

Long – Term Affordable Housing Strategy - Specialized Roundtables

Questions for Discussion (Agenda Item #4)

Habitat for Humanity Canada Response – Nov. 23, 2009

1. How should the role of the province in the administration of housing in Ontario be defined in the Long-Term Affordable Housing Strategy?

The Province of Ontario must:

- Provide visionary leadership on social and housing policy:
 - Implement the Poverty Reduction Strategy: “Breaking the Cycle”
 - Implement the Long-Term Affordable Housing Strategy in 2010
- Establish a regulatory framework that guides the work of the regions and municipalities and significantly strengthens the requirements for the provision of affordable housing:
 - Provincial Policy Statement
 - Planning Act
 - Development Charges Act
- Secure Federal funding and provide matching, or better, Provincial funding for housing programs, including:
 - Repair and maintenance of existing social housing
 - Construction of new affordable rental and ownership housing
- Affirm the role and efficacy of assisted homeownership
- Establish a plan for the disposition of surplus Provincial land that targets affordable housing needs
- Create an environment that encourages and enables open dialogue with communities and affordable housing providers
- Create opportunities and space for local housing initiatives and partnerships
- Ensure that the revolving fund that is being put in place now is dedicated for affordable housing in the future
- Establish performance measures for the success of the Affordable Housing Strategy
- Relate the outcomes to cost savings which will result from the reduction of demand on social services
- Facilitate partnerships between NGOs and government

2. Acknowledging the ongoing need for funding, from your perspective what are the top two challenges or issues facing your organizations with respect to housing in Ontario?

The main obstacles faced by Habitat for Humanity affiliates in Ontario are the lack of suitable, affordable land, and the lack of available funding with which to finance the construction of more Habitat homes. Although the Habitat for Humanity model is quite volunteer-intensive, this is not usually a major limiting factor.

Affordable land that is suitable for single or multiple family Habitat building projects is difficult to locate and secure. Occasionally land is donated, and sometimes it can be purchased at a price

that is below market, but more often Habitat affiliates pay full market price. Cost savings realized in the acquisition of land can be put toward future home construction projects.

Habitat affiliates rely on individual and corporate donors to provide the capital needed to initiate building projects. Some of the needed funding comes from the Fund for Humanity, a permanent revolving fund which is managed at the affiliate level and is replenished by mortgage payments and donations. However, in order for Habitat building rates to increase, new funds are always needed to finance new building projects and capitalize the revolving fund.

Down Payment Assistance to Habitat partner families from the COAHP has been helpful, since it immediately replenishes the Fund for Humanity upon the closing of a sale. Through this Fund we can ensure that down payment assistance provided to each new homeowner will be used to build even more homes, in perpetuity.

The current arrangement in Ontario places long-term accountability for the Down Payment Assistance with the homeowner, which is helpful but is administratively cumbersome and costly. In several other Canadian provinces funding is provided directly to Habitat affiliates on a per unit basis. This funding has the same effect in that it capitalizes the revolving fund and will automatically be used to build more homes in perpetuity as mortgages are repaid to the Habitat affiliate. Such grants should, therefore, be viewed as a one time investment - not a cost.

3. How best can we address these issues within the context of the Long-Term Affordable Housing Strategy?

There are essentially three main ways to increase the supply of affordable housing:

- build more affordable rental housing
- build more affordable “entry level” ownership housing
- assist those people who can “almost” afford to make the leap to ownership to do so, thus freeing up scarce rental units

Habitat for Humanity works hard at the second and third approaches – building simple, decent homes and helping low and moderate income families move along the housing continuum to affordable homeownership so that they can begin to accumulate some assets and equity - and keep moving. We firmly believe that, in the long-term, homeownership is the best and most desirable option for most people in terms of financial security, stability, employment, education and health. However, due to Habitat for Humanity’s capital and volunteer-intensive model, Habitat can only assist so many people. The Habitat model needs to be leveraged, and its revolving fund needs to be capitalized at a higher level.

In order to enable Habitat for Humanity to reach more families, and in order to support the efforts of other affordable housing providers, Habitat for Humanity Canada respectfully requests that the Province include the following approaches in its Long-Term Affordable Housing Strategy:

- Continue and enhance the Affordable Housing Program (AHP), with a minimum 5-year commitment
- Increase the investment in affordable rental and ownership housing, with a greater emphasis on ownership housing

- Respond to areas within the province that have the greatest need and focus efforts there
- Recognize the important role that affordable homeownership plays in affordable housing and poverty reduction strategies
- Require regions and municipalities to implement strategies that will increase the supply of new affordable housing
- Implement a new tax credit for modest income first-time home buyers of new homes
- Amend the Planning Act to:
 - Require the inclusion of affordable housing plans and targets
 - Encourage Inclusionary Zoning to ensure that affordable housing blends into the community, avoiding social stigma and marginalization and allowing people to age in place
 - Require that a minimum of 10% of all new developments greater than 10 units be set aside for affordable housing
- Provide incentives for non-profits and developers to cooperate to take advantage of inclusionary zoning
- Encourage and facilitate infill housing
- Amend the Development Charges Act to make Development Charges progressive, allowing them to be reduced or waived for new affordable housing projects
- Promote access to affordable land – below market or donated
- Give priority to non-profit and other affordable housing developers to bid on surplus Provincial land, including school properties
- Prevent Provincial land from being declared surplus – seek intensification options first
- Continue to provide forgivable down payment assistance for qualifying low-income families
- Fund affordable homeownership providers directly on a per unit basis to increase affordability and speed up housing production
- Ensure that municipalities expedite and give priority to processing applications for affordable housing projects

With this kind of support, affordable homeownership providers could have a far greater impact. More families would plant deeper roots and become proud, connected members of a community. New Ontarians could pursue the brighter future that first led them to this province. A well-housed population is one that creates thriving communities, forges new opportunities, and makes Ontario a home to everything it stands for as a province – a place where all people have a chance to build a better life. Habitat for Humanity Canada believes that chance should be at everyone's doorstep, and that everyone should have an address.