



June 26, 2015

Dear Minister McMeekin  
Municipal Affairs and Housing  
Housing Policy Branch  
777 Bay Street, 14th Floor  
Toronto, ON M5G 2K5

On behalf of the County of Wellington, the Guelph & Wellington Task Force for Poverty Elimination, and the Wellington Guelph Housing Committee, thank you for inviting us to participate in the consultations that are taking place to support the Long-Term Affordable Housing Strategy Update.

The housing system in Ontario is at a critical junction, and calls for bold public leadership. In Guelph and Wellington County, the homeownership market and the private rental market are out of reach for low and some moderate-income households; there has been little purpose-built affordable rental housing in recent years; the rental vacancy rate is extremely low - 0.6% in the Guelph CMA (CMHC, April 2015); there is a growing demand for a small supply of supportive housing options; and the existing social housing stock is aging.

In recent years, the provincial government has made some important changes to legislative and regulatory frameworks that have enabled the County of Wellington (Service Manager) to better respond to community needs. We welcomed the extension of the Investment in Affordable Housing (IAH) programme, as well as the added flexibility and investment that has been introduced as part of the CHPI programmes.

Moving forward, we believe that there is a need for Service Managers and upper levels of government to work together to create conditions that will encourage investment in affordable housing. As such, it is important to ensure that provincial policies and programmes are supportive of and encourage local innovation and flexibility.

The suggestions and considerations outlined in this document are based on the community feedback we received from over 80 stakeholders – housing providers, health and social service providers, planners, municipal councillors, tenants, and individuals with lived experience. We trust these insights will be of interest to you.

In addition, we encourage you to consider the report from the Housing Services Corporation (HSC) and the Ontario Municipal Social Services Association (OMSSA), entitled *Building Sustainability in the Housing System*, March 2015. Available at <http://www.omssa.com/public-affairs/communications/position-papers-reports/ltahs-renewal-omssa-smhn-hsc.pdf>.

Sincerely,



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Stuart Beumer  
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Gary Roche  
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cc. Janet Hope, Assistant Deputy Minister

A Joint Submission on the Long-Term Affordable Housing Strategy Update  
By  
County of Wellington  
Guelph & Wellington Task Force for Poverty Elimination  
Wellington Guelph Housing Committee  
(June 2015)

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## Introduction

The County of Wellington, the Guelph & Wellington Task Force for Poverty Elimination, and the Wellington Guelph Housing Committee are pleased to present this joint submission to the Ministry of Municipal Affairs and Housing (MMAH) on the Long-Term Affordable Housing Strategy (LTAHS) update.

The suggestions and considerations outlined in this document are based on the feedback of over 80 community stakeholders, who participated in three focus groups between June 10 – 18, 2015. Participants included housing providers, health and social service providers, Waterloo Wellington LHIN staff, planners, municipal councillors and staff, tenants, and individuals with lived experience.

This report is structured according to the Ministry's updated vision and the four key themes outlined in the consultation guide:

1. A sustainable supply of affordable housing
2. A fair system of housing assistance
3. Co-ordinated and accessible support services
4. A system based on evidence and best practices

## About Us

### **County of Wellington**

The County of Wellington is the Consolidated Municipal Service Manager (CMSM) for the Guelph and Wellington service area. As such, the County is responsible for administering a range of provincially legislated affordable housing, social housing and homelessness programmes.

### **Guelph & Wellington Task Force for Poverty Elimination**

The Guelph & Wellington Task Force for Poverty Elimination works collaboratively, informed by diverse voices of experience, to take local action and advocate for system and policy change to address the root causes of poverty. The Poverty Task Force has identified four priority issues - income inequality, affordable housing & homelessness, food insecurity, and health inequities - and works with a number of committees throughout the community to make change.

## Wellington Guelph Housing Committee

The Wellington Guelph Housing Committee involves a variety of stakeholders in educational, collaborative, and advocacy activities aimed at addressing, easing, and preventing issues related to homelessness and precarious housing.

### Updated Vision

We are pleased to see that the Province's updated vision contains similar elements of the community vision in our local 10-year Housing and Homelessness Plan: **"Everyone in Guelph Wellington can find and maintain an appropriate, safe and affordable place to call home."** However, we are concerned that the proposed vision for Ontario is not inclusive. There is an implicit bias towards individuals in the labour force and families with young children. We encourage the Province to ensure that the vision is inclusive of all Ontarians (e.g. retired seniors, individuals living alone, individuals with disabilities and other vulnerable people, young people seeking post-secondary opportunities, etc.).

### Integrated Homelessness Planning

We commend the Province for setting a goal to "end and prevent homelessness", and for establishing an Expert Advisory Panel on Homelessness as part of Ontario's Poverty Reduction Strategy. However, there was little mention of homelessness in the Province's Consultation Discussion Guide. We encourage the Province to continue supporting Housing First approaches, but also to consider other programs and promising practices that will help reduce and end homelessness as part of the LTAHS update. Better integration among the funders and regulators of the housing and homelessness support systems would be helpful. However, service delivery decisions should continue to be driven locally and be respectful of client choice.

### Theme 1: A Sustainable Supply of Affordable Housing

- **Federal/Provincial Public Policy and Strategy** – The issue of affordable housing is complex in part because there is not a commonly agreed upon Federal/Provincial public policy and strategy. Such a strategy could help modernize current affordable housing definitions/categories by: aligning scarce dollars and tools to help those most in need (i.e. low-income households earning minimum wages or receiving government assistance); and increasing the availability of affordable housing stock given the current fiscal environment (i.e. high economic costs to build new units at affordable market rental rates, low vacancy rates, low interest rates, high operating costs given rising utility and energy prices, etc.).

For example, CMHC considers housing to be affordable for a given household if it costs less than 30% of gross household income. In addition to that criterion, the Provincial Policy Statement, 2014 and Provincial Growth Plan,

2006 also defines affordable housing as units that are at or below regional market prices. Moreover, properties built/renovated through the IAH investment programmes must have units at an average of 80% of average market rent.

In Guelph and Wellington, new and existing housing prices and rental rates are increasing at a faster pace than household incomes. Although renter households with incomes in the 40<sup>th</sup> to 60<sup>th</sup> income percentiles can afford to rent units in the private market, they may not have the financial means to rent a “suitable” unit (i.e. a unit that has enough bedrooms for the size and make-up of the household). Therefore, we recommend that the public policy/strategy definitions of affordable housing be updated, so that new developments can be better targeted to households with the highest needs and lowest income levels.

Furthermore, the term “infrastructure” as defined in Bill 6, Infrastructure for Jobs and Prosperity Act, 2014 (i.e. the physical structures and associated facilities that form the foundation of development, and by or through which a public service is provided to Ontarians) should be expanded to include the definition of social and affordable housing, as these units are necessary physical and social infrastructure.

The role of CMHC and the federal level should not diminish, but be enhanced through a broader social and affordable housing strategy, including ongoing research, programmes and investments.

- **Inclusionary Zoning** – There is a need to ensure that a given share of new development (including the secondary rental market) is affordable and accessible to all income groups. The Province is encouraged to consult with municipalities and the housing sector about establishing an inclusionary zoning policy for small and mid-sized municipalities where height restrictions exist.
- **Offsetting Municipal Debt Load** – Municipalities have a number of planning tools at their disposal for encouraging affordable housing development (e.g. tax increment financing, waivers of development charges, etc.). However, many of these incentives have the unintended consequence of increasing municipal debt loads, thus impacting the property taxes of residents of all income groups. Moreover, the costs associated with the aging social housing infrastructure coupled with the existing infrastructure deficit is not sustainable on the property tax system alone. The Province is encouraged to provide additional funding to help municipalities put incentives in place to encourage new affordable housing development, as well as address the renewal of the existing housing stock.
- **More Flexibility at Local Level** – The Province is encouraged to update regulations that allow municipalities to streamline and fast track planning approvals and zoning processes for affordable housing construction (e.g. pre-

zoning of land).

- **Secondary Rental Market** – The secondary rental market is an important component of the housing continuum. The Province should ensure that all local plans (e.g. Official, zoning) include secondary units.
- **Single Person Households** – CMHC reports that the share of one-person households is expected to experience the fastest pace of growth to 2036, making it the single biggest type of household by the 2020s. This increase is due in large part to the aging population, particularly widowed women living alone, and individuals delaying marriage. This trend is evident in Guelph and Wellington, where single person households make up the largest share of the centralized waiting list. The Province should set as a target that 50% of new affordable developments/programs meet the minimum occupancy requirements for single person households.
- **Land Banking** – Affordable housing projects should be given “first right of refusal” of surplus public land/properties owned by all levels of government (e.g. unused public schools). The Province is encouraged to work with municipalities to establish a land bank system/regulations that offer surplus public lands/properties to public or non-profit providers for affordable housing developments, to help reduce the cost of development.
- **Pre-1991 Rent-Controlled Rental Housing Stock** - Landlords of multi-residential affordable rental properties report that their operating expenses (e.g. utilities, property taxes) are increasing at a faster pace than rental income. To help offset the operating costs of rent controlled and other affordable housing stock:
  - Providers should be offered utility rebates and incentives for making energy efficiency improvements.
  - The Province should explore offsetting municipal debt load, so that municipalities can suspend or defer property tax assessment increases for affordable rental housing units.
  - The Province should establish a targeted forgivable loan renovation program to encourage landlords to keep units in good condition and eliminate the need for them to pass capital repair costs onto tenants via rent increases. Such a loan program could include the following conditions:
    - Rental rates must be set at or below average market rent; and
    - A turnover target regarding the number of units must be offered to low-income households. The implementation of these targets could be made through financial investments in rent subsidies for low-income households.
- **Ontario Municipal Board (OMB)** – Lots of ideas were received with respect to OMB hearings related to affordable housing development. These ranged from eliminating cases referred to the OMB when projects contribute to the affordable housing stock, to fast tracking and streamlining the process for

non-profit housing providers.

- **End of Federal Operating Agreements** – Upper levels of government are encouraged to establish a modernized program to protect pre-1985 social housing<sup>1</sup> as a valuable public asset once operating agreements and mortgages end. This will help ensure that: tenure protection of low-income residents continues; existing RGI units (and low end of market units) are not lost; and the units/buildings are maintained in good condition through ongoing capital repair financing.
- **Accessing Equity in Current Stock** – The Province should update regulatory tools and financial mechanisms (e.g. new Ontario housing trust or bonds, new Ontario Housing Development Corporations, etc.) to give more control and flexibility at municipal levels with respect to re-financing and re-purposing post-1986 provincial reformed social housing stock.<sup>2</sup>
- **More Investments** – The extension of the federal-provincial Investment in Affordable Housing (IAH) programme was welcomed in the community, but it is just a “drop in the bucket”. More investments are required to increase the number of affordable units in the community, as well as to assist with the repair and maintenance of existing affordable housing units.

## Theme 2: A Fair System of Housing Assistance

The following ideas and suggestions have been grouped into direct financial supports and indirect supports.

It should be noted that we struggled with the differentiation of “supports” between housing assistance (theme 2) and support services (theme 3). To differentiate, the support issues presented in theme 2 are related to “housing stability and eviction prevention”, whereas the ideas in theme 3 refer to “dedicated/integrated supportive housing and services”.

### Direct Financial Supports:

- **Ontario Housing Benefit** – The Province is highly encouraged to introduce an Ontario Housing Benefit, which has been put forward by the Daily Break Food Bank, and advocated by the affordable housing sector and local poverty groups, including London and Guelph Wellington. We recommend that the Province make the benefit available to all people with low-incomes, not exclusively to social assistance recipients; deliver the benefit through

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<sup>1</sup> In Guelph and Wellington, Section 95 Private Non-Profits, 56.1 Municipal Non-Profits, Federal Co-ops, etc. represents 246 units by 6 social housing providers whose operating agreements will end between 2016 and 2019.

<sup>2</sup> In Guelph and Wellington, this represents 1,389 units by 21 social housing providers whose operating agreements will end between 2022 and 2031.

administratively efficient means (the Ontario Trillium Benefit may be a good example); and in designing the benefit, take into account the impact of marginal effective tax rates.

- **Update the RGI Calculation System** – The Province is encouraged to update and simplify the RGI calculation system (e.g. including expensive medication expenses as an allowance, updating utility scales to reflect current financial pressures on affordable rent costs, establishing data sharing linkages with the Ministry of Finance, etc.).
- **More Financial Investments in Rent Subsidies** – Tenants and providers alike appreciate the flexibility and community choice that rent subsidies offer. As the number and types of rent subsidy programs grow, it will be important to ensure that access to these programs is streamlined, and that they remain targeted to individuals with the greatest need (e.g. chronic homeless).
- **Engaging Private Landlords** – In order to expand rent subsidy programs, it is important to engage and establish partnerships with private landlords. Due to the low vacancy rate in Guelph (0.6% in April 2015), this can be challenging. The Province could assist by facilitating the sharing of best practices (e.g. incentives that work, lessons learned, etc.) among Service Managers, as well as holding forums with large private rental companies.
- **Rent to Own Options** – Rent to own options for moderate-income households should be explored, tested and piloted.
- **OW And ODSP Rates** – The Province is encouraged to continue implementing the recommendations from the Commission for the Review of Social Assistance (2012). In addition, the shelter and utility allowances for OW and ODSP recipients need to be updated to reflect current market rates.
- **Guaranteed Annual Income** – The Province of Ontario already ensures a guaranteed minimum income for seniors by providing monthly payments to qualifying pensioners (GAINS). The Province is encouraged to consider expanding this program to all low-income households.
- **Raising the Pay Scale of Front-Line Housing Workers** – Individuals working with the “hard to serve” are often living in poverty themselves, due to inadequate wage rates. The Province is encouraged to raise the pay scale of front-line housing/homelessness support workers, as it did for Personal Support Workers in the health care system.
- **Living Wages** – Several communities across Ontario have calculated living wage rates, which take into account the cost of housing and other necessities of daily living. The Province is encouraged to continue to increase the minimum wage rate to be closer in line with living wages (\$15.95 in Guelph Wellington, 2013).



### Indirect supports:

- **Reducing and Managing the Centralized Wait List** – The Province should ensure that Service Managers have the necessary controls and flexibility they need with respect to reducing and managing the centralized waiting list. For example, there needs to be more flexibility with respect to the number of children allowed in a bedroom, and individuals with rent arrears (particularly for victims of domestic violence). However, any changes to address individuals living in deep core housing needs should be applied consistently across the province.
- **Housing Stability and Eviction Prevention** – Approaches to eviction prevention differ across Ontario. Best practices should be shared, and Service Managers should be encouraged to establish an eviction prevention policy and process. In addition, additional flexible investments through CHPI that could help low-income households deal with rising utility costs would be appreciated.
- **More Housing First** – In 2014, two new programs were funded based on the Housing First philosophy in Guelph and Wellington. These initiatives are already demonstrating positive outcomes. More funding for flexible rent subsidies and case management support is required to expand these types of initiatives.
- **Community Integration** – Many people who are housed require supports and skill building programs to successfully integrate into community life, particularly those who have been transient for an extended period of time, as well as vulnerable populations (e.g. victims of violence, aging seniors and premature aging adults, etc.). The Province could assist by funding peer support workers and programs that help improve life skills (e.g. financial literacy, how to be a good neighbour, etc.), and assist with system navigation and linking to available community supports.

### Theme 3: Co-ordinated and Accessible Support Services

As previously mentioned, we defined this theme as dedicated “supportive housing”, in order to distinguish it from “housing assistance” above. Locally, the term supportive housing is used to describe three interrelated components: 1) the physical unit; 2) rent subsidies; and 3) ongoing person-centered supports.

- **More Supportive Housing Options** – The supply of supportive housing options in our community is limited and grossly underserved, and the demand is high and growing. A 2014 study of mental health and addiction supportive housing in the Waterloo-Wellington LHIN area identified an immediate shortage of 440 mental health and addiction supportive housing units to accommodate existing waiting lists. Population based estimates of supportive housing needs are much higher, closer to 2200 or more for

Waterloo Wellington. The Province is highly encouraged to invest more resources in sustainable supportive housing options.

- **Better Coordination Among Ministries** – It is recognized that the system of supportive housing is administratively complex, involving several provincial ministries and numerous service providers. Better coordination and consistent resources provided by the funders and regulators of the system would be helpful. However, service delivery decisions should continue to be driven locally, according to community needs and client choice.
- **Simplified Access** – The access system for supportive housing is fairly complicated and relatively uncoordinated. There are six separate access systems for supportive housing in the Waterloo Wellington LHIN area. The Province should encourage the development of a centralized access point for supportive housing (in relation to intake, assessment and matching), and a clear protocol to manage the wait list.
- **Pairing of Services** - Rent supplements and support services should be deliberately paired, particularly for individuals with high needs. It is recommended that rent subsidies be provided and coordinated through the Service Manager, and that case management/support services be provided by LHIN and MCSS-funded community providers.
- **More Wraparound Supports** – Case management services are in short supply, and the caseloads of existing providers are too high given the complexity of the clients served. The Province is encouraged to invest more resources in front-line workers who can provide 24/7 wraparound supports for tenants with serious mental health problems.
- **Improving Accessibility** – Rent geared to income funding is needed to allow for renovations to and adaptations of supportive housing units for individuals with disabilities and special needs, as well to provide for adaptive equipment and appliances.
- **Client Choice** - Services need to be flexible and respond to the needs and choices of tenants/consumers. Support services should be provided where clients live and/or congregate (e.g. drop-in centres) whenever possible, rather than in institutions.

#### Theme 4: System Based on Evidence and Best Practices

Many communities are experiencing similar issues and challenges with respect to affordable housing and homelessness (e.g. engaging private landlords in rent supplement programs). The Province has a key leadership role to play in collecting and disseminating knowledge about promising practices and cost-effective programs that are making a big difference (e.g. wellness checks by EMS personnel in seniors buildings). As well, it would be helpful if toolkits were created that could

help inform local housing and support service providers about how to set-up these programs in other areas.

With respect to establishing outcomes for social and affordable housing programs, the Province could explore the 10-year Housing and Homelessness Plans for common targets and indicator data.

## Conclusion

Since the introduction of the LTAHS in 2010, the provincial government has made some important changes to legislative and regulatory frameworks that have enabled Service Managers to better respond to community needs. It is important to ensure that provincial policies and programmes support innovation and flexibility at the municipal service system level, to facilitate the conditions that will encourage investment in affordable housing.

We hope that the ideas and suggestions offered in this paper will be of help to the government's effort to improve Ontario's housing system. In addition, we encourage you to consider the report from the Housing Services Corporation (HSC) and the Ontario Municipal Social Services Association (OMSSA), entitled *Building Sustainability in the Housing System*, March 2015. Available at <http://www.omssa.com/public-affairs/communications/position-papers-reports/ltahs-renewal-omssa-smhn-hsc.pdf>.

We look forward to working with the Province on the next stage of the LTAHS.