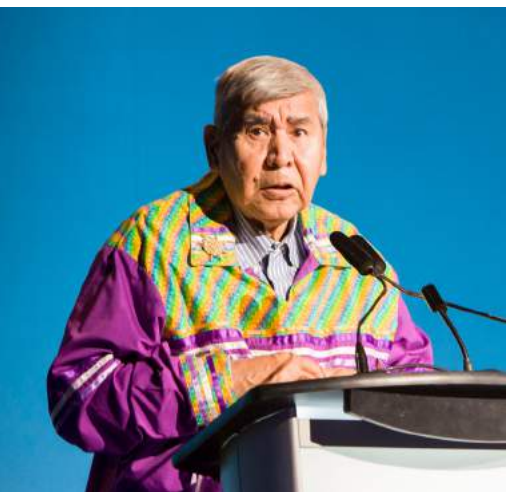




AN AFFORDABLE HOUSING PLAN FOR ONTARIO



ONPhA
 ONTARIO NON-PROFIT HOUSING ASSOCIATION



Co-operative Housing Federation of Canada
ONTARIO REGION

The background of the image is a detailed architectural blueprint. It features various technical drawings, including floor plans, sections, and elevations. Key elements include circular and rectangular shapes representing rooms or structural components, with dimensions and labels such as '007', '008', '009', '010', '006', '005', '004', '003', '002', '001', '000'. There are also numerical values like '1500x1500', '1000x1000', 'B7 1500x1500 L=60660', 'L=2164', 'L=1000', 'L=60660', 'L=2164', 'L=60660', 'L=2164', 'L=60660'. A rolled-up set of architectural plans is visible on the left side, and a pencil is positioned on the right side, pointing towards the center of the blueprint. The overall scene is in grayscale, emphasizing the technical nature of the drawing.

Our plan has never
been more needed
— or more *possible.*

Nearly every day, the failures of Ontario's housing market are covered in newspapers, on the radio and on the nightly newscast.

While much has been said about spiraling homeownership costs and the desperate state of low-income renters, few solutions, particularly for those of low and modest means, have been offered. Based on the best information currently available, the community housing sector has costed an Affordable Housing Plan for Ontario that lays out four recommendations:

- 1. Build 69,000 affordable rental homes over the next 10 years**
- 2. Deliver income supports to 311,000 Ontarian households**
- 3. Extend the life of 260,000 community-owned rental homes**
- 4. Create 30,000 new supportive housing units over the next 10 years for individuals with mental health and addictions issues, and end chronic homelessness**

Our Plan may seem ambitious. But it has never been more needed – or more possible. With a population of 4.6 million, about a third of Ontario's, British Columbia has adopted recommendations put forth by the British Columbia Rental Housing Coalition and made a 10-year commitment to work in partnership with Indigenous peoples, non-profits and the private sector to build 114,000 new affordable homes over the next ten years. Along with other measures, it's a concrete plan to fix a housing crisis that has left so many behind.

Ontario could do the same if all levels of government work together. Provincial and municipal governments have started to make significant investments and current commitments towards housing affordability in the past few years, and there are also new opportunities for investment that we have not seen in over 20 years. With a newly engaged federal partner, Ontario should receive up to \$7.4 billion in new federal contributions through the National Housing Strategy to help preserve and expand affordable housing, offer new portable housing benefits, and expand homelessness reduction initiatives over the next 10 years.¹

We also have the resources. In the last four years, Ontario has generated over \$8.2 billion in revenue from the Land Transfer Tax, and in 2017 began to generate new revenue from the Non-Resident Speculation Tax. These revenues are a symptom of a housing market that has lost touch with the realities of Ontarians. If they were redirected, even in part, to addressing the recommendations in this plan, it would go a long way to easing the pressure on the rental market and help level the playing field for low- and middle-income Ontarians.

There are parts of this Plan where, if governments follow through on their commitments, we are well on our way to meeting the need. But there are others, where further investment would lead to better outcomes for all Ontarians.

The door is open; it is up to us to decide the future we want to see.

¹ Estimates about new federal funding are based on funding commitments made through the National Housing Strategy released in November 2017. Based on previous allocation trends, it is estimated that 35% of the funds from each of the initiatives will flow to Ontario. This estimate includes initiatives that require provincial cost-sharing, which were agreed to through the bi-lateral agreement signed between Canada and Ontario on April 30, 2018, as well as initiatives that will be funded by the federal government unilaterally.

OUR 10-YEAR PLAN

Ontario's housing problem:

90,000 Ontarians experience homelessness in the course of a year

16,600 new rental homes needed each year for 10 years to address population growth and catch up with the backlog: 9,700 market rental homes and 6,900 affordable rental homes

The investment (*average annual cost, millions*):

	Annual Federal Share	Annual Provincial Share	Annual Municipal Share	Annual Community Housing Sector Share	TOTAL
Supply	\$690	\$690	\$173	\$173	\$1,726
Income supports	\$560	\$280	\$280	N/A	\$1,120
Community housing renewal	\$104	\$104	\$26	\$26	\$260
Supportive housing	\$50	\$50	\$11	N/A	\$111
Total	\$1,404	\$1,124	\$490	\$199	\$3,217

THE BENEFITS FOR **643,000** ONTARIO HOUSEHOLDS

69,000 NEW AFFORDABLE RENTAL HOMES

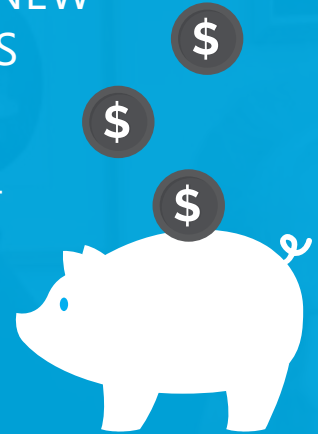


RENEWED BUILDINGS FOR **260,000** HOUSEHOLDS IN COMMUNITY HOUSING

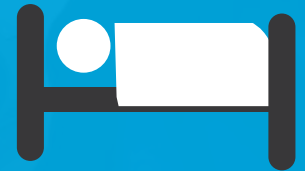


INCOME SUPPORTS FOR **311,000** NEW HOUSEHOLDS

284,000 IN THE PRIVATE MARKET AND **27,000** WITHIN NEW AFFORDABLE RENTAL HOMES



30,000 NEW SUPPORTIVE HOUSING UNITS FOR ONTARIANS LIVING WITH MENTAL ILLNESS AND ADDICTIONS



THE **ECONOMIC** BENEFITS FOR ONTARIO

UP TO **\$1.1 BILLION** ANNUAL SAVINGS IN HEALTH AND JUSTICE SYSTEMS



\$2.6 BILLION ANNUALLY IN CONSTRUCTION MULTIPLIERS



\$1.1 BILLION ANNUALLY IN INCREASED CONSUMER SPENDING



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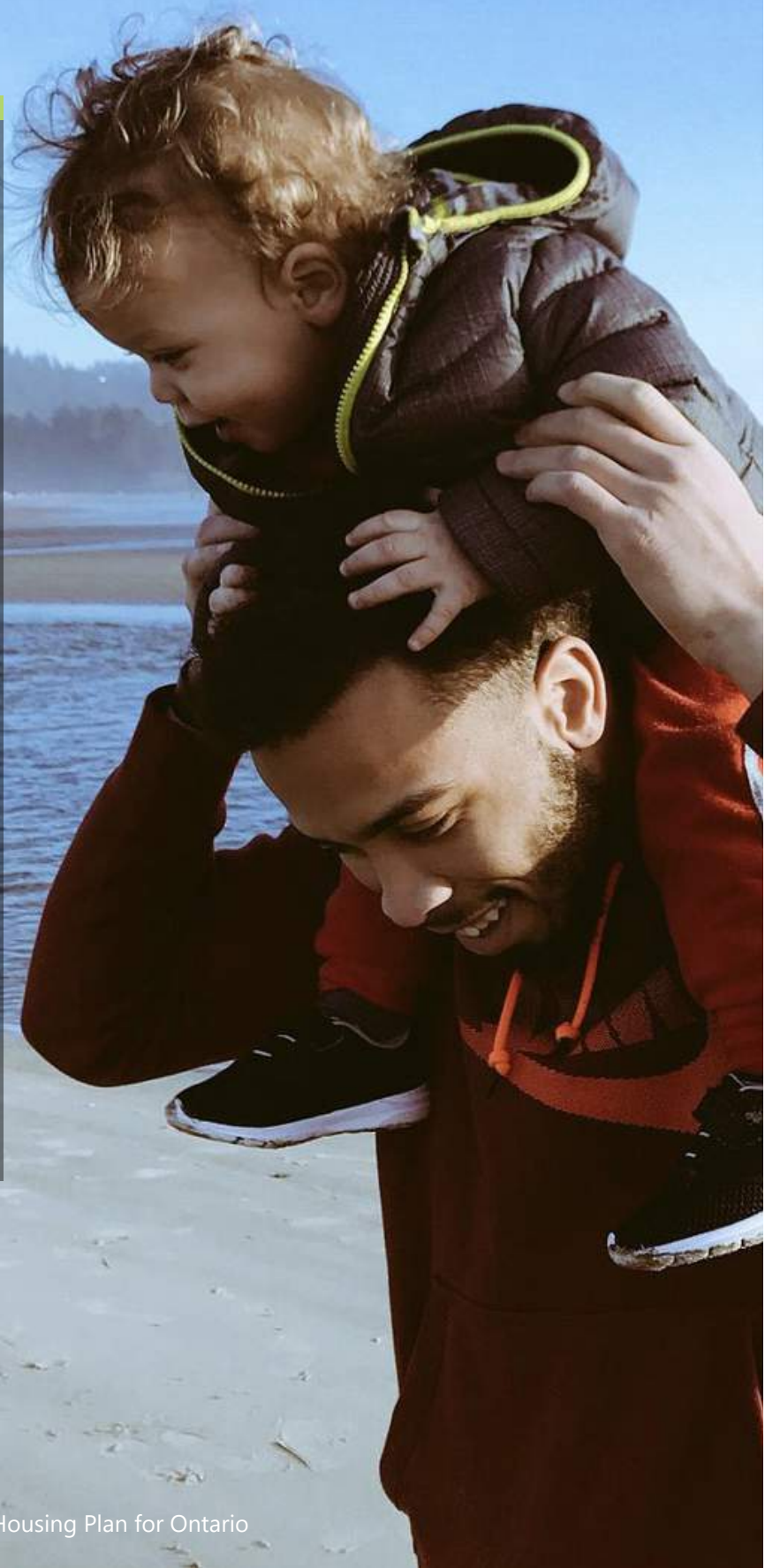
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AN AFFORDABLE HOUSING PLAN FOR ONTARIO

Ontario's housing system is not working as it should. The need for housing is outstripping the supply. Housing costs are increasingly out of reach. Homelessness persists and is growing. Our young people are having difficulty establishing themselves. Our seniors need homes that meet their changing needs.

These are big problems. But we also have many solutions at our disposal.

The Co-operative Housing Federation of Canada (CHF Canada) Ontario Region and the Ontario Non-Profit Housing Association (ONPHA) have developed and costed an Affordable Housing Plan (the Plan) to make housing more affordable for Ontarians, create new homes and promote healthy communities over the next decade.

The Plan focuses on recommendations in four key areas that, if pursued together, would have significant positive impact on communities across Ontario. Not only would they ease housing costs and improve housing conditions directly for hundreds of thousands, but they would also relieve pressure throughout the housing system. The Plan draws on a wide variety of data sources to set out targets for how many new affordable

rental homes will be needed to meet current and future demand, how many households will require income supports to maintain stability within market-rent homes, and what will be needed to maintain Ontario's current stock of community housing for future generations. It also examines the investments that will be required to create supportive housing to meet the needs of individuals living with mental health and addictions issues, which will significantly reduce the prevalence of chronic homelessness in Ontario. Specifically, the Plan presents four recommendations:

1. Build 69,000 affordable rental homes over the next 10 years for families, individuals and seniors. Ontario has a growing population. We need approximately 29,000 affordable rental homes just to catch up on the backlog for affordable housing supply, plus an additional 4,000 affordable rental homes per year to accommodate those entering Ontario's housing market who will be in core housing need. ²

A portion of these must be targeted specifically towards meeting the needs of Ontario's Indigenous population. The Province must consult and work closely with the Indigenous community to determine how to design programs and new supply to meet these needs.

² Estimate is based on renter households living below multiple core housing need standards. Households falling only below the affordability standard would be assisted by recommendation 3.

A ONCE-IN-A-GENERATION OPPORTUNITY

Our Plan may seem ambitious. But it has never been more needed – or more possible. This year we have opportunities for investment we have not seen in over 20 years:

- **New federal funding:** Up to \$7.4 billion in new federal contributions towards preserving and expanding affordable housing, new portable housing benefits, and homelessness reduction initiatives in Ontario over the next 10 years through the National Housing Strategy. On top of this, the federal government has committed to sustaining community housing. A significant portion of the funding provided by the Strategy would need to be provincially cost-matched, which Ontario has committed to through the bi-lateral agreement signed on April 30, 2018.
- **Mortgages paid off.** By 2027, the mortgages of 78% of co-op and non-profit housing buildings will be paid off.³ Funds that were once tied up in mortgage payments will be released. Many housing providers will be able to reinvest in new affordable rental homes and continue to fund rental assistance for low-income households.
- **Unprecedented housing tax revenues.** Ontario has generated over \$8.2 billion in revenue from the Land Transfer Tax since 2013. Last year alone, the Ontario Government raised \$2.7 billion. Even with the slowdown in the housing market, the government is still projecting that it will generate \$3.1 billion from the Land Transfer Tax in both 2017-2018, and 2018-2019. While smaller in scale the Non-Resident Speculation Tax generated \$173.4 million since being introduced in April 2017. These revenues to a great extent are a symptom of a housing market that has lost touch with the fundamentals including population growth and incomes of Ontarians.⁴ If these tax revenues were redirected to building new affordable housing, even in part, it would go a long way to easing the pressure on the rental market, and help level the playing field for low- and middle-income Ontarians.
- **Municipal initiatives.** More and more municipalities are seeing housing as a priority and a key part of their future success.

2. Deliver income supports to 311,000 Ontarian households who have access to good housing in the private market, but simply can't afford their rent in addition to basic necessities for themselves and their families, or for those in deep need who need assistance beyond the affordable rents in community housing.

3. Extend the life of 260,000 community-owned rental homes. Community housing's 260,000 homes have served Ontario for, on average, three decades. For an investment of \$10,000 per unit over the next 10 years, we can ensure each of these homes continues to offer quality housing to the people who live there now, into the next generation.

4. Create 30,000 new supportive housing units for individuals with mental health and addictions issues, and end chronic homelessness. Ontario needs dedicated supportive housing to enable our most vulnerable residents to leave hospitals, shelters or the street, and keep those at risk well-housed. As with new supply, a portion of these new supportive housing units must be Indigenous-led and dedicated to meeting the needs of Ontario's Indigenous population.

Together, these four recommendations would transform the experience of low and middle-income renter households, and have wider positive impacts for Ontario as a whole.

These recommendations have been based on the best information currently available. They will continue to be updated and improved as new information is available, and will be used to track the progress Ontario is making towards ensuring everyone has a safe and affordable place to call home.

³ Statistic taken from the Ontario Ministry of Housing's 2018 Regional Consultations on Social Housing Modernization. It does not include local housing corporation units or rent supplement units.

⁴ Canada Mortgage and Housing Corporation. (2018). *Housing Market Assessment, First Quarter 2018*.



WORKING COLLABORATIVELY TO ADDRESS ONTARIO'S HOUSING PROBLEM

The Co-operative Housing Federation (Ontario Region) and the Ontario Non-Profit Housing Association represent more than 1,250 non-profit and co-op housing providers. Our members provide stable, secure and affordable homes for over 525,000 people, approximately 3.9% of Ontario's population.

Over the course of a generation governments of every stripe have relied on and partnered with non-profit and co-op organizations to meet the housing needs of those not being served by the private market.

We can continue to be a big part of the solution. Our sector is ready to commit our own land and leveraging capacity, valued at \$199 million per year.⁵ Joining us are municipalities and civil society leaders – faith groups, charitable organizations, Indigenous leaders, lenders and housing advocates – who have made housing a key priority for Ontario and called for further investment.

The Investment

The Plan estimates the annual investment required to achieve each of these recommendations over 10 years. We also show how each level of government – federal, provincial and municipal – and the community housing sector itself – can ensure all Ontarians have a place to call home. The overall annual estimates are presented in Table 1.

It should be noted that there are many ways that governments can invest in community housing. Some of these include land contributions, preferential financing rates, tax exemptions and development charge waivers. For simplicity's sake, the Plan's recommendations presents the needed investments in dollar figures.

Table 1: Average annual cost per level of government or community sector over 10 ten years to address Ontario's housing affordability crisis (millions)

	Federal	Provincial	Municipal	Community Housing Sector	TOTAL
Supply	\$690	\$690	\$173	\$173	\$1,726
Income supports	\$560	\$280	\$280	N/A	\$1,120
Community housing renewal	\$104	\$104	\$26	\$26	\$260
Supportive housing	\$50	\$50	\$11	N/A	\$111
Total	\$1,404	\$1,124	\$490	\$199	\$3,217

⁵ Amount based on the Affordable Housing Plan's estimates about the capital that the community housing sector is in a position to contribute to new supply and repair on an annual basis.



Developing one affordable housing unit is estimated to generate between **two and two-and-a-half new jobs.**

THE ECONOMIC CASE FOR INVESTMENT

The Plan will have direct economic benefits for the approximately 643,000 Ontario households whose housing needs would be met through the recommendations related to supply, income supports, capital repair and supportive housing.

Beyond this, economic benefits will accrue to the Ontario government and all Ontarians. Some of these include:

- **New jobs.** Developing one affordable housing unit is estimated to generate between two and two-and-a-half new jobs.⁶ Repairs and retrofits, whether focused on energy efficiency or other priorities, also lead to job creation. These residential construction jobs are overwhelmingly local: most are in the area where the unit is built, and the rest are usually within Ontario.⁷
- **Increased GDP.** This investment has a larger economic and job multiplier effect.⁸ A recent report by the Mowat Centre found that for every dollar government invested in residential building construction in Ontario, Canada's GDP increased by \$1.52.⁹ Using this multiplier effect, the Plan's proposed capital investment of \$1.72 billion would contribute \$2.6 billion to the GDP annually over the next 10 years.
- **Increased disposable incomes** for low-income households.¹⁰ If the proposed rental subsidies outlined in the Plan were put in place, these households would increase their spending on local goods and services such as healthy food by more than \$1.1 billion annually through increased consumer spending.


⁶ Per person-years of employment. Main sources are: Canada Mortgage and Housing Corporation [CMHC]. (2000). Economic Impacts of Residential Construction. Research Highlight, "Socio-Economic Series, Issue 69" (Ottawa: Canada Mortgage and Housing Corporation); Dunning, W. (2012). *Economic and Fiscal Impacts of Residential Construction – 2012* (Ottawa: Canadian Home Builders' Association); National Association of Home Builders. (2009.) *The Local Impact of Home Building in a Typical Metro Area: Income, Jobs, and Taxes Generated* (Washington DC: NAHB).

⁷ Dunning (2012) estimates that out-of-province induced jobs are about 9% of total jobs created. See also NAHB (2009) where the estimates are specifically for local jobs.

⁸ Multipliers' are the continuing effects of an investment as it cycles through the economy.

⁹ Zon, N., Molson, M. and Oschinksi, M.(2014). *Building Blocks: The Case for Federal Investment in Social and Affordable Housing in Ontario* (Toronto: Mowat Centre).

¹⁰ It may be counter-argued that if a low-income tenant lives in unaffordable housing and pays more (\$800 rather than \$400 in the example above), the same economic multiplier will arise when the \$400 difference becomes landlord revenues. But the effects will be different. Most often the landlord's revenues will be capitalized and reinvested elsewhere. The landlord's revenues are significantly less likely to be spent on goods and services in the local community than the tenant's (for example, Geltner, D. M., Miller, N.G., Clayton, J. and Eichholtz, P. (2006). *Commercial Real Estate Analysis and Investments*. (Waukesha, Wisconsin: Oncourse Publishing. Second edition). p 121.



A secure home improves a child's likelihood of **academic achievement** and the completion of post-secondary education.

- **Improved social and educational outcomes.**

Affordable housing improves outcomes by lowering household stress, enabling the purchase of good-quality food, and supporting family stability.¹¹ For children living in inadequate or unaffordable housing, a secure home improves their likelihood of academic achievement and the completion of post-secondary education.¹² It also enables people to focus better while at work, or improves their ability to find employment.

- **More effective use of public dollars.**

Addictions and Mental Health Ontario has estimated that for every dollar spent on mental health and addictions support, \$10 is saved in costs related to health and the justice systems.¹³ Other research has found that for every \$10 spent on housing and supports for those who are chronically homeless, \$21.72 is saved in costs related to health care, the justice system, shelters, and other social supports.¹⁴

- **Improved health outcomes.** A recent study published in the *Canadian Medical Association Journal* found that if government reallocated some funding from health care to social services, including social housing, Canadians would experience better population-level health outcomes. For every one cent increase in social spending, per dollar spent on health was associated with a 5% increase in life expectancy. The results are consistent with previous international studies that have found that social spending can be an effective means to improve health outcomes and lower health care costs.¹⁵

For every dollar spent on mental health and addictions support, **\$10 is saved** in health care and justice system costs.

¹¹ Center for Housing Policy. (2011). *Annotated Bibliography: The Impacts of Affordable Housing on Health* (Washington DC: Centre for Housing Policy); Center for Housing Policy. (2011). *Annotated Bibliography: The Impacts of Affordable Housing on Education* (Washington DC: Centre for Housing Policy).

¹² In 2010, the Canada Mortgage and Housing Corporation (CMHC) reported that 48% of social housing residents said their children's academic performance improved after they secured stable social housing. Statistics taken from Zon, N., Molson, M. and Oschinski, M. (2014). *Building Blocks: The Case for Federal Investment in Social and Affordable Housing in Ontario* (Toronto: Mowat Centre).

¹³ Addictions and Mental Health Ontario (2017). *Where Change Happens: Addictions and Mental Health 2018 Priorities*.

¹⁴ Gaetz et al, S., Gulliver, T., & Richter, T. (2014). *The State of Homelessness in Canada 2014*.

¹⁵ Dutton, D. J. et al. (2018). Effect of provincial spending on social services and health care on health outcomes in Canada: an observational longitudinal study. *CMAJ Journal*, 190(3), 66-71.



ONTARIO'S HOUSING PROBLEM

HOUSING COSTS HAVE OUTPACED INCOMES

For the past 20 years, Ontario has relied almost exclusively on the private market to build new housing.¹⁶ In that time period, the cost of homeownership has tripled in many parts of the province, and the cost of rent has gone up by 62%. While this has created a windfall for those who already owned a home, it has left everyone else behind. For middle-income households, the cost of buying a new home has never been so far out of reach, while high rents leave these households with even less money to save.

For low-income households, however, the impact has been far worse. Ontario has both more households and a higher proportion of households in core housing need than any other province in Canada.

Core housing need is the indicator created by Canada Mortgage and Housing Corporation (CMHC) to identify households living in homes that fall below one or more affordability, suitability or adequacy standards, and cannot afford the average market rent in their community.

Between 2011 and 2016, 131,380 additional Ontario households fell into core need. By 2016, a total of 748,135 households – 15.3% of Ontario households, the highest proportion of any province – paid more than 30% of their incomes on housing, or lived in homes that were unsuitable or in poor repair, and could not afford alternative housing.¹⁷

Today, Ontario has more than twice as many households in core need as Quebec. In fact, 44.2% of all Canadian households in core need live in Ontario.¹⁸

Although Vancouver's housing affordability crisis is often in the news, Toronto has the highest rate of households in core housing need of any city in Canada, where 19.1% of all Toronto households cannot afford their homes.

But affordability is not just a big city problem.

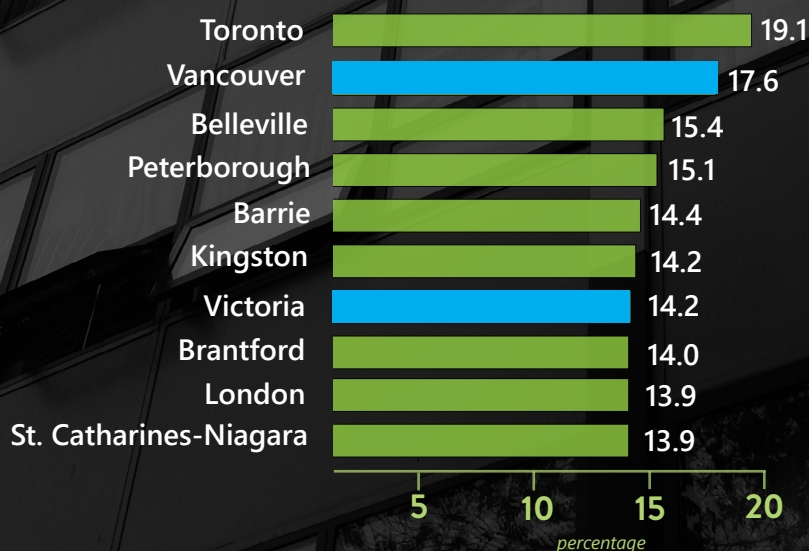
Among the 10 Canadian municipalities with the highest core need rates in Canada, eight were in Ontario, including Belleville, Peterborough, Barrie, Kingston, Brantford, London, and St. Catharines-Niagara. Figure 1 displays the incidence of core housing need in the top 10 census metropolitan areas in 2016.

¹⁶The only major new source of non-private market housing has been the Affordable Housing Program (AHP) and its successor, the Investment in Affordable Housing Program (IAH). At its height, IAH the larger of the two programs produced less than 800 new affordable rental homes a year, and in some years far less. Ontario Ministry of Housing. *Investment in Affordable Housing Program: IAH Year 6 and SIF Year 1 Report (2016-2017)*. Available online: <http://www.mah.gov.on.ca/Page10065.aspx>.

¹⁷Statistics Canada, Core housing need, 2016 Census, Release date: November 15, 2017. Retrieved from: <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/chn-biml/index-eng.cfm>

¹⁸Statistics Canada, Core housing need, 2016 Census, Release date: November 15, 2017. Retrieved from: <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/chn-biml/index-eng.cfm>

Figure 1: Core housing need rate for Canada and census metropolitan areas, 2016



Source: Statistics Canada, Census of population, 2016.

THE NEED IS OUTSTRIPPING SUPPLY.

There are currently over 1.5 million Ontario households living in rental housing.¹⁹ This population grew substantially over the past decade – an increase of 18.9% between 2006 and 2016, compared with a 13.5% increase among homeowners²⁰ – and it is expected to grow again over the next 10 years.

Ontario can expect **at least 137,000 additional renter households by 2027**, or an average of at least 13,700 new households per year over the next decade.²¹ If previous trends continue, an estimated 8,500 of these new renter households will have incomes beneath the threshold for core housing need in their community each year.²²

This growth requires an increase in rental housing supply. Today, about half of Ontario’s rental housing is purpose-built private market rental housing, about one-sixth is owned by municipalities or non-profit and co-op housing providers, and the remaining third is private secondary rental market properties. These are the one or two self-contained rental homes, such as basement apartments or condo-units, that are rented out by their owners.

Between 2011 and 2016, the purpose-built rental stock grew by an estimated 4,500 rental homes per year, serving only 13% of the growth in rental housing demand over the same period.²³ Ontario renters are therefore increasingly turning to the private-secondary market, most often condos, to find a place to live. These rental homes, however, cannot be relied upon to offer the same affordability or security of tenure as purpose-built rental housing.

¹⁹ Statistics Canada, Census Profile, 2016 Census, Ontario and Canada, Household characteristics.

²⁰ The homeownership rate among Ontarians was 69.7% in 2016.

²¹ By 2027, between 49,000 and 235,000 additional renter households are projected in Ontario. The low estimate is based on CMHC Long-term Housing Demand Projections, 2015-Low Scenario, which continues the downward trend of decreasing headship rates by age. The high estimate is based on Vink Consulting calculations using Ministry of Finance population projections and holding constant headship rates and age-specific rental rates for family and non-family households at their 2017 values. The Plan has adopted CMHC’s medium-growth scenario, which assumes that 137,000 additional renter households will be added over 10 years, meaning that an average of 13,700 will be added each year.

²² The Plan assumes the same percentage of core housing need as 2016. Based on this, it is estimated that approximately 8,500 of the 13,700 new renter households added in Ontario each year will have incomes beneath the threshold for core housing need in their community.

²³ Canada Mortgage and Housing Corporation (CMHC) Starts and Completions Survey, Completions by Intended Market in Census Metropolitan Areas, Census Agglomerations, and other, selected municipalities with at least 10,000 people.



WHO GETS LEFT BEHIND?

The impact of Ontario's unaffordable housing system is not felt evenly by all groups. Most negatively affected are young people, low-income seniors, recent immigrants, racialized groups, Indigenous people, and those living with mental health and addictions.

THE NEXT GENERATION

Young Ontarians are being squeezed by precarious employment and high housing costs. The result: many cannot afford to start a family, repay their education loans or save to buy a home.

An analysis by Generation Squeeze in 2017 showed that it would take 15 years of full-time work for a typical young Ontarian (age 25–34) to save a 20% down-payment on an average-priced home.²⁴ For past generations, it took as little as five years of work. For many young people, this means significantly delaying, or coming to terms with never owning a home. This has a wider impact on the overall housing market as these individuals rent for longer, or forever, reducing turnover of rental homes for new households.

The impact of this is evidenced in the 2016 Census, which showed that the proportion of households that rent is increasing in Canada, while home ownership rates are decreasing.

As well as being unaffordable to many, the rental housing options provided to this generation, unlike those in the past, are limited, and often do not support important milestones like starting a family. The vast majority of new rental housing developed over the past 20 years has been in the secondary rental market, most often condos. These rental homes are typically small bachelor, one- or two-bedroom apartments and do not offer similar security of tenure as traditional purpose-built rental or community housing.

INDIGENOUS PEOPLES²⁵

A legacy of colonialism has left lasting and detrimental impacts on Canada's Indigenous population. Across Canada, Indigenous people have lower incomes than the general population and more often live in housing that is unaffordable, overcrowded or in poor condition. They are also twice as likely to have been among "the hidden homeless"²⁶ at some point in their lives.²⁷ Indigenous women and girls are particularly affected because they are more likely to experience all forms of violence, sexual exploitation and human trafficking, which places them at increased risk of homelessness.

In Ontario 85.5% of the Indigenous population lives off-reserve in urban and rural communities,²⁸ and the low-income rate for individuals with an Indigenous identity is 23.9%, with an estimated 23,000 renter households in core housing need. This housing shortfall can in turn affect health, educational attainment and economic success.

²⁴ Kershaw, B. (2017). *Code Red*. Ontario is the second worst economy in Canada for younger generations.

²⁵ This document uses the term "Indigenous" to refer to the people who lived here before European contact. It includes people who identify as First Nations, Métis or Inuit.

²⁶ The term "hidden homeless" refers to the population that are provisionally accommodated. They may have access to temporary housing or shelter, but do not have immediate options for permanent, stable housing. This population is not adequately reflected in standard homelessness statistics because they do not usually access homelessness supports and services.

²⁷ Rodrigue, S. (2016). *Insights on Canadian Society: Hidden Homelessness in Canada*, Statistics Canada.

²⁸ Data from Statistics Canada, 2011 National Household Survey.

SENIORS

For the first time in Canada's history, the 2016 census showed seniors outnumbering children. With a historic increase in people over 65 – 20% increase since 2011 – government programs and strategies are going to need to be flexible to deal with the needs of this population. Housing affordability and security for those who enter old age as renters stand out as a priority.

Federal and provincial governments are increasingly recognizing the benefits of supporting seniors to grow older in their own homes without having to move. But aging-in-place policies only work when you have a suitable home to age in – one that is accessible, with the services you need. For those in inaccessible homes, and those with lower incomes, creating appropriate, affordable communities with security of tenure will be essential to help this growing population age with dignity.

Due to the growth of the numbers of seniors generally, the number of seniors who live alone, the number who are frail or have disabilities, this will necessitate considerable expansion of assisted living or supportive housing facilities that can enable them to stay in the community rather than in long-term health care facilities.²⁹

IMMIGRANTS

Recent immigrants to Canada have disproportionately low incomes in Ontario, and have increased difficulty in finding appropriate, affordable homes. The low-income rate for Ontarians born in Canada is 12.5%, but for recent immigrants (those who have arrived since 2011), it is 35.6% – almost triple. For these households, finding a safe, affordable home is essential to launching their lives in Canada but they often face barriers to doing so.

RACIALIZED GROUPS

Racialized groups also face disproportional barriers to accessing affordable housing. A 2009 study by the Centre for Equality Rights in Accommodation found that one in four South Asian and Black single-parent households experienced moderate to severe discrimination when searching for rental housing that would act as a "substantial barrier to accessing housing." Research by CMHC also suggests that the discrimination faced by racialized renters is likely to increase in a low-vacancy markets, like Ontario's, when landlords have their choice of tenants.³⁰

INDIVIDUALS WITH DISABILITIES

Individuals living with disabilities are also negatively impacted in Canada's current housing system. This population is more likely to be in core housing need, homeless or living in poverty as compared to those without a disability. In addition, individuals living with a disability have fewer housing choices, often lack access to appropriate supports and face higher levels of discrimination.³¹

²⁹ Carlson, M. (2014). A slide of affordable housing for seniors in Ontario may be diminishing: Assessing the impacts of social housing end dates for senior projects. Housing Services Corporation, p.6.

³⁰ Novac, S. et al. (2002). *Housing Discrimination in Canada: The State of Knowledge*, Canada Mortgage and Housing Corporation, Ottawa.

³¹ Alzheimer Society of Canada et al. (2017). *Housing Issues for People with Disabilities in Canada*. Report submitted to the UN Committee on the Rights of Persons with Disabilities for its Review of Canada's initial report under the CRPD



INDIVIDUALS EXPERIENCING HOMELESSNESS

Starting in the 1970s a succession of public policies – the closure of psychiatric facilities, cutbacks in social supports, and disinvestment in affordable housing, combined with structural shifts in the economy – has led to a persistent homelessness problem.

On any given night, at least 9,600 Ontarians are homeless. Over the course of the year, an estimated 90,000 Ontarians will sleep in a shelter or sleep rough.³² Figure 2 displays the annual number of emergency shelter users in communities that have publically released data.

These are the visible homeless. According to Government of Ontario figures, the vast majority of the homeless – up to 80% – are the hidden couch-surfers and others who are inadequately reflected in standard homelessness statistics, but suffer the same instability. The experience of homelessness puts individuals at disproportionate risk of physical and sexual assault, as well as increased risk of serious illness and shorter life expectancy.³³

INDIVIDUALS EXPERIENCING MENTAL ILLNESS AND ADDICTIONS

The housing market disproportionately negatively affects those living with mental illness or addictions. While only one in 40 Ontarians is estimated to experience a serious mental illness, more than half of the homeless population

report a past diagnosis.³⁴ As well, studies in Canada and the United States suggest that households with mental illness will experience significant discrimination when searching for housing.

WOMEN

As the National Housing Strategy recognizes, investments in housing have a particularly positive impact on women. This is in part because most low-wage workers in Canada are women, eight out of 10 single parents are women, and most seniors are women. Women who have an intersection of identities, such as racialized or senior women, experience even greater housing need and vulnerability.³⁵

Women experiencing homelessness are at higher risk of physical and sexual assault. They also experience unique causes for homelessness. Violence against women in the home is a common risk factor. As the YWCA highlighted in its National Housing Strategy, “women often lose both their source of income and their housing when they escape abusive partners.”³⁶

Up to 80% of people experiencing homelessness are the **"hidden" couch-surfers** and others who are inadequately reflected in standard homelessness statistics.

³² Estimates derived from data from communities that have conducted Point-in-Time (PiT) counts or Registry Weeks (RW). A Registry Week is a coordinated multi-day count of people experiencing homelessness on the street, in shelters, and in other community-identified spaces frequented by people experiencing homelessness. It differs from a PiT count in that it includes some individuals experiencing hidden homelessness, rather than being limited to individuals sleeping in shelters or unsheltered.

³³ Homeless Hub. (2018). *Trauma and victimization*. Retrieved from <http://homelesshub.ca/about-homelessness/legal-justice-issues/trauma-and-victimization>.

³⁴ Office of the Auditor General of Ontario (2016). *Annual Report 2016*. Queens Printer for Ontario.

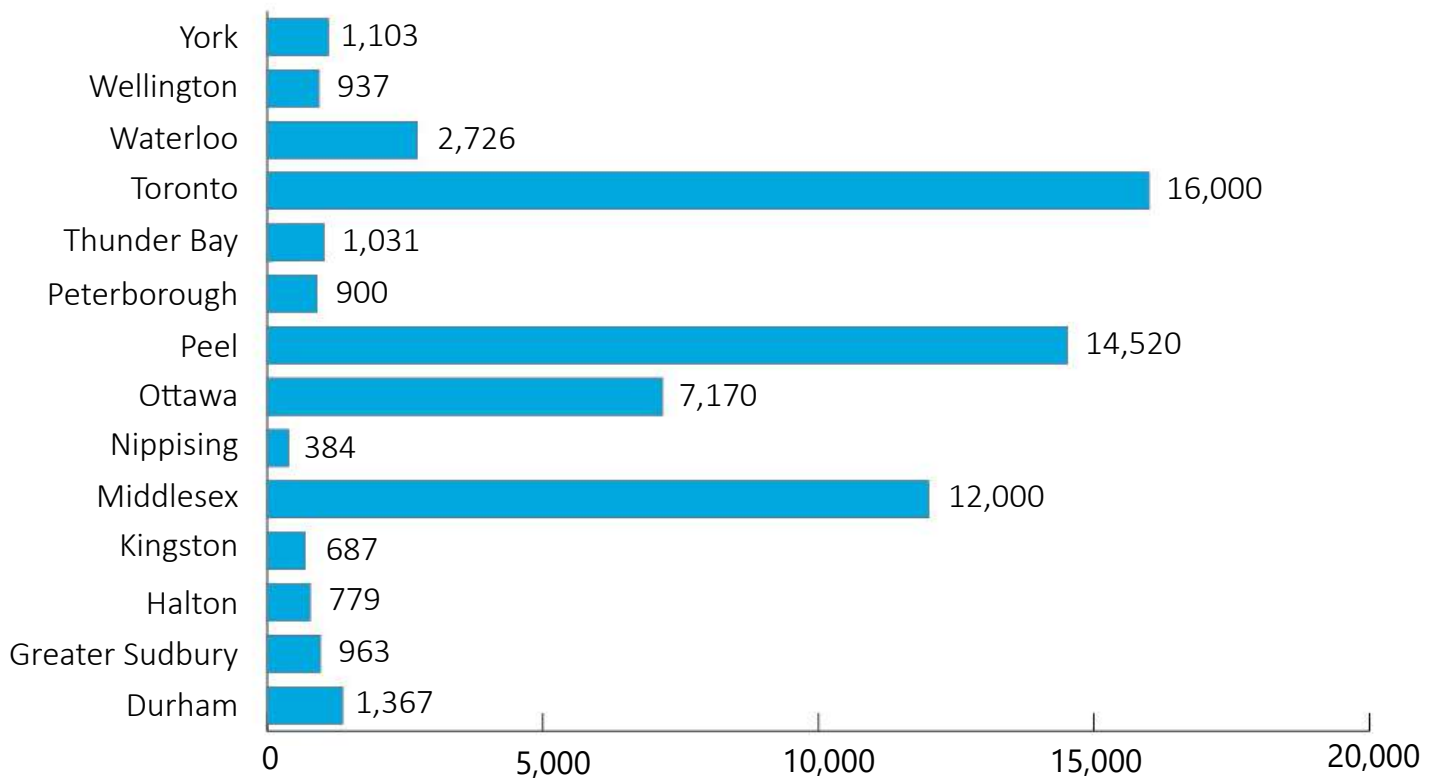
³⁵ Statistics Canada (2011) National Household Survey, Ottawa as cited in in *Making Women Count: The Unequal Economics of Women's Work*, Canadian Centre for Policy Alternatives and Oxfam Canada, March 2016. <https://www.oxfam.ca/sites/default/files/making-women-count-report-2016.pdf>.

³⁶ YWCA (2016). Counting women and girls in to the National Housing Strategy. <http://ywcacanada.ca/en/media/press/141>.



While only **one in 40** Ontarians is estimated to experience a serious mental illness, **more than half** of the homeless population report a past diagnosis.

Figure 2: Number of different emergency shelter users in a year in communities that have released data





AN AFFORDABLE HOUSING PLAN FOR ONTARIO

To address these issues and meet the housing needs of Ontarians, the Affordable Housing Plan presents four recommendations.

RECOMMENDATION #1

CREATE 69,000 NEW AFFORDABLE RENTAL HOMES OVER THE NEXT 10 YEARS

Ontario needs to increase its supply of homes to meet the demands of a growing population. But unless it is the *right* supply, it will not help young people find their first home, support seniors to age at home, allow immigrants to settle into Canadian life, provide accessible options for those living with disabilities, or give local employers ready access to the needed labour pool.

Ontario needs new rental housing. The Plan estimates that Ontario already has a backlog of approximately 29,000 affordable rental homes³⁷ and will need at least 137,000 additional rental homes, or 13,700 per year, over the next 10 years to accommodate population growth.³⁸ Based on previous trends, it is estimated that approximately

8,500 of the 13,700 new renter households added each year will have incomes beneath the threshold for core housing need in their community.³⁹

Some of these 8,500 households will find affordable homes in private-market rental housing. If the private market continues to provide housing at its current rate, it is expected to meet 57% of the housing needs of households with income beneath the core need threshold.

For the rest, Ontario will need an average of 4,000 additional affordable rental homes each year to keep up with the growing demand.

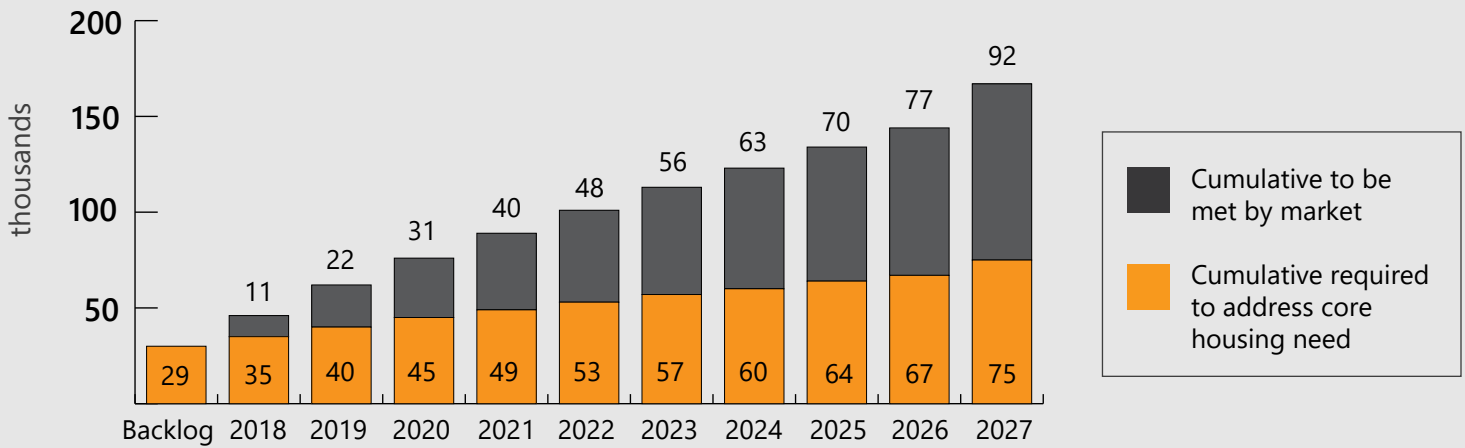
When these projections are combined with the current backlog, it means that **Ontario will need an annual average of 6,900 additional affordable rental homes for each of the next 10 years** to clear the backlog and meet the growing need. Figure 3 displays the cumulative supply required over the next 10 years to meet the current backlog and projected growth.

³⁷ Estimate based on renter households living below multiple core housing need standards. Households only falling below the affordability standard would be assisted by income supports as outlined in Recommendation 2.

³⁸ By 2027, between 49,000 and 235,000 additional renter households are projected in Ontario. The low estimate is based on CMHC Long-term Housing Demand Projections, 2015-Low Scenario, which continues the downward trend of decreasing headship rates by age. The high estimate is based on Vink Consulting calculations using Ministry of Finance population projections and holding constant headship rates and age-specific rental rates for family and non-family households at their 2017 values. The Plan has adopted CMHC's medium-growth scenario, which assumes that 137,000 additional renter households will be added over 10 years, meaning that an average of 13,700 will be added each year.

³⁹ The Plan assumes the same percentage of core housing need as 2016. Based on this, it is estimated that approximately 8,500 of the 13,700 new renter households added in Ontario each year will have incomes beneath the threshold for core housing need in their community.

Figure 3: Cumulative supply required annually, including estimated supply backlog of 29,000 affordable rental homes (1000's)



The limited development of affordable housing over the past 25 years, has contributed to the shortage of rental housing in Ontario and helped to drive down vacancy rates and increase homelessness. This investment in new affordable rental housing supply would help ease pressure across the entire housing system. The new supply would help the vacancy rate rise to a healthier level, easing the pressure on the market rental stock for workers and households looking to save for homeownership.

INVESTMENTS REQUIRED:

There are many ways to encourage and support affordable housing development: capital grants, contributions from a provider’s own equity, preferential mortgage rates and terms, waivers of fees and charges, loan guarantees, rent-gear-to-income subsidies or housing allowances, or any combination of these.

For simplicity’s sake, we have valued the investment of a one-time capital grant that would allow housing providers to rent all of the 69,000 required units at low-end market rents.⁴⁰ Table 2 presents the estimated annual costs for each level of government and the community housing sector to achieve this new development.

⁴⁰ For simplicity sake, we have based the affordable housing costs on the recent model of affordable housing programs that offers capital grants to support rents at 80% of average market rent.

⁴¹ ONPHA and CHF Canada acknowledge and fully support the outcomes, principles and recommendations put forth by the Indigenous Caucus of the Canadian Housing and Renewal Association (CHRA) for a *For Indigenous By Indigenous National Housing Strategy*. More information about the work and recommendations of CHRA’s Indigenous Caucus can be found online at: <http://chra-achru.ca/en/indigenous-caucus>.



The Plan assumes that the 69,000 new affordable rental homes would meet the housing needs of Ontario’s Indigenous population currently living in core housing need. However, to truly meet the needs of this community, and to advance reconciliation, Ontario must increase culturally appropriate housing options and supports for Indigenous peoples. We strongly recommend that both the federal and provincial governments continue consulting and working directly with Indigenous housing providers to identify needs and potential solutions within their communities.

Ontario has an established Indigenous housing sector that owns and manages over 4,000 homes in urban and rural areas. They are the experts who should lead discussions with governments to address the needs of the 23,000 Indigenous renter households in core housing need.

The province has already been working closely with these housing leaders to co-develop an Ontario Indigenous Housing Strategy. We recommend the government continue to use this collaborative approach and to champion it with the federal government for the development of the forthcoming National Indigenous Housing Strategy.⁴¹

Table 2: New affordable rental housing supply investments: annual investment over the next 10 years (millions)

Federal	\$690
Provincial	\$690
Municipal	\$173
Community housing sector	\$173
Total	\$1,726

The Plan estimates that approximately 40%, or 27,000, of the households in these units would be in deep need and require additional ongoing rental subsidy to remain stably housed. The estimated costs associated with these rental subsidies are included in Recommendation 2.

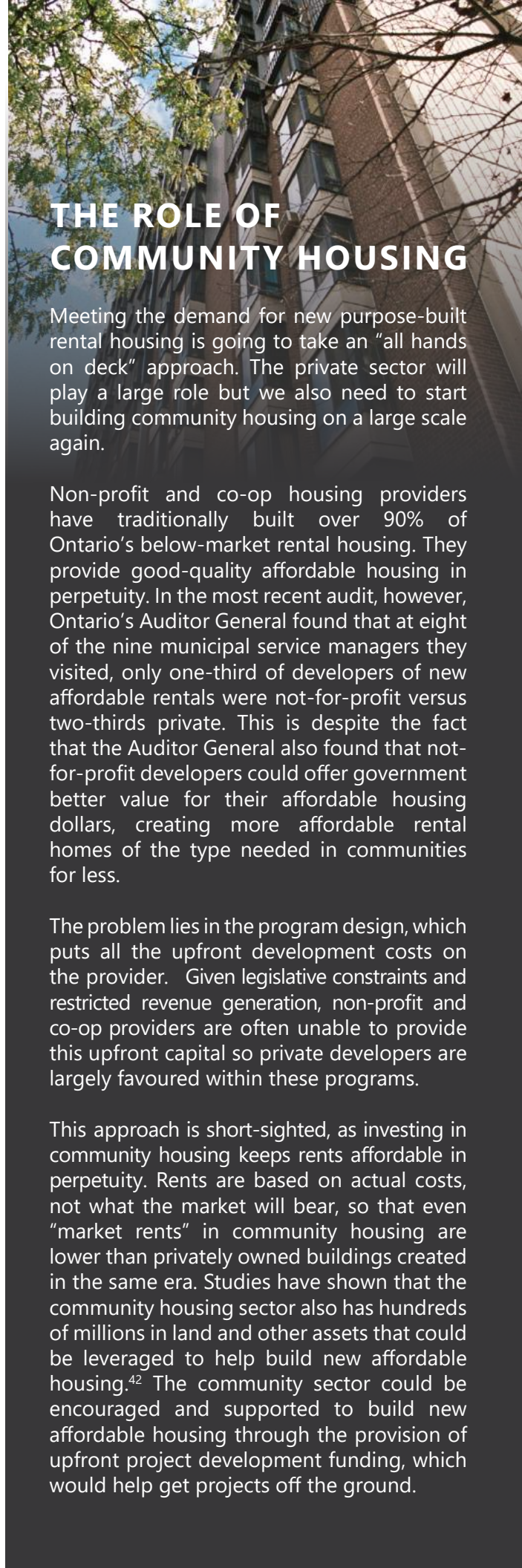
The capital investments required for new supportive housing for individuals living with mental health and addictions are not included in this amount. Estimated costs related to this are included in Recommendation 4.

*It is estimated that Ontario will receive **\$5.56 billion** in direct funding and low-cost loans through the newly created National Housing Co-Investment Fund, and **\$385 million** through the Federal-Provincial/Territorial Housing Partnership as part of the National Housing Strategy. Funds provided through these initiatives are intended to support building new, and repairing existing affordable housing units.*

Funding through the Federal-Provincial/Territorial Housing Partnership requires provincial cost-matching. In April, the Province of Ontario and the federal government signed a bilateral agreement but the details have not yet been released. Funding through the National Housing Co-Investment Fund does not require direct cost-matching, but successful applicants would be required to have "contributions" from another level of government.

It is estimated that these investments will help build approximately 2,000 units of affordable housing annually. However this could potentially be leveraged much further depending on contributions made by other levels of government towards the National Housing Co-Investment Fund.

⁴² Evergreen. (2016). *Building New Affordable Housing Through Leveraging the Greater Toronto-Hamilton Area: Challenges and Opportunities.*



THE ROLE OF COMMUNITY HOUSING

Meeting the demand for new purpose-built rental housing is going to take an "all hands on deck" approach. The private sector will play a large role but we also need to start building community housing on a large scale again.

Non-profit and co-op housing providers have traditionally built over 90% of Ontario's below-market rental housing. They provide good-quality affordable housing in perpetuity. In the most recent audit, however, Ontario's Auditor General found that at eight of the nine municipal service managers they visited, only one-third of developers of new affordable rentals were not-for-profit versus two-thirds private. This is despite the fact that the Auditor General also found that not-for-profit developers could offer government better value for their affordable housing dollars, creating more affordable rental homes of the type needed in communities for less.

The problem lies in the program design, which puts all the upfront development costs on the provider. Given legislative constraints and restricted revenue generation, non-profit and co-op providers are often unable to provide this upfront capital so private developers are largely favoured within these programs.

This approach is short-sighted, as investing in community housing keeps rents affordable in perpetuity. Rents are based on actual costs, not what the market will bear, so that even "market rents" in community housing are lower than privately owned buildings created in the same era. Studies have shown that the community housing sector also has hundreds of millions in land and other assets that could be leveraged to help build new affordable housing.⁴² The community sector could be encouraged and supported to build new affordable housing through the provision of upfront project development funding, which would help get projects off the ground.



RECOMMENDATION #2

EXTEND INCOME SUPPORTS TO 311,000 ONTARIAN HOUSEHOLDS

Approximately 311,000 households will require income support to help afford their rent, even after the Plan's recommended investment in new affordable housing supply. This number includes the estimated 284,000 households that could find appropriate accommodation within the private-market but cannot afford the rents,⁴³ as well as the estimated 27,000 households in deep need that will require subsidies above and beyond the rents in the new affordable rental supply identified in Recommendations 1 and 4.

At a time when over 185,000 Ontario households are on a social housing waiting list,⁴⁴ income support programs can provide a swift, valuable response to the growing need for an affordable home.

The income supports for these 311,000 households could take many forms, but the approach supported by both the National Housing Strategy and Ontario's Long-Term Affordable Housing Strategy Update is the portable housing benefit. This benefit, targeted to tenants paying more than 30% of their income on housing, would address the needs of many households now on social housing waiting lists. It would also allow those living in poor quality housing to find more suitable alternatives.

At a time when over **185,000** Ontario households are on social housing waiting lists, **income support programs** can provide a swift, valuable response to the growing need for an affordable home.

⁴³ Estimates developed using detailed housing standards data for 2006 from CMHC as well as highlight data from 2016 to estimate the percentage of households beneath various core housing need standards. Rates of households beneath various housing standards have been assumed to stay constant at 2016 rates.

⁴⁴ Office of the Auditor General of Ontario (2017). *Annual Report 2017*. Queens Printer for Ontario.



INVESTMENTS REQUIRED:

Table 4 presents the estimated annual investment required of each level of government for these new income supports.

To estimate the new investments required to subsidize tenants, we identified the portion of Ontario tenants in core need for whom affordability (rather than housing suitability or adequacy) was the immediate need. The annual cost of the subsidy is based on the affordability gap – the difference between 2016 median incomes for households eligible for each unit size and the average market rent in each region of the province.

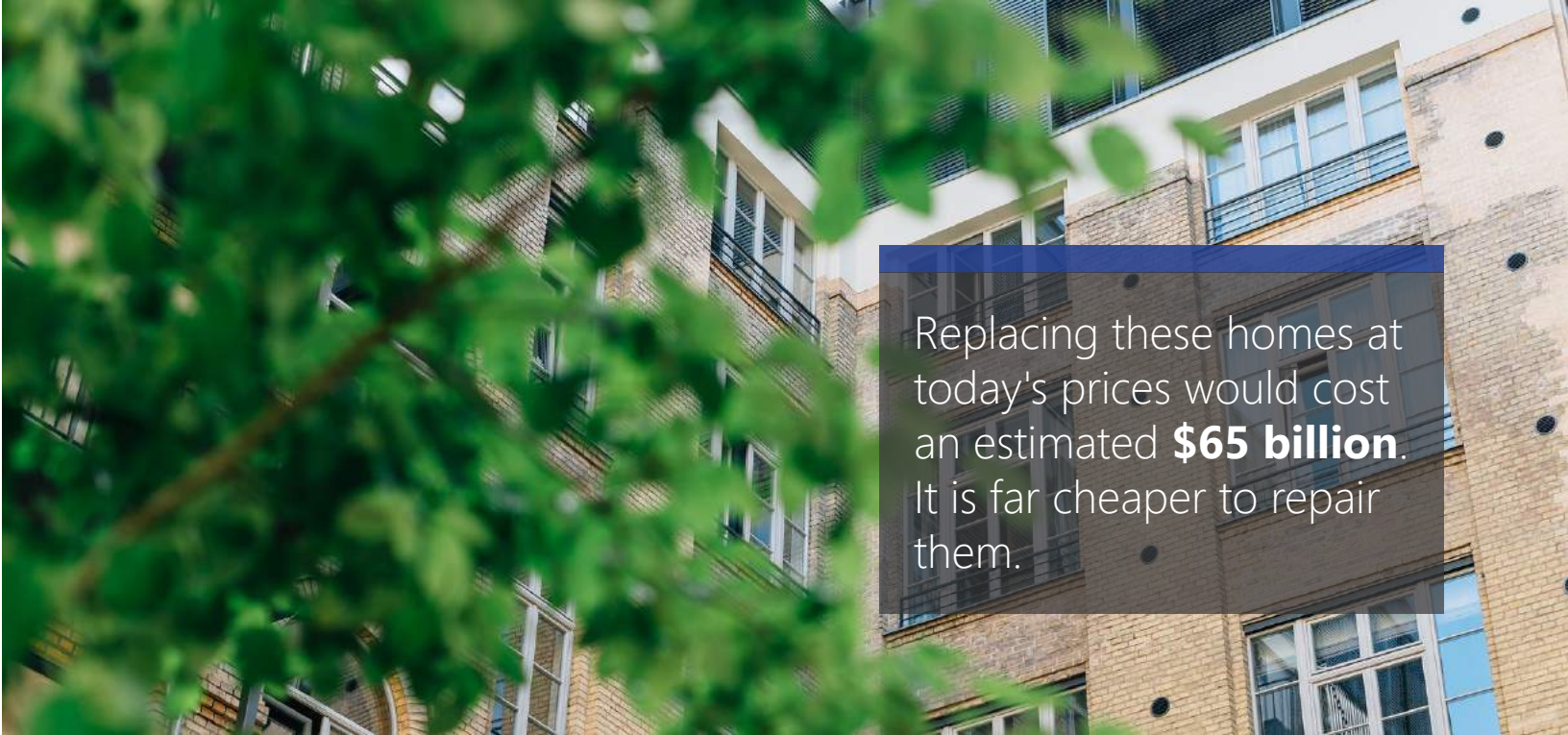
Again, these figures are based on an Ontario-wide average, and will vary among municipalities.

Table 4: Income supports: annual investment over the next 10 years (millions)

Federal	\$560
Provincial	\$280
Municipal	\$280
Total	\$1,120

The National Housing Strategy also includes the Canada Housing Benefit, an initiative targeted at the development of portable housing benefits for individual households. Beginning in 2020, it is estimated that Ontario will receive **\$700 million** over eight years through this initiative. This initiative would require provincial cost-sharing, which the province committed to in the bi-lateral agreement announced on April 30, 2018. This investment could provide income supports for over 38,000 over 10 years based on assumptions included in this Plan.

In addition, the Ontario government has recently committed to expanding a provincially funded Portable Housing Benefit for Survivors of Domestic Violence. This initiative will also contribute to addressing the needs of those who could find suitable accommodation in the private sector if supported by a housing benefit. Some municipalities have also led the way in piloting new rental assistance programs.



Replacing these homes at today's prices would cost an estimated **\$65 billion**. It is far cheaper to repair them.

RECOMMENDATION #3

SECURE AND EXTEND THE LIFE OF COMMUNITY-OWNED HOUSING

Most of community housing's existing 260,000 homes were built between the 1960s and 1990s. These homes are an essential part of Ontario's housing supply and overall social and economic infrastructure but are now in need of new investment to serve the next generation.

The sector as a whole has accumulated significant capital reserves, but these funds will not be enough and are not available to all providers. Unlike private operators, community housing providers cannot raise rents to fund repairs and still fulfill their mandates as affordable housing providers. To bring Ontario's 260,000 community housing units to a state of good repair will require an average \$10,000 per unit in additional funds over the next 10 years.⁴⁵

Extending the life of these homes is the best investment Ontario can make.

Replacing these homes at today's prices would cost an estimated **\$65 billion**. It is far cheaper to repair them. These repairs also provide an opportunity to undertake accessibility retrofits and to improve energy efficiency to help keep operating costs down for the future.

INVESTMENTS REQUIRED:

The most recent research has found an average \$10,000 per unit capital shortfall upon the expiry of community housing operating agreements.⁴⁶ Applied to the 260,000 community housing units in Ontario, this would mean a shortfall of \$2.6 billion across the province. Table 3 presents the estimated amounts that would be required of government and the community housing sector on an annual basis.

These costs are over and above the funds available through capital reserves accumulated through annual contributions by co-op and non-profit housing providers.

⁴⁵ Re/Fact Consulting. (2012). Social housing end dates in Ontario: Assessing impacts and promoting good practices. Housing Services Corporation.

⁴⁶ Re/Fact Consulting. (2012). Social housing end dates in Ontario: Assessing impacts and promoting good practices. Housing Services Corporation. Since this research was conducted, some community housing providers have updated their estimates for capital repair shortfalls. This suggests additional research in this area is warranted in the future.



Table 3: Community housing renewal: annual investment over the next 10 years (millions)

Federal	\$104
Provincial	\$104
Municipal	\$26
Community Housing Sector	\$26
Total	\$260

Initiatives in the National Housing Strategy contain significant funding for capital repair but it's not clear yet how this will be broken down by province. Based on estimates presented in the Plan, the Strategy could potentially cover the majority of the federal contribution for capital repair.

At a provincial level, Ontario has already made significant investments towards capital repair for community housing buildings through programs such as the Social Housing Electricity Efficiency Program (SHEEP) and the Social Housing Apartment Retrofit Program (SHARP). Building on these programs, the \$547 million committed to the new Social Housing Apartment Improvement Program (SHAIP) in the 2018 provincial budget should also help meet a significant portion of the Province's share for community housing renewal.

LEVERAGING ASSETS FOR RENEWAL IN COMMUNITY HOUSING

For some providers, reaching the end of their first mortgage can create an opportunity to reinvest in their buildings without government assistance. The co-op sector is helping its members leverage their assets to renew their buildings in partnership with Ontario's credit unions. The program has generated \$75 million in private sector loans to co-ops in Ontario to help them make needed investments in their buildings to keep them in good-condition for the long term.

Municipally owned housing providers have also leveraged their assets for renewal and growth. For example, in 2017, Toronto Community Housing projected to spend \$250 million for building repairs and \$147.7 million for the construction of new rental replacement housing in six revitalization communities across the city. Capital repair is being supported through \$197 million funded through mortgage refinancing and \$53 million secured from federal and provincial grants for capital repairs and energy retrofits.⁴⁷

For these programs and initiatives to work, however, housing providers need guarantees that income supports for vulnerable households will be maintained by government. Housing providers can't take on loans with the private sector to pay for repairs while also subsidizing rents for those households that are in deep need.

⁴⁷ Toronto Community Housing. (2016). Board approves \$970.3-million budget for 2017. Retrieved from [https://www.torontohousing.ca/news/whatsnew/Pages/Board--approves-\\$970.3-million-budget-for-2017.aspx](https://www.torontohousing.ca/news/whatsnew/Pages/Board--approves-$970.3-million-budget-for-2017.aspx).



RECOMMENDATION #4

CREATE 30,000 NEW SUPPORTIVE HOUSING UNITS FOR PEOPLE WITH MENTAL HEALTH AND ADDICTION ISSUES, AND END CHRONIC HOMELESSNESS

Supportive housing is “a safe and stable home with the offer of additional supports that enable a person to stay in their home, live independently, and/or achieve recovery.”⁴⁸ Supportive housing can assist those living with mental illness and addictions, significantly contribute to ending chronic homelessness, and result in major cost savings to other systems such as health, justice and emergency shelters.

Supportive housing can take many forms. In some cases, it is delivered in designated multi-unit buildings, where support staff are on-site to address issues as they arise. In other cases, supportive housing is delivered through visiting case management supports combined with a housing allowance that enables people to live in the private market.

Regardless of the form it takes, supportive housing upholds the Housing First principles that underpin Canada’s Mental Health Strategy:

- Immediate access to permanent housing with no readiness requirements
- Consumer choice and self-determination
- Recovery orientation and access to a harm reduction environment
- Individualized and client-driven supports
- Social and community integration⁴⁹

Supportive housing has many benefits. First and foremost, it enables people living with mental health issues to live independently and take charge of their lives. The combination of affordable rents and individualized supports can help people to leave hospital, reduce the number of emergency room visits and hospital stays, and promote better health outcomes overall. It is also recognized as the leading solution to alleviating chronic homelessness. According to the Homeless Hub, the vast majority of those who are chronically homeless cope with serious mental health or addictions issues.⁵⁰ Supportive housing is widely considered to be the best way to meet their needs.⁵¹

Beyond the positive impacts supportive housing has on individuals, it has also been shown to have wider economic benefits. The Mental Health Commission of Canada has found that every \$10 invested in housing and supports resulted in average savings in associated systems that range from \$3.42 to \$21.72 depending on the level of individual support needs.⁵² Addictions and Mental Health Ontario has reported that supporting someone in the community will cost an average of \$72 per day, compared to costs that range from \$486 to \$700 per day spent in the hospital.⁵³

As it currently stands, Ontario has less than half of the supportive housing it needs.⁵⁴ The Auditor General has recently reported that, in some regions, individuals can be left waiting for supportive housing for up to seven years.⁵⁵ In Toronto alone, there are over 13,000 people waiting for one of 5,000 supportive housing units.⁵⁶

⁴⁸ Mental Health and Addictions Leadership Advisory Council. (2017). Supportive Housing Working Group Report: A Supportive Housing Strategy for Mental Health and Addictions in Ontario.

⁴⁹ Gaetz, S., Scott and, F. & Gulliver, T. (2013). Housing First in Canada: Supporting Communities to End Homelessness, Toronto, Canadian Homelessness Research Network Press.

⁵⁰ Gaetz et al. (2013). The State of Homelessness in Canada 2013

⁵¹ Wellesley Institute. (2017). Policy brief: Supportive housing for Ontario.

⁵² Goering, P. et al. (2014). National Final Report: Cross-site At Home/Chez Soi Project. Calgary AB: Mental Health Commission of Canada.

⁵³ Addictions and Mental Health Ontario. (2014). Time for concerted action on affordable housing: The case for investment in supportive housing.

⁵⁴ Mental Health and Addictions Leadership Advisory Council. (2017). Supportive Housing Working Group Report: A Supportive Housing Strategy for Mental Health and Addictions in Ontario.

⁵⁵ Office of the Auditor General of Ontario (2016). Annual Report 2016. Queens Printer for Ontario.

⁵⁶ Addictions and Mental Health Ontario (2017). Where Change Happens: Addictions and Mental Health 2018 Priorities.



Table 5: New supportive housing including private market with supports, independent social housing and supportive housing: annual investment over the next 10 years (millions)

Federal	Provincial	Municipal	Total
\$50	\$50	\$11	\$111

A portion of these 30,000 new supportive housing units must be dedicated specifically towards meeting the needs of Ontario’s Indigenous population. Ontario’s existing Indigenous Supportive Housing Program is administered by Indigenous peoples for those in need of housing assistance and supports. It is imperative that the Province continue to allocate a significant portion of new supportive housing units to be designed and delivered through this Indigenous-led approach.

Beginning in 2019, it is estimated that Ontario will receive \$770 million over nine years to reduce chronic homelessness through a redesigned national Homelessness Partnering Strategy. Some of these funds, along with funds from other supply initiatives, could potentially go towards the supportive housing recommendations identified in the Plan.

On a provincial level, the 2018 Ontario Budget committed \$425 million over four years towards adding 2,475 additional supportive housing units. This will also go a long way towards achieving what is needed.

To respond to the shortage, Ontario’s Mental Health and Addictions Leadership Advisory Council⁵⁷ has recommended that 30,000 supportive housing units be added over the next 10 years.⁵⁸ This call for 3,000 new units annually has been supported and endorsed by many leading mental health organizations as the minimum requirement.⁵⁹

INVESTMENTS REQUIRED:

Addictions and Mental Health Ontario has estimated that it will cost approximately \$1.1 billion to develop an additional 30,000 supportive housing units in Ontario over the next decade.⁶⁰ The Plan has adopted these cost estimates. Table 5 presents the annual investments that would be necessary from each level of government to achieve this goal:



⁵⁷ Ontario’s Mental Health and Addictions Leadership Advisory Council is a provincial advisory body that was created in 2014. The Council is made up of 20 members from diverse sectors and perspectives, and was created to advise the Minister of Health and Long-Term Care on the implementation of Ontario’s Comprehensive Mental Health and Addictions Strategy.

⁵⁸ Mental Health and Addictions Leadership Advisory Council. (2017). Realizing the Vision: Better mental health means better health: Final Report of Ontario’s Mental Health and Addictions Leadership Advisory Council.

⁵⁹ The call for 30,000 supportive housing units has been endorsed by Addictions and Mental Health Ontario, the Wellesley Institute and the Canadian Mental Health Association.

⁶⁰ Addictions and Mental Health Ontario (2017). Where Change Happens: Addictions and Mental Health 2018 Priorities.



Housing + supports enables people with mental health issues to live independently in their own apartments and **take charge of their lives.**

HOMELESSNESS

Not everyone who is homeless or at risk of being homeless requires supportive housing and not everyone who requires supportive housing is at risk of being homeless. People experience homelessness for a variety of reasons, and our response and prevention strategies must reflect this diversity.

For many, homelessness is a brief or one-time occurrence that is directly linked to a major life event or a lack of access to affordable housing options. The Plan assumes that the needs of this population will be met through the implementation of recommendations related to new affordable housing supply and income supports.

As acknowledged by the Homeless Hub, “an adequate supply of safe, affordable, and appropriate housing is a prerequisite to truly ending homelessness in the long-run.”⁶¹ The recommendations presented to address Ontario’s supply shortage, increase income supports and provide supportive housing will go a long way towards ensuring that those at risk of homelessness have access to housing options and supports.

OTHER REQUIRED SUPPORTS

While the Plan estimates the cost of developing supportive housing units, there are also many individuals who will require less intensive levels of support to find affordable housing and to remain stably housed. There are a staggering number of individuals living with mental illness and addictions as well as challenges related to aging or developmental disability, without support. While some individuals would be best-served through supportive housing or long-term care services, it can be assumed that a large proportion of this population would require far less intensive supports.

To address these needs, we strongly encourage the Province to fund increased support services for tenants living in community housing and in the broader private-market sector. This could be realized through a combination of homelessness prevention services, housing help centres, and visiting homecare services. Increasing these supports would provide much-needed stability for many vulnerable Ontarians.

⁶¹ Homeless Hub. (2018). *What needs to be done to end homelessness?* Retrieved from <http://homelesshub.ca/about-homelessness/homelessness-101/what-needs-be-done-end-homelessness>



FUNDING THE PLAN

A ONCE-IN-A-GENERATION OPPORTUNITY

An investment of this magnitude may seem daunting. However, the Ontario Government is not acting alone, and is not without resources.

The National Housing Strategy laid out a \$40 billion plan for housing over the next 10 years. Of this, it is estimated that \$7.4 billion in new federal funding will flow to Ontario.

As we have noted throughout the Plan, many of the funds committed through the National Housing Strategy are already designated for the initiatives we have recommended. These funds could make up a significant portion of our recommended federal contributions.

In addition, the federal government has committed to developing a specific National Indigenous Housing Strategy, for which initial funds were set aside in the 2018 Federal Budget. These funds could also contribute significantly to our recommendations.

Ontario has also made several investments and commitments over the past several years that will bring the Province closer to meeting the recommendations set out in this Plan.

Several of these have been noted in this document, but there are also other initiatives and commitments of note.

Some of these include:

- Giving municipalities the ability to leverage private-sector development through inclusionary zoning
- Experimenting with a Basic Income Pilot that, if adopted widely, could meet the needs of low-income households and alleviate the need for the housing income supports identified in the Plan
- Committing to the modernization of Ontario's current social housing system to give community housing providers increased flexibility to modify, repurpose, and expand their programs
- Exploring social assistance reform through the Income Security Working Group

The Ontario Government is **not acting alone**, and is not without resources.

There are several other opportunities available for the provincial government. For example:

- Over the past four years, Ontario has generated a total of \$8.4 billion through the Land Transfer Tax and Non-Resident Speculation Tax. ONPHA and CHF Canada strongly believe that given the extreme number of households in core housing need, housing-related revenues should be reinvested back into housing affordability initiatives. To put this in context, the 2018 Budget projects that the Land Transfer Tax will generate a revenue of \$3.14 billion in 2018–19. These funds alone could build more than 12,000 new affordable rental homes – 17% of the total number of the Plan assumes are required over the next decade.
- Beyond cost-sharing agreements to bring new and maintain federal investment for housing, the National Housing Strategy presents another opportunity for Ontario. The National Housing Co-Investment Fund does not explicitly require provincial cost-matching; however, successful applicants will be required to identify contributions, not necessarily direct funding, from another level of government. We strongly encourage the Ontario government to strategically consider how they can work on their own and with municipal partners to leverage this federal initiative to its maximum potential.

USE HOUSING DOLLARS TO ADVANCE PROVINCIAL PRIORITIES

Affordable housing is not only the cornerstone for successful communities, it also has the power to advance the success of other key provincial priorities. For example:

- **Investments in public transit:** For low-income earners, the second highest cost after housing is transportation. Living near public transit can enable them to stretch their budget to cover other essentials. Ontario can make the most of its housing dollars by requiring an assessment of affordable rental housing along all provincially funded transit corridors, and promoting investments in affordable rental housing that can be located near public transit corridors.



- **Attracting talent and investment:** High housing costs can impact a community's ability to attract and support competitive labour pools and limit a region's appeal for investment. Both the Toronto Region Board of Trade and the Ontario Chamber of Commerce have identified the need for more affordable housing to achieve sustainability and growth in business.⁶²
- **Poverty-reduction:** A dollar invested in community housing is a dollar invested in reducing poverty for the long term.

⁶² Toronto Region Board of Trade. (2018). Housing Policy Playbook: 2018 Provincial Election. *Agenda for Growth*; Ontario Chamber of Commerce. (2018). 2018 Ontario Economic Report



THE DOOR IS OPEN

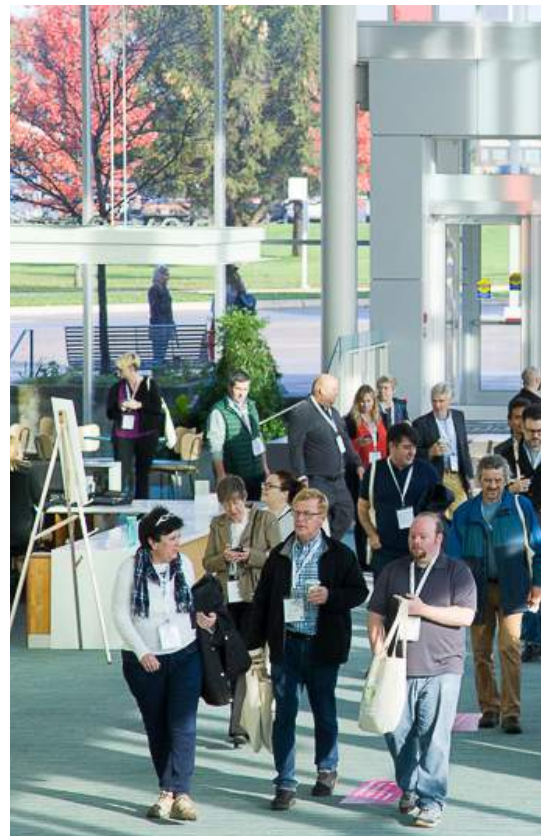
This Affordable Housing Plan presents a 10-year roadmap to address Ontario's pressing housing challenges. The recommendations and targets set out in this Plan will continue to be updated and improved as new information is available, and will be used to track the progress being made to solve Ontario's housing crisis.

The goals outlined in this document are ambitious, but for the first time in decades Ontario has the opportunity to immediately invest in affordable housing at a scale that would make a real difference in the lives of Ontarians.

We have:

- An estimated **\$7.4 billion** in new, unilateral federal funds coming to Ontario through the National Housing Strategy over the next 10 years
- Significant provincial commitments and initiatives to build on
- Municipalities eager to support the supply of affordable housing with programs of their own
- A proven community housing sector ready to work with government to preserve the homes we have and to create new affordable homes for those in need now and for future generations.

TOGETHER, WE CAN MAKE IT HAPPEN.





SEE WHAT WE CAN DO.

Ontario Non-Profit Housing Association

400-489 College Street, Toronto, ON M6G 1A5

(416) 927-9144 | Toll-free: 1-800-297-6660

Contact: president@onpha.org

www.onpha.on.ca



ONTARIO NON-PROFIT
HOUSING ASSOCIATION

**Co-operative Housing Federation of Canada
(Ontario Region)**

313-720 Spadina Avenue, Toronto, ON M5S 2T9

(416) 366-1711 | Toll-free: 1-800-268-2537

Contact: ontario@chfcanada.coop

www.chfcanada.coop



Co-operative Housing
Federation of Canada

ONTARIO REGION