

# HOUSING *is* FUNDAMENTAL

City &amp; County of Peterborough

A report to the community from the Affordable Housing Action Committee



Affordable Housing Action Committee

## A Summary of Indicators

- high unemployment
- low employment ratio
- lowest national wage/hour
- highest national 'core housing need'
- growing O.W. and O.D.S.P. caseload
- small migration into City
- negative natural population growth
- increased emergency shelter costs
- increased shelter usage
- a static social housing wait list
- high proportion of seniors

Source: A.H.A.C.

## 2012 Housing Market Highlights – CMHC (Peterborough Census Metropolitan Area)

- vacancy rate declines to 2.7%
- average rent increase 1.7%
- MLS sales stable
- lower supply of rental units
- third highest vacancy rate in Ontario CMA's
- largest vacancy rate decline among Ontario centres

Source: Rental Market Report – Peterborough CMA – Fall 2012  
www.cmhc.ca/housingmarketinformation

## Housing Terminology

**Adequate** – not requiring any major repairs**Affordable** – costs less than 30% of total before-tax household income**Suitable** – has enough bedrooms for the size and composition of the residents**Core Housing Need** – spending more than 30% of total before-tax household income**Severe Core Housing Need** - spending more than 50% of total before-tax household income

Source: CMHC, 2012

## Time to Examine the Flip Side.....

### Income and Housing: A Simple Equation

As you read the pages of Housing Is Fundamental 2013, you will note various references to wealth and earnings. In some places it's about the income and wealth inequality that continues to grow in Canada. Why should this be included in a report focused on housing? 'Housing affordability' is never solely about the price of housing or the cost of rent. Affordability is about how housing costs relate (in ratio) to gross household income.

The size of the affordability problem in Peterborough is most often blamed on housing and rent costs. But that only serves to obscure the other large contributing factor – insufficient household income. Too frequently paying the rent means people literally sacrifice their nutritional needs and ultimately their health.

Earnings, wealth disparity, debt and employment statistics underscore the importance of income in securing and maintaining decent, safe, affordable housing. It is from this perspective that we will visit the significant affordability issue in Peterborough. This is the 'flip side' we can no longer ignore.

*Note: Peterborough resides in a larger provincial, national and global perspective that impacts, to some extent, on our community's economic life. National or provincial statistics, presented in this document, are used to reflect upon and explain our local experience within the broader context.*

### How Peterborough Rents Compare

	Ave. Market Rent (2-Bdrm)	Ave. Monthly Income
Barrie	\$1,037	\$6,722
Guelph	\$941	\$7,088
Hamilton	\$886	\$6,507
Kingston	\$1,005	\$6,258
London	\$919	\$6,435
Oshawa	\$939	\$6,760
<b>Peterborough</b>	<b>\$904</b>	<b>\$5,484</b>

Source: Rents - CMHC Rental Market Report, Canada Highlights, Fall 2012

Incomes - Municipal Study 2010, London Report, BMA Management Consulting Inc.

### 2012 Market Behaviour – CMHC (Peterborough Census Metropolitan Area)

- weak homeownership demand from potential first-time buyers
- higher youth employment in area
- net migration to Peterborough slower
- no growth in average weekly earnings in 2012
- larger student population

Source: Rental Market Report – Peterborough CMA – Fall 2012 www.cmhc.ca/housingmarketinformation

## Peterborough Now:

Average Private Market Rents & Income Requirements			
Type of Accom.	Rent	Hourly Wage	Annual Income
Bachelor	\$641	\$12.33	\$25,640
1 Bdrm.	\$774	\$14.88	\$30,960
2 Bdrm.	\$904	\$17.38	\$36,160
3 Bdrm.	\$1,093	\$21.02	\$43,720

Source: Canada Mortgage and Housing Rental Market Report, FALL 2012 (Peterborough CMA) and Custom Calculations

Note: Market rents may or may not include heat and hydro. Rents are 'affordable' (CMHC definition) when wages are at or above the numbers in the chart. Rents are deemed affordable when they consume no more than 30% of the gross, combined household income. (CMHC)

Please compare market rents to O.W. shelter allowances. NOTE: All markets rents are unaffordable when using O.W. shelter allowances.

Source: A.H.A.C.

### "Precarious Employment"

This term refers to low wages, indeterminate work schedules, no security, no benefits, no pensions and not much prospect of a better future. This stressful condition of employment takes its toll on individual, family and community health. It is the substantive reason why Peterborough has the highest 'core housing need' rate in Canada.

Source: "GE agreement aside, fair day's pay is harder to find", Paul Brown, Peterborough Examiner, March 9, 2013

See report "It's More than Poverty" at <http://www.unitedway-toronto.com/whatWeDo/reports/PEPSO.php>

## Peterborough Jobless Rate – Highest in Canada

February 2013: 9.9%

March 2013: 10.2%

April 2013: 11.7%

Source: Statistics Canada, Reported in Peterborough Examiner March 9, 2013, May 13, 2013

## O.W. And O.D.S.P. Caseload City and County of Peterborough

Ontario Works (O.W.)		Ontario Disability Support Program (O.D.S.P.)
2010 (Dec)	3,680*	3,921
2011 (Dec)	3,816*	4,154
2012 (Dec)	3,948*	4,243*

Source: Social Services Division, City of Peterborough; Ontario Disability Support Office, Peterborough  
\*reflect annual year-to-date averages at year's end

O.W. caseloads have increased by 3.5% (2011-2012)

O.D.S.P. caseloads have increased by 2.1% (2011-2012)

## Peterborough Emergency Shelter Costs

2012	Brock Mission	Cameron House	Youth & Family Emergency Shelter	Totals	Difference from 2011
Number of Bed Days	11,060 9,868 (2011)	3,264 2,901 (2011)	6,492 4,309 (2011)	20,816 17,078 (2011)	21.9% increase
Total (per diem) cost	\$529,647.40	\$156,523.80	\$311,226.00	\$997,397.20	
Municipal Base Funding	\$125,322.00		\$65,140.00	\$190,462.00	
Shelter Service Enhancement Funding	\$46,200.00			\$46,200.00	
Total Cost: Per Diem, Base Funding, Enhancement Funding	\$1,234,059.20 \$1,001,136.80 (2011)				23.3% increase

Notes: 82.8% of the per diem rate is paid by the Government of Ontario.

As of Dec. 1, 2011, per diem rate was \$47.90

The Brock Mission and Cameron House are operated by one entity or service provider.

Source: Social Services Department, City of Peterborough, January 2013

Average number individuals sheltered per night	
2011	47
2012	57

Custom Calculations: A.H.A.C.

**Additional homeless persons are living outside of the shelters.**

## Social Housing Wait List, Greater Peterborough Area

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
No. on List	1539	1502	1503	1488	1502	1503	1501	1538	1655	1525

Source: Housing Access Peterborough

**Year over year the demand for social housing remains high.**

## Current Social Assistance rates Dec. 2012

Ontario Works	Basic Needs	Shelter Allowance	Ont. Child Benefit	Total (month)	Increase Dec. 2012
single	\$230	\$376	\$0	\$606	\$7
couple	\$453	\$590	\$0	\$1,043	\$11
single parent + 1 child	\$350	\$590	\$92	\$1,032	\$9
single parent + 2 children	\$350	\$641	\$184	\$1,175	\$10
couple + 1 child	\$453	\$641	\$92	\$1,186	\$12

O.D.S.P.	Basic Needs	Shelter Allowance	Ont. Child Benefit	Total (month)	Increase Dec. 2012
single	\$596	\$479	\$0	\$1,075	\$11
couple	\$882	\$753	\$0	\$1,635	\$17
single parent + 1 child	\$739	\$753	\$92	\$1,584	\$14
single parent + 2 children	\$757	\$816	\$184	\$1,757	\$15
couple + 1 child	\$882	\$816	\$92	\$1,790	\$18

Source: Income Security Advocacy Centre, Toronto, Ontario 1-866-245-4072

**Being homeless can be as simple as not being able to pay rent.**

**For many, the initial cost of acquiring an apartment can present an impossible obstacle. The Community Start-Up and Maintenance Benefit has, in the past, overcome this barrier.**

## Housing Stability Fund

As of January 1, 2013 the Community Start-Up & Maintenance Benefit was ended by the Province. Peterborough established a new Housing Stability Fund which provides for: home repairs, eviction prevention, hydro disconnection, last month's rent, replacement of essential appliances (fridge or stove), and moving costs.

In the first five months of 2013, 1,184 persons on social assistance have received a total of \$517,480 in financial assistance from the Housing Stability Fund.

Source: Social Services Division, City of Peterborough

## Lack of employment and underemployment are key contributors to 'core housing need' rates in any community

Source: A.H.A.C.

## If I had a dollar... to put someplace in the public health care system, I wouldn't put it in the public health care system; I'd put it into poverty reduction

Source: Jeffery Simpson – TVO program "The Agenda", November 14, 2012. Jeffery Simpson is the Globe & Mail's national affairs columnist. He is also the author of "Chronic Condition: Why Canada's Health Care System Needs to be Dragged into the 21st Century". <http://www.amazon.ca/Chronic-Condition-Canadas-Dragged-Century/dp/0670065897>

## Tracking The Impact Of Cuts

In January, Ontario eliminated the Community Start-Up and Maintenance Benefit (CSUMB). The CSUMB helped people receiving social assistance to pay for large or unexpected housing-related costs, supporting them to become and remain housed. In 2012, the Wellesley Institute and partners found that the (CSUMB) cut would disproportionately impact the health of people with disabilities; women who need to escape from abusive situations; and children, who are particularly vulnerable to the negative health consequences of inadequate housing.

Source: The Wellesley Institute, February 2013

**Poverty reduction is an effective means of improving health.  
Housing affordability is the foremost means of poverty reduction.  
Rent Supplements are the most cost effective means to achieve housing affordability.**

## Closing the gap

### What Would It Take?

In a changing economic environment that is witnessing growing wealth and income disparity, precarious employment, high unemployment rates and low wages we can ask the question: What hourly wage would be needed to live modestly, yet securely and with reasonable opportunity for engagement in the community? This question can be answered in a complex analysis of living requirements and their costs within a community.

**\$16.47/hour per person in a two income family is the calculated “living wage” for Peterborough.**

Source: “Calculating a living wage for Peterborough” April 2013 - Peterborough Social Planning Council.

Canada’s elite has managed to convince decision-makers that if they kept more of their income, they could create more wealth for everyone. After thirty years, the evidence shows that trickle-down economics was a hollow promise and a costly social experiment.

If tax breaks to job creators actually provided employment, today we’d be drowning in jobs.

Nick Hanauer “Inequality”, TED Talks, Long Beach, California, March 2012

### The Threat of Income Inequality

**Whether you want less poverty or a more robust economy, greater innovation or improved productivity, better life chances or a healthier democracy, the way forward in Canada involves reducing income inequality.**

Source: <http://fullcomment.nationalpost.com/2012/12/21/armine-yalnizyan-sorry-andrew-coyne-but-income-inequality-is-a-real-problem/>

Armine Yalnizyan is a senior economist at the Canadian Centre for Policy Alternatives, a weekly panelist on the Lang and O’Leary Exchange and a business columnist on CBC Radio’s Metro Morning.

### Growing wealth disparity...

is coincident with rising ‘core housing need’ (i.e. paying more than 30% of income for housing). Our federal tax structure has contributed to wealth disparity by reducing the top income tax rate.

Prior to the mid-1990’s Canada was as effective as Nordic countries in stabilizing inequality.

	1980	2007
Richest 1% of Canadians Share of Total Income	8.1%	13.3%
Highest Income Levels Federal Tax rate	43%	8.1%

Source: OECD (2011), *Divided We Stand: Why Inequality Keeps Rising*, Country Note Canada, December 5, 2011.

### The Canadian Tax Benefits Redistributive effect has increased wealth disparity.

#### A Living Wage

##### Background:

While lower income families have seen increases since 1998, their absolute level of income is often not sufficient to meet a family’s basic needs. The actual level of income among the bottom quintile (one-fifth) of earners amounted to \$15,200 in 2012.

##### What Is It?

A “living wage” is a methodically calculated hourly wage derived from the community-specific living costs for a family of four having two full-time wage earners and two dependents. Carefully researched and referenced costs represent a modest, not luxurious, standard that allows for healthy participation in work, family life and community. The calculation is supported by a complex spreadsheet available through the Canadian Centre for Policy Alternatives.

##### Why In Peterborough?

Wages and income assistance have not kept pace with the rising cost of living in our community. Canada Mortgage and Housing Corporation has reported that Peterborough has the highest cost of housing-to-income ratio in Canada. We need to more fully understand the scope of wages in this community in the context of a standard required for healthy living and participation (i.e. a ‘living wage’).

### The gap between Canada's rich and everyone else has grown over the last thirty years

Source: Tavia Grant – *Globe and Mail*, January 28, 2013

#### They're richer than you think

The richest 1% of Canadians made 15 times more than the average Canadian made in 2010. In 1980, the ratio was 9 times.

Source: Canadian Centre for Policy Alternatives, [www.policyalternatives.ca](http://www.policyalternatives.ca)

#### In 2012 income earners in Canada's top 1% had to earn a minimum of \$201,400.00 annually. Tavia Grant

– *Globe and Mail*, January 28, 2013

### Have Low Income Earners Seen Increases Since 1998?

Yes, they have, but even with gains, the actual level of income among the bottom 20% of earners amounted to \$15,200 in 2010. Taking into account the increases, their absolute level of income is often not sufficient to meet a family's basic needs.

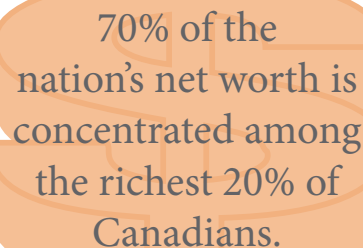
Source: <http://www.policyalternatives.ca/newsroom/news-releases/richest-1-income-shares-historic-high>

### \$27,485 – Average Cdn. Consumer Debt Load (2012) – up 6% from 2011

As individual debt levels rise, people are more vulnerable to illness, accident, loss of work, marriage breakdown and a host of other incidents which can spell disaster like homelessness. Unfortunately, in low income circumstances, debt is sometimes the only means to secure essential goods and services.

Source: CBC News, February 5, 2013

<http://www.cbc.ca/news/business/story/2013/02/04/business-transunion-credit-debt.html>



70% of the nation's net worth is concentrated among the richest 20% of Canadians.

Source: Tavia Grant – *The Globe and Mail*, "Canada's Income Gap", December 12, 2012

### How Can a 'Living Wage' Help Us?

The 'living wage' is a benchmark below which income earners experience housing burden, diminished community engagement, difficult spending choices and, to varying degrees, impacts on health. When the scope of wage earnings below the 'living wage' is realized, we will better understand the extent of economic consequences here in Peterborough.

### Is a 'Living Wage' Unique to Peterborough?

No. A 'living wage' has been calculated in many Canadian communities coast-to-coast. Both Kingston and Hamilton have 'living wage' reports. More than 140 cities including Los Angeles, Boston and Miami have 'living wage' studies.

### What's Happening in Peterborough?

The Peterborough Social Planning Council, using the Living Wage Report, has been leading discussion with business partners and representatives of the social support system.

### Is Peterborough Part of the Global Economy?

#### HEADLINE: "Income disparity poses biggest threat to global economy"

This comes from the World Economic Forum's annual analysis of the greatest economic threats on the planet. The focus of this forum was on the interconnectedness of risk – how easily a breakdown in one system can affect another as the world becomes ever more interdependent.

Source: <http://www.theglobeandmail.com/report-on-business/economy/economy-lab/income-disparity-poses-biggest-threat-to-global-economy/article7058847/>

Peterborough is not separate from the global economy and has felt the effects of shifting industry and investment. Low income levels reveal themselves in 'core housing need' statistics, in food bank usage, and in the social housing wait list in proportions exceeding other communities.

Source: A.H.A.C.

### Pay Attention to Youth Homelessness:

one of the fastest growing segments of the homeless population

65,000 youth are homeless at some time during the year in Canada

many have past involvement in these systems: foster care (40%- 45%), mental health, addictions, child welfare, juvenile corrections

homeless youth require specific responses since the causes and conditions of homelessness are distinct from those of adult homelessness

Source: Youth Homelessness, Canadian Housing Renewal Association (2012) (Homelessness.webarchive)

### What is "Housing First"?

"Housing First" is both an approach and a methodology to ending homelessness. It bypasses intermediary steps such as transitional housing or drug treatment to supply permanent housing. The provision of safe and guaranteed housing is a more effective and efficient way to improve the lives of the homeless. This approach has demonstrated that permanent housing results in psychiatric stabilization, reduction in drug use, improved health and reductions in criminal activity.

Source: Towards A Homegrown Approach to Addressing Health for Canada's Homeless, Naheed Dosani and Adam Whisler

<http://www.homelesshub.ca/researchmatters/post/2013/01/21/Towards-A-Homegrown-Approach-to-Addressing-Health-for-Canadae28099s-Homeless.aspx#.UToYb-37SwE.mailto>

### 'Harm Reduction' and 'Housing First'

A 'harm reduction' approach to homelessness attempts to take the individual in their current condition and facilitate their immediate survival and health requirements.

'Housing first' sees housing as the most essential requirement to stabilizing the lives of homeless individuals. Once permanent housing is established, the evidence shows that people become healthier and risky behaviours diminish.

It is important to note that a 'housing first' approach is viewed as the most effective 'harm reduction' tool.

Source: A.H.A.C.

### Homelessness is the Result of:

- Systematic or societal barriers
- A lack of affordable and appropriate housing
- An individual's financial, mental, cognitive, behavioural or physically-challenged condition
- Racism or discrimination

Source: "Canadian Definition Of Homelessness", Canadian Homelessness Research Network (CHRN), 2012 [www.homelesshub.ca/CHRNhomelesdefinition/](http://www.homelesshub.ca/CHRNhomelesdefinition/)

### WHY? (In Peterborough)

Transitional Housing for Women  
— A success story

Transitional Housing for Men  
— Non-existent

Source: A.H.A.C.

## Rent Supplements:

### In Today's Perspective

Senior levels of government have made drastic cuts to funding that supported local affordable housing initiatives. While pressure to reduce housing burden and provide affordability continues, this municipality, like others, is called upon to be self-reliant in meeting its housing needs. Among solutions that do not require the building of new units is rent supplementation.

### The Power to Enable

Rent supplements are predetermined monthly allotments to qualifying households that effectively reduce market rents. Receiving households are more stable and less vulnerable to costly and disruptive eviction. Households can then better engage in their community and provide for their nutritional requirements.

### Local Solutions

Rent supplements are one effective local solution to reducing "severe core housing need" (i.e. spending in excess of 50% of combined household income on housing). Other solutions include deferring municipal taxes on rental developments in exchange for rent reductions, the waiving of development fees on affordable rental buildings, and home purchase assistance to qualifying buyers.

### Their Unique Ability

Other solutions, while effective in creating affordability, cannot specifically channel support to the neediest renter households. Rent supplements can target and reduce 'severe core housing need' (i.e. paying greater than 50% of income on rent). This stabilizes people in their housing and prevents costly eviction.

### Even Small Rent Supplements Can Make a Big Difference

Examples: In these examples, while the rents are not affordable after the application of rent supplementation, the percentage reductions are meaningful.

Annual Household Income	Monthly Rent	Monthly Supplement	% Rent-To-Income Ratio
\$21,000	\$725	\$0	41.4% (Not Affordable)
\$21,000	\$725	\$100	35.7% (5.7% Reduction)
\$15,000	\$725	\$0	58% ('Severe Core Housing Need')
\$15,000	\$725	\$200	42% (16% Reduction)

### Flexibility

In addition to the ability to target the greatest need, supplements can be moved as recipients no longer require them. The provider may also customize the financial support to suit each household.

Source: A.H.A.C.

## Housing and Homelessness Plan

In response to a Provincial requirement, the City of Peterborough has developed a draft 10-year Housing and Homelessness Plan for the City and County of Peterborough. The Plan creates a long-term vision identifying goals that reflect the distinct issues and needs related to affordable housing and homeless-related services in the City and County of Peterborough. The plan sets out a broad strategy for housing and homeless programs and services for the next ten years for the City and County of Peterborough.

Source: A.H.A.C.

## New Canadian Definition of Homelessness

A new definition of homelessness offers a typology which includes a range of physical living situations:

**Unsheltered** – living on the streets or places not intended for human habitation.

**Emergency Sheltered** – living in overnight shelters.

**Provisionally Accommodated** – temporary accommodation lacking security of tenure.

**At Risk of Homelessness** – those whose current economic and/or housing situation is precarious or below public health and safety standards.

Homelessness is a fluid experience where one's shelter circumstances may change dramatically and frequently.

Source: "Canadian Definition Of Homelessness", Canadian Homelessness Research Network (CHRN), 2012 [www.homelesshub.ca/CHRNhomelessdefinition/](http://www.homelesshub.ca/CHRNhomelessdefinition/)

## Rent Supplements and Social Infrastructure – Wise Investment

Critics and detractors of rent supplements will draw attention to the requirement for continuous funding. Support of the physical infrastructure of our community likewise requires continuous and constant funding. What we fail to acknowledge is the existence of a 'social infrastructure'. Social infrastructure requires continuous monitoring and inputs in order to keep it healthy and functioning. The returns for this type of support can be significant as measured in reduced costs in health, social services, and police services. Supporting social infrastructure is an economic investment. When people can better engage in their community, the local economy is bolstered. Investments in social infrastructure create another type of health called social cohesion – the opposite of social fragmentation.

Source: A.H.A.C.

## Never too late or too soon

### Question & Answer

#### Q. Why are there housing affordability issues in Peterborough?

A. The ratio of rent-to-income too often exceeds the affordability standard of 30%.

#### Q. Are rents too expensive?

A. Rents in Peterborough are high when considered in the perspective of incomes.

#### Q. Are incomes too low in Peterborough?

A. Canada Mortgage and Housing Corporation declared Peterborough as having the lowest wage/hour rate of 34 Census Metropolitan Areas across Canada.

#### Q. What can be done to address Peterborough's housing affordability issues?

A. This always depends upon the willingness and restraints found in the local political-economy.

### Some Suggestions for Change:

- Increase wages in the local economy
- Increase Ontario's minimum wage
- Increase employment opportunities
- Make employers aware of a 'living wage'\* standard for Peterborough
- Provide rent supplements to financially vulnerable households

\* A 'living wage' is a detailed calculation of the wage/hour required for living and participating in a specific municipality.

### AHAC Recommendations:

1. Make rent supplementation a priority in any plans for housing affordability.
2. Take action on the commitments of the Housing and Homelessness Plan.
3. Ensure that savings resulting from the Provincial upload of social assistance are used in support of social needs.
4. Ensure that a 'housing first' approach is understood and becomes the guiding principle for reducing chronic homelessness.
5. Encourage an environment where incomes meet needs and allow participation in the community.

### Peterborough Ten Year Housing and Homelessness Plan

AHAC has been involved in the development of the draft 10-yr. Housing and Homelessness Plan providing detailed input both in monthly meetings and community consultations. AHAC has an interest in the implementation of the Plan and will continue to monitor progress in the housing and homelessness sectors.

#### Findings: (from Needs Assessment)

- \* 10,000 households in 'core housing need'
- \* 5,200 households in 'severe core housing need'
- \* 900 persons using emergency shelters six weeks or more annually

#### Commitments:

There are twenty commitments to action, each having performance outcomes.

#### Four Themes:

- Creating housing affordability
- Transitioning out of homelessness
- Preventing homelessness
- Providing people-centred service

#### Key Outcomes:

1. 100 additional renter households will receive rent supplements.
2. 500 new affordable rental homes will be created.
3. 200 moderate income homeowners will receive financial assistance for basic home repairs.
4. 200 existing rental apartments will receive restorative repairs.
5. 1,887 non-profit homes will remain affordable and in good repair through the creation of a long-term social housing strategy.
6. New housing with support services will be created for homeless or vulnerable single men.
7. Physical improvements and increased professional and support services will be added to Brock Mission.

