



HOUSING AFFORDABILITY

The evidence is in, and it is overwhelming. The cost of housing has grown much more quickly than household incomes. The past year has seen housing affordability discussed frequently as the impact of COVID-19 on changing work arrangements has created different opportunities for where people are located. This Community Dispatch will look at what is being done to address the issue of housing affordability.

Federal

Based on the belief that every Canadian deserves a safe and affordable home, [The National Housing Strategy](#) (NHS) is a 10 year, \$70-billion plan that the federal government has put in place to create a new generation of housing in Canada that is affordable and inclusive. The NHS is designed as a toolkit to address challenges across the housing continuum and spectrum of housing needs, with its initial focus on vulnerable Canadians including women and children fleeing violence, Indigenous peoples, seniors, and newcomers to Canada. The National Housing Strategy will result in up to 100, 000 new housing units and 300, 000 repaired or renewed housing units creating an entirely new generation of housing in Canada.

Using a mix of funding, grants, and loans, the strategy will create affordable, stable, and livable communities that are mixed-income, accessible (located near amenities and transportation), and sustainable. Rising house prices have made homeownership more difficult. Additionally, Canada's rental housing supply is aging, many buildings are in poor shape and in need of costly

repairs, and the overall supply is not keeping up with the needs in many cities. Therefore, by bringing together the public, private and non-profit sectors, the NHS can create new affordable housing supply by increasing the capacity of the community housing sector, increase funding for building new affordable shelters and supportive housing, encourage construction of sustainable rental apartments using low-cost loans, and utilize surplus lands and buildings to create socially inclusive housing that provides solutions to housing challenges. However, recent analysis of the NHS by the [Parliamentary Budget Officer](#) has found that the impact on housing need has been limited over its first three years.

While ambitious in its targets, the NHS's program design is not beyond critique. Its centrepiece financial instrument, the Rental Construction Finance Initiative (RCFI), for example, is ostensibly designed to address rental stock gaps by providing housing developers with quicker access to loans, thereby accelerating housing supply. Critics have argued that the RCFI – which is receiving 85% of the total increase in the NHS budget – may help increase housing supply for “middle income renter demand,” but the inflated income thresholds used in its framework impedes it from providing significant affordable housing solutions ([see CURE Brief, Review of RCFI, Jan. 2021](#)).

Provincial

The government of Ontario is supporting the goals of the National Housing Strategy through the **Community Housing Renewal Strategy** and the

Housing Supply Action Plan. 56% of renter households in Ontario cannot afford the average rent for a 2-bedroom apartment (\$1,266). Rising housing costs have a significant impact on low-income households, and many require some form of assistance through the community housing system.

The Community Housing Renewal Strategy outlines how the government of Ontario will work with community partners to stabilize and grow the community housing sector. It is proven that when people have the housing they need, they have better health, education, and employment outcomes. When housing is affordable and in areas near transit, schools, workplaces and amenities, individuals have the opportunity to manage their lives and raise their families. Community housing provides a home for people working in low-income jobs, for seniors, those living on social assistance, and for individuals with developmental disabilities, mental health and addictions challenges and for people who have experienced homelessness, domestic violence, or human trafficking. Community housing provides homes to over 250,000 families and individuals across Ontario.

In order to increase the supply of market housing, the Ontario government is developing a detailed [Housing Supply Action Plan](#) to create more affordable and good quality places to live. During an online consultation, more than half of the submissions from the general public said their top criteria when looking for a home were affordability, followed by transit, schools, and services located nearby. By making the most of infrastructure investments and encouraging more density around major transit stations the plan will make it easier to build the right types of housing in the right places and help Ontarians find a home that meets their needs and budget.

Halton

The success of the National Housing Strategy also requires collaboration with municipalities to

empower communities to create strategic plans and locally informed approaches to curb and reduce homelessness while creating new housing opportunities for vulnerable residents. The [Comprehensive Housing Strategy](#), initiated in 2014, serves as the Region's 10 year housing and homelessness plan that strives to encourage and protect affordable housing in Halton. In 2019, Regional Council endorsed the [Comprehensive Housing Strategy Update 2014-2024 – Five-year Review](#), which provides updated actions and targets for the CHS. These include creating a range and mix of new housing across the housing continuum to meet the needs of the Halton community; protecting existing rental housing so that it continues to be available to residents; and, providing coordinated services to Halton residents who need support to obtain or maintain their housing.

The **State of Housing Report** is prepared annually to provide a review of housing supply and demand and is used to inform the Comprehensive Housing Strategy. Halton's vision includes advancing the supply of an adequate mix and variety of housing to meet differing physical, social, and economic needs. The report also assesses the Region's success in achieving its Regional Official Plan housing targets that call for at least 50% of new housing units produced annually in Halton to be in the form of townhouses or multi-storey buildings, and at least 30% of new housing units produced to be affordable or assisted housing. Halton's Housing Model gathers various information including household income, household spending, housing costs, and average rents in the region from a variety of data sources including Canada Mortgage and Housing Corporation (CMHC), Statistics Canada, and Municipal Property Assessment Corporation (MPAC). An analysis is then conducted on this data that generates thresholds based on household income and housing cost and that calculation is undertaken for both the assisted and affordable (non-assisted) segments of the housing continuum. A table showing the income and housing cost thresholds is included below.

Income and Housing Cost Thresholds table from the State of Housing Report 2020, Halton Region

Assisted	All households (average - 2.8 people)	Small households (1 to 2 persons)	Large households (3+ persons)
Income threshold	\$61,700	\$57,500	\$65,500
Maximum purchase price	\$235,800	\$222,000	\$250,500
Maximum monthly rent	\$1,540	\$1,440	\$1,640
Affordable (non-assisted)	All households (average - 2.8 people)	Small households (1 to 2 persons)	Large households (3+ persons)
Income threshold	\$107,800	\$74,300	\$144,300
Maximum purchase price	\$409,500	\$283,700	\$546,000
Maximum monthly ownership cost	\$2,690	\$1,860	\$3,610
Maximum monthly rent *	\$2,120	\$1,650	\$2,630

* The mid-point between assisted and affordable monthly ownership costs, based on Halton's definition of Affordable Housing.

Lasting impact of COVID-19

According to the Oakville Resiliency Report of 2020, the pandemic has also made the task of finding affordable housing more difficult. Cost of housing including rentals have fluctuated and many congregate living situations have become dangerous due to the difficulty of physical distancing. Long-term care facilities were hit the hardest by the pandemic with overwhelming outbreaks among residents and staff. Emergency shelters were also impacted by the pandemic, having to reduce their capacity to abide by social distancing guidelines. Within Halton, a new shelter for families and single women was acquired, while the Lighthouse Shelter was transformed to a men’s only shelter with targeted mental health supports. As well, hotels were being leveraged as needed to address surge demand.

According to the Toronto Regional Real Estate Board Market Watch, as of August 2021 the average sale price for a home in Halton was \$1,206,016, an increase of 17% from the previous year.

The pandemic has created extra challenges and exacerbated others. For women in abusive relationships, there was increased risk when stay at home orders were implemented and violence escalated. According to Halton Women’s Place, shelter capacity decreased based on Covid guidelines, leaving many fleeing violence unable to secure space. As a result, women were waiting longer to come. It is anticipated that there will be a surge after the pandemic ends.

Changes to the Landlord and Tenant Board (LTB) in the context of the pandemic have also impacted low-income and otherwise marginalized tenants and brought awareness to inequalities and accessibility concerns moving towards online hearings, as documented by [Ontario Legal Clinics](#). Access to technology is highly unequal and the LTB cannot assume that all individuals have equal access to computers, internet connection, phone minutes, or the private space to participate meaningfully in hearings. Additionally, accessing legal assistance or advice during the pandemic when many legal clinic staff are working remotely is challenging especially with short timelines and delays in processing of important documents electronically. With these changes, the LTB has a responsibility to ensure that its response to COVID-19 does not unfairly exacerbate homelessness or the effects of the pandemic on racialized, Black, and Indigenous communities, or renters living in poverty.

Renovictions

There has been a drastic increase in the number of renovictions in the past few years. Landlords are allowed to end tenancy if major renovations are required to a tenant’s unit by issuing a N13 (notice of termination for renovation or repair). Eviction notices like the N13 or N12 (terminating a tenancy for landlord’s own use), are not the same as an eviction order but a tactic used by landlords to regain control of the unit.

In Ontario, the only way to legally evict a tenant is through a hearing at the Landlord and Tenant Board. If after receiving the N13, a tenant decides if they want to challenge it. Their next step is an LTB hearing, in which an adjudicator listens to both sides, considers the evidence and then makes a decision. The majority of these cases never reach the LTB and therefore this becomes an illegal eviction strategy that is used to increase rental costs.

It is becoming increasingly common for landlords to evict tenants and then re-list the same unit a couple of months later, with a few to no renovations completed at all. If the tenant decides to move out without going through the LTB process, they have the right to move back into their unit once the renovation is completed. The landlord cannot increase the rent – generally they can only raise it according to the percentage mandated by the province's rent increase guideline.

According to [a November 2019 report](#) from the Advocacy Centre for Tenants Ontario, over the past four years in Toronto there has been a 294 per cent increase in N13 applications and an 84 per cent rise in N12 applications. However, since landlords need a building permit to evict tenants, the city could use that as a leverage tool if they find out that the permit has been used fraudulently (the work was never done, or the tenant never got the right of first refusal). The landlord should then get another permit moving forward. Challenging an eviction notice is a lengthy process that requires a lot of manoeuvring through a complicated system. And for a lot of tenants, the stress of a potential eviction is reason enough to start looking for a new home.

The current provincial government has placed a temporary ban on evictions during the pandemic and landlords are encouraged to work with tenants to establish fair arrangements to keep tenants in their homes, including deferring rent or other payment arrangements. However, backpay in rent is piling up and many are still getting eviction notices which leads to an uncertain future for many when it comes to where they will live once the eviction bans are lifted.

Inclusionary Zoning

Inclusionary zoning (IZ) is a relatively new strategy in many Canadian municipalities that specifically allows municipalities to require affordable housing units to be provided in new residential development projects. There is little value for IZ in areas where, due to the lack of market demand, significant measures and incentives are required to attract development. In these circumstances, more direct measures such as funding construction of affordable housing units through non-profit organizations may be more efficient at addressing affordable housing needs.

Halton Region has a higher proportion of family households than most other areas of the province. Across Halton 78.4% of the dwellings are family households, compared to 71.3% across the GTHA and results in a lack of available detached or semi-detached single-family dwellings.

By 2041, the percentage of family households is projected to decrease to 75.8% of Halton's housing mix. After 2021, intensification in Halton was planned to be pursued aggressively with 90% of the growth in built-up areas being in the form of condominiums and apartments, and just 10% in the form of ground related housing. If Halton wants to attract younger generations to support its aging population, it will need a proper housing mix including condominiums and apartments to do so.

Younger families have been the bedrock of Halton's growth and are the most likely to stay in the region long-term and multi-generationally. If these families have to drive further to find the quality and price of home they expect, Halton will be left with an aging population that has a higher demand on local services such as health care, without a stable and growing tax base to offset and support that increased usage.

Inclusionary zoning should be based on a partnership model. The costs of establishing affordable housing units should be shared among the province, municipalities, development industry, non-profit housing sector, housing advocates, as well as the public. When determining what areas would benefit from inclusionary zoning, it is important to assess the specific housing types targeted for affordable

housing, target groups where policy efforts should be focused, potential developments that may be exempt from IZ, and examples of how IZ would work in practice and how potential measures and incentives would apply to a given development.

Alternative Housing Models

While the issue of housing affordability and the shortage of purpose-built rental supply has been highlighted, there are initiatives occurring in community that can be effective tools at addressing these issues.

Assisted/Community Housing

In Halton, subsidized housing programs are offered (also known as rent-geared-to-income) that provides well-maintained and safe housing for families and individuals with moderate and lower incomes. Residents can apply for subsidized housing through the Halton Access to Community Housing (HATCH) by calling 311 from within Halton Region or accessed on-line at halton.ca.

HomeShare Model – Older Adult Population

HomeShare is a living arrangement between two people who live in the same residence that has been accessed by the older adult population. While each person has their own private space, they typically share common areas such as the living room and kitchen. Household responsibilities can also be shared for reduced rent, such as lawn and garden maintenance, household cleaning, laundry, grocery shopping, and taking care of pets for example. HomeShare can offer companionship while providing safety and security.

The Halton HomeShare Program is supported by Halton Housing Help. The program matches older adults who may be experiencing challenges maintaining their homes with appropriate home seekers who can help with basic upkeep and maintenance. HomeShare for many provides a mutual meaningful relationship where older adults can remain in their own homes while also providing residents an affordable living arrangement.

Co-Housing and Life Lease

Additionally, other alternative housing models exist that provide affordable housing options. Co-living allows for mutual support, shared resources and workloads and can be designed for physical accessibility as well as financial, environmental, and social sustainability. Garden suites are pre-made structures installed temporarily in the backyard of an existing home owned by the resident's family members. Garden suites allow an individual to live independently and remain close to family for mutual assistance.

Life lease housing is owned and managed by non-profit community-based groups and allow residents (usually 65 and older) to pay for the right to occupy a unit by purchasing a lease with an upfront payment and a monthly maintenance fee that is set for a number of years or for life.

Secondary Suites

An increase in diverse and unique housing stock is needed in order to meet the current and future demand for affordable housing and those in our neighbourhoods that are most in need. Creating legal secondary suites in existing homes provides communities with more affordable and wider housing options to meet the needs of community members.

Secondary units can increase the value of a home as well as generate income through rental income to help pay off household debt, support the family, enjoy travel, and receive tax deductions. Additionally, a homeowner can also create opportunities to help an individual or family have the foundational housing they need to move forward in life.

Municipal government offers incentives for homeowners creating legal secondary suites to house families and individuals on the waitlist. By-laws are in place in Burlington, Milton, Oakville, and Halton Hills that allow secondary suites in detached and semi-detached homes, as well as townhouses in some areas.

Some things one should consider if someone is thinking about building a secondary suite in their home:

- Before deciding to build a second unit, it is important to connect with the local municipal planning and building departments. They will provide guidance on whether one can add a second unit to their property and answer questions a homeowner has regarding zoning, the Building Code, and other by-laws. It is important to meet planning and Building Code requirements to ensure that the house and second units are legal, safe, and healthy places to live.
- Ask the local planning and building department about the zoning requirements and standards that apply to secondary units that apply to the property. These include rules around parking requirements, exits and entrances, servicing, or maximum or minimum unit size.

- To add a second unit to a home, a homeowner will need a building permit. The homeowner or an agent can apply for one at the local building department.
- Once a building permit has been issued, building inspectors from the municipality must review the work at various stages during construction to check framing, insulation, plumbing, interior finishes, and other items outline in the Building Code.

Check <https://www.erin.ca/media/2172/adding-a-second-unit-in-an-existing-dwelling2.pdf> for more information about building code requirements for secondary units.

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