An Affordable Housing Strategy
For the City of London

December 19, 2005
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Executive Summary

Proper shelter is one of life’s basic necessities. Ensuring all its citizens, regardless of income, are adequately and affordably housed is a vital responsibility for the City of London.

In the past few years, reports and studies in London have identified the need for affordable housing and proposed ideas to meet this need. Also, various levels of government, local community organizations and private sector firms have begun to cooperate on solutions to the need for affordable housing. Now, the City of London is moving forward with a creative and concrete mix of policies and initiatives which will result in real progress in meeting the affordable housing needs of its citizens.

Five years ago, the City of London’s Affordable Housing Task Force set out a vision of “a City of London where all members of the community have access to housing that is safe, secure and suitable to their needs and ability to pay.” The purpose of this document – An Affordable Housing Strategy for the City of London – is to make recommendations that help move the City towards achieving that vision. The focus of the document is to suggest ways of meeting the need for housing which is affordable to low- and moderate-income earners (such as many persons working for moderate wages in the services sector, those receiving social assistance and those living on modest pensions).

This strategy document lists a number of indicators of the need for affordable housing, including demographic trends, statistics on waiting lists and data from Canada Mortgage and Housing Corporation on rent and vacancy levels in the City.

This paper does not suggest the creation of new housing is the only way of meeting local need. It addresses a wider range of action, including rehabilitation of existing stock, the use of secondary suites and the judicious use of rent supplements to address the affordability of housing in the private rental market. Just as there is a wide range of need, there should be a wide range of activity, and the City is well placed to coordinate the various responses to the need for affordable housing.

The City of London’s Affordable Housing Strategy is designed to meet a wide range of needs, including:

- housing with supports/support services for a variety of residents
- rental housing affordable to the working poor and those on fixed incomes,
- appropriately designed family housing
- affordable and appropriately designed housing for members of the arts community (which complements London’s “creative city” initiative)
- affordable home ownership initiatives for moderate-income households.

Studies by other municipalities indicate that public investment in affordable housing has a positive impact on local economies and can also contribute to neighbourhood revitalization. This latter phenomenon also contributes to the growth of the local tax base. Of course, municipalities cannot shoulder the entire responsibility for investing in housing, so this paper includes recommendations for various levels of government to coordinate their financial support and also leverage investment from the private sector.
**Suggested Targets**

The strategy document includes a plan for the City to facilitate the creation of at least 1,200 affordable units over the next five years through an efficient use of municipal, provincial and federal funds, and through the involvement of the private rental sector.

Not all of the paper’s recommendations involve spending money. The City of London has overall authority over planning within its boundaries, so there are opportunities for the City to use this authority to promote housing affordability. Some possible approaches are loosening parking requirements for low-income households (many of whom don’t own cars) in areas well served by public transit, encouraging the development of secondary suites in existing single-family houses and requiring large-scale new developments by the private sector to include a certain percentage of housing affordable for low- and moderate-income households.

On the other hand, some new government money is essential. This paper shows ways the City can encourage the federal and provincial governments to implement the promised new Affordable Housing Program in ways that increase their level of cooperation, eliminate duplication and needless delays and frees up the City, as the body closest to the community need, to allocate resources quickly and efficiently.

Combating homelessness and encouraging housing affordability will be an ongoing responsibility for municipalities across Ontario. This strategy document sets out a way for local stakeholders to move beyond the “crisis mentality” created by current needs. Rather, the focus is on sustainable actions that can bring about effective results year by year. The strategy also recommends that the City review its plans regularly to ensure that its activities are evolving as the needs of its citizens evolve over time.

**London Affordable Housing Strategy Recommendations**

The report makes a number of suggestions throughout on the various topics addressed. The following list groups the recommendations into the actions the City of London can undertake directly and those it can press the Governments of Canada and Ontario to undertake.

**City of London Direct Actions**

The following is a grouping of recommendations which are actions that the City of London can undertake directly:

<table>
<thead>
<tr>
<th>Recommendation #1</th>
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<tr>
<td>Once every two years staff of the Housing Division should review the Affordable Housing Strategy and its implementation (including the impact on meeting the affordable housing needs in the City), and present a report on this review to London City Council.</td>
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**Recommendation #2**

Future proposal calls/initiatives for creating new affordable rental housing initiatives should give priority to housing which proposes rents which are affordable to a mixture of low-income (i.e. on the Housing Access Centre’s waiting list) and moderate-income households. On average, a ratio of at least 50% low income households below the income cut off of the centralized waiting list is a reasonable target. An exception should be made to allow a higher proportion of low-income rental units for smaller scale housing with supports. There continues to be a requirement for additional rent supplement allocations from the Province to make the program feasible for high need households on the centralized waiting list.

**Recommendation #4  Recommendation #6  Recommendation #7**

The eligibility criteria of London’s Convert-to-Rent initiative should be expanded to allow renovations of substandard apartments in the community improvement areas in order to bring them to standard, improve their energy efficiency, improve accessibility for persons with disabilities and permit rents which are affordable. Convert-to-Rent should be done in conjunction with the Canada Mortgage & Housing Corporation (CMHC) Residential Rehabilitation Assistance Program (RRAP).

The City should continue to provide funding for the Convert to Rent Initiative for a combined total of government capital funding to a maximum of $24,000 per unit. The Convert to Rent Initiative should continue to give priority to smaller scale (six units or less) applications from the two community improvement areas. Priority should also be given to applications which will offer rent below the CMHC average rent levels. If the proposals are for seven or more units, the CTR should also piggyback on the new Canada-Ontario Affordable Housing Program (AHP) given the inclusion of conversions and rehabs in the new AHP.

In order to move new housing proposals forward, the City of London should issue a Convert to Rent proposal call (with the expanded eligibility of renovating existing units up to current standards) in 2006 with a target of up to 50 new units of affordable housing to be created. The City should position the proposal call so that Federal/Provincial affordable housing funds can be accessed (leveraging senior government funds to create a larger number of affordable units), as the F/P funds come available during the proposal call time period. The City of London should look for every opportunity through added incentives as necessary for target areas.

**Recommendation #12**

Staff from the City of London’s Housing Division should work with the aboriginal community to help facilitate the development of new affordable housing proposals. Any new affordable housing proposals should tie in with the Federal Aboriginal Housing Program.
<table>
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<th>Recommendation #16</th>
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| The City should allocate staff time within existing resources to undertake educational work on new affordable housing:  
  - information on the City of London’s website,  
  - sponsoring further educational forums  
  - providing speakers from the City to builders’ forums, service clubs and other non-profit or interested community organizations which may be interested in helping to create affordable housing. These educational activities could be done in partnership with CMHC, the Provincial government, and interested sector organizations. Educational forums should share successes locally as well as from other parts of Canada.  

Anything beyond these resources should be considered for future budgets. |

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<th>Recommendation #17</th>
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<tr>
<td>Should viable affordable housing projects sponsored by non-profit housing organizations emerge in between the federal government’s SEED funding proposal calls, exceptional requests for SEED funding, outside of the annual allocations by the federal government should be considered.</td>
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<th>Recommendation #19</th>
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<tr>
<td>The City should work with its partners in the community to advocate to the Province that proposal calls for the “bricks and mortar” of supportive housing be coordinated with appropriate announcements of ongoing funding for the support services as per the new Canada-Ontario Affordable Housing Program.</td>
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<tr>
<td>The City of London should include in its proposal call a request for supportive housing using the capital funding of the federal and provincial governments. This proposal call should be for organizations or private/non-profit partnerships where it can be shown that support service funding is already in place.</td>
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<td>Recommendation #21</td>
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<tr>
<td>The City of London staff should encourage and help facilitate partnerships with the London Home Builders’ Association, local construction unions and other community partners to explore the possibility of involving existing social housing residents or potential residents of new affordable housing in the construction of this new housing.</td>
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<th>Recommendation #26</th>
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<td>Until there has been an increase in affordable housing, the City of London should adopt a policy that any declared surplus land be considered first for affordable housing before any other use is considered. This recommendation would change as we are able to accommodate the pent-up need for affordable housing.</td>
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<tr>
<td>City of London housing staff should meet with their federal and provincial counterparts to establish a process for identifying and accessing surplus government land which is appropriate for housing purposes. Government land which is identified by community groups or private sector developers as having potential for affordable housing should be reported to City of London staff to include in discussions of land potential with Federal/Provincial officials.</td>
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<tr>
<td>City and LMHC staff should meet in 2006 to select likely Housing Corporation sites for further investigation in order to undertake predevelopment work in advance of a potential proposal call for accessing federal/provincial affordable housing capital funds.</td>
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<tr>
<td>The City of London staff should meet with representatives of the London Property Management Association to build interest in, and ask for suggestions regarding, effective delivery of a housing allowance program. An RFP will be issued to the local property management firms within the soon-to-be-released guidelines under the Housing Allowance portion of the new Canada-Ontario Affordable Housing Program.</td>
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Recommendation #30

Additional rent supplement units should be requested from the Province. Rent supplement funding could be considered for existing waiting list applicants whose landlord is willing to participate in the Rent Supplement initiative. Extensions of Rent Supplement funding could be reassessed depending on rental market conditions and program funding available at that time.

Recommendation #32  Recommendation #33  Recommendation #36

The City of London should give careful consideration to strengthening both its rules requiring affordable housing and the enforcement mechanisms of such rules as it undertakes an Official Plan Review in 2006. This process should begin with a thorough consultation with the homebuilding industry and other community groups.

The City of London Planning Department should immediately take steps in its approvals process for residential subdivisions to encourage housing developers to work towards meeting the current housing policies of the City of London. The recommendation will be referred to the Official Plan review for consideration. The new Provincial Policy Statement speaks to affordable housing and will be taken into account. Implementation mechanisms must be created with respect to the housing policies.

The City of London should examine, as part of its Official Plan review, the issue of permitting accessory units as of right when building and fire safety codes are met. There is a history of public issues and concerns with respect to accessory units that will be revisited during the Official Plan review.

(Recommendation #34)

The City of London should review its parking requirement by-laws for small residential units created in the central areas of London which are well served by public transit. This review should include researching the approaches to parking for affordable housing that other municipalities have brought in, with a view to developing a “best practice” in this area which would, at a minimum, relax the current rules.
Recommendation #35

The City of London should make an annual $2 million contribution part of its ongoing budget expenditures in order to fund the various municipal initiatives in this Strategy.

Recommendation #37

The City should set a goal of creating 1,200 new affordable housing units (or rental units made newly affordable) by 2010.

The City of London should facilitate the creation of at least 1,200 affordable units over the next five years through an efficient use of municipal, provincial and federal funds, and through the involvement of the private rental sector.

The objective of the Affordable Housing Strategy should be to achieve the greatest number of affordable housing units possible within available resources. These units under a variety of programs (Rent Supplement, Conversion, Rehabilitation, New Build Rental, Supportive New Build Rental and Affordable Home Ownership) should be funded using a variety of sources such as:

- City Convert-to-Rent (CTR) + RRAP (federal)
- New F/P program+ City
- 2006 Federal Budget + City

Any target will be contingent upon senior levels of government continuing to participate in the Affordable Housing Program.

Recommendation #38

The City of London should increase its budget for new housing initiatives by the equivalent of two full time staff positions. The funding for these positions should be in addition to the annual housing reserve fund contributions. This funding would be for ongoing administration funding because the City of London will not own the projects. There are no resources identified in the 2006 budget. Administration will report at mid-year with recommendations on staffing as it relates to the Canada-Ontario Affordable Housing Program. At that time we will determine our budget position or make a request in the 2007 budget.
Advocacy to the Federal Government

The federal government should continue to fund the RRAP program in future years, and the number of units funded by the conversion and rental upgrade portion of the program should be increased. (Recommendation #3)

The federal government should give a specific RRAP unit or dollar allocation to the City of London so that the amount of RRAP funding available for London is known each year. The City of London should discuss with CMHC the possibility of the City being the local delivery agent for some portions of the RRAP programs to ensure co-ordination with the City’s Convert To Rent and other housing initiatives. (Recommendation #5)

The federal Government should allocate the delivery of its new affordable housing initiative to the municipal governments. CMHC should promptly convene an advisory group of municipal and housing sector representatives (through FCM, CHFC and ONPHA) to discuss the most efficient delivery mechanism for the new funding. If the City of London is the delivery agent for this program, a reasonable administrative fee should be provided to offset staff costs. (Recommendation #11)

The federal government should continue to fund homelessness initiatives similar to SCPI on an ongoing basis and the amount of funding for homelessness initiatives provided to London should be reviewed by the federal government so that it is similar, on a per capita basis, to Hamilton, Ottawa and Toronto. (Recommendation #13)

The City of London work with FCM, CHRA and housing sector organizations to advocate that the federal, provincial and territorial governments continue to support social housing providers funded under pre-1995 operating agreements to the level needed to promote ongoing affordability and livability of this housing stock, even after the expiry of such agreements, and further that these governments agree to re-deploy existing funds no longer needed for the pre-1995 stock into the development of new affordable housing. (Recommendation #14)

The federal and provincial governments should provide financial support to the development of education programs and potential Individual Development Account programs (IDAs) which help educate and prepare low-income households for the transition to home ownership, including “post-move-in” support. (Recommendation #23)

The City of London should ask the federal government to transfer the administration of the RRAP ownership program (similar to that currently undertaken by the City of Hamilton) to the City so that this source of funds could be used to renovate older homes which low-income social housing residents could purchase. (Recommendation #24)

The City of London continue to work with CMHC and interested parties to ensure that an appropriate mortgage product is developed which can meet the needs of potential purchasers under affordable home ownership initiatives. (Recommendation #25)
Advocacy to the Provincial Government

The Province of Ontario, in delivering the 2005 - 2009 Affordable Housing Program, should limit its role to setting general policy goals for the use of the federal and provincial housing funds, and give responsibility for the successful delivery of this program to municipal governments. The City of London should actively work with other municipalities to achieve this goal. The Province should move forward quickly in finalizing its program design in order to allow local proposal calls to move forward. (Recommendation #8)

The Province of Ontario provide its capital funding under the next phase of the Federal/Provincial Affordable Housing Program in the form of a one-time payment. Failing that, the Province should agree to a fixed schedule of contributions for the life of the agreement without imposing additional conditions in future so that this form of payment does not have a negative impact (i.e. future uncertainty) on achieving mortgage financing. (Recommendation #9)

The federal/provincial housing program provide sufficient capital funding to allow the creators of the new affordable housing to charge rents which are affordable to low-income households on the Housing Access Centre’s waiting list. The housing providers which receive this funding should be required to offer at least 50% of the new units at rents which are no more than 70% of average rents in the City of London or comparable to shelter allowance portion of social assistance payments. (Recommendation #10)

The Province of Ontario should increase the shelter component of social assistance rates to an amount equal to 90% of average rents. The City of London should work with other municipalities to advocate for this key housing program change. (Recommendation #15)

Once a non-profit housing proponent is selected for a federal/provincial affordable housing allocation, the Provincial government should allow a portion of the federal/provincial funds be used to secure the land, and cover the necessary soft costs to allow the project to proceed to the building permit stage. (Recommendation #18)

The City of London should advocate to the Province of Ontario that at least a portion of the announced affordable homeownership funding should be targeted to ownership initiatives which focus on either neighbourhood revitalization (including public housing communities) or assisting existing social housing residents purchase a home. The Province should also allocate a portion of the funds for the administration of such initiatives. (Recommendation #22)

The City of London should work with other municipalities in Ontario to call upon the Province to commit to annually increasing the funding for the Strong Communities Rent Supplement Program by the rent guideline in Ontario. (Recommendation #31)
An Affordable Housing Strategy for the City of London

Introduction

Proper shelter is one of life’s basic necessities. Ensuring all its citizens, regardless of income, are adequately and affordably housed is a vital responsibility for the City of London.

Five years ago, the City of London’s Affordable Housing Task Force set out a vision of “a City of London where all members of the community have access to housing that is safe, secure and suitable to their needs and ability to pay.” The purpose of this document – An Affordable Housing Strategy for the City of London – is to make recommendations that help move the City towards achieving that vision.

Housing which is affordable to low- and moderate-income residents of London has been provided through both the private market and government assistance programs. For the purposes of this document, affordable housing, in general, will mean housing in which the rent or mortgage costs/property taxes account for no more than 30% of the household’s income.

From the 1950s to the early 1990s, there were a number of initiatives implemented by various governments which resulted in the creation of housing affordable to low and moderate income households. The housing was, and still is, owned and operated by governments directly, by community based non-profit and co-operative housing organizations, by private sector builders/developers and by individual home-owners.

Those various initiatives resulted in a substantial investment in the City of London. This investment created employment for many construction workers (the job creation benefit of a new affordable rental housing has been estimated at between 200 and 225 person-years of employment for every one hundred new rental units created) as well as an investment in the people of London who have needed this affordable housing. Much of this housing also helped to create healthy communities and played an important role in revitalizing existing neighbourhoods.

Today this housing, created over the previous 40 years, continues to provide needed affordable housing for nearly 10,000 households in the City of London. It is essential that this stock of housing continue to be maintained and offered to low-income households who cannot afford the rent levels which exist in the private market. (At the same time, it should be recognized that the majority of low- and moderate-income households in London have their housing needs met by the private market, mostly though the renting of private apartments and townhouses. It is also important that this private stock be maintained and kept available to meet the current and future housing needs in the City.)

In the mid-1990s, however, governments “got out of the business” of supporting the creation of new affordable housing. This has made it increasingly difficult to meet the housing needs of low-income households. The lack of new affordable housing combined with a number of measures (reductions/freezes in social assistance rates, a nine-year freeze in the minimum wage, etc.), which have limited or decreased the incomes of many low-income persons.
The economic growth of the past decade has been unevenly distributed among residents of Southern Ontario (and, indeed most of the industrialized Western world). In London, this has meant that many of the households excluded from sharing the benefits of this growth are being forced to live in accommodation which is unaffordable, overcrowded or sub-standard. This economic pattern, combined with government policies which have limited the incomes of many low-income persons, has also contributed to homelessness in this City.

While the housing situations of some moderate- and middle-income households have improved in recent years, mostly due to being able to purchase a home as a result of historically low interest rates, many of those who cannot afford to move to the ownership market have struggled in the search for appropriate affordable housing.

There have been a number of reports and studies in London in the past few years which have both identified the need for affordable housing and proposed ideas to help meet those needs. In the past couple of years, there have also been a number of actions taken by various levels of governments, by community organizations and by private sector firms which have started to provide ideas and real solutions to meet affordable housing needs in London.

Now is the time to build on this momentum. The City of London wishes to move forward with a creative and concrete mix of policies and initiatives which will result in real progress in meeting the affordable housing needs of its citizens.

The City of London’s Affordable Housing Strategy, as set out in this document, recognizes that London is a growing and diverse city of 350,000 residents. An affordable housing strategy, to be successful, must provide for a range of approaches to meet the wide variety of affordable housing needs in the City. The affordable housing needs in London include:

- housing with supports/support services for a variety of residents
- rental housing affordable to the working poor and those on fixed incomes,
- appropriately designed family housing
- affordable and appropriately designed housing for members of the arts community (which complements London’s “creative city” initiative)
- affordable home ownership initiatives for moderate-income households.

**Defining “Affordable” Housing**

The phrase “affordable housing” has different meanings for different people. This is appropriate, as affordability is relative to peoples’ differing incomes. For the purposes of this document, affordable housing, in general, will mean housing in which the rent or mortgage costs/property taxes account for no more than 30% of the household’s income. This measure of affordability is used in most federal and provincial government programs. Also in the current social housing administered by the City of London, residents who pay rent geared to their income, generally pay 30% of their income on rent. For households which receive certain government income support (such as Ontario Works or Ontario Disability Support Plan), housing could also be seen as affordable when the rent is no greater than the “maximum shelter portion” payable under that income support program.
The need for housing which is affordable to low-income (those receiving social assistance, those working for minimum wage and those living on modest pensions) and moderate-income earners (such as many persons working for moderate wages in the service sector or as administrative support staff) is the focus of this Strategy report.

The following table shows the increasing gap over the previous 10 years between average rents for a one-bedroom apartment in London and the rents which are “affordable” to persons either earning minimum wage or receiving social assistance.

### Housing Affordability Gap for Single Person

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Rent (1 bdrm)</th>
<th>Single Person Shelter Allowance (OW)</th>
<th>30% of Minimum wage</th>
</tr>
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<tbody>
<tr>
<td>1994</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1995</td>
<td>50</td>
<td>50</td>
<td>15</td>
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<td>1996</td>
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<td>100</td>
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<td>1997</td>
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<td>2002</td>
<td>400</td>
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<td>2003</td>
<td>450</td>
<td>450</td>
<td>135</td>
</tr>
<tr>
<td>2004</td>
<td>500</td>
<td>500</td>
<td>150</td>
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In another example, a single person working full time (35 hours per week) at a wage of $10 per hour would have a gross annual income $18,200. This person could “afford” (paying no more than 30% of income) a rent of no more than $455 per month. This compares to average one-bedroom apartment rents of $602 per month.

Similarly, a mother with two children, receiving Ontario Works, is provided with a maximum shelter allowance of $571, while the average rent of a three-bedroom townhouse in London is $849 per month.

These are just a few examples of low- and moderate-income households which should be supported under an Affordable Housing Strategy.

The perspective of Londoners interviewed for this report is that newly created affordable housing should also be appropriate (size, design of unit) for the households living there.

The stakeholders interviewed for this report also believe that affordable housing should be for a mixture of households. Affordable housing was seen to work best when it contains a mixture of low and moderate incomes. Having new affordable housing for a mix of low and moderate income households was also seen by the stakeholders...
interviewed as important in seeing the creation of new affordable housing as a tool which can help support the revitalization of some older neighbourhoods. New housing can help revitalize a neighbourhood through supporting a variety of local commercial businesses and making better use of existing built infrastructure. This revitalization could also include reclaiming and redeveloping currently derelict “brownfield” sites.

One exception to the mixed-income approach noted by a number of key stakeholders was that of small scale supportive housing which could be 100% rent-geared-to-income (RGI) so that low-income persons with particular support service needs can be provided with support services at the same location.

The breadth of knowledge and interest in the community in trying to meet the affordable housing challenges is heartening. As part of the process in creating this document, over 20 individuals and organizations from a variety of backgrounds – community organizations, private sector investors/property managers, support service agencies, representatives from the various levels of government – were interviewed for their perspectives on the housing needs in London as well as for their ideas of how the range of affordable housing needs could be met. There was also a reference group which provided invaluable input into the creation of this document. Members of the reference group and stakeholders interviewed are listed in Appendix A.

From the interviews, research and analysis, it becomes clear that the City of London must be creative from both a policy and fiscal perspective in its approach to an Affordable Housing Strategy. While increased financial resources from federal and provincial governments have recently been announced, overall government funding will be limited. The City must therefore work closely with senior levels of government as well as with members of the London community (both private sector and non-profit groups) in order to leverage as much senior government funding as possible and to maximize the overall investment into needed affordable housing. While London should continue to advocate for major federal and provincial government funding for affordable housing funding and programs, the City should also recognize that it has an ongoing responsibility for affordable housing issues and must assume a leadership role in establishing policies and programs to help meet its affordable housing needs.

It should be noted that an Affordable Housing Strategy is not a static document. This Affordable Housing Strategy focuses on recommendations to be carried out over the next five years, but this Strategy should regularly and frequently be reviewed, updated and improved to take into account evolving circumstances (at the government as well as the community level), to update the affordable housing needs in the community and to fine-tune the actions being undertaken. The updating of the strategy in future years should continue to involve government, the community and the private sector to ensure it continues to meet the evolving needs in the London.

Recommendation #1

Once every two years staff of the Housing Division should review the Affordable Housing Strategy and its implementation (including the impact on meeting the affordable housing needs in the City), and present a report on this review to London City Council.
Economic Benefits

According to a recent study for the Region of Waterloo, municipal investment in affordable housing brings significant economic benefits, including to the municipality itself. According to the study, "every dollar invested by the Region in the form of capital contributions levers a further $6 from other sources – including other orders of government, project sponsors and private mortgage financing. Based on current cost estimates and recommended grants and contributions, the leverage will increase [so that] each $1 invested by the Region will lever $8 from other sources."¹

Preliminary data from three new projects in the City of London appear to indicate a leverage ratio (approximately each $1 invested by the City will lever $6 from other sources) that approaches but does not quite match the Waterloo experience. This modest difference is likely due to a moderately lower investment per unit by the Region of Waterloo (capital funding for some of Waterloo’s new housing projects were less than the $15,000 per new unit maximum available in that Region and the Region’s Development Charge waivers are lower value than in the City of London). With the Provincial government now increasing its funding commitment for new affordable housing, it is expected that the leveraging effect of City housing funds should increase.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>City Contribution</th>
<th>Total Cost</th>
<th>Leverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-unit apartment</td>
<td>1,895,343</td>
<td>11,760,000</td>
<td>6.2:1</td>
</tr>
<tr>
<td>14-unit townhouse</td>
<td>368,340</td>
<td>1,956,372</td>
<td>5.31:1</td>
</tr>
<tr>
<td>25-unit apartment</td>
<td>522,775</td>
<td>3,066,775</td>
<td>5.87:1</td>
</tr>
<tr>
<td>Totals</td>
<td>2,786,458</td>
<td>16,783,147</td>
<td>6.02:1</td>
</tr>
</tbody>
</table>

The Waterloo study also discusses recent CMHC research which indicates that each unit of residential construction generates roughly 2.5 person-years of employment, most of it local in the form of construction work, but some of it added to the general economy. Thus, a program by the City of London to stimulate the construction of 1,000 new units over the next five years would lead to the creation of roughly 2,500 person-years of employment. This estimate assumes the development of new affordable housing is not undercutting the regular housing market. However, since the current private market is very robust, this seems to be a safe assumption.

The third consideration in examining the economic benefits of new affordable housing is the generation of property tax revenue. Although many new affordable housing projects pay taxes at a reduced rate (the residential rate rather than the multi-residential rate paid by private rental buildings), they do pay taxes. The Waterloo study has estimated that the present value of the first 20 years of tax income from the new affordable housing is equal to almost half (46%) of the Region’s total investment. Another way of looking at this is that the real cost to the City of stimulating new affordable housing is only roughly

¹ Pomeroy, Steve: The Region of Waterloo Affordable Housing Strategy: Measuring Community Returns on Investment. November, 2004
half of the apparent cost, and this is not counting the other social benefits affordable housing brings, such as fighting homelessness, contributing to neighbourhood revitalization or easing the burden on other municipal and social services (e.g. shelters, hostels, food-banks, etc.)

**Background Research**

Over the previous five years, there have been a number of studies and reports which have documented in detail the housing needs in London. The Affordable Housing Strategy builds upon their research, analysis and recommendations.

**Housing Demand: Population and Households**

An examination of the affordable housing needs in London should take place within the context of current and projected demographic reality of the City of London.

According to the report “Employment, Population, Housing and Non-Residential Construction Projections, City of London, Ontario” by Clayton Research (November 2003), the City of London experienced steady economic and population growth from 1981 to 2001 and that the economic and population growth in London is to continue over the next 30 years.

The report states that the 2001 population of London was 336,530 and that there were 137,760 households in the city at that time. The population is projected to increase by 105,000 by 2031 (a 31.2% increase) while the number of households is expected to increase by 55,200 (a 40.1% increase) over the same period. This higher growth rate in households is due to the gradually declining number of persons per household over the 30-year period (impacted by the declining number of children per household and by the increasing number of seniors which are typically made up of one or two persons).

This pattern of declining number of persons per household should lead to an increased demand for one bedroom, and to a lesser extent two bedroom, residential units.

The following table shows the projected increase in both population and households in London over the next 30 years according to the Clayton study.

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2011</th>
<th>2021</th>
<th>2031</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>336,530</td>
<td>374,200</td>
<td>409,700</td>
<td>441,200</td>
</tr>
<tr>
<td>Households</td>
<td>137,760</td>
<td>158,710</td>
<td>178,160</td>
<td>192,810</td>
</tr>
</tbody>
</table>

The above table shows that over a 30-year period (from 2001 to 2031) 1,835 additional households, on average, will need a place to live every year.

It is logical that a portion of the additional population will need lower priced, affordable housing. And it is economically important to London’s continued economic growth that affordable housing be available to meet the needs of the moderate-wage households employed in the expanding service sector and arts sector. This need for affordable housing for a portion of the growing population of London will be in addition to the affordable housing needs which currently exist in the City of London.
The Rental Market

The existing rental housing market can be viewed through a number of measures, as set out below.

In 2001, according to the Community Profile for the City of London on Statistics Canada’s web-site, there were 56,250 renter households in the City of London (40.8% of all households). London is one of only three cities in Ontario (Toronto and Kingston being the other two) where tenants represent more than 40% of all households. The following data highlights both the current market for rental housing and some of the housing needs and challenges faced by a portion of tenant households.

CMHC Rental Market Report

The most recent CMHC rental market report, based on the October 2004 rental market survey, indicates there is a greater availability of rental apartments in the City of London than during the tight rental markets of two and three years ago. However, even with the increase in vacancy rates, rents continue to increase by about the rate of inflation. London’s situation is similar to that of many of Ontario’s larger cities.

Vacancy Rates

The average rental vacancy rate in the City of London in October 2004 was 3.7%, up significantly from the 2.0% rental vacancy rate in October 2003. There was a particularly large increase in vacancy rates for two-bedroom apartments (to 4.6% from 2.0% in 2003). The vacancy rate was 2.4% for one-bedroom apartments in London, and 3.1% for bachelor apartments. Both rates are lower than the overall vacancy rate for the city.

A 3.0% vacancy rate is considered a balanced rental market.

The CMHC rental report notes that the recent increase in the rental vacancy rate in London is due in part to the recent increase in the number of new rental apartment buildings in London. In 2004, five rental buildings, containing a total of 830 units, were completed. Four of the five developments were luxury buildings, and the fifth contains 137 apartments for students.

This production far surpassed the average of 143 rental units created per year from 1995 to 2003. The 2004 volume of production is comparable to the average of 816 rental units completed annually between 1990 and 1994 as well as the 969 rental units completed annually between 1985 and 1989. It should be noted that completion figures for the decade 1985 to 1994 include a significant number of assisted rental units which had rents which were set either at the market average or had ongoing rent-geared-to-income subsidies available to make them affordable for low-income residents.

The CMHC rental report notes that the forecast rental housing completions for 2005 will also be significant (641 units) and that 133 of these units will be affordable, as they are being created through the emerging affordable housing financial assistance programs.
Average Rents

The average monthly rents recorded for the CMHC survey for the London CMA (Census Metropolitan Area) over the past six years are as follows:

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>% change 99-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor</td>
<td>$408</td>
<td>$416</td>
<td>$433</td>
<td>$440</td>
<td>$458</td>
<td>$471</td>
<td>15.4</td>
</tr>
<tr>
<td>1 bdrm</td>
<td>$520</td>
<td>$530</td>
<td>$547</td>
<td>$566</td>
<td>$586</td>
<td>$602</td>
<td>15.8</td>
</tr>
<tr>
<td>2 bdrm</td>
<td>$639</td>
<td>$657</td>
<td>$683</td>
<td>$705</td>
<td>$736</td>
<td>$758</td>
<td>18.6</td>
</tr>
<tr>
<td>3 bdrm apt</td>
<td>$790</td>
<td>$815</td>
<td>$852</td>
<td>$900</td>
<td>$934</td>
<td>$945</td>
<td>19.6</td>
</tr>
<tr>
<td>3 bdrm townhouse</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$829</td>
<td>$849</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Note: The figures for the average 3-bedroom rent may be skewed by the renting of 3-bedroom apartments by students on a shared basis.

Average rents increased between 15.4 and 19.6% over the past five years (an average of between 2.9% and 3.6%, depending on unit size). These increases are slightly higher than the overall inflation rate, as the Consumer Price Index increased by 14.1% over the same period. The average increases in rents are significant, however, when compared to the 0% increase in social assistance rates – including both Ontario Works and the Ontario Disability Support Plan – over the same period. (Social assistance rates in Ontario, after being reduced by 22% in 1995, did not increase at all between 1995 and 2004. The first recent increase was 3% in 2005). The 15 – 20% rent increases of the previous five years were also significantly larger than the 4.4% increase in minimum wage rate in Ontario between 1999 and 2004. The general minimum wage in Ontario did not increase from January 1995 ($6.85 per hour) until February 2004 ($7.15 per hour).

Loss of Rental Housing

One further rental market statistic to note is the loss of existing units from the rental market. Figures from the recently released report "Where’s Home? 2005" by the Ontario Non-Profit Housing Association and the Co-operative Housing Federation of Canada show that between 1994 and 2004 the London Census Metropolitan Area (CMA) lost 2,450 rental units. This represents a loss of 5.5% of the 44,810 rental units in the CMA. Data was not available as to whether the rental housing was converted to another use such as condominiums, or demolished. Data was also not available to indicate the relative affordability of the rental units lost over the previous 10 years in London.

Waiting Lists

Another way of measuring the need for affordable rental housing in London is to look at the waiting list for subsidized rental housing. The list contains low-income individuals and families seeking to reduce their housing costs to 30% of their income by obtaining either RGI subsidy and accommodation in public, non-profit, or co-operative housing or a rent supplement to make affordable a unit in the private rental market.

As of May 2005, according to information provided by staff of the City of London’s Housing Access Centre, there were 3,993 households on the waiting list for financially assisted housing in London.
The breakdown of households on the Housing Access Centre Waiting list is as follows:

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>1,954</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>917</td>
</tr>
<tr>
<td>3 bedroom</td>
<td>695</td>
</tr>
<tr>
<td>4 bedroom</td>
<td>297</td>
</tr>
<tr>
<td>5 bedroom</td>
<td>124</td>
</tr>
</tbody>
</table>

There is no separate category for those requesting bachelor units. Many of the households requesting one-bedroom apartments do, in fact, move into bachelor apartments. In 2004, there were 116 bachelor apartments filled through the Housing Access Centre.

It should be noted that about half of the waiting list households (1,954) requested one-bedroom apartments. This data clearly indicates that the new affordable housing to be created, if it is trying to meet the need of households on the London waiting lists, should have a focus on creating smaller apartments – especially one-bedroom apartments.

It is also worth noting that only about 8% of the households on the waiting list are seniors, with the remaining 92% almost evenly divided between single-person households and families.

Information regarding the sources of income of households on the Housing Access Centre's waiting list also provides guidance when trying to set rents which would be considered affordable. The Housing Access Centre tracks sources of income for all of the households on the waiting list. According to information provided by Housing Access Centre staff, 34% of the waiting list applicants receive their income from Ontario Works, with 17% receiving their income through employment (either full or part-time), and 12% receiving their income from the Ontario Disability Support Program. The rent levels for the three largest “groups” of waiting list applicants must be very modest in order to be considered affordable for these types of households. The remaining households on the waiting list receive their primary income through Canadian Pension Plan, Employment Insurance, spousal support payments, self-employment and other sources.

For example, a single person receiving Ontario Works is given a maximum of $335 per month to pay for rent. This amount is barely half the amount of the average monthly rent for a one-bedroom apartment in London. It is even $136 below the average rent for a bachelor apartment.

Similarly, a single person receiving the Ontario Disability Assistance Program (ODSP) benefits is only given a maximum of $427 per month to pay for rent. If the actual rent is higher, he or she must use up part of the income designated for other basics such as food and clothing.

A person working full time at the current minimum wage of $7.45 per hour would only be able to afford a rent of $357 per month, assuming 30% of their gross income is spent on rent.
At the beginning of 2005, **87% of all of the households on the Access Centre’s waiting list had an income below $20,000 per year.** To meet the affordability criterion of spending no more than 30% of income on shelter, they should be paying rents of less than $500 per month (in many cases, much less than $500). This means that the current Federal/Provincial affordable housing program, which has an affordability target equal to the average market rents – in London $602 per month for a one-bedroom apartment and $758 for a two-bedroom apartment – is not designed to be affordable for households on the assisted housing waiting list. Note: the housing currently being developed under the pilot phase of the Community Rental Housing Program has been able to access some previously announced “rent-geared-to-income” subsidy funds. Without this additional assistance, households from the Housing Access Centre’s waiting list cannot “afford” to move in the new housing being developed under the new Federal/Provincial agreement.

It is also worth noting that the households on the Housing Access Centre’s waiting list do not represent a complete picture of the affordable housing needs in London. There are other affordable housing providers – such as certain supportive housing providers and housing co-ops funded under certain federal government co-op programs and the 1970s and 1980s – which are not required to fill their rent geared to income units through the housing access centre. They may have households on their own waiting lists for lower rent housing which do not appear on the Housing Access Centre’s waiting list.

There are also many households who need RGI subsidy but are discouraged by the long waiting times for housing linked to this subsidy – a wait of three to six years is typical – and therefore do not bother to apply to the Housing Access Centre. And the assessment of need should also note that there are many individuals in need who do not have the capacity to complete the documentation or don’t stick with the process of applying for ODSP. They sometimes “fall off the map” and end up being homeless. The City of London, due to its mental health facilities, is a treatment centre for communities outside of the City. Upon discharge, many of these individuals remain in London.

**Quality of Life in London**

The need for more affordable housing in the City of London has been further set out by a series of fact sheets highlighting the Quality of Life in London, as coordinated by the Federation of Canadian Municipalities and the Social Research and Planning Division of the Department of Community Services of the City of London. The “Income Shelter and Necessities Fact Sheet” issued in November, 2004 highlights key housing need statistics.

The report notes that 45.1% of all renter households in London had an affordability problem in that they were paying more than 30% of their income on rent. **This represents over 25,000 households in London with a housing affordability problem.**

There are particular groups of Londoners which experience higher than average affordability problems. For example, in 2004:

- **55% of all single persons were spending more than 30% of their income on rent** (it is worth noting that the average annual income of Londoners in the lowest 25 per cent of all income was only $11,300, thus explaining why they are very likely to have a housing affordability problem);
• 47% of aboriginal households were spending more than 30% of their income on rent;
• 55% of lone-parent families were spending more than 30% of their income on rent; and
• 66% of single seniors were spending more than 30% of their income on rent.

The Quality of Life report also notes that in London, 22.7% of all renter households spent more than 50% of their income on rent (up from 16.1% in 1991). The figure for London is higher than the national average of 19.5%. A household spending more than 50% of income on rent is considered to have an increased risk of homelessness.

The report notes particular groups of Londoners which are more likely to be spending 50% or more of their income on rent. For example:

• 28.3% of all single persons were spending more than 50% of their income on rent;
• 28.2% of aboriginal households were spending more than 50% of their income on rent;
• 31.4% of lone-parent families were spending more than 50% of their income on rent; and
• 22.7% of single seniors were spending more than 50% of their income on rent.

These households at significant risk of homelessness show the need for affordable housing assistance not only because of the possible negative impact on their lives, but also because of the potential impact on public finances. If a portion of these vulnerable households is evicted due to rent arrears and end up in shelters or using other support services, there is significant expense to these publicly funded services.

**Stakeholders’ Views of Housing Needs**

The Londoners interviewed for this document also wanted any newly created affordable housing to be appropriate. By this they meant the quality of construction/renovation should be good, so that the buildings will not require excessive maintenance or upgrading as they age. Also, the units should have a size and design appropriate for the people who will live there. This acknowledges that many of the households on the Housing Access list are either families with children or people who require modified units so that they can live independently.

The stakeholders interviewed for this report also believe that affordable housing should promote income mixing. Most of the public housing in Ontario, built before 1975, was intended for low-income households who needed a subsidy. By the early seventies, this approach to housing had many critics, so social housing programs since then have encouraged both income-mixing within each development and the placing of social housing alongside buildings with other tenure types, such as condominiums or freehold houses. A well-known example of the contrast between the two approaches exists in Toronto. On one hand, Regent Park, a public housing development of over 2,000 units where every household receives subsidy, is widely regarded as a failed approach. On the other hand, the nearby St. Lawrence neighbourhood, which has a variety of social housing buildings geared to a range of incomes mixed among developments with other tenure forms, is a success story. In fact, Regent Park has just begun a decade-long
revitalization that will involve demolishing all of the existing units and replacing them with total of 5,000 RGI, market and affordable units.\(^2\)

The stakeholders also inclined to the view that public investment through affordable housing can promote the revitalization of some older neighbourhoods. Often, it is difficult for neighbourhoods in decline to attract private investment. In such cases, publicly funded housing initiatives can reverse the downward momentum and create a “tipping point” after which neighbourhoods are attractive again because they are enjoying an influx of people and the commercial enterprises that serve them. As the neighbourhood is revitalized, people who do not need a subsidy to live there also move in, helping create a mixed community where households of different incomes live side by side. Such a revitalization process could also help reclaim and redevelop “brownfield” sites that are currently derelict.

In many cases, a mixed-income housing project can reduce the NIMBYism (Not in My Backyard) often experienced by proponents of social housing. This is another reason why many providers prefer this approach. One exception, however, is supportive housing. A number of key stakeholders pointed out that the delivery of support services can be more cost-effective when the users of those services live near each other. In that case, it makes sense to develop a building that is not only 100% rent-geared-to-income (RGI), but also specifically geared to people with similar support needs. Such developments tend to be relatively small, both in an effort to avoid NIMBYism but also to avoid the internal strains would arise if a large number of people with especially stressful lives were forced to live together.

**Recommendation #2**

*Future proposal calls/initiatives for creating new affordable rental housing initiatives should give priority to housing which proposes rents which are affordable to a mixture of low-income (i.e. on the Housing Access Centre’s waiting list) and moderate-income households. On average, a ratio of at least 50% low income households below the income cut off of the centralized waiting list is a reasonable target. An exception should be made to allow a higher proportion of low-income rental units for smaller scale housing with supports. There continues to be a requirement for additional rent supplement allocations from the Province to make the program feasible for high need households on the centralized waiting list.*

**Making Progress on Affordable Housing**

Over the past five years, a number of positive initiatives have begun to help meet the affordable housing needs in London.

\(^2\) In fact, there has been no rigorous study to prove the perception that income-mixing is a better approach to housing low-income people. On the other hand, anecdotal evidence and popular perception certainly lean to that view.
London’s Affordable Housing Task Force

In 2000, the City of London issued the Affordable Housing Task Force Report. The establishment of this task force in 1999 was both a recognition of the emerging housing affordability issues in London and an anticipation of the forthcoming downloading of responsibility for the administration of social housing to the municipal level of government which occurred in 2002.

The Task Force report provided a detailed analysis of the housing needs in London in 1999 and made a number of recommendations. The key recommendations to the City were:

- adopt a housing-first policy for government land
- create a capital fund to support the creation of new affordable housing
- waive municipal permit fees and charges for new affordable housing
- support and facilitate the creation of “non-traditional” types of affordable housing such as supportive housing and affordable ownership initiatives
- promote affordable housing through such measures as zoning, regulatory and financial incentives for conversion of commercial space to apartments, property tax reductions and reduced parking requirements and unit size minimums
- advocate for federal and provincial program funding for additional affordable housing
- provide municipal financial assistance for new affordable housing on an annual basis
- create an ongoing coordinating group to maintain focus on affordable housing initiatives
- allocate additional staff resources focused on the provision of affordable housing

As seen in the section below on Recent Housing Initiatives, most of these recommendations have moved forward, at least in part.

**Community Plan For Homelessness in London**

The Community Plan for Homelessness in London, produced on behalf of the London Homeless Coalition, examined both the state of reactive emergency responses to homeless and proactive responses to those who are homeless or at risk of homelessness.

The 2004 updating of the original 2001 Plan shows progress in services and supports for many homeless persons in London and for those at risk of homelessness:

- an increase in emergency shelter beds, including “crash beds” for women experiencing mental illness
- homeless prevention and shelter diversion initiatives
- specific activities to meet the concerns of organizations that serve aboriginal peoples, activities serving homeless youth
- new partnerships and increased private sector involvement

Many of these initiatives have come about as a result of the federal government’s SCPI program. The success of the relatively small amount of dollars in leveraging positive initiatives to combat homelessness highlights the need for ongoing action and points to
the potential for well targeted spending and well thought-out programs to be very effective.

The 2004 Plan notes the City of London still needs more shelters for specific types of clients and street level supports; support service agencies may then be able to concentrate on shelter-avoidance solutions. Support service agencies also require additional workers to help people make the transition from shelters to stable housing.

The key to overcoming homelessness is more transitional, affordable and supportive housing. In other words, housing, not shelters or other stop-gap measures. There is a particular need for transitional/supportive housing for persons with mental health challenges – a large need in the community due to the presence of two large regional psychiatric facilities within 50 kilometres of each other in London and St. Thomas – for aboriginal peoples, for refugees, and for second stage housing for women with children. The placement of such housing is often controversial, so there needs to be a comprehensive plan to promote community acceptance and to build understanding of the vital role of transitional and supportive housing combating homelessness.

The report notes a very successful community awareness program called SHOE (Surviving Homelessness on Empty). Many members of City Council participated in “back alley” tours and visited organizations that provide services to people who are homeless or at risk of being homeless. In addition, a soup-and-sandwich lunch series at Market Lane helped to raise awareness of homelessness issues. It is a continuing goal of the London Homeless Coalition to have council members, local businesses and labour groups involved in its activities. Public and media awareness of homelessness and housing needs continue to be an important part of building community support for housing initiatives.

The report called for a strategy of “find, get, keep” to develop initiatives that will help people find and maintain their housing. It also pointed out the need for advocacy with landlords and housing providers to help keep at-risk persons housed. For a number of low-income households, it is crucial to provide support services in order to maintain their housing.

**Federation of Canadian Municipalities Housing**

In 2004 the Federation of Canadian Municipalities (FCM) released a report “Moving Forward: Refining the FCM Recommendations for a National Affordable Housing Strategy.” This report provided a number of recommendations to the federal government in order to help improve the emerging federal government affordable housing initiatives particularly the Federal/Provincial/Territorial (FPT) capital-funding program. The report also called for a number of supportive actions to be taken.

**Recommendations**

A. FCM recommends that the maximum federal grant level be raised to $50,000 and the provincial/territorial cost sharing requirement be more flexible, as it was under the 1986 Global Agreement on Social Housing in which a minimal share of 25% (of the total grant) was required with options to increase the provincial share to higher levels.
B. Greater use of rent supplements, in combination with capital grants, is also recommended.

C. Implement a four-point strategy (which has been endorsed by London City Council) that includes both supply and demand side initiatives. As the recent past has clearly demonstrated, neither approach is sufficient by itself.

1. Expand the supply of affordable housing with refinements to the FPT program to target to working poor income levels and to create a specific target allocation to address non-reserve Aboriginal housing need.

2. Preserve the existing affordable stock through rehabilitation of existing private and social housing units as well as assisted acquisition of existing privately owned units by non-profit operators to enhance long-term affordability.

3. Directly address affordability problems by addressing deficiencies in the shelter components of provincial income assistance programs and by creating a new shelter allowance program for working poor renters.

4. Encourage expansion of market rental housing through reform of the tax treatment of rental investment and equalize tax treatment of donations of land for affordable housing with the treatment provided for land donated to environmental trusts.

Supportive Actions

The following specifically strategies are recommended:

Look more to the existing stock

This can be pursued both through acquisition of existing rental properties (a strategy that historically has been effective in Quebec as a way to shift ownership of rental properties from the private sector into the non-profit community sector and thereby preserve long term affordability), and by encouraging lower cost options such as secondary suites and apartments in homes.

Explore and promote the concept of well-designed small-unit developments

One way to meet the housing needs of low-income urban singles is to promote a hybrid of standard bachelor units and single room occupancy (SRO) units. These would have lower costs due to small floor area (roughly 60% of standard bachelor units) but are self-contained (kitchenette and bathroom), and thus more livable than SRO type units.

Further exploring the option of a national affordable housing foundation

A foundation or national trust fund would help to expand existing funding sources as a permanent funding vehicle to support municipal and local initiatives, to seek further philanthropic and government contributions and to invest in preserving and expanding the supply of affordable housing. Such a foundation would augment and complement the F/P/T affordable housing framework.
Invest in expanding local capacity and expertise as the primary delivery vehicle for targeted initiatives.

Rather than expanding federal and provincial bureaucracies and branch offices, there should be investment to rebuild and to expand the skills and expertise of local delivery networks as well as to ensure that municipal governments do not carry an inequitable burden in the form of administrative and overhead delivery costs.

Adapt and utilize either the FPT Program or the RRAP program to facilitate preservation of existing relatively affordable housing.

This involves grant funding to enable non-profit groups to purchase existing properties and over time replace market tenants with lower income targeted tenants.

Integrate emerging energy efficiency initiatives with affordable housing

Improving long term sustainability and improved operating efficiencies of affordable housing can be achieved by integrating and targeting rehabilitation investment (such as RRAP), infrastructure investment and energy initiatives.

Maximize the use and investment of the private sector

Given the volume of new rental housing required to meet population and household growth it is important that governments work in collaboration with private developers. Affordable housing strategies alone cannot produce the total volume of units required both to meet demands and to ensure a balanced market.

Recent Housing Initiatives in the City of London

Building upon the recommendations of the Affordable Housing Task Force and other ideas coming from the community, the City of London has undertaken the following initiatives over the past five years:

- established a housing reserve fund to support the creation of the new affordable housing. In each of the past few years, $2 million per year has been contributed to this fund
- issued two proposal calls for capital grants (forgivable secured loans) of up to $15,000 per new unit created
- established a community improvement area in the Old East Village neighbourhood (the second in the City). This designation supports the development of new affordable rental housing (as well as other residential developments) in the neighbourhood, and in the downtown London neighbourhood, by eliminating parking requirements, providing greater flexibility on zoning rules, and waiving city development charges.
- provided grants for new affordable housing outside of the community improvement areas to offset the costs of municipal building permit fees sand City and school board development charges
- developed a pilot local convert-to-rent program
- retained a consultant to support the ongoing creation of new affordable housing initiatives
The community improvement benefits in the City of London’s downtown and old east village neighbourhoods, in addition to the benefits above, also provide additional potential benefits for affordable housing proponents (as well as other new residential developments) through:

- The Upgrade to Building Code Renovation Loan program (an interest-free repayable loan of up to $50,000 for owners of older building)
- The Façade Improvement Loan program to improve the front of buildings (an interest free repayable loan of up to $25,000)
- The Tax Grant Incentive Program, which results in a reduction in the property tax increases that would otherwise result from an increase in the property tax assessment resulting from a new or upgraded building

These activities, combined with federal and provincial government initiatives, have resulted in the development of the following new affordable housing:

- Homes Unlimited Non-Profit: 90 new apartment units currently under construction
- London Affordable Housing Foundation: 14 new townhomes under construction
- 129 Dundas Developments Inc. – 25 apartment units under development
- Chai-el Holdings – 6 units (conversion) under development
- 2055217 Ontario Limited – 4 units (conversion) under development
- Salvation Army – 93 transitional units (completed)
- Mission Services – 19 transitional units (completed)

Total units supported through City of London/Federal/Provincial program – **251 units**

Previously, in 1999, the City of London implemented a one time “Adelaide Street Home Ownership” initiative where the city sold five homes, previously acquired for a road widening which did not materialize, to moderate income households.

**Pilot Program for New Housing**

The amount of combined capital funding provided to support the creation of the new apartments and townhouses has averaged $42,000 per unit, typically $27,000 from the federal government, $15,000 from the City of London and only $4,000 (originally $2,000) from the Provincial government.

This figure does not include the additional value of waived/offset development charges, building permit fees and parkland dedication fees as well as grants to effectively reduce the multi-residential property taxes to the lower single family residential property tax rates. The value of these additional incentives provided by the City of London average $13,343 per unit. **Therefore the total incentives provided by the City of London for the initial pilot program units are over $28,000 per unit, more than the federal government contribution and much larger than the modest $4,000 per unit in provincial assistance.**

It should also be noted the significant contribution made by sponsoring organizations in the development of new affordable housing. For example, in the development of its 14 unit townhouse, the London Affordable Housing Foundation has raised $410,000 as its contribution to the project. Homes Unlimited, in developing its new 90 unit project, contributed $700,000 in equity. These community based contributions show both the ability of the City’s housing contributions to leverage other funds towards the creation of new housing construction (and construction jobs) but also illustrates the substantial
interest from members of the community to directly contribute to the creation of new affordable housing.

While the City of London should continue to provide significant financial contributions to the creation of affordable housing, it should not financially sustain as high a level of contribution on all housing initiatives. The financial support of the City for the creation of new affordable housing must be shared with the federal and provincial governments. The targeting of the City’s financial incentives to leverage federal and provincial funding is set out in the “Financial Support from the City of London” section of this report.

The total cost of developing and building a new rental apartment, of course, is much larger than the financial incentives provided by governments. The “all-in” costs can range from $120,000 to $130,000 per apartment or nearly $140,000 per unit for a townhouse appropriate for a family with children. With approximately $55,000 per unit in government assistance, the balance of the cost for the Pilot projects under development in London have been additionally supported through a combination of community fundraising (in one instance contributing more than $25,000 per unit), private equity and the provision of a mortgage (which needs to be modest to make the rents “affordable” or at least set at average market rents for the City).

A simplified version for a $125,000 new apartment would be as follows:

<table>
<thead>
<tr>
<th>Cost of unit</th>
<th>$125,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government financial assistance</td>
<td>$60,000</td>
</tr>
<tr>
<td>Equity/fundraising</td>
<td>$25,000</td>
</tr>
<tr>
<td>Mortgage</td>
<td>$40,000</td>
</tr>
</tbody>
</table>

**Sources of Funds**

(Total Capital Cost =

![Pie chart showing sources of funds](chart.png)

- Government Financial Assistance: 48%
- Mortgage: 32%
- Equity/fundraising: 20%
- Government Financial Assistance: 48%
- Mortgage: 32%
- Equity/fundraising: 20%
The relatively low share of the cost assumed by a mortgage is due to the effort to make the rents affordable. An average rent of $650 (assuming two thirds of the apartments are one-bedroom apartments renting $600 per month and one third are two-bedroom apartments renting at $750 per month) minus an operating cost of $400 (including utilities and capital reserve contribution) leaves only $250 per month for mortgage payments.

Mortgage expense $250 per month (25-year amortization at 5.5%)

Operating costs
(taxes, utilities, capital reserves property management etc.) $400 per month

Break-even rent $650 per month

As mentioned earlier, some of these new projects have been able to access existing sources of ongoing rent supplement or RGI assistance so that low-income clients from the City’s waiting list could afford the rents. If there are no RGI subsidies, the rent levels have been generally set at the average market rent for the City. If there were total capital subsidies available of $85,000 - $95,000 per unit, this could lower the rents to a level of $425 per month, the approximate amount of the shelter payment afforded a single person receiving ODSP.
While modest progress is being made in creating new affordable housing, there have been a variety of policy and administrative barriers which have hampered the delivery of this new affordable housing

1. The capital subsidies have allowed projects to break even while charging average market rents, but people who cannot even afford the average rents need Rent Supplement funding from another source to make this housing affordable for them.

2. The formula for flowing federal/provincial capital funding – essentially, no money before a building permit is issued – has made it nearly impossible for non-profit groups (with the exception of those who bring significant equity to a project) to acquire land and pay for the necessary soft costs (architect and engineering fees, etc.) before construction can begin.

3. The administrative processing of documents at the Provincial level of government has added significant delays and therefore added to the costs of construction for this new affordable housing.

4. The uncertainty of timelines and the evolving program requirements of the pilot program over the past two years have made it very hard for developers and municipalities to prepare for proposal calls for new affordable housing on a predictable basis.

5. CMHC has improved its mortgage insurance product by eliminating costly mortgage insurance premiums for new affordable housing. There is the need, however, to have CMHC flow mortgage funds once a building permit is issued and as construction costs accrue.

Convert to Rent

In addition to the 251 units noted above, 14 apartments are under development with the joint support of the City’s Convert to Rent (CTR) pilot program and funding through the federal government’s Residential Rehabilitation Assistance Program (RRAP). The combined capital funding for these CTRs has averaged $20,000 per unit to create apartments which rent at no more than the average rent levels for the City of London. The partnership between the City and the Old East Village BIA has provided positive outreach to area property owners and has increased the level of interest in the new affordable housing initiatives. (In a similar fashion, good co-operation between housing staff and Mainstreets London has resulted in a high degree of interest among downtown property owners in creating new affordable housing).

While the program design of London's Convert to Rent pilot program allowed only funding to convert commercial space to rental apartments, there is the potential for a similar initiative to upgrade some sub-standard apartments in the central areas, bring them fully up to property standards/building code and perhaps cover energy-efficiency and accessibility improvements, while still ensuring the rents are affordable. The Federal RRAP program has two small components, entitled RRAP Rental and RRAP Rooming House, whose purpose is precisely to bring sub-standard rental apartments and rooming houses up to building code/property standards. Expanding the terms of reference of the City’s CTR program to align it with RRAP would be a simple and very effective improvement.

The issue of co-ordination between the programs of different levels of government has arisen in the Convert to Rent initiative. The differing processing of the City’s CTR
initiative and the RRAP proposal can cause uncertainty for developers who received City money and RRAP funding. For example, three separate inspections (City building, fire and CMHC) of the units were conducted. In addition, CMHC inspections were two months later than the City inspections resulting in a slower approval process than anticipated. There is the need for better co-ordination between the Federal and City initiatives.

In general, London RRAP applicants must compete with those from other cities in Ontario for funding. While Hamilton and Toronto, for example, each receive specific amount of RRAP funds, most other municipalities in Ontario are part of an Ontario-wide RRAP proposal call. In Hamilton and Toronto RRAP, applications are reviewed by city staff who will have a strong understanding of the proponents and the proposals in their city.

Recommendation #3
The federal government should continue to fund the RRAP program in future years, and the number of units funded by the conversion and rental upgrade portion of the program should be increased.

Recommendation #4
The eligibility criteria of London’s Convert-to-Rent initiative should be expanded to allow renovations of substandard apartments in the community improvement areas in order to bring them to standard, improve their energy efficiency, improve accessibility for persons with disabilities and permit rents which are affordable. Convert-to-Rent should be done in conjunction with the Canada Mortgage & Housing Corporation (CMHC) Residential Rehabilitation Assistance Program (RRAP).

Recommendation #5
The federal government should give a specific RRAP unit or dollar allocation to the City of London so that the amount of RRAP funding available for London is known each year. The City of London should discuss with CMHC the possibility of the City being the local delivery agent for at least some portion of the RRAP programs to ensure co-ordination with the City’s Convert To Rent and other housing initiatives.

Recommendation #6
The City should continue to provide funding for the Convert to Rent Initiative for a combined total of government capital funding to a maximum of $24,000 per unit. The Convert to Rent Initiative should continue to give priority to smaller scale (six units or less) applications from the two community improvement areas. Priority should also be given to applications which will offer rent below the CMHC average rent levels. If the proposals are for seven or more units, the CTR should also piggyback on the new Canada-Ontario Affordable Housing Program (AHP) given the inclusion of conversions and rehabs in the new AHP.
Recommendation #7

In order to move new housing proposals forward, the City of London should issue a Convert to Rent proposal call (with the expanded eligibility of renovating existing units up to current standards) in 2006 with a target of up to 50 new units of affordable housing to be created. The City should position the proposal call so that Federal/Provincial affordable housing funds can be accessed (leveraging senior government funds to create a larger number of affordable units), as the F/P funds come available during the proposal call time period. The City of London should look for every opportunity through added incentives as necessary for target areas.

Review of Housing Initiatives in Other Ontario Municipalities

The actions of the City of London make it one of only 13 Ontario municipalities (out of the 47 municipal service manager areas) who have undertaken financial expenditures to support the creation of new affordable housing.

The following represents a snapshot of some initiatives in other municipalities to promote the creation of new affordable housing. While many of these municipalities have taken initiatives similar to London’s, there are also some innovative policies/programs which London could give consideration to adopting (with appropriate local modifications).

A. City of Hamilton

The City of Hamilton, with a population about 30% larger than City of London, has a number of affordable housing initiatives under the umbrella of the Hamilton Affordable Housing Partnership Initiative (HAHPI) which was passed by Hamilton City Council in 2002.

The initiatives have included:

- capital grants ranging from $5,000 to $7,300 per new rental unit have been allocated to four new affordable rental housing projects, with over 150 units. Currently $1.5 million has been set aside for capital funding by the City of Hamilton.
- grants to offset the cost of City Development Charges
- equalizing the property tax rate for all new multi-residential rental buildings with that of the single family tax rate (saving about $60 - $100 per month per apartment in property tax operating costs)
- providing one-time interest free/forgivable loans (Housing Hamilton Innovations Fund) of up to $15,000 each to support the development of community-based affordable housing supply initiatives
- using of government owned land (including land which is part of the public housing stock) for affordable housing developments
- using some of the provincial rent supplement funding to make a portion of the new units affordable to low-income households from the local waiting list.
- an affordable ownership pilot program (HOAP) providing RRAP homeowner funding to help existing social housing tenants to move into ownership housing created through the renovation of inexpensive dilapidated houses in older
neighbourhoods. An educational component complements the financial assistance.

B. City of Ottawa

The City of Ottawa, with a population slightly more than double that of the City of London, has taken a number of affordable housing initiatives over the past four years, including:

- capital grants of up to $25,000 per new rental unit, although the amount of the City’s grants has declined since the Province modified the Community Rental Housing Program in late 2003. The City has had the goal that at least 60% of the units at rents no higher than 70% of average market rents
- grants to offset the cost of City Development Charges
- equalizing the property tax rate for all new multi-residential rental buildings with that of the single family tax rate
- using government owned land for affordable housing developments through public proposal calls
- using a portion of the provincial rent supplement initiative to make a portion of the new units affordable to low income households from the local waiting list.
- an active housing policy statement under its new Official Plan (see section “The Role of Planning in Creating Affordable Housing” for further details)

C. City of Toronto

The City of Toronto was the first Ontario municipality to undertake a significant new affordable housing initiative after the Federal and Provincial governments withdrew from the field in the mid 1990s. The City’s “Let’s Build” initiative co-ordinates the application of a number of financial incentives, including:

- capital grants which have ranged over the previous five years up to $15,000 per unit
- providing loans an interest rate of 1% below prime
- offering a number of City owned pieces of land for long term leases (50 - 99 years) for a nominal fee
- initially lowering the multi-residential rate for all new rental construction and more recently eliminating the municipal property taxes for the first 20 years of a new affordable rental housing project.
- using a portion of the Provincial Rent Supplements in new affordable initiatives

The City of Toronto has also been active in using a portion of its SCPI funds (the federal governments Supporting Community Programs Initiative) to provide one-time capital funding for transitional/supportive housing.

As noted below, SCPI funding for the Cities of Toronto, Ottawa and Hamilton is proportionately many times higher than the funding granted to the City of London and other mid-size urban areas such as Durham, Halton, Niagara, Waterloo and Windsor. A recommendation below calls for a more equitable SCPI funding for London and other mid-size municipalities while keeping the existing funding levels for Toronto, Ottawa and Hamilton.
Housing Connections, an arm of Toronto Community Housing Corporation also administers a number of Rent Supplement Programs. A commercial rent supplement program has been operating since the 1970s. Under this program, Housing Connections contracts with private landlords for the provision of 2,200 units across the City. Housing Connections also administers a pilot program under the “Strong Communities” program, which fills 950 regular units as well as 436 special needs units which receive funding from the Ministries of Health and Long-Term Care and Community and Social Services. Housing Connections operates in partnership with community agencies to fill the special needs units. These units were used to accommodate the residents of the former “tent city” in downtown Toronto, among others.

D. Region of Waterloo

The Region of Waterloo, with a population about 25% larger than City of London, has a number of initiatives to increase the supply of affordable housing. The Region of Waterloo issued its first affordable housing proposal call in the summer of 2000 and its Regional Council passed an affordable housing strategy in the spring of 2001.

The initiatives have included:

- capital grants of up to $15,000 per new rental units (as of the spring of 2005, over $7.8 million in Regional funds have been allocated for capital grants)
- grants to offset the cost of Regional Development Charges (about $4,200 per apartment)
- equalizing the property tax rate for all new multi-residential rental buildings with that of the single family tax rate (saving about $60 - $100 per month per apartment in property tax operating costs)
- two parcels of government owned land used (including one created as a result of a density bonus given to a private sector developer) to contribute to affordable housing developments
- a 140-unit rent supplement initiative funded entirely by the Region of Waterloo, targeted mostly to the new affordable housing
- using a portion of the provincial rent supplement initiative to make some of the new units affordable to low-income households from the local waiting list.
- an affordable ownership pilot program providing one-time capital assistance of $3,000 - $8,000 to existing social housing tenants to move into ownership housing. An educational component complements the financial assistance.

As a result of these various municipal initiatives, combined with the federal and provincial government funds, there are 510 rental units built and occupied in 16 projects, with 99 further units under construction (in 2 buildings) and 160 units (3 buildings) in the design/financing stage. This represents a total of 769 new rental housing units.

The Region of Waterloo, in a proposal call in the spring of 2005, recognizing the lack of new operating RGI subsidies, asked proponents to consider a mixture of units which would have some apartments at average rents and others at rents which would be 30% below average. This approach is similar to the affordability goal set by the City of Ottawa.
Emerging Federal/Provincial Initiatives

Because of a series of policy decisions by senior governments, the City of London, like the other 46 service managers in Ontario, now has the lead role among governments in meeting the local housing need. It is unlikely that senior governments will reverse their policy direction in the near future, so the City should recognize that its leadership role must necessarily result in ongoing expenditures for programs and associated staff costs.

On the other hand, as noted in the City’s affordable housing task force report, while municipal governments are closest to those in need of housing (and therefore can often deliver housing programs most effectively) it is inappropriate for municipal governments (relying mostly on the property tax base for their revenue) to pay the majority of the cost of meeting the need for affordable housing in the community. If London is to make substantial progress in the creation of new affordable housing, the federal and provincial governments must provide significant and ongoing financial support.

As previously noted, the federal and, to a lesser extent, the provincial governments have improved their support for new affordable housing since the London Task Force report in 2000. Also, there have been two major announcements in recent months which could provide significantly improved financial support for new affordable housing.

A) Federal/Provincial Housing Program

On April 29, 2005 the Federal and Ontario governments announced a new Affordable Housing Agreement which pledged to invest $602 million in combined federal/provincial funds by 2009.

The announcement included support for:

- the creation of 15,000 affordable units. These will be targeted to people on, or eligible to be on, a social housing waiting list. Some of this housing will be targeted for victims of domestic violence as well as the creation of supportive housing for persons with mental illness,
- the creation of 5,000 housing allowances to enable low-income households to occupy existing vacant units that they otherwise could not afford.
- an affordable home ownership assistance program for households with low and moderate incomes

The details of the announcement that have emerged so far show the program may be more modest than initially hoped for, especially in creating rental housing for low-income households. The target of 15,000 units province-wide includes a figure of 3,600 already completed or under development under the pilot phase of the Community Rental Housing program. This leaves 11,400 new units to be created. It is not known what portion will be for affordable rental and what portion will be for affordable home ownership.

In the summer of 2005, as this Strategy report is being written, the Provincial government has been embarking upon a program design for the new federal/provincial program. It is very important for the success of the new program to have its delivery and administration as streamlined as possible. One of the residential landlords interviewed...
for this report was interested in developing new affordable housing in London. However, this company feels the need to have certainty on timing on government funding allocations – including one level of government delivering and signing off on the proposals – if it is to participate in the program. Large time delays resulting from different levels of governments giving approvals to new housing proposals would likely add months of delay into the carrying costs of land, etc. and therefore add to the costs of developing the new housing.

The City of London shares the perspective of other municipalities that the Province should take a similar positive stance to that of the federal government: establish a few key criteria (i.e. affordability of rents, period of affordability, ensure a portion is for supportive housing, etc.) and allow the City of London (and other municipalities) to deliver a proposal call in a timely fashion.

It is worth noting that there are currently nine affordable housing proponents located in the City of London which received CMHC SEED funding in March, 2005 to help develop new affordable proposals. Many of these groups will soon be ready with their proposals and could be among those proponents to respond quickly to a future competitive proposal call for the Federal/Provincial funding.

Recommendation #8

The Province of Ontario, in delivering the 2005 - 2009 Affordable Housing Program, should limit its role to setting general policy goals for the use of the federal and provincial housing funds, and give responsibility for the successful delivery of this program to municipal governments. The City of London should actively work with other municipalities to achieve this goal. The Province should move forward quickly in finalizing its program design in order to allow local proposal calls to move forward.

The amount of funding available for the creation of new housing under this initiative has not been determined at this time. However, it appears that the capital funding from the federal government will be significantly higher than the current $25,000 per unit amount from the Pilot program. The amount of the Provincial contribution is also unknown, but it appears that, instead of providing an up-front one-time contribution, the Province may spread out its capital contribution over a 20-year period. There is a risk that this approach will add to the administrative complexity of the funding arrangements of the new housing as well as putting at risk the securing of long term mortgage financing. Therefore it is important to request the Province to agree to bind itself contractually to provide the funding on the original terms without imposing future conditions during the 20-year period.

Recommendation #9

The Province of Ontario provide its capital funding under the next phase of the Federal/Provincial Affordable Housing Program in the form of a one-time payment. Failing that, the Province should agree to a fixed schedule of contributions for the life of the agreement without imposing additional conditions in future so that this form of payment does not have a negative impact (i.e. future uncertainty) on achieving mortgage financing.

While the final figures are not yet known, indications are that the per-unit assistance will be higher than in the pilot program. This could enable a housing provider to charge rents
that are lower than the City average, and therefore more affordable to low-income households. In the absence of RGI or rent supplement funding, future proposal calls by the City of London for new affordable housing should contemplate taking this approach.

Recommendation #10

The Federal/Provincial housing program should provide sufficient capital funding to allow the creators of the new affordable housing to charge rents which are affordable to low-income households on the Housing Access Centre’s waiting list. The housing providers which receive this funding should be required to offer at least 50% of the new units at rents which are no more than 70% of average rents in the City of London or comparable to shelter allowance portion of social assistance payments.

There is further discussion of the housing allowance/rent supplement issues, as well as the affordable home ownership issues in sections below.

B) 2005 Federal Budget

The second significant recent occurrence is the passage of the 2005 federal budget, with a commitment to fund $1.6 billion in new affordable housing initiatives across Canada over the next two years ending March 31, 2007. These federal budget housing funds are to include housing funding for aboriginal Canadians.

In addition, the budget calls for an energy-efficiency retrofit program for low-income housing. No specific amount of funds was allocated for this second initiative.

There is no requirement that the provincial government match the new federal spending.

Given that there is no requirement for matching provincial funding, municipal governments should take on the responsibility for delivering the 2005 federal budget housing programs. To ensure efficient delivery of the program, the Federal government should set a few key policy objectives for the program and encourage the municipal governments to quickly move forward to deliver this program. Given the administrative costs of delivering such a program (which the federal government recognized in the pilot phase of the Federal/Provincial program) it would be reasonable that an administrative fee would be paid to municipalities delivering the program.

Recommendation #11

The federal Government should allocate the delivery of its new affordable housing initiative to the municipal governments. CMHC should promptly convene an advisory group of municipal and housing sector representatives (through FCM, CHFC and ONPHA) to discuss the most efficient delivery mechanism for the new funding.

If the City of London is the delivery agent for this program, a reasonable administrative fee should be provided to offset staff costs.

Aboriginal Housing

As noted in the FCM Quality of Life analysis, a high percentage Londoners of aboriginal ancestry lack housing they can afford. In fact, 41% of all aboriginal households in London had incomes below the Low Income Cut-offs (that is, they are living below the
This rate of poverty for aboriginals is almost four times the rate of households below the LICO for London as a whole (12.6% of all London households).

In London, aboriginal housing needs are particularly great among women with children living in poverty. While crisis intervention funding has helped meet some of the short-term support service needs, there remains a need for both transitional and permanent housing for aboriginal peoples living in London. Preliminary work is being carried out on potential aboriginal housing proposals.

The City of London should put particular emphasis on addressing aboriginal housing needs by looking to participate as fully as possible in the portion of the federal government’s 2006 budget funding to be allocated for aboriginal housing.

While this federal program is being developed from the recently passed budget, City of London housing staff should work closely with native organizations to help move forward and refine aboriginal housing proposals already identified by the First Nations community. This will mean these proposals will have an increased likelihood of being accepted for this forthcoming stream of federal housing funding. This co-ordination could include a possible project pre-development allocation for an aboriginal housing project or possibly facilitating partnerships with other affordable housing proposals which may already be active in the pre-development stage such as those proposals funded through the CMHC SEED program.

Recommendation #12

Staff from the City of London’s Housing Division should work with the aboriginal community to help facilitate the development of new affordable housing proposals. Any new affordable housing proposals should tie in with the Federal Aboriginal Housing Program.

Other Federal/Provincial Housing Initiatives

The Federal government has recently announced extensions to two worthwhile federal initiatives – that of the RRAP program (already discussed above) and the Supporting Community Partnerships Initiative (SCPI). The SCPI funding in London has been an important source of funding for support services for homeless persons and those at risk of homelessness. In addition to the SCPI funds, the Mayor’s Anti-Poverty Action Group initiative helps to fund eviction prevention initiatives such as THAW – The Heat And Warmth Fund.

It is important that federal anti-homelessness initiatives which are a source of funding for support services, for example, must evolve to become ongoing and should be coordinated with potential new supportive housing which could be created under the new federal/provincial affordable housing programs.

The amount of funding providing through the SCPI program was significant for three cities in Ontario – Toronto, Ottawa and Hamilton, while the level of funding for other large cities in Ontario was relatively modest. For example, the City of Hamilton, with a population approximately one third larger than London’s, received $12.9 million in SCPI funds in the most recent three-year period, an amount eight times larger than the $1.5 million London received. The per capita funding for London should be increased.
Recommendation #13
The federal government should continue to fund homelessness initiatives similar to SCPI on an ongoing basis and the amount of funding for homelessness initiatives provided to London should be reviewed by the federal government so that it is similar, on a per capita basis, to Hamilton, Ottawa and Toronto.

Elements of A Housing Strategy for London

Context: Expiry of Existing Social Housing Operating Agreements

The continued affordability and long-term maintenance of the existing social housing is dependant on ongoing operating subsidies provided by the federal government, as well as subsidies previously paid by the government of Ontario but now provided at the local level by the City of London.

Over the next twenty years, many of the operating agreements which oblige the federal government to provide subsidies will expire. Housing providers in the City of London collectively stand to lose a total of $8.7 million of federal funding each year. Without this funding, many of the housing providers will no longer be able to provide below-market rents to their low-income residents, and the long-term maintenance of the housing could be jeopardized. If the government re-commits these funds, a portion of the money could guarantee affordability and livability of the housing stock for the foreseeable future, and the remainder could enable the development of much new affordable housing without increasing current federal spending commitments.

The Canadian Housing and Renewal Association (CHRA) has undertaken an in-depth study of this issue. It has also begun working with FCM and other stakeholders to inform municipalities of the dangers of the withdrawal of federal funds and to lobby for a re-commitment of the money.

Recommendation #14
The City of London work with FCM, CHRA and housing sector organizations to advocate that the federal, provincial and territorial governments continue to support social housing providers funded under pre-1995 operating agreements to the level needed to promote ongoing affordability and livability of this housing stock, even after the expiry of such agreements, and further that these governments agree to re-deploy existing funds no longer needed for the pre-1995 stock into the development of new affordable housing.

Shelter Component of Social Assistance

As noted in the background research section of this report, one of the most effective ways of promoting housing affordability in Ontario (and, not coincidentally, reducing poverty) would be for the Government of Ontario to increase the shelter component of ODSP and OW to the average market rent in each community. As noted in a December 2004 publication from the Ministry of Community and Social Services, 76% of Ontario Disability Support Program beneficiaries are tenants, but only 22% of these ODSP beneficiaries who rent live in subsidized housing. Only 35% of OW recipients live in subsidized housing. An increased supply of new affordable housing with below-market
rents and a housing allowance program will help some OW and ODSP recipients, most will continue to rent in the private, unsubsidized market. London must continue to work with other municipalities to advocate for the key change of increased shelter benefits for social assistance recipients that would make existing housing more affordable.

Recommendation #15
The Province of Ontario should increase the shelter component of social assistance rates to an amount equal to 90% of average rents. The City of London should work with other municipalities to advocate for this key housing program change.

Education/Pre-development

While there are a number of community organizations and some private sector builders very interested in helping create affordable housing in London, the challenge of working with evolving funding programs from three levels of government, obtaining mortgage financing and navigating the municipal development approvals process can be very daunting.

There is a need to provide information and education to potential providers/developers of affordable housing, especially since many of the persons with expertise in developing affordable housing left the field in the mid-1990s after government support for new affordable housing was withdrawn.

The City of London, in cooperation with CMHC and the Ministry of Municipal Affairs and Housing, held a community forum on November 18, 2004 to provide information on creating new affordable housing to interested parties. Similar education work and forums should continue through:

- information on the City of London’s website,
- sponsoring further educational forums
- providing speakers from the City to builders’ forums, service clubs and other non-profit or community organizations which may be interested in helping to create affordable housing.

Recommendation #16

The City should allocate staff time within existing resources to undertake educational work on new affordable housing:

- information on the City of London’s website,
- sponsoring further educational forums
- providing speakers from the City to builders’ forums, service clubs and other non-profit or interested community organizations which may be interested in helping to create affordable housing. These educational activities could be done in partnership with CMHC, the Provincial government, and interested sector organizations. Educational forums should share successes locally as well as from other parts of Canada.

Anything beyond these resources should be considered for future budgets.
Once groups decide to try and rise to the challenge of creating new affordable housing they are faced with the need to acquire expertise to see if a new affordable housing project is even feasible.

While CMHC has the SEED program to financially support some of the pre-development work for emerging affordable housing ideas and proposals, often there may be new, potentially viable proposals which arise between SEED proposal calls (so far occurring every 18 months). The City of London should provide up to $50,000 per year from its housing reserve fund to provide support to new non-profit housing proposals with significant potential. This is similar to support for affordable housing proposals provided by the City of Hamilton and the City of Toronto

Recommendation #17

Should viable affordable housing projects sponsored by non-profit housing organizations emerge in between the federal government’s SEED funding proposal calls, exceptional requests for SEED funding, outside of the annual allocations by the federal government should be considered.

If a project appears to be financially viable and submits a proposal for major capital funding, there is usually a very long wait between the announcement of an allocation and flow of funds under the current federal/provincial program. During this time, the housing proponent is supposed to find funds to buy land (if it is not already the owner), commission full engineering and architectural drawings and go through the municipal approvals process, with its associated costs. These tasks are next to impossible for a non-profit organization unless significant funding is available.

Recommendation #18

Once a non-profit housing proponent is selected for a federal/provincial affordable housing allocation, the Provincial government should allow a portion of the federal/provincial funds be used to secure the land, and cover the necessary soft costs to allow the project to proceed to the building permit stage.

Supportive Housing

As noted in the Community Plan for Homelessness, many residents who need affordable housing also need support services if they are to remain housed.

In London there is a variety of needs for supportive and transitional housing. For example, the local mental health institutions discharge approximately 2,600 people in one year (2002). Of these, it is estimated 200 persons directly ended up staying in London’s shelters or on the streets.

The Affordable Housing Strategy must co-ordinate its efforts with various support initiatives already funded by the federal and provincial governments. The City and community groups must advocate for increased senior government financial resources for support services for vulnerable persons.
The April 29, 2005 announcement of the next phase of the Federal/Provincial Affordable Housing program indicated that supportive housing would be one of the priority areas for funding. This is positive news. However, in past housing programs there was sometimes a lack of co-ordination between funding for housing and funding for support services. Proposal calls for supportive housing should give longer time frames so that housing providers can co-ordinate housing proposals with funding from provincial support service ministries.

The building of new supportive housing (and affordable housing more generally) can offer additional opportunities for the Community Economic Development of low-income households it is meant to house. A positive example of Economic Development is a partnership between Toronto Housing and the Downtown East Economic Development Collective (that is made up of a number of agencies in Toronto's east end) and construction trade unions. The goal is to hire local community members in the redevelopment of Regent Park. Regent Park is a large Toronto community-housing complex, which is being rebuilt.

In the first phase of the redevelopment the local police station was being demolished. Seven community housing residents were hired by the demolition companies or employed through construction unions. In the second phase of the Regent Park redevelopment project they hope to hire up to 16 more people from the local community. As the construction continues to expand they hope to expand the local work force further. Toronto Community Housing has built the local hiring into the RFP process.

As new affordable housing is built in London, the possibility of working with the local homebuilders and construction trades should be explored to provide employment and skills training for low income residents who either live in existing social housing or may be future residents of the new affordable housing.

Recommendation #19

The City should work with its partners in the community to advocate to the Province that proposal calls for the “bricks and mortar” of supportive housing be coordinated with appropriate announcements of ongoing funding for the support services as per the new Canada-Ontario Affordable Housing Program.

Recommendation #20

The City of London should include in its proposal call a request for supportive housing using the capital funding of the federal and provincial governments. This proposal call should be for organizations or private/non-profit partnerships where it can be shown that support service funding is already in place.

Recommendation #21

The City of London staff should encourage and help facilitate partnerships with the London Home Builders’ Association, local construction unions and other community partners to explore the possibility of involving existing social housing residents or potential residents of new affordable housing in the construction of this new housing.
Affordable Home Ownership

Moving to home ownership can offer benefits to some moderate-income rental households, such as allowing the opportunity to build equity. Affordable home ownership initiatives emerging both in a few Ontario municipalities, and a number of cities across Canada show additional community benefits can be achieved as part of an affordable homeownership program:

- Rehabilitating older private housing stock
- Rehabilitee/revitalize existing public housing neighbourhoods through improving the physical state of the housing stock and/or providing a wider mix of incomes into an all RGI neighbourhood
- Freeing up existing social housing stock for needier low income households
- Providing potential construction renovation training for students/apprentices interested in pursuing a career in the construction trades.

The City of London is aware of at least three organizations interested in carrying out affordable housing initiatives in our community – Habitat for Humanity, the London Home Builders’ Association/London and St. Thomas Real Estate Board, and the Old East Village Business Improvement Area. And there is the further potential to consider affordable home ownership for certain London Middlesex Housing Corporation properties. Furthermore, the federal and provincial governments have already announced their support for the affordable ownership initiative by Options for Homes, which operates in several Ontario municipalities.

There are significant issues when considering affordable ownership initiatives;

- How can government assistance for ownership be targeted so that it is directed to households who can’t otherwise afford to buy without this assistance?
- Do there need to be amendments to mortgage insurance rules to promote affordable ownership, or can government assistance be provided in a way that helps low- and moderate-income households to qualify?
- Are there cases where one-time assistance for ownership is more cost-effective for governments than assistance for a rental project that still needs ongoing RGI subsidy to be affordable?
- Should assistance be targeted to households on the Housing Access waiting list? Or would it be better to direct ownership assistance households who either are paying market rent in an existing social housing development or receiving only a shallow subsidy, and so freeing up social housing units for people on the waiting list?
- Research in other jurisdictions shows there often is a need for an education and support program for low-income social housing residents to prepare for homeownership and provide some support for the first few years after the residents move into their homes. The cost of such a program can be significant. (CMHC is currently considering launching a pilot program to evaluate the effectiveness of this kind of approach to supporting low-income households.) Would such a program actually help lower the threshold for ownership to people earning minimum wage or receiving OW (assuming changes are made to the OW rules prohibiting recipients from owning)?
Recommendation #22
The City of London should advocate to the Province of Ontario that at least a portion of the announced affordable homeownership funding should be targeted to ownership initiatives which focus on either neighbourhood revitalization (including public housing communities) or assisting existing social housing residents purchase a home. The Province should also allocate a portion of the funds for the administration of such initiatives.

Recommendation #23
The federal and provincial governments should provide financial support to the development of education programs and potential Individual Development Account programs (IDAs) which help educate and prepare low-income households for the transition to home ownership, including “post-move in” support.

Recommendation #24
The City of London should ask the federal government to transfer the administration of the RRAP ownership program (similar to that currently undertaken by the City of Hamilton) to the City so that this source of funds could be used to renovate older homes which low-income social housing residents could purchase.

Recommendation #25
The City of London continue to work with CMHC and interested parties to ensure that an appropriate mortgage product is developed which can meet the needs of potential purchasers under affordable home ownership initiatives.

As there are no firm details yet from the federal/provincial home ownership initiative, the City of London should be prepared to work with the ownership program once it is announced to ensure Londoners have full access to this financial assistance.

**Government Lands**

Acquiring land for affordable housing is one of the greatest challenges in meeting housing needs, especially for non-profit organizations. In the key stakeholder interviews, London agencies and private sector developers both felt strongly that more needs to be done to access government land for affordable housing purposes. It is also worth noting that a number of other municipalities have policies in place so that surplus land must first be considered for affordable housing before it is allowed to be used for other purposes. In Ottawa and Toronto, these policies have resulted in a number of government sites being made available for affordable housing at nominal cost through either transferring ownership of the land or through long-term leases. In other municipalities such as Hamilton and Waterloo, the surplus land policies are less formal but there have also been government lands identified which have been used for the creation of new affordable housing.

It must be recognized that lands owned by governments are not plentiful, nor are they always suitable for residential development (government land at the base of water towers, or land acquired for a future road widening, for example). In London there has not been a clear policy at any of the three levels of government for identifying appropriate, suitable land for housing purposes, or working through a process of how
governments can give timely consideration to the suitability of government land for new affordable housing.

There are a number of sites which have been discussed by members of the community but it appears they have not been formally considered for use for affordable housing as there is no set process for making government lands available for housing.

The City of London should take a leadership role in the identification of appropriate government lands to be used for affordable housing, including implementing a formal policy that any City land declared surplus must be considered for affordable housing before any other use is considered.

The City should also work with the provincial and federal governments to establish a process to identify government sites which are surplus and therefore could be considered for affordable housing.

On larger government-owned sites where more than one building is appropriate, consideration could be given to ensuring a reasonable portion of the housing – perhaps 30% - could be used for affordable housing, with the balance to be developed as market housing.

Recommendation #26

*Until there has been a increase in affordable housing, the City of London should adopt a policy that any declared surplus land be considered first for affordable housing before any other use is considered. This recommendation would change as we are able to accommodate the pent-up need for affordable housing.*

Recommendation #27

*City of London housing staff should meet with their federal and provincial counterparts to establish a process for identifying and accessing surplus government land which is appropriate for housing purposes. Government land which is identified by community groups or private sector developers as having potential for affordable housing should be reported to City of London staff to include in discussions of land potential with Federal/Provincial officials.*

**London Middlesex Housing Corporation (LMHC) Redevelopment**

In the 1960s and 1970s, the province of Ontario directly developed over 3,200 apartments and townhouses in London. This housing, previously managed by the London-Middlesex Housing Authority and now owned and operated by the London Middlesex Housing Corporation, represents a significant continuing asset in meeting the affordable housing needs of Londoners.

There is, however, some potential to leverage even greater opportunity from this housing.

A number of other municipalities in Ontario are looking to build new affordable housing on housing corporation sites, such as the new 34 unit housing development in Hamilton.
at 557 Queenston Road. In the City of Toronto, the Toronto Community Housing Corporation is in the process of redeveloping some of its public housing sites (Don Mount Court, Regent Park) with the goals of:

- replacing some of the deteriorating 40 - 50 year old structures with new buildings
- improving the physical layout of the housing to improve physical integration into the surrounding community
- adding housing which is not Rent Geared to Income (such as market ownership housing, affordable ownership housing and full market rental housing) in order to produce a greater mix of incomes into those neighbourhoods

The City of London should work closely with the London Middlesex Housing Corporation to explore the possibilities of intensification or redevelopment of specific sites. This work should include whether additional apartments or townhouses could be added to underutilized sites and whether other sites could be more significantly redeveloped, with the possibility of adding affordable ownership housing or average market rental apartments.

Recommendation #28

*City and LMHC staff should meet in 2006 to select likely Housing Corporation sites for further investigation in order to undertake predevelopment work in advance of a potential proposal call for accessing federal/provincial affordable housing capital funds.*

**Housing Allowance/Rent Supplements**

As noted in the analysis of the rental housing market, the City of London has recently experienced an increase in the rental vacancy rate. Discussions with the landlord community have also indicated an interest in offering some of these vacant units to low and moderate income households looking for housing, if there was some financial assistance offered to help those persons pay the rent.

As part of the April 29, 2005 Federal/Provincial announcement, a housing allowance program was unveiled with the goal of funding 5,000 housing allowance or rent supplements across Ontario. The commitment was for the Federal and Provincial governments to provide the funding for this initiative for a five-year period. Program details are uncertain at this time. It is hoped that a housing allowance rent supplement proposal call using the federal/provincial funds will be issued by the end of 2005, although timing remains uncertain. City staff should work closely with the landlord community to communicate that a limited housing allowance program is coming in the near future, and landlords of average rent apartments with vacancies should be giving consideration as to whether they might wish to participate in such a program.

The current **municipally** funded 140-unit Rent Supplement initiative in the Region of Waterloo and the current Rent Supplement initiative being developed in the City of Brantford have both sought to leverage the maximum amount of provincial social assistance funds in targeting their local Rent Supplement funds.
Recommendation #29

The City of London staff should meet with representatives of the London Property Management Association to build interest in, and ask for suggestions regarding, effective delivery of a housing allowance program. An RFP will be issued to the local property management firms within the soon-to-be-released guidelines under the Housing Allowance portion of the new Canada-Ontario Affordable Housing Program.

Recommendation #30

Additional rent supplement units should be requested from the Province. Rent supplement funding could be considered for existing waiting list applicants whose landlord is willing to participate in the Rent Supplement initiative. Extensions of Rent Supplement funding could be reassessed depending on rental market conditions and program funding available at that time.

In 1999 the government of Ontario announced a rent supplement program – currently entitled the Strong Communities Rent Supplement Program. While funding has been announced for a 20-year period, the funds announced by the Province are for a set amount and will not increase to keep up with inflation in rents over the entire term, likely resulting in a decreasing number of people to be assisted by this initiative.

Recommendation #31

The City of London should work with other municipalities in Ontario to call upon the Province to commit to annually increasing the funding for the Strong Communities Rent Supplement Program by the rent guideline in Ontario.

The Role of Planning in Creating Affordable Housing

The City of London is fortunate in having the Housing Division located in the Planning Department. While the past few years have had a focus on overseeing the transfer of the administration of existing social housing from the Province to the City, it is now time to take advantage of the potential synergies within the Planning Department to support the creation of new affordable housing. The timing is additionally opportune as the City of London is embarking on a process of an Official Plan review in 2006.

The last major change to the City of London’s Housing Policies under its Official Plan was carried out over a decade ago when provincial and federal government funding for new affordable housing made it easier to “provide opportunities for an adequate supply of affordable housing.”

The Official Plan Housing Policies of London (section 12.2.2) gives the City the ability, for example, to require area studies and larger residential proposals to include a 30% affordable housing component.

In the previous decade, with the lack of senior government funds and a weakening of the housing policies under the Provincial Planning Act in 1995, there has been little effort made to pursue these options under the Official Plan.
However, since the City’s role in affordable housing has increased over the past few years and the Government of Ontario strengthened the Provincial Housing Policy Statement under the Planning Act on March 1, 2005, it seems appropriate that the City consider greater use of its planning powers to encourage the development of affordable housing.

One such example worth considering is the City of Ottawa’s recently implemented Official Plan, specifically Official Plan amendment #10 which encourages 25% of total units in residential development projects to be affordable housing – specifically 15% affordable to households at no higher than the 30th income percentile, with the remainder of the 25% affordable to those no higher than the 40th percentile. The City of Ottawa permits these targets to be met through alternatives such as density bonus, meeting the requirement on alternative sites, or contributing land to the City.

While the policy is in the early stage, City of Ottawa staff has worked closely with the homebuilding industry and, as a result, some residential developments that incorporate affordable housing are gradually beginning to emerge. The City of Ottawa has also asked the Government of Ontario for clearer powers to require new residential developments to include affordable housing. The cities of Vancouver and Winnipeg, each of which has its own “charter,” currently enjoy this power.

Recommendation #32

The City of London should give careful consideration to strengthening both its rules requiring affordable housing and the enforcement mechanisms of such rules as it undertakes an Official Plan Review in 2006. This process should begin with a thorough consultation with the homebuilding industry and other community groups.

Recommendation #33

The City of London Planning Department should immediately take steps in its approvals process for residential subdivisions to encourage housing developers to work towards meeting the current housing policies of the City of London. The recommendation will be referred to the Official Plan review for consideration. The new Provincial Policy Statement speaks to affordable housing and will be taken into account. Implementation mechanisms must be created with respect to the housing policies.

There are also other planning policies which can be helpful to the creation of affordable housing, such as reduced parking requirements as many low-income households living in central areas of the City with good bus service do not own a car. City planning staff has recognized this through the elimination of residential parking requirements in the downtown core and East London Community improvement area. City planners have also supported minor variances from parking requirements for other centrally located affordable housing proposals.

The City of Kitchener, located within the Region of Waterloo, has a local by-law which allows a much lower parking requirement (one parking space for every six residential units) when the residential unit created is less than 550 square feet. This has been used by a number of affordable housing proponents to avoid the extra costs of unnecessary parking spaces (as expensive as $20,000 per space for underground parking) as well as
allowing some projects to move forward more quickly by avoiding a minor variance application.

Recommendation #34

The City of London should review its parking requirement by-laws for small residential units created in the central areas of London which are well served by public transit. This review should include researching the approaches to parking for affordable housing that other municipalities have brought in, with a view to developing a “best practice” in this area which would, at a minimum, relax the current rules.

One further significant planning issue is that of the regulation of accessory apartments. A number of larger Ontario municipalities now allow a residential dwelling to be duplexed into two self-contained apartments as long as building and fire safety codes are met. Accessory apartments are generally less expensive to create than newly constructed apartments and typically rent at below market rates. Interestingly, the federal government’s RRAP program has introduced a new component in 2005, offering financial assistance to create accessory apartments.

Recommendation #35

The City of London should examine, as part of its Official Plan review, the issue of permitting accessory units as of right when building and fire safety codes are met. There is a history of public issues and concerns with respect to accessory units that will be revisited during the Official Plan review.

Financial Support from the City of London

As stated above, this strategy advocates that the federal and provincial governments should provide the majority of funding for new affordable housing initiatives. However, the City of London must recognize that it has the lead role among governments in meeting the local housing need. Therefore, the City should recognize that its leadership role must necessarily result in ongoing expenditures for programs and associated staff costs.

The City of London has shown leadership through the establishment of an Affordable Housing Reserve Fund which has had contributions of $2 million annually in three of the past four years. The City should make an annual $2 million contribution part of its ongoing budget expenditures in order to fund the various municipal initiatives in this Strategy. The City should use these funds for a variety of programs and creative approaches/pilot programs such as CTR, grants to offset development charges outside of the community improvement areas, the rent supplement initiative and capital grants. This financial commitment should be increased annually by an inflation factor which recognizes the increasing costs of creating new housing.

The City of London should also use its leadership position and the co-ordination of the various federal, provincial and municipal housing initiatives to set a goal to work towards meeting the housing needs in the City.
If the Federal and Provincial government programs move forward with their housing commitments, combined with the City’s housing initiatives, the City should set a goal of creating 1,200 new affordable housing units (or rental units made newly affordable) over the next five year period.

Recommendation #36

*The City of London should make an annual $2 million contribution part of its ongoing budget expenditures in order to fund the various municipal initiatives in this Strategy*

The City contributions are intended to maximize the housing funds which could be leveraged from Federal and Provincial governments in order to achieve the goal of at least 1,200 affordable units by 2010.

Recommendation #37

*The City should set a goal of creating 1,200 new affordable housing units (or rental units made newly affordable) by 2010.*

*The City of London should facilitate the creation of at least 1,200 affordable units over the next five years through an efficient use of municipal, provincial and federal funds, and through the involvement of the private rental sector.*

*The objective of the Affordable Housing Strategy should be to achieve the greatest number of affordable housing units possible within available resources. These units under a variety of programs (Rent Supplement, Conversion, Rehabilitation, New Build Rental, Supportive New Build Rental and Affordable Home Ownership) should be funded using a variety of sources such as:

- City Convert-to-Rent (CTR) + RRAP (federal)
- New F/P program+ City
- 2006 Federal Budget + City

*Any target will be contingent upon senior levels of government continuing to participate in the Affordable Housing Program.*

Taking a leadership position to support the creation of new affordable housing does necessitate additional staffing costs. Professional staff is needed to:

- deliver/administer the emerging housing programs including regular liaising with provincial and federal housing staff,
- provide outreach to potential and actual developers of new affordable housing,
- undertake related planning initiatives.

In other mid-sized municipalities delivering new affordable housing initiatives there are significant staff resources provided by the municipality. For example, in the Region of Waterloo, there is a full time new housing supply initiatives coordinator, half of a manager’s position and a significant portion of a staff lawyer’s position dedicated to new housing initiatives.
In the City of Hamilton, there are the equivalent of almost two full time positions dedicated to new housing initiatives, plus using staff resources from the Finance, Legal and Purchasing divisions. In the City of Peterborough, there is a full time housing initiatives coordinator as well as a portion of a housing manager’s position dedicated to new housing initiatives under way in that city of 75,000. In the Region of York there are the equivalent of two and a half staff positions focused on new housing initiatives.

While the cost of capital programs could be offset in part by an administration fee for delivering senior government programs, a significant portion will, by necessity, come from the City budget. The City should be prepared to fund two ongoing staff positions to deliver the new affordable housing initiatives outlined in this strategy.

Recommendation #38

The City of London should increase its budget for new housing initiatives by the equivalent of two full time staff positions. The funding for these positions should be in addition to the annual housing reserve fund contributions. This funding would be for ongoing administration funding because the City of London will not own the projects. There are no resources identified in the 2006 budget. Administration will report at mid-year with recommendations on staffing as it relates to the Canada-Ontario Affordable Housing Program. At that time we will determine our budget position or make a request in the 2007 budget.

The City of London work with other municipalities to advocate that the Federal and Provincial governments provide municipalities with an administration fee to offset the cost of delivering senior government funded affordable housing programs.
Appendix A

Members of the City of London Affordable Housing Strategy Reference Group which provided direction and input into the creation of this Affordable Housing Strategy:

Louise Stevens – Director of Housing
Neil Watson – City of London Housing Development Consultant
Susan Eagle – City Councillor
David Winninger – City Councillor
Judy Binder – District Manager, Southwestern Ontario, CMHC
Greg Playford – President of Devonshire Financial and Chair of Homes Unlimited Non-Profit
Kim Walker – London Property Managers Association
Colleen Montgomery – United Way of London & Middlesex
Melissa Hardy-Trevenna – London-St. Thomas Real Estate Board
Kathy Lewis – London Housing Advisory Committee

The above members of the reference group also were very helpful in providing ideas and insights through personal interviews.

In addition, a number of other key stakeholders gave the insight of their experiences and ideas which further helped to shape this Strategy:

Sister Joan Atkinson - London Affordable Housing Foundation
Susan Bacque - Ministry of Municipal Affairs and Housing
David Dimitrie – Kipps Lane Tenants Association and London Homeless Coalition
Cheryl Forchuk - Academic Leader of the CURA on Mental Health and Homelessness
Fred Hagglund - Mission Services of London
Michelle Haney-Kileeg - Toronto Housing Connections
Jeff Lounsbury – Western Ontario Therapeutic Community Hostel (WOTCH)
Peter McAlister – The Z Group
Janette MacDonald – Main Street London
Sarah Merritt - Old East Village BIA
Rob Panzer – General Manager of Planning and Development, City of London
Darlene Ritchie – At^lohsa Native Family Healing Services Inc. and Chair of London Homeless Coalition
Gord Russell - Mission Services of London
Bob Sexsmith - London Homeless Coalition
Andy Spriet – A. Spriet and Associates
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