

Ministry of Municipal Affairs and Housing
Consultation: Housing affordability

January 13, 2022

Subject: ONPHA's submission to Ontario's housing affordability survey consultation

The Ontario Non-Profit Housing Association (ONPHA), founded over 30 years ago, is a member funded and directed association that represents nearly 700 non-profit landlords and local housing corporations throughout the province. The community housing sector provides safe, affordable, and stable housing for half a million low- and moderate-income Ontarians, with built assets close to \$30 billion.

Section 1: Housing affordability

We know that most Ontarians believe that housing is unaffordable. Across the province, house prices are growing faster than incomes.

1. What should the Ontario government do to make home ownership and rental more affordable and address rising home prices?

- Current and growing needs

According to the recent Auditor General report, as of December 2020, 211,419 households were on waitlists for social housing in Ontario, with wait times ranging up to 12 years¹. ONPHA and the Cooperative Housing Federation of Canada's [Affordable Housing Plan for Ontario](#) shows the need to build at least 99,000 new affordable rental and supportive housing units and repair 260,000 community housing units by 2028. We also recognize that as a result of the compounding, disproportionate impacts of COVID-19 and pre-existing affordability challenges on low-income, racialized, and other marginalized communities, the need/demand for affordable housing and adequate supports has likely grown significantly.

There also remains a considerable gap in meeting the needs of the roughly 85% of Indigenous households living off-reserve in the absence of a strategy for urban, rural, and northern Indigenous communities. As part of the overall need for 99,000 units, ONPHA's [Urban and Rural Indigenous Housing Plan for Ontario](#) identifies the need for an Indigenous-led approach to build at least 22,000 additional Indigenous-owned and operated subsidized units over the next 10 years, with adequate cultural supports.

By investing in the growth and sustainability of community housing, the government can deliver both short and long-term gains as part of Ontario's socioeconomic recovery. With adequate, affordable housing, people have better health outcomes, higher propensities to spend, and rely less on other costly public sectors such as healthcare, justice, shelter, and social assistance.



- Prioritize and invest in community housing development

Every investment in community housing ensures public dollars are used efficiently:

- Every \$10 invested in housing and related supports can save up to \$20 in provincial systems like healthcare, justice, shelter, and social assistanceⁱⁱ
- Building one affordable housing unit creates up to two-and-a-half new jobs, putting money into the hands of small-business owners and creating local, skilled trades jobsⁱⁱⁱ
- When people have affordable housing, they have more money to spend in the local economy and experience improved social, health, education, and employment outcomes^{iv}

In order to grow overall supply, the community housing sector requires an expanded toolkit of programs and policy options designed to increase access to capital, increase funding, and ensure greater amounts of surplus land are available to the community housing sector. This could include land contributions, preferential financing rates, tax exemptions, development charge waivers, and community-based acquisition strategies.

Closely related, the community housing sector must be prioritized in the design and implementation of affordable housing supply programs and incentives. These programs have historically favoured private developers who can quickly provide “shovel-ready” projects, but this does not always translate into lasting investment. Affordable housing initiatives have typically capped rents for 20 years. After that, rents in privately-owned buildings often increase beyond the threshold of affordability for Ontarians. When this happens, tenants are in crisis and communities are left scrambling for affordable alternatives.

On the other hand, the community housing sector is committed to providing affordable housing in perpetuity. With no built-in profit margin, every dollar invested in community housing goes directly toward keeping rents affordable and ensuring that public investment will be protected and leveraged to provide affordable housing options for future generations.

See response to Question #2 below for more information on the need to protect the existing supply of community housing.

- Ensure housing dollars stay in the housing system

Housing-related revenues should be reallocated to the growth and preservation of the community housing sector. Retaining housing related tax revenues within the housing sector is critical to ensuring the system’s sustainability and in managing the long-term affordability of housing for all Ontarians over time. Directing these revenues toward affordable housing would present an enormous opportunity to help ensure that affordability challenges do not worsen as the housing market continues to heat up, providing an economic catalyst for housing affordability.

For example, in the 2021 Ontario Economic Outlook and Fiscal Review, the Land Transfer Tax was projected to draw in revenues of up to \$5.049 billion in 2021-22 (a 37% increase over the previous year)^v. If this was redirected, even in part, to affordable housing development, 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, while ensuring housing dollars stay in the housing system.

- [Commit to an Indigenous-led approach to urban and rural Indigenous housing](#)

ONPHA's Urban and Rural Indigenous Housing Plan for Ontario identifies the need for at least 22,000 subsidized Indigenous-owned and operated units over the next 10 years to meet the growing housing needs of off-reserve Indigenous populations. The initial \$7.3 billion investment can save \$14.3 billion in system efficiencies, through cost savings in social services, healthcare, shelter services, justice and foster care, while significantly boosting Indigenous personal incomes through improved employment and education outcomes. Moreover, the construction program would create 95,000 year-jobs in the construction sector and other industries, while adding \$3.8 billion to the economy through construction multipliers^{vi}.

ONPHA is now finalizing work on a community-led implementation strategy for Indigenous-led housing solutions in Ontario, based directly on engagement with Indigenous housing providers across the province, with a primary focus on ensuring an Indigenous-led approach and securing funding to develop the units required to meet urban and rural Indigenous housing needs in Ontario.

All levels of government must commit to sustainable investment in urban and rural Indigenous housing. With a commitment at the federal level to co-develop an urban, rural, and northern Indigenous housing strategy^{vii}, Ontario should also call upon its federal counterparts to follow through on a national strategy, in addition to supporting Indigenous-led solutions in Ontario.

- [Invest in an integrated approach to supportive housing](#)

Currently, Ontario has less than half of the supportive housing units required for mental health and addictions alone, not including persons with other disabilities nor the growing needs related to COVID-19. Waitlists range up to seven years and a minimum of 30,000 new supportive housing units are required to meet this need^{viii}. Beyond supporting individuals, consumer choice and community integration would help end chronic homelessness and achieve major cost savings across health, justice, social services, and shelter systems.

ONPHA's [submission](#) to the Province's 2020 Engagement on Improving Supportive Housing outlined the need for investment in an integrated, client-centred approach, prioritization of the supportive housing sector for development, true partnership with Indigenous communities and organizations based on principles of truth and reconciliation, and meaningful engagement with diverse communities with lived experience.

- [Fund housing along the continuum](#)

According to the 2016 Census, 33% of renters in Ontario were in core housing need, compared to 8% of owners^{ix}.

While the housing affordability crisis and COVID-19 have disproportionately impacted low/limited-income households, the effects have also rippled upward, posing financial challenges for medium-



income households in the home ownership market. With down payments and mortgage payments increasingly out of reach, more medium-income individuals and families are looking toward options in the rental market, or delaying/abandoning homeownership altogether and prolonging their stay in the rental market. With a provincial vacancy rate of 2.0 and an average unit cost of \$1,277/month^x, few options are available and those with higher incomes are more likely to secure housing, further threatening affordability and increasing precarity for low/limited-income households.

ONPHA strongly supports the goal of Ontario's Housing Supply Action Plan to increase the supply of the full range of housing options across the province. In order to meet the needs of those most impacted by the housing crisis (e.g., low/limited-income households, racialized, and other marginalized communities), sufficient funding must be invested along the entire housing continuum, including for deeply affordable rental options.

- [Promote collaboration between all housing sector partners](#)

To achieve our shared vision of meeting the diverse, growing needs across the province, it is critical that all housing sector partners are at the table and involved in discussions to address the housing affordability crisis and develop solutions that meet needs along the housing continuum, including deeply affordable rental options. This must include ongoing, strong partnerships between municipal, provincial, federal, and Indigenous governments and leaders, the private sector, and the community housing sector. The Province has an important role to continue playing as a regulator, enabler, and funder for the community housing system.

2. How can we make better use of existing homes, buildings and neighbourhoods to increase the supply of all kinds of rental and ownership housing?

- [Protect the existing supply of community housing](#)

In addition to building new affordable rental units, it is critical to preserve existing stock, especially as needs continue to grow due to the compounding effects of COVID-19 and pre-existing affordability challenges. Between 2011 and 2016, it is estimated that for every one new affordable housing unit created across the country, fifteen existing affordable units were lost^{xi}.

Capital investment is required to maintain Ontario's existing stock of 260,000 community housing units. As essential components of Ontario's housing supply and overall social and economic infrastructure, these homes are in need of new investment to serve future generations. Most of these homes were built between the 1960s and 1990s and require new investment for renewal, and importantly, to safeguard the significant public investment made into their development.

Unlike private operators, community housing providers cannot raise rents to fund repairs and still fulfill their mandates to provide affordable housing. The average cost per unit to bring these homes to a state of good repair (\$10,000 per unit)^{xii} is significantly lower than estimated replacement costs of \$65 billion^{xiii}. Moreover, these repairs would also provide an opportunity to undertake accessibility retrofits and improve energy efficiency, creating jobs and helping to lower operating costs in the future.



At the same time, many community housing providers are facing challenges and uncertainty related to the end of their operating agreements and mortgages. 55% of ONPHA's membership will be affected by the end of provincial mortgages in the next ten years. If no action is taken, we project that 60,000 subsidized units could be at eventual risk of loss or falling into serious disrepair^{xiv}. Without certainty around ongoing funding models, providers reaching the end of mortgages cannot effectively and strategically plan for the future, severely compromising housing affordability across the province.

As mortgages and operating agreements expire, forthcoming regulation development under the *Protecting Tenants and Strengthening Community Housing Act, 2020* must safeguard public investment by protecting the system's existing units and facilitating providers' ability to leverage their assets for further growth.

Through ONPHA's Solutions Lab, [Community housing for the future: Taking collective action toward resiliency](#), we are bringing together key stakeholders from across Ontario's community housing sector, including housing providers, service managers, and sector associations to develop and test creative business models and policy recommendations to ensure the sustainability, growth, and resilience of community housing in Ontario, while addressing the critical end of mortgages issue.

- [Support community-based acquisitions strategies](#)

Due to the impacts of COVID-19, residential and commercial buildings in financial distress are increasingly becoming available. This presents an opportunity to quickly grow affordable housing stock through community-based acquisitions strategies that prioritize non-profit housing providers. Not only would this increase affordable housing options for low/limited-income and other marginalized communities during an ongoing housing, health, and economic crisis, but it would also help ensure households remain connected to vital resources, services, and community.

Closely related to this, we also call on the government to make greater amounts of surplus land available to the community housing sector. Prioritizing non-profit housing in these strategies will ensure every dollar invested goes directly toward keeping rents affordable in perpetuity, thus protecting and leveraging public dollars to provide affordable housing for future generations.

Section 2: Improving and streamlining development approvals

We have heard that the municipal housing development process takes too long, which can delay building housing supply.

We've already made changes to improve efficiency through More Homes, More Choice: Ontario's Housing Supply Action Plan and recent changes to the Planning Act, including:

- *reducing planning decision timelines*
- *providing additional authority for municipal councils to expedite approvals by delegating certain decisions to a committee or staff*
- *streamlining the process for land division through consents*



3. What more can we do to streamline the housing development process to enable more homes to be built faster and increase housing supply?

- [Increase access to sufficient funding for community housing development](#)

Non-profit and co-op housing providers have traditionally built over 90% of Ontario's below-market rental housing^{xv} and provide good-quality affordable housing in perpetuity, yet only represent approximately 5% of the provincial housing market^{xvi}. Moreover, less than 4% of recent developments in Ontario are meeting the needs of low-income households^{xvii}.

Currently, affordable housing program design requires providers to shoulder upfront development costs. Given legislative constraints and restricted revenue generation, community housing providers are often unable to provide this upfront capital, so private developers are largely favoured within these programs.

While ONPHA and our members strongly support and recognize the need for partnerships between the public, private, and community sectors, the community housing sector should also be encouraged and supported to build new affordable housing through the provision of upfront project development funding, which would help get more projects off the ground while ensuring long-term affordability for generations to come.

- [Work with municipalities to identify, review, and assess regulatory requirements driving current development approval processes](#)

Processing time for approvals is only one component of the costs and timelines associated with development. Balancing competing interests and streamlining development processes will be very complex and require substantial municipal input. We urge the provincial government to work closely with municipalities to review regulatory requirements to find potential efficiencies and commit to modifying or amending these requirements depending on the outcome of this process.

Municipalities should be empowered to create programs that promote the development of affordable rental housing through the provision of incentives, including the waiving of development fees, fast-tracking of development approvals, and land donations. The design of such programs must support the development of as many units as possible, while ensuring they are deeply affordable to meet community needs.

See response to Question #2 above for more information on the need to support community-based acquisition strategies and dedicate surplus government land to deeply affordable housing initiatives.

Section 3: Providing more certainty and transparency

A clear and transparent planning and development process can help developers better understand costs and timelines at the beginning of the process, leading to more predictable outcomes for homebuilders and homebuyers.

We've already made changes to improve certainty and transparency in the development process by:



- *introducing a new community benefits charge*
- *setting development charge rates earlier in the development process*
- *limiting appeals of certain planning matters*

4. What more can we do to help increase certainty and transparency?

- Prioritize supportive levers for new community housing development

Exempting or reducing costs for non-profit and co-op housing providers (e.g., development charges, property taxes, etc.) could help to lower the cost of building new deeply affordable housing.

The government could also broaden the application of inclusionary zoning to more communities across the province and encourage municipal governments to enact inclusionary zoning by-laws.

- Offer flexible, responsive options for community housing providers

As noted above, community housing providers reaching the end of their operating agreements and mortgages require clear parameters and sustainable, predictable funding to effectively and strategically plan for the future, while ensuring they can continue to provide safe, quality, affordable housing.

Forthcoming regulation development under the *Protecting Tenants and Strengthening Community Housing Act, 2020* must offer flexible, responsive options for housing providers at the end of operating agreements and mortgages, with opportunities to develop alternative funding models and ensure ongoing, sustainable support.

5. How can we help make development-related costs more predictable and transparent to encourage more housing development and improve affordability?

- Provide upfront project funding for development in the community housing sector

As noted above, community housing providers and non-profit developers face significant cost barriers to development. This prevents them from undertaking projects and has often disadvantaged them from participating in affordable housing initiatives that favour shovel-ready projects.

To address this, we encourage the provincial government to support development in this sector through providing upfront project funding which could help get projects up and running. We also encourage the province to design any forthcoming affordable housing initiatives and incentives to prioritize non-profit developers.

- Develop and invest in a comprehensive provincial incentives program

Achieving an adequate supply of affordable housing will require a comprehensive system of provincial incentives, a significant portion of which should be targeted towards creating and repairing community housing.



As noted above, these incentives could be funded, in part, through reinvesting a significant portion of housing related provincial revenues back into housing affordability initiatives to build the deeply affordable housing Ontario needs, including revenues generated through the Land Transfer Tax.

- [Redefine “affordable housing” to mean homes that are truly affordable to Ontarians](#)

Addressing Ontario’s housing crisis also requires creating rental housing that is affordable to people living below median-income levels and ensuring that definitions of affordability are income-based, reflective of local jurisdictions, and within reach of low-income households.

Current definitions of affordable housing, such as rental units at 80-100% of average market rent, are inadequate to address the needs of a growing number of low-income families that are already struggling to pay rent that is between 30%-50% of their household income^{xviii}.

Section 4: Innovative approaches

We want to hear about best practices, including examples from other jurisdictions and innovative partnership models. We want to explore ways to improve in the topic areas listed above and any other areas of the planning and development process. Continuing to address this crisis requires new ways of thinking and everyone coming together to do what it takes.

6. How can the government support innovative ways to increase housing supply?

- [Enable community housing providers to make strong business decisions](#)

It is critical for the government to create an environment in which community housing providers can operate in a business-like fashion, including flexibility to leverage their assets and strategically plan for the long-term.

The community housing sector has an appetite for innovation and growth and is committed to ensuring our vital social infrastructure can be maintained and expanded to meet community needs for generations to come. As a sector, we have already begun the groundwork to map needs, scope solutions, and develop strategies. However, it is critical that all relevant partners and stakeholders work together to ensure the conditions for innovation and growth are supported and sustained for the long term.

- [Support the collective vision for a resilient community housing sector](#)

With the critical end of mortgages issue impacting over half of ONPHA’s membership in the next ten years, providers require certainty around ongoing funding models to ensure they can effectively and strategically plan for the future. As ONPHA wraps up our Solutions Lab work on *Community housing for the future: Taking collective action toward resiliency*, the Province should actively engage with the findings (once finalized) and support the collective vision and innovative approaches for the future of community housing.



- [Partner with the community housing sector to promote innovative solutions](#)

The community housing sector is a natural and important partner for government in achieving affordable housing goals. As noted above, we encourage the government to support development and innovation in the sector by providing upfront project development funding, prioritizing non-profit developers in the design of affordable housing initiatives, and giving priority access to surplus government lands.

We also encourage the Province to engage in frequent consultation with the community housing sector to explore further opportunities for innovative solutions, which could include non-profit acquisition of private sector rental housing, share ownership by community housing providers within new private sector developments, and community land trust models.

7. What haven't we thought of? What's working well in other jurisdictions that we should consider?

- [Commit to an Indigenous-led approach to urban and rural Indigenous housing](#)

As noted above, ONPHA's Urban and Rural Indigenous Housing Plan for Ontario identifies the need for at least 22,000 subsidized Indigenous-owned and operated units over the next 10 years to meet the growing housing needs of off-reserve Indigenous populations.

With a commitment at the federal level to co-develop an urban, rural, and northern Indigenous housing strategy, it is critical for all levels of government to commit to sustainable investment in off-reserve Indigenous housing to help mitigate the disproportionate impacts of housing affordability, poverty, and COVID-19 on Indigenous communities.

- [Invest in an integrated approach to supportive housing](#)

As noted above, Ontario requires a minimum of 30,000 new supportive housing units to meet the growing and diverse housing needs across the province.

Supportive housing is widely considered to be one of the key policy responses required to address homelessness^{xix}. With less than half of the supportive housing units required for mental health and addictions alone, not including persons with other disabilities nor the growing needs related to COVID-19, Ontario requires sustainable investments in an integrated approach to supportive housing.

- [Promote diverse representation in initiatives to address Ontario's housing affordability crisis](#)

ONPHA is pleased to see the government moving ahead with initiatives to address the critical, complex, and urgent issue of Ontario's housing affordability crisis, including through this consultation, the Housing Affordability Task Force, and the upcoming Provincial-Municipal Housing Summit.

To achieve our shared vision of meeting the diverse, growing needs across the province, it is critical that all housing sector partners are at the table and involved in discussions to address the housing affordability crisis and develop solutions that meet needs along the housing continuum, including deeply affordable rental options. This must include ongoing, strong partnerships between municipal,



provincial, federal, and Indigenous governments and leaders, the private sector, and the community housing sector.

ⁱ Office of the Auditor General of Ontario. (December 2021). Value-for-Money Audit: Homelessness (2021). Available at: https://www.auditor.on.ca/en/content/annualreports/arreports/en21/AR_Homelessness_en21.pdf

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

ⁱⁱⁱ Per person-years of employment. See: Canada Mortgage and Housing Corporation. (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).

^{iv} 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); 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); 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.

^v Ministry of Finance. (November 2021). 2021 Ontario Economic Outlook and Fiscal Review: Build Ontario. Available at: <https://budget.ontario.ca/2021/fallstatement/index.html>

^{vi} Ontario Non-Profit Housing Association. (2020). Urban and Rural Indigenous Housing Plan for Ontario. Available at: https://onpha.on.ca/Content/Advocacy_and_research/Advocacy/Indigenous_Housing_Plan/Indigenous_Housing_Plan.aspx

^{vii} Prime Minister of Canada. (December 2021). Minister of Housing and Diversity and Inclusion Mandate Letter. Available at: <https://pm.gc.ca/en/mandate-letters/2021/12/16/minister-housing-and-diversity-and-inclusion-mandate-letter>

^{viii} Ontario’s Mental Health and Addictions Leadership Advisory Council has recommended that 30,000 supportive housing units be added over the next 10 years. This call has been supported and endorsed by many leading mental health organizations as the minimum requirement.

^{ix} Canada Mortgage and Housing Corporation. (2016). Core Housing Need (Census-based and NHS-based housing indicators and data). Available at: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/35/2/Ontario>

^x Canada Mortgage and Housing Corporation (2020). Ontario — Rental Market Statistics Summary by Metropolitan Areas, Census Agglomerations and Cities. Available at: <https://www03.cmhc-schl.gc.ca/hmippimh/en/TableMapChart/Table?TableId=2.1.31.2&GeographyId=35&GeographyTypeId=2&DisplayAs=Table&GeographyName=Ontario>

^{xi} Pomeroy, S. (May 2020). Why Canada needs a non-market rental acquisition strategy. Available at: https://www.focus-consult.com/why-canada-needs-a-non-market-rental-acquisition-strategy/#_ftn1

^{xii} Re/Fact Consulting (2012). Social housing end dates in Ontario: Assessing impacts and promoting good practices. Available at: <https://www.hscorp.ca/wp-content/uploads/2013/03/Social-Housing-End-Dates-in-Ontario-HSC.pdf>

^{xiii} Ontario Non-Profit Housing Association, Co-operative Housing Federation of Canada (Ontario Region) (2018). An Affordable Housing Plan for Ontario. Available at:

https://onpha.on.ca/Content/Advocacy_and_research/Advocacy/Affordable_Housing_Plan_for_Ontario.aspx

^{xiv} Ontario Non-Profit Housing Association. (July 2019). Housing Services Act Funding Formula Issue: Negative Operating Subsidy at End of Mortgages. Available at:

http://onpha.on.ca/Content/PolicyAndResearch/COMMUNICATION_WITH_GOVERNMENT/2019/Housing_Services_Act_Funding_Formula_Issue_-_Briefing_Note_2019.aspx

^{xv} Office of the Auditor General of Ontario. (December 2017). Annual Report 2017. 3.14 Social and Affordable Housing. Available at: https://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf

^{xvi} There are approximately 260,000 community housing units in Ontario, and 5,169,175 total dwellings in Ontario as of 2016. See: Canadian Housing and Renewal Association. (September 2018). Affordable Housing Budget Expenditure Highlights in Canada. Available at: https://chra-achru.ca/wp-content/uploads/2018/09/2018_pt_budget_scan_final.pdf; Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016222.

^{xvii} Canada Mortgage and Housing Corporation. (January 2021). 2020 Rental Market Report. Available at: <https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>

^{xviii} United Way Greater Toronto. (January 2022). Open Letter in advance of the provincial-municipal housing summit on January 19, 2022. Available at: <https://www.unitedwaygt.org/special-statements/open-letter-in-advance-of-the-provincial->



municipal-housing-summit/?utm_campaign=2022-homelessness-summit&utm_source=package&utm_content=partners&utm_medium=email

^{xix} Nick Falvo Consulting. (February 2021). A primer on supportive housing and Housing First. Available at: <https://nickfalvo.ca/a-primer-on-supportive-housing-and-housing-first/>