income affordable housing to new members. Vacancies are filled by people that can afford market rents, leaving low income residents out in the cold. A housing fund will quickly open doors for Ontarians living in poverty.

A recent informal survey of Toronto co-ops conducted by SPT and the Alliance for Affordable Co-operative Housing found many co-ops want to increase their provision of rent-geared-to-income affordable housing for new low income members but lack the funding to do it. The Ontario Community Housing Assistance Program (OCHAP) has helped co-ops under either federal or provincial jurisdiction expand rent-geared-to-income housing in the past. We did it before and we can do it again.

**We recommend that the provincial government invest in a long-term, ongoing program to build new social housing, pass legislation to allow municipalities to establish inclusionary housing policies, and contribute new funding to OCHAP or a similar vehicle to immediately expand rent-geared-to-income affordable housing in existing housing co-ops.**

**3) Ensure the Long-Term Maintenance of Social Housing by:**

- **Establishing a long-term plan to ensure the state of good repair in social housing**
- **Uploading the cost of social housing from the municipalities**
- **Transferring the administration of co-op housing to the co-op experts at the Agency for Co-operative Housing**

Social housing residents under the Save Our Structures campaign have brought much needed attention to the issue of poor quality housing and massive maintenance backlogs in Toronto Community Housing. Funds from provincial and municipal government have started to flow to address these issues, but no long-term plan exists to ensure that social housing can be maintained in a state of good repair. It is clear that maintenance issues were exacerbated by the download of social housing from the Province onto the municipalities in the 1990s. The City of Toronto lacks the revenue base to carry the responsibility of social housing maintenance on its own. Unfortunately, the Provincial-Municipal Fiscal and Service Delivery Review failed to include any commitment to upload social housing costs, ensuring continued sustainability issues into the future. Without ongoing funding to support maintenance, we pay more in the long-run to address unattended maintenance issues that turn into costly crises. Social housing is a public good. It is in our collective interest to maintain it.

Staffed with co-op housing experts, the Agency for Co-operative Housing was established as an independent agency to administer federal co-op housing programs in 2004.<sup>19</sup> In addition to uploading social housing costs, co-op housing groups have long advocated for the transfer of co-op housing programs to the Agency.

**We recommend that the provincial government establish a long-term plan to ensure the state of good repair in social housing across Ontario, and work toward the goal of uploading the cost of social housing from the municipalities. We also recommend that co-ops currently under municipal jurisdiction be uploaded and the administration of co-ops be transferred to the Agency.**

#### 4) Ensure Human Rights in Housing by:

- **Supporting the Ontario Human Rights Commission's initiative to address discrimination in rental housing**

Tenants have a right to live in rental housing free from discrimination. Under the *Ontario Human Rights Code*, all tenants have the right not to be discriminated against on the basis of race, colour, ethnic origin, ancestry, place of origin, citizenship, family status, marital status, creed, disability, sex, sexual orientation, age or being a recipient of social assistance.<sup>20</sup> However, many Toronto residents are subject to both economic and social discrimination based on these 14 grounds and face systemic barriers in accessing and maintaining adequate housing.

One of the most common ways landlords discriminate against tenants is economically. For instance, there are some unjust screening processes used by landlords to determine eligibility to obtain a rental housing unit. These include a minimum income requirement and rent-to-income ratios. In such cases, if the tenant is estimated to pay 30% or more of his/her income on rent then accommodation will be denied.<sup>21</sup> Similarly, many housing providers hesitate to provide accommodation to individuals and families living under social assistance.<sup>22</sup> This continues to occur despite the fact that the Ontario Human Rights Commission has deemed it a prohibited ground of discrimination.

The other method of discrimination is social. Immigrants, women, people with disabilities and young people are among the various groups that continue to be denied access to housing by landlords based solely on these characteristics despite the fact that they are prohibited grounds of discrimination. A study conducted by the Centre for Equality Rights in Accommodation (CERA), for instance, reveals that mental disability has the highest rate of discrimination followed by Black lone parent, South Asian male and lone parent.<sup>23</sup>

The Ontario Human Rights Commission is engaged in important work to address discrimination in rental housing. The provincial government has a central role to play in ensuring an Ontario free from discrimination, in housing and in all areas.

**We recommend that the provincial government work with the Ontario Human Rights Commission to address discrimination in rental housing. This work should include investing in programs that regularly monitor discrimination in rental housing, educate private landlords, housing providers and tenants on housing rights and protections, and ensure effective and timely enforcement of housing rights and protections.**

**5) Measure the Progress of the Long-Term Affordable Housing Strategy by:**

- **Establishing targets and timelines for progress**
- **Measuring the impact of the strategy on groups disproportionately affected by the affordable housing and homelessness crisis**
- **Reporting publicly on targets, timelines and results on an annual basis**

Definitions of housing need should be based on true affordability among other criteria. The provincial government should consider using the 30% of household income on shelter criteria or a measure that examines the adequacy of household income to meet basic needs after housing costs, including utility costs, are paid. To ensure equity goals are met in the delivery of the long-term affordable housing strategy, it will be important to assess the strategy's effectiveness for specific populations including women, children, single parent families, seniors, newcomers, racialized groups, Aboriginal communities, people with disabilities, and homeless people. We also recommend that the provincial government report on the impact of the strategy based on geographic communities such as the city of Toronto.

**We recommend that the provincial government establish targets and timelines for assessing progress, measure the impact of the strategy for groups disproportionately affected by the housing crisis, and report publicly on results on an annual basis.**

Thank you for considering these recommendations for the development of Ontario's long-term affordable housing strategy.

Contact information: Beth Wilson, Senior Researcher, Social Planning Toronto, 2 Carlton Street, Suite 1001, Toronto, ON M5B 1J3, tel (416) 351-0095 x257, fax (416) 351-0107, [beth@socialplanningtoronto.org](mailto:beth@socialplanningtoronto.org)

## Endnotes

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