



# HOUSING is Fundamental

A REPORT to the COMMUNITY from the **AFFORDABLE HOUSING ACTION COMMITTEE**

## Housing: Key to Poverty Reduction



We urgently need a larger, ongoing, sustainable supply of 'affordable' housing to unburden low-income renter-households, persons in transition and those without housing.

**H**ERE WE ARE, a year after our last report, in a very different economic environment. A steep decline in consumer spending and overall

economic activity continues, with no reliable prediction for recovery. A similar decline in personal economics is apparent for low-income households. For these households housing is progressively less affordable, with predictable consequences in personal health and nutrition.

While the authors of this document continue to be very concerned about the **housing** needs of low-income people, we have also come to recognize the importance of **supportive services** in maintaining people in their housing. Like housing itself, these essential services facilitate daily living. This year our report to the community will examine the growing need for this form of housing in the context of demographic changes.

Efforts to address poverty continue to fail, for the most part, to address the single most important life demand – housing. We agree that housing costs should not exceed thirty percent of before-tax household income. But senior levels of government refuse to make this happen for households that far exceed this guideline, spending fifty,

sixty, seventy, eighty and even ninety percent of pre-tax income. As an option, a housing tax credit could effectively make thirty percent the real expenditure. I cannot imagine

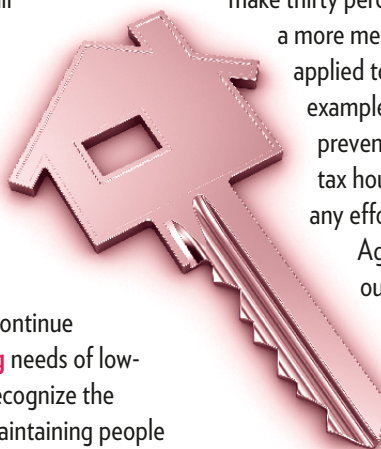
a more meaningful poverty reduction strategy when applied to household incomes below \$30,000 for example. Establishing mechanisms that effectively prevent housing cost from exceeding 30% of pre-tax household income must become a priority in any effort that addresses poverty and well-being.

Again and again we (society) relegate our most vulnerable persons to the most precarious places. Spending more than thirty percent of pre-tax income on housing, being homeless or living in substandard dwellings, living in crowded circumstances, aging without access to senior-

appropriate housing or services are all precarious places.

Housing enables the full integration of all persons into community. As more people engage and participate, we become a healthier, more stable society. This reduces spending on health and social services while generating economic activity.

– Paul Armstrong, Chair  
Community Education Working Group (AHAC)



## Key Facts:

- More than half of renter households spend in excess of 30% of pre-tax income for their housing.
- Urban low-income households (especially female lone-parent families) have a 54.5% incidence of “core housing need” (2005)
- Over half of our renter households

- cannot afford the current average rent of a two bedroom apartment.
- In the past five years, 416 units have been developed under the Canada/Ontario Affordable Housing Program; nevertheless, 1503 applicants are on the social housing waiting list.
- The number of O.D.S.P. (disability pension) recipients is growing.
- By 2031 the seniors population of

the City and County will double.

- Federal subsidies for existing social housing are expiring. This undermines the existing rent-geared-to-income social housing.
- Rents in Peterborough have outpaced inflation by 30% in the last ten years.
- 64.6% of food item prices tracked by Statistics Canada in 2007 increased by more than the inflation rate.

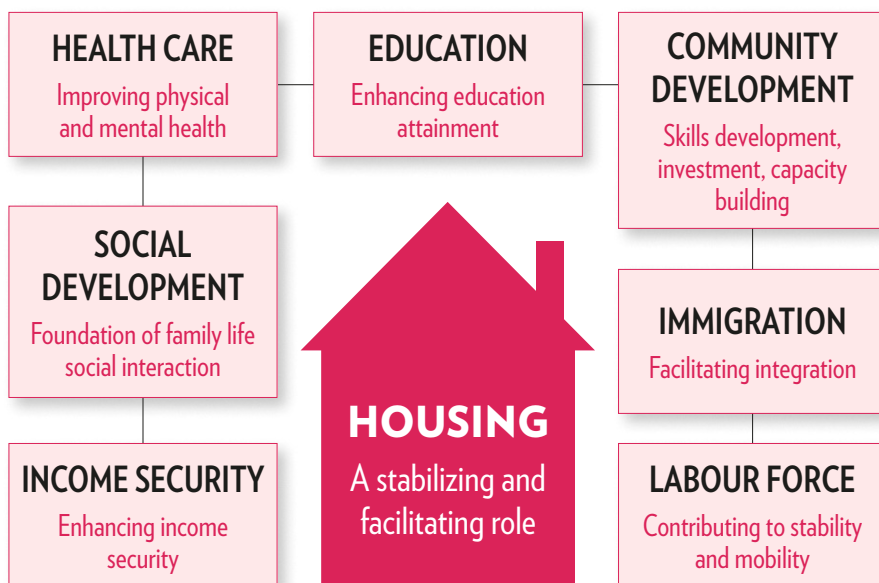


Photo: Horton Group

# THE NEED

## The Central Role of Housing

**G**IVEN THE fundamental role housing plays in people's lives, housing must play a central role in effective social policy. We should not be discussing housing policy and social policy separately, but rather **housing as social policy**. The absence of integrated housing policy and programs weakens community development in general. Research evidence strongly suggests that the provision of adequate, affordable housing yields savings in many other areas including health, education, immigration and income security.



— Source: **Housing Is Good Social Policy**,  
Tom Carter and Chesya Polevychok, December 2004,  
Canadian Policy Research Networks



Photo: Sigurd Decroos



**FACT:**

*From the latest census data, we know that 50.5% of Peterborough renter households experience 'core housing need' on the basis of affordability alone. Addressing this issue represents a major, ongoing initiative of AHAC.*

### Definitions:

## Acceptable Housing, and Core Housing Need

**T**HE TERM **acceptable housing** refers to housing that is adequate in condition, suitable in size, and affordable:

- **Adequate** – not requiring any major repairs.
- **Suitable** – enough bedrooms for the size and make-up of resident households.
- **Affordable** – less than 30% of pre-tax household income.

**Core housing need** occurs when housing falls below any of the adequacy, suitability or affordability standards, and when the median rent for alternative local market housing that meets all three standards would cost 30% or more of the household's pre-tax income.

Source: **Canadian Housing Observer, 2008**, C.M.H.C.

## Low Incomes and Core Housing Need

**F**AILING TO MEET the "affordability" standard was the principal reason for core housing need in all urban households nationally. Female, lone-parent renters had the highest incidence (48%) of core housing need.

The incidence of core housing need provides a good indicator of the housing deficit in a society. In Canada, **54.5%** of all (renter and owner) households found in the

bottom quintile (20%) of household incomes experienced core housing need. They accounted for 80.6% of all Canadian households in core housing need in 2005 – a share that has been increasing since 2002.

Assisting those with persistent core housing need may require a more comprehensive long-term approach to poverty reduction that includes housing assistance.

# Affordable Housing Supply: Shrinking

**P**ETERBOROUGH IS NOT ALONE in its affordable housing problem. The affordable housing supply in Ontario is shrinking. A recent report suggests that the income gap between renters and home owners continues to increase.

Combined with low vacancy rates in many areas and long waiting lists for social housing, there is **a need for increased investment in affordable housing**. The report estimates that 10,000 additional rental units must be built annually in Ontario to meet the demand. In 2008 only 3,000 units were produced. Over the last decade, there has been an 8,500 unit net decrease in the total number

of rental housing units in Ontario. For many renters, the units that remain are unaffordable.

This description of Ontario's rental market is an accurate reflection of the market in Peterborough.

— Source: **Where's Home? A Picture of Housing Needs in Ontario**, *The Ontario Non-Profit Housing Association and the Co-operative Housing Federation of Canada (March 2009)*

*Every dollar invested in housing creates two dollars in additional economic activity, and induces as much as seven additional dollars in economic activity.*



Photo: Doriana

## Quick Policy Points

- Canada has not met the housing policy objective of providing adequate and affordable housing for all citizens.
- Government agencies rarely coordinate initiatives for improving health in tandem with initiatives to improve housing.
- There is a link between housing and neighbourhood characteristics and children's educational achievements. No coordination of housing policy and educational policy exists.
- Social housing and social assistance should be recognized as a natural policy intersection point

— Source: **Housing Is Good Social Policy**, Carter & Polevychok, Dec. 2004

## Homelessness: Prevention vs. Management

**T**HE CAUSES OF HOMELESSNESS are complex and include inadequate housing, inadequate income, health problems, violence, mental health challenges and substance abuse. Because the causes are different, the solutions must incorporate differentiated strategies.

Expenditures on homelessness focus on emergency supports, such as shelters, drop-ins, and soup kitchens. This is referred to as “managing homelessness.”

Shifting those expenditures to **prevent and end homelessness** is socially and economically expedient.

A study for Metro Halifax found that investments in supportive housing could generate cost savings of up to 41% when compared to per person costs for six key services typically used by homeless people. Other studies demonstrate that managing homelessness is an expensive strain on other systems such as police, ambulance, hospitals, and jails.



Photo: Leroy Skaland

— Source: **Policy Position on Homelessness**, *Canada Housing and Renewal Association (CHRA)*

**H**OMELESSNESS IS CONNECTED to a shrinking supply of affordable housing.

If not now, when will we act?

- A national response to ending homelessness is essential. It is morally correct and cost effective.
- A **housing first principle** must be applied. Give homeless people the safety, security and dignity of their own home.
- A sufficient supply of safe, adequate, affordable housing must be guaranteed.
- Essential supports, both social and health-related, must be available. This will prevent homelessness,

facilitate the transition from homelessness, and maintain persons in their housing.

“[The] death rate among these people (the homeless) is eight to ten times higher than ... among the same-age population of people who are (well) housed.”

— Source: *The Wellesley Institute Website*, M. Shapcott blog

# SUPPORTIVE HOUSING

## With a Little More Help...

Lack of coordination in both inter-governmental and intra-governmental arrangements becomes an obstacle to the supply of affordable housing and support services.

THE TERM “SUPPORTIVE HOUSING” refers to the marrying of support services with housing to foster living which is as independent as possible for the resident. The supportive services may pertain to personal health needs or the daily life activities of an individual. These services can be delivered in housing purposefully designed and organized to house and serve an identified clientele or they can be delivered in one’s own residence.

Those served may include seniors, the homeless, the mentally ill, substance abusers, the physically handicapped, the developmentally handicapped, those released from incarceration, the chronically ill, those with AIDS and the terminally ill.

As a result of a recent study, *With a Little More Help...* which looked at the needs of low-income seniors and the disabled in Peterborough City and County, AHAC has become more aware of the acute and growing need for supportive housing in this area. While conducting interviews, seniors responded overwhelmingly that their preference was to remain in their own homes as they aged. In most cases this can only be accomplished when a comprehensive range of supportive services are available to residents in their domiciles.

Examples of ‘Supportive Housing’ locally: **The St. John’s Centre; Kawartha Participation Projects (K.P.P.)**

## Change the Approach – Streamline the Provision of Supportive Services

CURRENTLY, SUPPORT SERVICES are provided by a variety of agencies, some of whom serve one specific population while others serve various populations. The result is recipients who may need to deal with many agencies in order to meet their needs.

Funding for capital, operating and services for supportive housing come from the three levels of government and occasionally private sources. Each source has separate application processes, different deadlines and unique reporting systems. Developers of new supportive housing

must incur significant up-front costs with no assurances of obtaining support service funding. Presently, there is little coordination between capital funding for new supportive housing and funding for support services.

**AHAC recommends:** *That the City and County provide leadership toward a more co-ordinated and comprehensive approach among housing providers, developers, government funders and support service agencies for the planning, application for, and delivery of supports in supportive housing.*

## Our Aging Population

Peterborough City and County is on the cusp of a demographic shift of unprecedented proportions.

	Current Median Age of Residents	% of Population 65 Years and Older (2006)	Projected % of Population 65 Years and Older (2031)	Current Old Age Dependency Ratio*	Projected Old Age Dependency Ratio* (2031)
City of Peterborough	42.8 years	19.2% (County: 18.4%)			
City and County		< 19.2%	31%	28.2%	55.8%
Ontario	39.0 years	13.4%		19.9%	

Source: *With A Little More Help...*

\* Old Age Dependency Ratio: The total number of people aged 65 years and older relative to the total population aged 15-64 years.



**FACT:**

As of March 2009, 263 people in the City and County of Peterborough were waiting for supportive housing services.



# More Cost-Efficient, More Effective

**A**S IN PREVIOUS issues of *Housing Is Fundamental*, we reaffirm that supportive housing is more cost efficient than serving persons in expensive institutional settings, especially when those settings have been selected because more appropriate venues are unavailable.

Moreover, a higher level of independent living can be achieved by supporting persons in the least restrictive settings. From this perspective, supportive housing becomes a quality of life issue.

When a full range of supportive services are available, 'supportive housing' is preferable to most individuals who wish to remain as connected as possible to their established life circumstances.

## AHAC's Supportive Housing Recommendations

**S**PECIAL ATTENTION must be given to a **growing population of low-income seniors and disabled persons.**

1. Develop fully supportive housing within existing social housing stock.
2. Plan for building types which allow seniors to live independently but in close proximity with one another to maximize personal care services.
3. All stakeholders involved in seniors' housing, health care, homecare, and social support networks (both formal and informal) should harmonize and integrate service delivery.
4. Municipal governments must stress to their Federal and Provincial partners the urgency to collaborate in developing policies that meet the housing needs of vulnerable citizens.
5. Municipal planning and development policies should include **actual-number targets** in the proposed 'Housing Strategy' consistent with the amendment 142 to the Official Plan, (Bylaw No. 09-106), Section 4.2.3.11 (subject to ministerial notice).



Photo: Ginny Austin

—Source: Based on the study **With a Little More Help... The Housing Needs of Low-Income Seniors and People With a Physical Disability**

### Disability Facts...

- Disability increases with age:  
**11.5%** among adults aged 15-64.  
**43.4%** among adults aged 65.  
**56.3%** among adults aged 75.
- The existing Ontario Disability Support Program (ODSP) serves **3,305 persons** in both the City and County of Peterborough.

- Between January 2007 and May 2008 the ODSP caseload increased by **9.5%** (City and County combined).

—Source: **With a Little More Help... The Housing Needs of Low-Income Seniors and People With a Physical Disability**



Photo: Jenny Erickson

## Who's Waiting for Supportive Housing...?

**A**S OF MARCH 2009, **263 people** in the City and County of Peterborough were waiting for supportive housing services. Those requiring supportive housing include:

- **31 people** with physical disabilities
- **52 youth** (16-21 yrs.) with physical disabilities receiving support through Five Counties Children's Services
- **25%** of those under 65 years in Long-Term Care Homes
- **67%** of those under 65 years on the waiting list for Long-Term Care Homes
- **15%** of those in Alternate Level of Care beds at PRHC
- **90 people** on the waiting list for services through the Canadian Mental Health Association (CMHA)
- **135 people** on the waiting list for services through Community Living Peterborough
- **6 people** on the waiting list for services through the Canadian Red Cross

—Source: *City and County of Peterborough Supportive Housing Network*

# THE FACTS & FIGURES

## Affordable Housing Program Rents\*/Average Market Rents (Peterborough CMA 2008)

Minimum Hourly Wage and Gross Annual Income Required

“Affordable” housing, built using funds from senior governments, is not affordable to the lowest income households.

	Affordable Housing Program Rents (80% of Average Rents)			Average Market Rents		
	Rent	Wage/Hour	Income Needed	Rent	Wage/Hour	Income Needed
Bachelor	\$462	\$8.88	\$18,480	\$578	\$11.12	\$23,120
1 Bdrm.	\$574	\$11.04	\$22,960	\$717	\$13.79	\$28,680
2 Bdrm.	\$680	\$13.08	\$27,200	\$850	\$16.35	\$34,000
3 Bdrm.	\$834	\$16.04	\$33,360	\$1,043	\$20.06	\$41,720

Source: Canada Mortgage and Housing Rental Market Report, 2008 (Peterborough CMA), and custom calculations.

Note: Affordable Housing Program (AHP) rents in Peterborough include heat and hydro.

## Peterborough Rent Increases, 2003-2008

Peterborough CMA	2003	2008	\$ Increase	% Increase
Bachelor	\$454	\$578	\$124	27.3%
1 Bedroom	\$614	\$717	\$103	16.8%
2 Bedroom	\$728	\$850	\$122	16.8%
3 Bedroom	\$845	\$1,043	\$198	23.4%

Note: All percentage rent increases between 2003 and 2008 exceeded the inflation rate for that period. Percentage rent increases exceeded the rate of inflation by as much as **53.9%** for a bachelor apartment.

Source: Custom Calculations, AHAC

The inflation rate from 2003-2008 was 12.59%. The average annual rate was 2.4%. As of June 2009 the inflation rate was -.3%.

Source: Statistics Canada Inflation Calculator



## FACT:

Over 7,100 people use food banks every month in the City and County of Peterborough – a 40% increase in five years. 80% of food bank users live in rental housing.

– Source: Kawartha Food Share, Fall/Summer 2009

## % of Household Income Spent on Rent (2005)

	# of Households	% of Households
Less than 30%	6,265	49.5
30% to 39%	2,260	17.9
40% to 49%	1,240	9.8
50% or more	2,885	22.8

More than half of renter-households in the Peterborough census area are in “core housing need,” spending more than 30% of pre-tax income on housing. Almost one-quarter of renter-households pay 50% or more of their pre-tax income for their housing.

Source: Statistics Canada, 2006 Census. Catalogue #97-554-XCB200651.

## Social Assistance Shelter Allowances

Household Size	Maximum Monthly Shelter Allowance	
	Ontario Works	O.D.S.P.
1 person	\$356	\$454
2 persons	\$560	\$714
3 persons	\$607	\$775
4 persons	\$660	\$842
5 persons	\$711	\$907
6 persons	\$738	\$941

Source: [http://www.mcsc.gov.on.ca/mcss/english/pillars/social/ow-directives/ow\\_policy\\_directives.htm](http://www.mcsc.gov.on.ca/mcss/english/pillars/social/ow-directives/ow_policy_directives.htm), [www.mcsc.gov.on.ca/NR/MCFCSS/ODSP/ISDIR/en/6\\_2.pdf](http://www.mcsc.gov.on.ca/NR/MCFCSS/ODSP/ISDIR/en/6_2.pdf)

ODSP = Ontario Disability Support Program

## A Single Person on Ontario Works

Monthly Income	\$592
Housing & Utilities Cost	\$578
Dietary Requirement Cost	\$241
<b>What's Left</b>	<b>-\$227</b>
% of Income for Housing & Utilities	98%

Source: Nutrition Matters, September 2009, Peterborough County-City Health Unit

## Housing Stabilization Funds, 2006-2008

Administered by the Housing Resource Centre, Peterborough

	TOTAL	Households Assisted	HRC Emergency Fund	FUSE	Winter Warmth, Enbridge	Winter Warmth, Hydro One	Energy Fund, Province	Rent Bank	Average Allocation Per Household
2008	\$227,071	495	\$31,540	\$46,109	\$25,738	\$5,952	\$37,422	\$80,310	\$458
2007	\$250,980	511	\$24,083	\$42,307	\$14,014		\$54,440	\$113,022	\$491
2006	\$169,373	409	\$41,446	\$32,084	\$10,076		\$34,401	\$53,622	\$414

These funds assist households who are in crisis and/or threatened with eviction. Eviction prevention efforts result in significant savings because they avoid the burden of legal costs and relocation charges.

## Social Housing Wait List, Greater Peterborough Area, 2003-2009

	2003 (Dec.)	2004 (Dec.)	2005 (Dec.)	2006 (Dec.)	2007 (Dec.)	2009 (July)
Applicants on Waiting List	1539	1502	1503	1488	1502	1503

Source: Peterborough Housing Corporation, Housing Access Peterborough (HAP).

Minimal fluctuation in wait list totals indicates a chronic shortage of rental accommodation appropriate to the needs and income levels of those experiencing persistent “core housing need.”

## Approved and Recommended Affordable Rental Housing Projects – 2009

Canada-Ontario Affordable Housing Program

AHP Rental Housing Projects	Number of Projects	Total Rental Units
Approved 2009	8	75
Recommended 2009	5	80
Completed 2004-2008	13	416

Source: City of Peterborough, Housing Division, July 3, 2009 and City of Peterborough, Planning and Development Services Report PLHD09-006

## Funding of Shelters – Peterborough

	Gross Expenditure, All Shelters	City of Peterborough \$ Share	County of Peterborough \$ Share	Province of Ontario \$ Share	Change, 2007 to 2008
2007	\$965,576	\$134,604	\$86,524	\$744,448	
2008	\$894,351	\$115,726	\$82,070	\$696,555	- 7.3%

Source: Appendix A – Social Services Quarterly Statistical Report, 2008, City of Peterborough

## Shelter Usage – Bed Days

	Brock St. Mission	Cameron House	Youth Emergency Shelter (YES)	Total Bed Days	Change, 2007 to 2008
2007	7,066	3,360	3,501	13,927	
2008	7,699	2,628	4,296	14,623	+ 5%

Source: Appendix A – Social Services Quarterly Statistical Report, 2008, City of Peterborough

## Household Net Worth 1999-2005

	Owners	Renters
Median Net Worth, 2005	\$327,000	\$14,000
Difference from 1999	+27%	-5%

AHAC sees reduced net worth of renter households as evidence of growing shelter cost to income ratios. For renter households, especially those considered low-income, housing burden is growing.

There is a substantial and **growing disparity** in the net worth of renters and owners. The typical or median homeowner went from being 18 times wealthier than the typical (median) renter household in 1999 to 24 times wealthier in 2005.

Source: Canadian Housing Observer, 2008, C.M.H.C.



Photo: Ben Wolfe

## Headlines We'd Like to See ...

“Feds Announce National Housing Strategy”

“Social Assistance Shelter Allowances Adequate for Market Rents”

“Homelessness Initiatives Target Prevention”

“Supportive Housing Units Announced”

“Support Services More Accessible for Seniors/Disabled”

“Homeless To Have Permanent Community Facility”

“Affordable Housing Available to Lowest Incomes”

“Poverty Rate in Ontario Falling”

“Our Space Community Centre - Mortgage Free”

“Shelter Use Drops Dramatically”

# RECOMMENDATIONS

## Housing: A Need and a Right

### *A new problem:* **Expiring subsidy agreements**

**I**S OUR EXISTING affordable stock sustainable?

Most affordable housing in Canada was funded with long-term subsidy over periods of 35-50 years, starting in the 1950s. These subsidies made it possible to set rents at levels affordable to low-income tenants.

As these subsidy agreements end, the federal expenditure declines. Initially, the level of expenditure reduction is low, but it grows significantly over the next decade.

Without the subsidies, some projects will not be financially viable as they have insufficient rent revenue to cover their operating costs.

— Source: *Where's the Money Gone? An Analysis of Declining Government Housing Expenditures*, Steve Pomeroy, August 2007

**A**RTICLE 25 of the Universal Declaration of Human Rights states that: “everyone has the right to a standard of living adequate for health and well-being of himself and family, including food, clothing, housing, and medical care and necessary social services...”

“When people’s lives are kept unbalanced by the constant search for an affordable and secure place to live, they cannot develop and exercise their ‘capabilities’ — those talents and abilities they have to offer the rich tapestry of community life.”

— Source: Cheryl Lyon, *Poverty and Human Rights*, February 11, 2009

### **A Proposal: Portable Housing Allowances**

**H**OUSING PROVIDERS and tenant advocates agree that a shift to widespread availability of portable housing allowances (rent subsidies) is a solution worth exploring. This implies new funding for additional subsidies which would be attached to the tenant (i.e. portable) rather than the rental unit.

**AHAC recommends:** *Create an expanded, municipally managed rent supplement program (including portable allowances) funded in partnership with senior levels of government.*

**AHAC supports the notion that  
any effective poverty reduction efforts  
must address primarily the housing  
needs of its defined target population.**

### **AHAC Recommendations:**

1. The **Federal Government** must create a comprehensive national housing strategy that includes, as a top priority, ending homelessness.
2. **Municipal councillors** must convey to senior levels of government the urgency for more ‘affordable’ housing.
3. In the wake of expiring subsidies, the **Federal Government** must ensure the continued viability and sound condition of non-profit and cooperative housing.
4. **Municipal councillors** must make affordable housing a key priority in all immediate and long-term civic planning.
5. **Municipal councillors** must acknowledge the need for ‘supportive housing’ supply in any ‘affordable housing’ strategy.
6. **Municipal planning and development policies** should establish actual-number targets for ‘affordable’ housing in the proposed ‘Housing Strategy.’ Targets must include housing provision ‘affordable’ to the lowest income households in the community.
7. **All government agencies** involved in housing funding and support services funding must coordinate to overcome obstacles to creating ‘supportive housing.’
8. **Senior levels of government** should provide funding to expand the municipally managed rent supplement program. AHAC advocates inclusion of portable rent subsidies.
9. **The City** should facilitate a year-round, permanent, multi-service community centre for the homeless.



Photo: Horton Group