DRAFT

KEYS TO THE HOME:
A HOUSING STRATEGY FOR HAMILTON

Prepared by:

Program Policy and Planning Division
Employment, Housing and Long-Term Care Division

Public Health and Community Services Department
City of Hamilton

May 2004
Table of Contents

Executive Summary.......................................................................................................................... iii

1.0 Introduction.............................................................................................................................. 1

2.0 The Evolution of Housing Policy and Programs
   in Canada and Ontario.............................................................................................................. 3
   2.1 Introduction......................................................................................................................... 3
   2.2 Circa World War I............................................................................................................... 3
   2.3 World War II to the Early 1960s....................................................................................... 5
   2.4 Mid-1960s to 1980............................................................................................................. 7
   2.5 Early 1980s to 2003.......................................................................................................... 11
   2.6 Conclusion....................................................................................................................... 14

3.0 State of the Housing Market in Hamilton.............................................................................. 16
   3.1 Introduction....................................................................................................................... 16
   3.2 Housing Affordability for Hamilton Households.............................................................. 21
   3.3 Market Activity............................................................................................................... 36
   3.4 Social Housing Stock in Hamilton.................................................................................. 39
   3.5 The Rental Market........................................................................................................... 42
   3.6 Homeownership in Hamilton......................................................................................... 45
   3.7 Future Household Growth and Housing Demand......................................................... 47

4.0 Housing Issues in the Hamilton Community........................................................................ 58
   4.1 Residential Intensification............................................................................................... 58
   4.2 A New Official Plan for the City of Hamilton............................................................... 62
   4.3 The Supply of New Rental Housing................................................................................ 66
   4.4 The Tenant Protection Act and Tenant Concerns......................................................... 70
   4.5 Student Housing.............................................................................................................. 73
   4.6 Rural Housing................................................................................................................. 74
   4.7 Manufactured Housing.................................................................................................. 77
   4.8 Rooming Houses/SROs................................................................................................... 78
   4.9 Homeownership Opportunities for Lower Income Households.................................. 81
   4.10 Housing Conservation and Rehabilitation................................................................. 89
   4.11 "CityHousing Hamilton" – The City-Owned Housing Corporations............................. 93
   4.12 The Cycle of Homelessness.......................................................................................... 95

5.0 A Housing Strategy for the City of Hamilton....................................................................... 112
   5.1 Web Survey Results........................................................................................................ 112
   5.2 A Housing Strategy for Hamilton................................................................................ 113
Executive Summary

I. Background

Housing remains one of the most basic human needs. Housing needs and the demand for housing are not static but change and evolve as social, demographic and economic conditions change.

There are considerable social and health costs associated with the lack of affordable and appropriate housing. This interferes with a child’s ability to attend school and learn, as well as the ability for parents to maintain stable employment. The lack of affordable housing also contributes to an inability to provide adequate nutrition and is a significant factor in contributing to domestic violence including child neglect and abuse. An increase in affordable housing also serves as an economic catalyst that leads to increased jobs and incomes for residents thus increasing the overall wealth of a community.

The need for new affordable housing supply in Hamilton has been growing for several years. In response, in April 2002 City Council adopted HAHPI – The Hamilton Affordable Housing Partnership Initiative – as the City’s proactive strategy and response to affordable housing supply needs in our community. The cornerstone of HAHPI is the Housing Partnership Fund that leverages additional rental housing supply through new development, rehabilitation and non-residential building conversions.

In October 2002, City Council through Report SPH02001a endorsed the Vision portion of the Social Development Strategy document entitled A Social Vision for the New City of Hamilton. The Social Development Strategy underscores the fact that people in our community need all forms of temporary and permanent, affordable and appropriate housing options which include shelters, transitional housing, supported and supportive housing and residential care facilities. The people at risk in our community include youth, seniors, homeless families, persons released from prisons and those with mental illness.

One of the Flagship areas identified in the Social Development Strategy is “affordable housing”. The goals of the Affordable Housing Flagship are as follows:

- To increase the supply of affordable housing in the City of Hamilton;
- To promote the availability of affordable housing through such measures as rent subsidies, funds for home improvement and assistance with the payment of the first and last month’s rents; and
- To ensure the availability of emergency and shelter arrangements in order to reduce substantially the rate of homelessness in Hamilton.

Municipalities have been at the forefront of assessing housing market conditions and housing needs and establishing policy directions and program initiatives for their respective communities.

All of the former municipalities of the Region of Hamilton-Wentworth had completed comprehensive municipal housing statements and housing strategies throughout the 1990s. With the amalgamation of these municipalities into a “new” City of Hamilton, the time is right to establish a Housing Strategy for the City of Hamilton.
An important function of “Keys to the Home” is to identify housing issues and concerns as focused input to other City of Hamilton corporate initiatives. One such initiative is the new Official Plan for the City in terms of identifying appropriate residential and housing policies from a land use planning perspective. Another initiative is GRIDS – Growth Related Integrated Development Strategy - where projected population and household growth dynamics are linked to urban land supply requirements as input to long-term growth management options for the City.

Any municipal housing strategy can only be as effective and meaningful as the degree of community input. Consultation is a hallmark of “Keys to the Home” as City staff engaged in one-on-one consultations with a broad range of individuals who represent private, not-for-profit, or public institutions/organizations with the desire to improve housing conditions of Hamilton citizens.

II. Observations and Conclusions

History
Since the early 1900s, federal and provincial housing policies and program initiatives have been largely geared towards stimulating the Canadian economy. Government intervention in housing has been in response to economic downturns and/or events that created housing demands unmet by the private market.

Each level of government has a role to play in housing. The federal government has the ability to leverage funds and provide considerable financial resources to housing programs; as the provincial government has the constitutional responsibility of housing, it can offer legislative and additional financial tools and support. Municipalities can best administer and deliver housing programs, given their land use responsibilities, local knowledge of community organizations and housing needs, and the “in the trenches” expertise of local officials. Canadian housing policies are closely intertwined with its economic, social, and political trends; as such, intergovernmental cooperation and support is undoubtedly the best approach to creating policies and programs that serve the housing needs of all Canadians.

Hamilton Housing Market Review
Effective housing policy and programs must be grounded on a thorough understanding of housing market conditions. The following charts provide an overview of key housing market indicators and trends in the City of Hamilton.
The number of owner-occupied households in Hamilton has increased.

In 2001, a higher proportion of renter households experienced a housing affordability problem than owner households.

Since 1981, the total number of renter households paying 30 and 50 percent or more of their income on gross rent has increased significantly.
EXECUTIVE SUMMARY:
KEYS TO THE HOME: A HOUSING STRATEGY FOR HAMILTON

There have been little or no new rental housing starts in Hamilton over the past decade.

The rental apartment vacancy rate has increased during the last dozen years primarily as a result of increased home ownership affordability for first-time homebuyers.

The waiting list for rent-gearred-to-income social housing units continues to be high.
Hamilton’s housing stock is very affordable for first-time home buyers.

As Hamilton’s population is projected to increase to 622,400 by the year 2031, this will translate into average annual housing demand for approximately 2,050 ownership units and 650 rental units.

Housing Issues in Hamilton
Flowing from the community consultations, a number of housing issues and concerns were examined.

Residential Intensification: This is a broad planning and housing concept and essentially means increasing the amount of households/housing units in the existing or built-up area of a community. There are three distinct “methods” of residential intensification:

- Redevelopment – Existing structures are demolished, in most cases non-residential, and new residential structures are constructed;
EXECUTIVE SUMMARY:  
KEYS TO THE HOME: A HOUSING STRATEGY FOR HAMILTON

- Infill – A residential structure is constructed on a vacant lot or parcel of land and/or an existing underutilized property building where additions or new structures have been built.
- Conversion – Existing non-residential structures are renovated and converted to include residential dwelling units or, existing residential structures are renovated and converted to include one or more additional dwelling units.

Residential intensification is presently occurring in the City of Hamilton. In particular in Downtown Hamilton, conversion, infill and redevelopment activities are very prominent stemming from the City’s various program and policy initiatives that are successfully stimulating new residential opportunities.

There is, however, one facet of residential intensification that generates considerable debate and discussion – “accessory apartments”. Yet, it is arguably the most effective method of creating new low-cost rental housing with little or no municipal government subsidy. As the City of Hamilton and other Ontario municipalities are now responsible for the cost of administering social housing, $32 million in 2003, the potential implementation of an alternative rental housing supply option is clearly desirable.

New Official Plan: With the amalgamation of the former municipalities of the Region of Hamilton-Wentworth into the City of Hamilton, the land use planning framework for these seven municipal jurisdictions must also be amalgamated. Land use planning is a core municipal responsibility and “helps each community to set goals about how it will grow and develop and to work out ways of reaching those goals while keeping important social, economic and environmental concerns in mind.” To this end, the City has embarked on a multi-year process to create a new Official Plan and Zoning By-law for the new City of Hamilton.

“Housing” is an integral component of any municipal Official Plan in two key ways: firstly, policies are developed that guide the orderly development and redevelopment of residential uses and neighbourhoods; and secondly, housing goals within a land use planning context can be included to delineate the broader objectives and priorities of Council – the community’s housing vision.

The Supply of New Rental Housing: The viability of new private rental housing supply in Canada has varied depending on a variety of supply and demand factors, including, but not limited to, available land for development, the average age of participants in the labour force, location, and tax incentives. A business climate that is conducive to the private sector to construct rental housing needs to be created; however, the municipal role in this is limited. The primary responsibility rests with the federal and provincial governments to provide a legislative and tax environment that will trigger the private sector to build new rental units. Whether this is achievable is uncertain as the nature of demand for rental has changed. Today, demand is principally from lower income households with constrained abilities to pay “market” rents. This in turn affects the economics of rental supply where the ability of the private sector to obtain appropriate investment returns is unlikely.

While the City of Hamilton can and is playing its part to increase the supply of new rental housing, the responsibility for this task rests also with the Federal and Provincial governments, the private sector, and the community at large. For this reason, partnerships are the key to increasing rental housing supply. Equally important is the
need for the Federal and Provincial governments to get back to investing in new rental housing supply in a permanent and sustainable manner.

**Tenant Protection Act and Tenant Concerns:** The Tenant Protection Act (TPA) is the core provincial legislation concerning residential tenancy matters in Ontario and was introduced in 1997. Although the TPA is outside of municipal jurisdiction, the City of Hamilton can advocate to the Province on landlord and tenant matters as they affect citizens of Hamilton.

**Student Housing:** Student housing represents one distinct niche in the private rental market. Student housing can and does have a profound effect on neighbourhoods as the landlords are largely absentee, and is a major concern to some neighbourhood associations. Two key characteristics of student housing are the temporary nature of tenancies – that is, high turnover rates, and impacts associated with the nature of student activities, especially student activities that occur at times which are at odds with other more permanent households that reside in the neighbourhood.

**Rural Housing:** When the former area municipalities in the Region of Hamilton-Wentworth were amalgamated, some of which were predominantly rural, the “New” City of Hamilton became an urban and rural municipality. The 2001 Census recorded that 10.0% of Hamilton’s population, or approximately 48,850 reside in rural areas. This includes approximately 6,150 people who are aged 65 years plus and including approximately 900 who are aged 80 years and over. While the majority of Hamilton’s households live in urban communities, the rural area of Hamilton accounts for just under 80 percent of the total City of Hamilton land area.

From a conceptual housing supply perspective, it would appear desirable to increase the number of housing units in rural and settlement areas. Increases to housing density may be achieved with the intensification of existing single-detached dwellings while new residential units can be created through severances. Alternatively, from a land use planning, environmental and public health perspective, new housing supply have the potential to create future conflict between agricultural and residential land use practices.

Partly for land use planning purposes and partly out of concern for potential public health issues, a growing number of municipalities in Ontario have chosen to severely restrict or totally prohibit the creation of further rural residential housing. While there is an on-going demand from rural property owners to create new housing units to assist family members, generate new income from property sales or in response to affordability constraints in urban areas, it is clear that a comprehensive re-evaluation of the City's existing Official Plan policies can no longer be avoided. Until that re-evaluation is completed, rural housing is unlikely to provide a significant contribution to future growth in housing demand and affordability in the City of Hamilton.

**Rooming Houses/Single Room Occupancies:** Rooming houses/lodging homes or single room occupancies (SROs) have long been an important source of accommodation in the private rental market. Historically, rooming houses functioned as a stepping stone for newcomers, transient workers, students, and newly-formed households. Over the past 40 years, however, the role of rooming houses has gradually changed. Today’s rooming house tenants are often socially isolated and struggle with the burden of poverty and the risks of absolute homelessness. People who tend to reside in rooming houses are
EXECUTIVE SUMMARY: KEYS TO THE HOME: A HOUSING STRATEGY FOR HAMILTON

single persons on very low incomes, who often must deal with other issues such as mental and/or physical disabilities, drug addictions, marginalization and isolation from family, limited education or employment skills, and other issues that arise from the complications of living in poverty. Rooming houses in Hamilton are largely located in the downtown core and in the east end of the Lower City.

It is important to maintain and enhance rooming houses as a housing supply option. This can be achieved through cross-collaboration and communication between appropriate City departments including the licensing and regulation of property standards of rooming houses.

Home Ownership Opportunities for Lower Income Households: Aspirations for home-ownership are ubiquitous across all segments of society. As homeownership promotes neighbourhood stability and also positively affects children’s development, governments are naturally supportive; however, homeownership can be a particularly positive event for lower income households. For those lower income households who own a home, much of their personal wealth will be represented in their home equity.

To date, homeownership opportunities for lower income households have been limited in Canada due to a variety of socio-economic and financial barriers. Nevertheless, many lower income households still have aspirations for homeownership, and partnerships between government, the private sector, non-profit organizations, and community stakeholders could have great results in promoting homeownership opportunities for these households.

Housing Conservation and Rehabilitation: The importance of adding new housing stock in neighbourhoods is undeniable. For health, social, and economic reasons, it is just as important to maintain the condition of existing housing stock. Over 40 percent of Hamilton’s housing stock was constructed prior to 1961. As noted in the 2001 Census, of the approximately 187,000 occupied private dwellings in Hamilton, 124,880 required regular maintenance, 48,870 required minor repairs, and 14,400 required major repairs.

The Residential Rehabilitation Assistance Program (RRAP) is a federally-funded program that assists lower income households by providing grants to make necessary repairs. Take-up in Hamilton has always been considerable.

CityHousing Hamilton: The downloading of the Hamilton Housing Corporation public housing portfolio to the City of Hamilton has been a challenging exercise. It came at a time of fiscal constraint at the local level and at a time of municipal amalgamation. While the municipal fiscal challenges remain, there is a tremendous opportunity for the City to improve the lives of thousands of Hamilton residents and revitalize and reintegrate a significant physical asset into the broader community.

The Cycle of Homelessness: Homelessness is the most challenging and complex social, health and housing issue facing our community. Adequate and stable housing is the most important factor in improving the health conditions of individuals experiencing homelessness. There are many causes of homelessness including:

- Shortage of low cost rental and social housing;
- Poverty;
EXECUTIVE SUMMARY:

KEYS TO THE HOME: A HOUSING STRATEGY FOR HAMILTON

- Absence of a continuum of support services;
- Shelter allowances part of social assistance payments that do not reflect prevailing housing costs;
- Social status and barriers to employment opportunities;
- Family violence and isolation;
- Serious mental illness, addictions and disabilities;
- Recent immigrants or refugees – “newcomers”; and,
- Deinstitutionalization and discharge policies from correction facilities, and hospitals.

One of the first steps in understanding homelessness is to define its different components, e.g., chronic vs. episodic. People who experience homelessness for long periods of time are “chronically homeless”, while people who periodically experience being homeless are “episodically homeless”.

Homelessness has been a widely-publicized and politicized issue in Canada, and attempts to address the homelessness problem has incorporated various definitions to gain a sense of the significant concerns surrounding the various stages of what can be termed the “homeless continuum” or “cycle of homelessness”. There are three main sites of the homeless cycle – the streets, shelters, and precarious/at-risk housing. The chronically homeless do not seem to permanently exit the homeless cycle – that is, maintain stable and permanent accommodation that is affordable to their income. The longer people are chronically homeless, the greater the likelihood that they will remain so.

Some members in our society require more than just conventional shelter, and/or they may face certain barriers to attaining stable and affordable accommodation. Households at greater risk of homelessness are often in “core housing need”, and include persons with physical disabilities, persons with mental disabilities, people with addictions, urban Aboriginals, newcomers, youth, and victims of abuse. The housing and support responses to the needs of the various groups differ and any policy and program response must be sensitive to these unique circumstances.

An appropriate response by the City of Hamilton is the use of a “systems approach”. A “systems approach” to homelessness and affordable housing needs requires an examination of the entire current system in place that addresses, reduces, and prevents homelessness and affordable housing needs in our community. The system includes homeless individuals and their needs, people at risk of homelessness due to personal and/or economic situations, service providers, existing and potential funding bodies, the roles and participation of each level of government, legislation, and a range of “affordable” housing options. In a systems approach, it is vital to emphasize community goals rather than individual, organizational, or other goals. Along this vein, community participation is vital as it will help to generate political support and will facilitate implementation of important programs.
III. A Housing Strategy for Hamilton and Recommendations

In 2004, the housing needs in our community are even greater then in the early 1990’s when the City last undertook a major review of housing needs and concerns. There are more homeless people on our streets, there are more people and families in our emergency shelters, there are more renter households experiencing affordability problems and there are more people on our waiting lists for social housing.

Since that time a lot has also changed in terms of housing “responsibility”, particularly through social housing devolution. The Provincial and Federal Governments now regard the municipal level as the lead player in identifying and responding to housing issues and needs. We now pay for social housing, we now administer social housing, we now own social housing and we now deliver various housing supply, rehabilitation and homeless prevention programs on behalf of the Federal and Provincial governments.

It is evident that we are on the cusp of a new era of housing in Canada, Ontario and Hamilton. Most important is the clear desire of all three levels of government and our diverse range of community stakeholders to “make a difference” in Hamilton and address the affordable housing needs of our citizens.

Over the past 18 months the City of Hamilton has made a great deal of progress in housing and a strong commitment has been established by Council to respond to housing needs in our community, even with on-going fiscal and amalgamation challenges. A Municipal Capital Facility By-law was adopted to provide incentives for private sector and community-led housing providers to build new affordable rental housing; the tax ratio for the “New Multi-Residential” property tax class was made the same as the “Residential” property tax class, reducing the operating costs for new rental developments; $1.4 million was set aside from the Hamilton Future Fund to construct the 34-unit CityHousing Hamilton rental development at 555 Queenston Road; the Hamilton Housing Innovations Fund was established to trigger community-based responses to affordable housing supply needs; and, an additional $1.5 million was also set aside from the Hamilton Future Fund for the Hamilton Affordable Housing Partnership Initiative (HAHPI) Housing Partnership Fund to facilitate and lever additional affordable rental units built in Hamilton through the Community Rental Housing Program.

Many community-based stakeholders are recognizing the important role they can play. The Hamilton Community Foundation is emerging as a significant contributor and facilitator to unique and innovative responses to affordable housing needs in Hamilton. The Social Planning and Research Council and the Housing Help Centre have a long-standing record of advocating on behalf of those in need in our community and advancing the affordable housing agenda. Existing social housing providers are actively exploring opportunities to develop new affordable housing in Hamilton such as Good Shepherd Non-Profit Homes and Victoria Park Community Homes. And the REALTORS Association of Hamilton-Burlington and the Hamilton-Halton Home Builders’ Association are very committed to provide responses to the affordable housing needs in our community and building on their successful Home Ownership Affordability Partnership (HOAP) with the Threshold School of Building.
EXECUTIVE SUMMARY:

KEYS TO THE HOME: A HOUSING STRATEGY FOR HAMILTON

There are four key lessons from the past decade that must underpin current and future housing initiatives in Hamilton:

1) The recognition that there is no one “quick fix” or “silver bullet” to addressing the housing needs of the citizens in our community. A balance and range of responses is required from many organizations that recognizes the context of the local housing market and the complexities and linkages of housing needs;

2) Partnership must be the *modus operandi*;

3) Housing is not a “cost”; it is an investment to allow people to lead more independent and fulfilling lives now and in the future. It is the building block for healthy communities, stable and healthy families and enhances access to educational and employment opportunities for society’s most vulnerable members; and,

4) Housing is a catalyst for economic growth.

What became very evident through the community consultations and the various housing issues addressed and from the results from the web-based survey is the expectation that the City of Hamilton must continue to take a leadership role in all aspects of housing. Leadership doesn’t mean doing it all ourselves or stepping into someone else’s shoes - it means forging partnerships, sowing the seeds, being bold and in many situations stepping back once the momentum has been firmly established. It means being creative, intelligent and proactive and tapping into the skills, experience and wisdom of the stakeholders in our community and moving forward together. And, perhaps most important, it doesn’t necessarily mean spending large amounts of money.

The following recommendations are wide-ranging, position the City as a leader in addressing affordable housing needs and related housing issues. The recommendations also underscore the importance of developing partnerships to implement a range of permanent solutions at various points along the housing continuum.

**Recommendation #1**

*That the Provincial Government assume a larger portion of the subsidy costs associated with the administration and provision of social housing in all Ontario municipalities.*

**Recommendation #2**

*That the Provincial Government increase the shelter component of the monthly OW/ODSP benefit to reflect the increases in market rents that have occurred over the past many years.*

**Recommendation #3**

*That the Federal and Provincial Governments commit to making the Community Rental Housing Program a permanent rental housing supply program, provide a greater focus on rent-geared-to-income housing options and increase the maximum funding envelope for municipal Service Managers to accurately reflect long-term rental housing demand and needs.*
Recommendation #4
That the City of Hamilton through the Public Health and Community Services Department begin to implement a systems approach to affordable housing, where the emphasis is on community goals versus individual or department goals, to ensure the effective utilization and allocation of scarce resources.

Recommendation #5
That the new Official Plan for the City of Hamilton include policy direction in a number of key housing areas including condominium conversions, maintenance of Hamilton’s dwelling stock, the affordable housing continuum, housing supply targets, residential intensification, accessory apartments and lowering the cost of new housing construction.

Recommendation #6
That as part of the development and harmonization of the former area municipal zoning by-laws into one Hamilton zoning by-law by the Development and Real Estate Division of the Planning and Development Department, accessory apartments as-of-right throughout the City with appropriate site specific requirements be considered as it represents a cost effective way of providing new lower cost rental housing opportunities.

Recommendation #7
That a staff working committee be established to develop options for City Council on addressing the issue of existing accessory apartments that may not meet current building, zoning and fire code provisions.

Recommendation #8
That the City of Hamilton liaise with private sector associations such as the Hamilton-Halton Home Builders’ Association to lobby the senior levels of government to refine and/or introduce legislative and tax measures that will enhance the capacity of the private sector to construct new rental housing.

Recommendation #9
That CityHousing Hamilton establish an “Eviction Prevention Policy” in consultation with the various community legal clinics and other housing stakeholders as a model for adoption by other social housing providers and private rental landlords in Hamilton.

Recommendation #10
That the Building and Licensing Division of the Planning and Development Department report to the Planning and Economic Development Committee on the feasibility of establishing a licensing initiative for the private rental housing stock including the provision of information on inspections and compliance.

Recommendation #11
That the Policy Program and Planning Division of the Public Health and Community Services Department develop methods of seeking the opinions and concerns of tenants in Hamilton on Tenant Protection Act matters as background to the activities of the Tenant Advisory Committee.
Recommendation #12
That the City of Hamilton assume a more proactive role in advocating the interests of tenants to the Provincial Government as part of the forthcoming Provincial review and consultation on the Tenant Protection Act.

Recommendation #13
That CityHousing Hamilton review all tenant placement procedures and policies and establish an “Anti-Discrimination Policy” in consultation with the various community legal clinics and other housing stakeholders as a model for adoption by other social housing providers and private rental landlords in Hamilton.

Recommendation #14
That the Downtown Renewal Division of the Planning and Development Department continue to seek opportunities for the development of a student residence in Downtown Hamilton through the Downtown Residential Loan Program as a way of reducing the pressure on the single-family housing stock in the neighbourhoods surrounding McMaster University and Mohawk College.

Recommendation #15
That CityHousing Hamilton explore the feasibility of developing a single room occupancy (SRO) dwelling as a pilot project in partnership with one or more community stakeholders.

Recommendation #16
That the Building and Licensing Division of the Planning and Development Department report to the Planning and Economic Development Committee on the feasibility of proactive and harmonized enforcement of the City’s rooming house stock and reducing or eliminating the licensing and inspection fees associated with rooming houses as a way of enhancing and preserving this stock of housing.

Recommendation #17
That the Employment, Housing and Long-Term Care Division of the Public Health and Community Services Department partner with the REALTORS Association of Hamilton-Burlington (RAHB) to identify opportunities and linkages where CityHousing Hamilton social housing tenants with the means and desire for homeownership can purchase their first home.

Recommendation #18
That the Federal Government increase the funding commitment to the homeowner component of the Residential Rehabilitation Assistance Program (RRAP) to meet the growing needs of dwelling repair for lower income households in Hamilton.

Recommendation #19
That through the Council-approved “Consider Housing” policy for the disposition of surplus City-owned lands and/or buildings, the Development and Real Estate Division of the Planning and Development Department identify lands and/or buildings appropriate for affordable rental housing that will be packaged with future Request for Proposals for the Community Rental Housing Program and HAHPI Housing Partnership Fund.
Recommendation #20
That upon retirement of the debt for the Borers Creek storm water project, revenues from the Flamborough slots be dedicated to the HAHPI Housing Partnership Fund as a permanent method of leveraging new affordable rental housing supply in Hamilton in partnership with the private sector and community-led housing providers.

Recommendation #21
That the Program Policy and Planning Division of the Public Health and Community Services Department co-ordinate and develop a data collection system of Hamilton’s homeless population to enhance and support the various program delivery areas of the Department.

Recommendation #22
That the Affordable Housing Flagship of the Social Vision be comprised of key housing stakeholders in the Hamilton community along with appropriate City of Hamilton staff as resource, and that the initial priorities of the Flagship focus on:

- Supporting City of Hamilton staff in the implementation of “Keys to the Home” recommendations;
- Articulating emerging housing needs in the community;
- Information sharing and identification of best practices on affordable housing solutions;
- Advocating on behalf of local affordable housing solutions; and,
- Providing the strategic oversight and coordinating the roles, responsibilities and inter-relationships of the various community-based housing committees and working groups in Hamilton.
1.0 Introduction

Any municipal housing strategy can only be as effective and meaningful as the degree of community input. Consultation is a hallmark of “Keys to the Home” as City staff engaged in one-on-one consultations with a broad range of individuals who represent private, not-for-profit, or public institutions/organizations with the desire to improve housing conditions of Hamilton citizens. As noted below, a range of stakeholders participated and their ideas, suggestions and recommendations underscore the importance of the City to move forward and establish a clear housing strategy to guide City Council over the coming years.

- Advisory Committee for Persons with Disabilities
- Community Consultation Community On Social Housing (CCCOSH)
- Councillor Andrea Horwath
- Councillor Bill Kelly
- Councillor Chad Collins
- Councillor Dave Braden
- Councillor Dave Mitchell
- Councillor Marvin Caplan
- Councillor Murray Ferguson
- Dr. Damaris Rose, l’Université du Québec
- Dr. Barbara Carroll, McMaster University
- Dr. Lindsey George, St. Joseph’s Health Care
- Dr. Richard Harris, McMaster University
- Mr. George Hough, citizen
- Good Shepherd Non-Profit Homes Inc.
- Hamilton & District Apartment Association
- Hamilton Community Foundation
- REALTORS Association of Hamilton-Burlington (RAHB)
- Hamilton-Halton Home Builders’ Association (HHHBA)
- Housing Help Centre
- Housing Trust Working Group
- Mr. Jesse Garlow, citizen
- M.O.M.’s Group, Keith Neighbourhood
- McQuesten Legal and Community Services
- Megna Real Estate and Insurance Limited
- Native Housing Providers in Ontario
- Roomers’ and Boarders’ Committee
- Sacajawea Non-Profit Housing Inc.
- Settlement and Integration Services Organization (SISO)
- Solutions for Housing Action Committee (SHAC)
- Social Planning and Research Council (SPRC)
- Supported Housing Coordinating Network (sub-group of Hamilton District Health Council)
- Ms. Suzanne Swanton, Housing Help Centre
- Tenant Advisory Committee
- Threshold School of Building
- Urban Native Homes
- Wesley Urban Ministries
- Women’s Institute
In addition, interested individuals could fill out a brief survey posted on-line at the City of Hamilton’s website, with the results discussed on page in Section 5.1. The survey allowed participants to identify which housing issues were most important to them, and what they believed was the City’s role in addressing these housing issues. For people who did not have internet access, printed copies of the survey were available at the Housing Help Centre.

The community consultations were undertaken in part to identify important housing issues in our local community. The City believes that its housing priorities must be community-driven, and our chosen method for consultations underscores this belief.

Another function of “Keys to the Home” is to identify housing issues and concerns as focused input to other City of Hamilton initiatives. One such initiative is the new Official Plan for the City in terms of appropriate residential and housing policies from a land use planning perspective. Another initiative is GRIDS – Growth Related Integrated Development Strategy - where projected population and household growth dynamics are linked to urban land supply requirements as input to long-term growth management options for the City.

The final core City initiative is the Social Development Strategy (SDS), entitled, “A Social Vision for the New City of Hamilton”. On October 23, 2002, City Council endorsed the Vision portion of the SDS. One of the Flagship areas identified in the SDS was “affordable housing”. Also, the Public Health and Community Services Department report entitled, “The Housing Continuum: Issues in the Hamilton Community” has been embedded in this document. Housing Branch staff has worked closely with staff in other City Departments to achieve a consistent and coordinated approach in addressing the wide range of housing issues and concerns in our community.
2.0 The Evolution of Housing Policy and Programs in Canada and Ontario

2.1 Introduction

As part of describing current housing policies and programs and identifying future directions, it is important to gain a solid historical understanding of housing policy and program trends in Canada, and to note past successes and failures. Housing policies and intervention by governments in the housing market have largely echoed the economic trends in Canada since the turn of the previous century. Government intervention in housing has primarily been in response to economic downturns and/or events that created surges in housing demand. Depending on the context, intervention has emanated from federal, provincial, or municipal levels of government. The federal government offers financial resources and can leverage funds; the provincial government has the constitutional responsibility of housing, and can offer additional financial and legislative support; municipalities are in the best position for program administration and delivery, recognizing their land use planning responsibilities, local knowledge concerning need and community organizations, and the “in the trenches” expertise of local officials.

This review was undertaken to more clearly highlight the municipal “role” in housing, with particular emphasis on the past and present actions implemented by the City of Hamilton. Municipalities have always depended principally on the limited revenues received from property taxes. Today, many social services, infrastructure needs, and programs are competing for the same funds. This situation is nothing new. Municipalities experienced significant financial hardship following the First and Second World Wars, and during the Depression. As such, the scope of program initiatives from the senior levels of government has largely dictated the action or inaction of municipalities in the housing field over the years. Current trends in senior government policies place an increasingly important administrative and financial role for housing on the shoulders of municipalities.

Accordingly, municipalities must explore innovative ways of maintaining housing production and program delivery, without raising residential property taxes. Canadian governments have appropriately recognized that the private market best responds to the majority of housing needs in our society. However, the pervasive and most critical housing needs in our communities – those of the homeless and renter households with very low incomes – can only be effectively addressed by focused partnerships among all levels of government, the private sector and community-based housing providers.

2.2 Circa World War I

The Federal Government first recognized the importance of housing by introducing “public housing” in 1913. This legislation allowed municipalities to assure up to 85% of housing companies’ bonds. It is important to note in this context that “public housing” denotes housing built with government subsidies, but available to the public at large, rather than to lower income households exclusively. The beginnings of Canadian housing policy were grounded in federal responses to three major events in Canadian history:
(1) The Halifax explosion;
(2) Returning World War I veterans; and
(3) The Great Depression.

As a result of the munitions ship *Mont Blanc* exploding in Halifax Harbour on December 6, 1917, 1,635 people were killed and 325 acres of Halifax’s Richmond neighbourhood were destroyed. Under the *War Measures Act*, the federal government brought in financial and redevelopment resources to help out victims and reconstruct Richmond. It was the first direct intervention by Ottawa in the housing field, but it was not to be the last. Soon afterward it became apparent that the private market was not effectively meeting the demand for housing because of the large number of returning WWI veterans. At the time, however, it was Ottawa’s view that Section 92 of the *British North America Act* clearly designated responsibility for housing to the provinces.

Nevertheless, Ontario’s Premier Sir William Hearst strongly advocated for federal support in housing, and in 1918 Ontario allotted additional money for mortgages to municipalities. This is the first indication of Ontario establishing itself as an active participant in the area of Canadian housing policy; it was also the first province to recognize its constitutional responsibility for housing with definite actions. Ontario’s *Municipal Act* gave municipalities the authority to pass by-laws, although the implementation of municipal building by-laws still required provincial approval. In keeping with this legislation, eventually the province also conferred building and licensing by-laws and inspections exclusively to municipalities.

At the federal level, the first transfer of housing-designated monies to the provincial governments dovetailed Ontario’s initiatives in 1918 as part of the *War Measures Act*. It took the form of a $25 million loan that was earmarked for individual home buyers to aid in the construction of new accommodation. This became known as the “1918-1924 Federal Housing Program” (FHP). Although through the FHP 6,242 dwellings in 179 municipalities were built, FHP was largely ineffectual in responding to demand due to a lack of government experience in building housing, which resulted in the federal government being perceived as incompetent, and the responsibility for running the program falling to individual municipalities. During this time the federal government expected the private market to respond with new housing supply during the economic boom of the 1920s, and abstained from involvement in other areas of housing until the Great Depression of the 1930s.

The Great Depression caused a significant decline in housing market activity; governments again intervened in the housing market, principally to stimulate the construction sector of the economy. During the early 1920s homeownership levels had reached 66% of all Canadian households; this was reduced to 57% by the early 1940s. Table C.1 below denotes the effects of the Depression on mortgage default rates in Hamilton. The *Dominion Housing Act* (DHA) of 1935 was the federal government’s most significant housing foray during the Depression. The DHA was to help “jump-start” the construction industry, introduce mortgage insurance, mandate a set of minimum housing standards, and initiate joint mortgage loans. Another area of intervention related to “urban slums”. In cities across the country (including Hamilton), surveys were assessing these areas to determine the potential for housing development. An additional focus was on the residential mortgage market due to the high number of defaults and a result of cities lobbying the federal government for more intervention in housing.
Table 2.1 – Number of Owner-Occupied Dwellings in Mortgage Default: City of Hamilton, 1901-51

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Mortgages in Default</th>
<th>% of Mortgages in Default</th>
<th>Total No. of Properties Mortgaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901-1910</td>
<td>0</td>
<td>0.0</td>
<td>125</td>
</tr>
<tr>
<td>1911-1920</td>
<td>3</td>
<td>0.9</td>
<td>304</td>
</tr>
<tr>
<td>1921-1930</td>
<td>13</td>
<td>1.5</td>
<td>851</td>
</tr>
<tr>
<td>1931-1940</td>
<td>100</td>
<td>11.3</td>
<td>886</td>
</tr>
<tr>
<td>1941-1950</td>
<td>10</td>
<td>1.4</td>
<td>708</td>
</tr>
<tr>
<td>1951-</td>
<td>4</td>
<td>0.3</td>
<td>1417</td>
</tr>
</tbody>
</table>


In 1938, the National Housing Act (NHA) replaced the DHA. Significant amendments were made to the NHA in 1944 that helped to further facilitate mortgage assistance for potential homeowners, and thereby decrease the number of foreclosures. The NHA amendments demonstrate that the nature and extent of federal government intervention at this time was to facilitate homeownership in part as a response to large numbers of returning WWII veterans who were in need of housing, rather than consciously direct policy and program initiatives to address the housing needs of lower income Canadians.

### 2.3 World War II to the Early 1960s

In a more contemporary sense, there were two significant periods of active federal housing policy and program initiatives in the twentieth century. The first coincided with, and was in response to, the close of the Second World War. Between 1945 and 1949, a major thrust of federal housing policy was geared toward slum clearance, when the worst dwellings were demolished and the occupants rehoused in what was deemed at the time to be physically and socially adequate housing. With the benefit of hindsight, it was not as successful as originally envisaged.

Also, in 1941 the War Measures Act allowed the federal government to create a crown corporation called Wartime Housing Limited (WHL), under the guidance of its President J.M. Piggott, a former Hamilton contractor and key player in Canadian housing policy of the day. WHL built temporary housing for munitions workers during the war and later for returning veterans. In the early years after WWII, municipalities had a significant role in creating and implementing housing programs, yet due to housing shortages municipalities faced sizeable financial problems at this time. Hamilton was no exception: its iron and steel industry, for example, had an increase in employment from 6,000 workers in 1939 to 11,000 in 1944. In spite of these challenges, a few urban centres such as Toronto, Hamilton, and Windsor were leaders in the housing field, which became evident in the mid-1950s, ten years ahead of most other municipalities.

In Hamilton, this was due in no small way to Piggott and the homes built in the City of Hamilton and throughout the former County of Wentworth for returning WWII veterans under the Veterans’ Land Act of 1942 (VLA). The VLA was much more successful than its predecessor, the Soldier Settlement Act of 1919, because the financial incentives that the VLA offered more suitably catered to veterans’ needs. In Hamilton and Wentworth County, 2,181 veterans and their families settled on small holdings. In fact, the first
subdivision built in Canada by the VLA was located in Spring Valley, Ancaster, consisting of 102 half-acre lots and 93 homes.

Table 2.2 displays the number and location of veteran holdings across Hamilton and Wentworth County. Across Canada, 10,000 dwelling starts were assisted by the VLA between 1946 and 1949; in total there were approximately 40,000 starts assisted by the time the program ended in 1975.

Table 2.2 – Veteran Holdings in Hamilton and Wentworth County

<table>
<thead>
<tr>
<th>Township</th>
<th>Total</th>
<th>Full-Time Farming</th>
<th>Small Holdings</th>
<th>Other Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#   %</td>
<td>#  %</td>
</tr>
<tr>
<td>Ancaster</td>
<td>317</td>
<td>14.0</td>
<td>15  0.7</td>
<td>301 13.3</td>
</tr>
<tr>
<td>Barton</td>
<td>284</td>
<td>12.5</td>
<td>1   0.04</td>
<td>282 12.4</td>
</tr>
<tr>
<td>Beverly</td>
<td>149</td>
<td>6.6</td>
<td>20  0.9</td>
<td>127 5.6</td>
</tr>
<tr>
<td>Binbrook</td>
<td>141</td>
<td>6.2</td>
<td>5   0.2</td>
<td>136  6.0</td>
</tr>
<tr>
<td>Dundas</td>
<td>23</td>
<td>1.0</td>
<td>0   0.0</td>
<td>23  1.0</td>
</tr>
<tr>
<td>Flamborough East</td>
<td>338</td>
<td>14.9</td>
<td>15  0.6</td>
<td>322 14.1</td>
</tr>
<tr>
<td>Flamborough West</td>
<td>274</td>
<td>12.0</td>
<td>9   0.4</td>
<td>264 11.6</td>
</tr>
<tr>
<td>Glenbrook</td>
<td>5</td>
<td>0.2</td>
<td>1   0.04</td>
<td>4   0.2</td>
</tr>
<tr>
<td>Glenford</td>
<td>268</td>
<td>11.8</td>
<td>4   0.2</td>
<td>264 11.6</td>
</tr>
<tr>
<td>Hamilton (City)</td>
<td>139</td>
<td>6.1</td>
<td>1   0.04</td>
<td>138 6.1</td>
</tr>
<tr>
<td>Saltfleet</td>
<td>315</td>
<td>13.9</td>
<td>13  0.6</td>
<td>301 13.3</td>
</tr>
<tr>
<td>Stoney Creek</td>
<td>9</td>
<td>0.4</td>
<td>0   0.0</td>
<td>9   0.4</td>
</tr>
<tr>
<td>Waterdown</td>
<td>10</td>
<td>0.4</td>
<td>0   0.0</td>
<td>10  0.4</td>
</tr>
<tr>
<td>Total</td>
<td>2272</td>
<td>100.00</td>
<td>84  3.7</td>
<td>2181 96.0</td>
</tr>
</tbody>
</table>


Piggott also advocated for more direct housing assistance in Hamilton, as housing conditions for workers during the war were terrible and many units were overcrowded. Roughly 130 children lived in an old shirt factory, and often up to 9 children and their parents would live in a single room. In 1942 WHL negotiated with the City of Hamilton to loan approximately $1.4 million at 3% interest over 30 years to construct 300 houses (with chimneys and basements, suggesting homes of a permanent nature) that would be rented at $24 a month to lower income families. The project was not implemented because some federal politicians and members of the local business community feared that the private sector would not be able to compete with government-subsidized housing, and that it would set a precedent of direct government intervention in housing construction for the NHA.

The Central Mortgage and Housing Corporation was established in 1946. (In 1979, its name changed to the Canada Mortgage and Housing Corporation (CMHC)). Previously run by the Department of Finance, in 1946 housing administration was assumed by CMHC, including the management of the 1944 NHA and leadership of all federal housing activities, including enforcing building codes, inspecting sites and disseminating housing information and expertise to the public. In 1947, CMHC absorbed WHL and most other federal housing programs in an effort to provide a coordinated federal response to housing congestion problems and shortages in cities. Some municipalities initiated their own public housing programs as a means to achieve urban renewal. Regent Park was the first such program to be completed in 1948 by the City of Toronto.
The Government of Ontario also recognized the municipal role with the introduction of the Housing Development Act of 1948, which allowed municipalities to develop housing largely independent of provincial participation.

Perhaps one of the most important initiatives of this era was the loan guarantee policy offered by CMHC to institutional lenders of high-ratio mortgages, which significantly reduced the risks previously associated with mortgage lending. CMHC has been insuring mortgages since 1954, in tandem with the introduction of an amended NHA. This was a considerable achievement as it revolutionized housing finance policies and greatly expanded homeownership opportunities for consumers who had previously been unable to purchase a home. Thus, increased demand sparked an increase in housing supply, which was another goal of the 1954 NHA amendments. As well, the Bank Act of 1954 gave banks the authority to lend mortgages. Previously, mortgage financing was primarily in the purview of insurance companies. The Bank Act is arguably one of the epochal pieces of legislation in Canadian housing history as funds for home mortgages became more widespread through competition among the banks and insurance companies.

In 1956, another amendment to the NHA authorized the federal government to provide financial support for urban redevelopment schemes in municipalities. For the first time, cleared slum areas could be redeveloped into projects other than housing. The year 1957 marked a visible increase in urban redevelopment projects, coinciding with CMHC-funded studies in cities, including Hamilton.

**2.4 Mid-1960s to 1980**

The second significant period of active federal housing policy and program initiatives occurred in the late 1960s/early 1970s due to Keynesian influences in government, and strong public support for government intervention in housing. Rather than continue with the previous focus of providing financial assistance to moderate income households desiring homeownership, the government focused on providing subsidized rental units for lower income households. This time period represents the zenith of Canadian housing policy and programs – at no other time has the government been so involved. The peak of public housing construction occurred in 1970, when nearly 20,000 units were built Canada-wide. Between 1964 and 1978, 164,000 public housing units were constructed.

One successful program that not only represented a successful partnership between government and the private sector, but that also benefited low and moderate income households was the Limited Dividend (LD) Program. In essence, the provincial government offered subsidized loans to developers of up to 95% of capital costs of a project that would otherwise not receive financing from private lenders. The LD Program was ended in 1976. Although largely successful in Toronto, Hamilton was also targeted for implementation. Take-up was limited in Hamilton, however, because dividends were restricted to 6%, which was not regarded by prospective investors as attractive enough to stimulate new supply. In spite of this limitation, the City of Hamilton utilized the LD Program to develop Macassa Park. Hamilton Housing Company Limited (HHCL), one of six city-owned housing corporations, was established to construct Macassa.
Largely as a result of federal and provincial initiatives that promoted homeownership, by the early 1960s the rate of homeownership rose to 66% – a level not seen since the early 1920s. In 1964 the NHA was amended and the federal government transferred most responsibility for the delivery of housing programs to the provinces, but the bulk of funding dollars still originated with the Federal Government. CMHC offered a 90-10 cost-share ratio of loans to the province or municipality and would assume up to 50% of any operating losses on public housing schemes. The provinces “jumped” at the opportunity, and the Province of Ontario took a very strong leadership role in housing delivery at this time. The Government of Ontario established the Ontario Housing Corporation (OHC) in June 1964, ensuring provincial control of most public housing initiatives. However, some housing policy analysts observed that the federal-provincial partnerships were no longer effective and they believed the best solution rested with local housing authorities.

From 1966 onwards, the OHC embarked on an ambitious 5-to-10-year plan to build thousands of units, with particular emphasis in Ontario’s five largest urban centres: Windsor, London, Hamilton, Toronto, and Ottawa. Between 1964 and 1973, 18,000 new rental units were built in Ontario. One criticism of this plan was that it was largely OHC-driven and was not receptive to municipal input and concerns; however, the province also initiated the Housing Action Program, which incorporated a three-way partnership between the provincial and municipal governments, and the private sector to provide interest-free loans for housing development.

Also starting in 1964, non-profit organizations could receive government loans to build subsidized rental housing. Co-operative housing was also encouraged, particularly because it was conducive to creating mixed income communities. In response to the instability emerging in the homeownership market, the Province of Ontario initiated the Home Ownership Made Easy (HOME) program in 1967. Under HOME, the province assisted 37,000 first-time buyer households. In 1969 with inflationary pressures more visible the federal government allowed the interest rate on NHA mortgages to float in accordance with market shifts, and reduced the maximum mortgage term from 25 to 5 years. In effect, these actions removed the security of a fixed long-term interest rate for homeowners.

Recommendations made in 1969 by the federally-appointed Housing and Urban Development Task Force headed by Paul Hellyer, Minister of Transportation and responsible for CMHC, were the driving force behind the 1973 NHA amendments. The Hellyer Task Force not only gave rise to the federal government’s move from “public” to “social” housing, but also allowed non-profit and private corporations to build social housing units. In addition, the Task Force called for strong federal leadership and participation in urban affairs, namely with the creation of a Ministry for Housing and Urban Development. In 1971, the Ministry of State for Urban Affairs was founded, but was dismantled in 1979. As a result of the 1973 NHA amendments, co-operatives and non-profit housing providers were able to offer rental units to households earning a range of incomes, as opposed to 100% rent-geared-to-income (RGI). The term “social housing” was introduced in an effort to remove the stigma of “public housing” connotations that arose from large, 100% RGI projects built in the past such as Toronto’s Regent Park (which consisted of 1,056 units). Most social housing projects had targeting of 25% RGI and 75% rent-geared-to-market. This was the most significant change in policy direction of the entire decade. For the first time, senior levels of government were subsidizing market rent units in order to facilitate income integration.
for a wide range of renter households. The expenditures required to achieve this income mixing were massive and would have repercussions in the early 1980s when interest rates climbed to approximately 20% and government deficits skyrocketed.

Also as an outcome of NHA amendments in 1973, the province began to facilitate the creation of municipal non-profits, and the City of Hamilton created the Municipal Non-Profit (Hamilton) Housing Corporation in 1985. The OHC also devolved administrative responsibility for its units to its local chapter in Hamilton – the Hamilton-Wentworth Housing Authority. The province was reluctant to increase its involvement in social housing. It was also believed that municipalities were best equipped to deliver and administer programs at the local level, since they engaged directly with neighbourhood groups and influential citizens/organizations in the community.

The 1973 amendments to the NHA also either introduced or substantially modified the following programs: Assisted Home Ownership; Non-Profit Housing Assistance; Co-operative Housing Assistance; Neighbourhood Improvement Program (NIP); Residential Rehabilitation Assistance Program (RRAP); Land Assembly Assistance; New Communities Program; Developmental Program; Native On-Reserve Housing; and Purchaser Protection. In effect, Ottawa was changing its policy focus from public housing to neighbourhood revitalization and development. Housing was viewed as one piece of a more cohesive and “better” urban environment. Although the first in a long line of federal programs targeted at home renovation was the Home Improvements Loan Guarantee Act of 1937, one of the most successful housing programs to date is the Residential Rehabilitation Assistance Program (RRAP), and has recently been renewed by the federal government until 2006. RRAP is available to lower income households who wish to make repairs to their dwelling. The City of Hamilton has always actively participated in delivering RRAP.

In 1973, the federal government introduced the direct subsidy programs of the Assisted Home Ownership Program (AHOP) and the Assisted Rental Program (ARP). Some provinces, including Ontario, also offered their own AHOP subsidies. In both 1974 and 1975, AHOP units in Hamilton were comprised solely of triplex and row units. Although AHOP created homeownership opportunities, it was of more benefit to households earning modest incomes, rather than to lower income households. AHOP offered subsidized mortgage rates for the participating household’s first 5 years in a home. However, many households had problems maintaining their mortgage payments once their AHOP agreements expired, resulting in foreclosures. Consequently, AHOP was cancelled in 1978, as was ARP. AHOP resulted in housing being constructed largely on Hamilton’s west mountain.

In the early 1970s, the Ontario Ministry of Housing (OMOH) was created. One objective of the OMOH was to facilitate the direct participation of municipalities in the housing field through land acquisition and requiring municipal housing policy statements to be in accordance with the provincial Planning Act and other provincial policy statements. In 1974, an amendment to the Housing Development Act of 1948 permitted municipalities to acquire land for housing projects, provided housing was addressed in the municipality’s Official Plan.
In response to increasing inflation and a lagging economy in the late 1970s and early 1980s, the federal government tried to stimulate the production of new rental housing with the Multiple Unit Residential Building Program (MURB), the Assisted Rental Program (ARP), and the Canada Rental Supply Program (CRSP). MURB was a housing program dating from 1974 that allowed individuals to deduct “soft costs” (e.g., fees, interest payments, etc.) associated with constructing new rental buildings from their taxable income, in order to encourage further investment in rental accommodation. Prior to its last cancellation in 1981, Ottawa alternated between cancelling and reinstating MURB subsidies. Amidst spiralling interest rates, the CRSP was introduced by Ottawa in 1981, but cancelled in 1985 due to financial constraints. The aim of CRSP was to provide second mortgages that were interest- and payment-free for 15 years to entrepreneurs constructing rental housing units in tight market areas using privately-financed insured mortgages. The loan repayments were amortized between the 16th to 25th years.

Rent supplement programs also appeared on the Canadian housing scene in the early 1970s. The principle of rent supplement rests on the concept of subsidizing rents in the private market to allow for integration of very low-income tenants who would otherwise have to live in "public" housing. Rent supplement was promoted by Canadian governments as a response to several issues in the private housing market – demand for subsidized housing in integrated neighbourhoods, particularly in light of a decline in new social housing construction, and rising vacancy rates in the private sector. In 1974, private landlords could participate in the rent supplement program, wherein governments provided subsidies to the landlords who then offset the cost of monthly rents to their low-income tenants.

Rent supplement is an example of a “non-supply” housing allowance program that responds to a demand for low-cost housing. A key feature of the rent supplement program was that it was offered outside of public housing sites and allowed for integration of households with varying incomes in many different neighbourhoods. The rent supplement program was another indication of the shift in government policy from “public” to “social” housing. Originally, the intent was to keep the number of rent supplement units in a given apartment building to 25% of the total stock; however, in some situations this percentage fluctuated.

As a result of rent controls established in 1975, there were also variations on the delivery mechanism of the rent supplement program. Through rent supplement and in tandem with other supply programs, the Federal and Provincial Governments desired to encourage the construction of new rental units specifically for lower-income households. With the condition that a pre-determined number of units be allotted to the rent supplement program, some of the incentives offered to private builders of rental units included grants, loans, and interest write-downs. Initially the builders could allot 25% of their units to the rent supplement program, although in later years this figure was bumped up to 50%, likely due to rising vacancy rates. At present, rent supplement units in Ontario are administered by municipal governments, although costs are shared between the local and provincial governments.

The Registered Home Ownership Savings Plan (RHOSP) was announced in 1974, and allowed individual taxpayers $1,000 annual tax-free income with the purpose of saving up to $10,000 for a down payment on a house. The programs were in response to Ottawa’s recognition that housing prices were increasing at a faster rate than income.
The short-lived Canada Home Ownership Stimulation Plan (CHOSP) was introduced in June 1982 and cancelled in December 1983. Three thousand dollars was available to any household, regardless of income, that was purchasing a home as their principle residence. With an economic recession in the early 1980s, these housing programs were intended to stabilize the volatile economy.

The Canada Mortgage Renewal Plan (CMRP) was available from late 1981 to 1983, in response to high interest rates and threats of foreclosure associated with mortgage renewal. If the mortgage payments exceeded 30% of a homeowner’s gross income, the household was allowed to defer a portion of the interest. CMRP was replaced in 1984 by the Mortgage Rate Protection Program (MRPP). Again, MRPP was implemented to try and shield Canadian homeowners from significant increases in payments when they renewed their mortgages, and also to restore faith and stability in the mortgage market.

In spite of difficult economic times sparked by the energy crisis of the late 1970s, the residential construction industry continued to play a major role in the Canadian economy. Federal housing policies and CMHC programs were designed to facilitate and encourage further development of the private housing market to respond to housing needs, and contributed substantially to the industry’s success.

2.5 Early 1980s to 2003

The decade of the 1980s marked the beginnings of the homeless problem in larger Canadian cities. The increase in homelessness, particularly in Toronto, occurred because of a number of factors:

(1) The cumulative effect of lower levels of social housing construction;
(2) Increased levels of poverty;
(3) Gentrification - higher income households returning to downtown neighbourhoods and purchasing housing that had previously housed several different lower-income households which were subsequently reconverted to one unit;
(4) Limited capacity for service co-ordination to respond to the range of “affordable housing needs”.

While gentrification has not played a significant role in Hamilton, (the rapid increase in homelessness occurred in Hamilton in the 1990s), the demand for low-cost housing in all communities was intensified by the deinstitutionalization of persons with special needs, rising unemployment, and cuts to other government subsidies.

Canada’s economy underwent a major recession in 1981-1982, which not only left some Canadians in difficult financial circumstances, but governments as well. With a burgeoning federal deficit, cuts were made to federal spending. Previous 1973 amendments to the NHA had created social housing communities that housed and integrated tenants earning a variety of incomes. While an income mix in a housing community is socially desirable, the program parameters were such that the government expenditures had subsidized tenants who did not require assistance. As a result, in 1986 CMHC introduced the concept of “core housing need”, whereby the federal government began to target subsidies only to those households fitting the criteria. (A discussion of “core housing need” is found on page 22.) While this gradually phased out mixed income communities in social housing, it also ensured that government housing dollars would only be spent on people “in need”. Concurrent with the trend, in the 1980s
rental housing starts dramatically decreased due to a number of tax and legislative measures that reduced the financial viability of rental construction.

In 1992 the federal government moved to completely divest itself of any housing responsibility through the proposed Charlottetown Accord; however, the Accord was not ratified. Also in 1992, CMHC introduced The Home Buyers' Plan (HBP). The HBP allows households to withdraw a maximum of $20,000 (tax free) from RRSPs, which will go towards a down payment on a house. The $20,000 must be repaid over the next 15 years. The HBP is very popular; in 1998, for example, 111,000 households participated in the program.

In 1993, the federal government announced it would no longer fund any new social housing except on native reserves. Between 1984 and 1993, approximately $2 billion of funding was cut from federal housing programs. The provinces and territories would now have to raise 100% of the funds for any new social housing construction. CMHC’s Urban Aboriginal Housing Program, which had been running for 15 years and had created 10,031 units, was subsequently ended in 1993. This is particularly important to Hamilton as there is a significant urban native population and likely accounts for the housing difficulties experienced by the aboriginal population in Hamilton.

Table 2.3 – Changes in Government Expenditures on Housing, 1993-1994 to 1999-2000

<table>
<thead>
<tr>
<th></th>
<th>1993-1994 ($ millions)</th>
<th>1999-2000 ($ millions)</th>
<th>$ change</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>1,140.9</td>
<td>837.1</td>
<td>-303.8</td>
<td>-26.6</td>
</tr>
<tr>
<td>Total – provinces, territories</td>
<td>2,039.5</td>
<td>1,576.0</td>
<td>-463.5</td>
<td>-22.7</td>
</tr>
<tr>
<td>Canada (CMHC)</td>
<td>1,944.9</td>
<td>1,927.9</td>
<td>-17</td>
<td>-0.9</td>
</tr>
<tr>
<td>Total – all Canada</td>
<td>3,984.4</td>
<td>3,503.9</td>
<td>-480.5</td>
<td>-12.1</td>
</tr>
</tbody>
</table>

Source: CMHC.

Table 2.3 above lists the changes in government expenditures on housing programs, and indicates that in 1999-2000 the Province of Ontario spent significantly less on housing than in 1993-1994. In the early 1990s, the Province of Ontario played an active role in social housing construction, particularly with the “Homes Now” social housing program. In 1995, however, all new construction was cancelled and provincial funding of new social housing construction was terminated.

In 1996, the federal government began to transfer the administration of social housing to the provinces and territories. As existing operating agreements with federally-funded housing providers begin to expire over the next 20 years, federal spending on housing will gradually decrease from current annual levels of approximately $1.7 billion to zero. In Ontario, the Province downloaded responsibility for social housing to municipalities in January 2001 with the Social Housing Reform Act. In 2001, the Hamilton-Wentworth Housing Authority was transformed into the Hamilton Housing Corporation (HHC) and the City of Hamilton became the sole owner of HHC.

For the first time in Ontario’s history, municipalities solely assumed the role of administering, financing, regulating, and maintaining all elements of the vast social housing portfolios that had been developed as a result of significant expenditures by senior levels of government in the three preceding decades. In Hamilton, the annual
subsidy cost is in the range of $32-33 million. One consequence of provincial or in some cases municipal take-up of social housing is that there is a “checkerboard” of provincial, territorial, and local policies across Canada. This further underscores the need for municipalities to take the lead in housing policy and program development, in order to ensure that systematic, consistent approaches are in place to respond to housing needs in the local community.

Despite turning over its social housing administrative responsibility to the municipalities, the Ontario government still maintained a residual role in housing programs – in 2001 the provincial government introduced the Ontario Home Ownership Savings Plan (OHOSP), which offers tax refunds to singles who earn less than $40,000 or couples who earn less than $80,000, who intend on purchasing their first home. OHOSP was introduced because RHOSP had been cancelled; however, the new program was not as financially attractive as its predecessor, and reflected the policy mindset of the provincial government, which focused on homeownership rather than rental initiatives for lower income households.

As part of this shift in policy, governments have also been actively promoting partnerships between the public, private, and non-profit sectors. In 1991 CMHC opened the “Canadian Centre for Public-Private Partnerships in Housing”. The Centre works to increase housing supply for lower income households, but stresses techniques for development independent of government subsidies. The passage of Bill C-66 in 1999 included the CMHC Act, which gave CMHC the opportunity to further focus on its initiatives and delivery of housing expertise and programs to the Canadian public. The most recent amendments to the NHA were also part of Bill C-66. The objective of the NHA is now to promote the construction of new houses, the restoration and upgrading of existing dwellings, and the improvement of property standards and living conditions.

Despite Ottawa’s desire to stay out of the housing realm, the long-term effects of minimal federal investment in Canadian cities began to manifest itself in urban areas. It became evident that federal involvement was again necessary. In 1999, Canada’s Federal Coordinator on Homelessness visited communities experiencing problems with homelessness. As a result, the National Homelessness Initiative (NHI) was later announced, which provided $753 million over three years to programs, services, and support for issues of homelessness. The six components of the NHI are:

(1) Supporting Communities Partnership Initiative (SCPI);
(2) Urban Aboriginal Strategy – Homelessness Initiative;
(3) Youth Supporting Communities Partnership Initiative;
(4) CMHC renovation and conversion programs;
(5) Surplus Federal Real Property for the NHI; and
(6) Research supporting the National Research Agenda.

In the federal government’s 2001 budget, $680 million was allocated for affordable housing under the “Affordable Housing Framework Agreement”, where Ottawa would commit the $680 million and the provincial and territorial governments would match these funds over five years to create affordable housing. In Ontario, the Canada-Ontario Affordable Housing Program allocated almost $245 million for new affordable housing. Under this umbrella is the Community Rental Housing Program, in which Hamilton is an active participant. In the 2002 Speech from the Throne, the Governor-General commented on the need for Ottawa to commit to urban policy issues. In November
2.6 Conclusion

Since the early 1900s, federal housing policies have been largely geared towards stimulating the Canadian economy. Government intervention in housing has been in response to economic downturns and/or events that created housing demands unmet by the private market. Governments intervened when external crises, such as the return of veterans following the First and Second World Wars, or the collapse of the economy during the Great Depression, created market scenarios where housing demand outpaced supply or where any type of intervention in the economy was warranted. In the 1950s and 1960s, homeownership was regarded as the ideal for Canadian households, and was encouraged by all levels of government. During the energy crisis of the late
1970s and the recession of the early 1980s, governments responded by offering significant homeownership incentives. Due to increasing inflation and interest rates, and a history of considerable spending in the 1970s, the 1980s were characterized by a decline of federal dollars in housing. The province of Ontario assumed a greater role at this time, but by the mid-1990s had also moved away from contributing significant monies to housing. Since 2001, most housing program implementation, delivery, and administration now rest with municipalities, which may have long-term implications as municipal access to revenue sources is limited.

This review recognizes that each level of government has a role to play in housing. The federal government has the ability to leverage funds and provide considerable financial resources to housing programs; as the provincial government has the constitutional responsibility of housing, it can offer legislative and additional financial tools and support. Municipalities can best administer and deliver housing programs, given their land use responsibilities, local knowledge of community organizations and housing needs, and the “in the trenches” expertise of local officials. Canadian housing policies are closely intertwined with its economic, social, and political trends; as such, intergovernmental cooperation and support is undoubtedly the best approach to creating policies and programs that serve the housing needs of all Canadians.
3.0 State of the Housing Market in Hamilton

3.1 Introduction

Effective housing policy and programs must be grounded on a thorough understanding of housing market conditions. The purpose of this section of “Keys to the Home” is to provide a discussion of Hamilton’s housing market in terms of market trends, current needs, and future housing demand.

A variety of data sources will be utilized to describe current housing market conditions in the City of Hamilton. The Census of Canada is the most definitive source of statistical information linking housing and demographic attributes. By utilizing 1996 and 2001 Census of Canada data, a sense of the current housing market and demographic trends can be obtained that will provide a basis for policy and program recommendations. In 2001, the population of the City of Hamilton was recorded at just over 490,000 people; in the context of housing market analysis however, the key demographic determinant is households. Accordingly, the following statistical review focuses primarily on the approximately 188,500 households in Hamilton.
The two charts on page 16 show the distribution of dwellings by type in 1996 and 2001. The bulk of Hamilton’s housing stock can be categorized as “grade-related” which include single-detached, semi-detached and row/townhouse units.

The majority of Hamilton households own their homes. From 1996 to 2001 the proportion of Hamilton households who owned their homes increased from 62.8 percent to 65.3 percent.

The above chart shows that approximately 71% of the 121,965 owner households in Hamilton are “Husband-Wife with Children” and “Husband-Wife without Children”. (It should be noted that these are Statistics Canada terminology and include common law arrangements.)
On the other hand, as shown on the chart below, the composition of Hamilton’s renter households is different. Approximately 50% of Hamilton’s renter households are “Non-Family” households, with the remaining 50% distributed fairly evenly between the other household types, with the exception of “Multiple Family”.

![Renter Housing Stock by Household Type, Hamilton, 2001](chart1)

As seen in the chart below, between 1996 and 2001 the number of owner households increased by 10,655, while the number of renter households decreased by 1,045. This movement into homeownership can be partially attributed to low interest rates, generally buoyant economic conditions, and the relative “affordability” of Hamilton’s ownership stock.

![Change in Household Tenure, Hamilton, 1996-2001](chart2)

What is particularly important about the movement to homeownership is that it occurred among all household types, as can be seen on the chart on page 19, which underscores the positive economic growth and lower mortgage interest rates during this time period.
Turning to Hamilton’s renter households, the number of “Lone Parent” and “Husband-Wife without Children” households declined significantly. As these households tend to be younger and have potential for earning higher incomes over the long term, it is likely these households simply moved into the homeownership sector.

It is important to examine housing characteristics by the age of the household “maintainer” (head of household). As expected, most homeowner households are between the ages of 35 and 64, while the bulk of renters are between the ages of 15 and 44. As households age, economic stability and income typically increase, allowing for movement into the ownership market. Nevertheless, it should be noted that there is a significant number of very elderly households (75 years and over) that rent their accommodation.
By the same token, we can see that 44% of all household maintainers in Hamilton are between the ages of 35 and 54. Over the next 20 years we will see many of these baby boomers retire and likely initiate changes in the demand for alternative housing options.

Decreases in the number of households were found in the 25-34 and the 65-74 age cohorts. The largest increase was in the 45-54 age cohort, not surprisingly a result from changing demographics amongst the baby boomer population.
These charts have served to briefly describe the demographic and housing characteristics of Hamilton's households in 2001. With the framework now in place, we will examine households in the housing market who have the greatest need.

3.2 Housing Affordability for Hamilton Households

Definition of “Affordable Housing”

A major debate in the housing policy and program arenas is the issue of what is “affordable housing”. Affordable housing can mean different things to different people. For a homeless person, affordable housing is a literally a roof over their head for the night. For households with two income earners, affordable housing could be a 2,400 square foot single-detached house in the suburbs.

What is important to recognize is that we should not necessarily be focusing on the definition of a "product" of affordable housing; we should be focusing on the segments of our community who clearly have the "need" for housing that is affordable to their particular circumstances. In this way, those with the greatest "need" are those who are living on the streets – the homeless – and those who are vulnerable because of very low income (i.e., the first and second income quintiles) and/or personal circumstances, e.g., persons with serious mental illness.

By all accounts, the “affordability” of housing has to be initially based on a link or relationship between a household’s income and expenditures on shelter, be it for rental or ownership. In the latter part of the 19th century, a rule of thumb emerged that one should not spend more than one week of one’s monthly salary on housing, hence the 25% affordability threshold.

In the 1970s, in the context of renter housing affordability, the 25% threshold increased to 30%. This shift occurred as rent-geared-to-income ratios for households in social housing increased from 25% to 30% and also reflected an increase gross debt servicing and total debt servicing ratios for mortgage calculations.
There are many situations where households, by their own choice, choose to spend greater than 30% of their income on housing, but of major concern to all levels of government must be for those renter households who have no choice but to spend greater than 30% of their income on rent.

In the mid-1980s CMHC developed the definition of “core housing need” that expanded upon the simple shelter cost-to-income ratio of determining housing affordability.

“A household is said to be in core housing need if its housing falls below at least one of the adequacy, suitability or affordability standards and it would have to spend 30 percent or more of its income to pay the average market rent of alternative local market housing that meets all three standards. …An adequate dwelling does not, according to its residents, require major repairs. A suitable dwelling has enough bedrooms for the size and make-up of the occupying household. To be affordable, shelter costs must consume less than 30 percent of before-tax household income.”

Strength of this definition is in its flexible nature; that is, it can be tailored to the local context using local benchmarks of adequacy, suitability, and affordability. As well, it clearly demarcates those households who have "no choice" in terms of their shelter-to-income ratio. Over the years, CMHC has fine-tuned this definition and created core housing need databases. This is a widely-accepted definition in the academic community and among housing policy and program delivery officials and is appropriate for use in the City of Hamilton municipal context.

The following charts show the magnitude of households in core housing need in Hamilton in 1996. (2001 core need data will be available from CMHC in late 2004.)
The chart on page 24 demonstrates the important links between employment and affordable, adequate, and suitable housing. In 1996, over one-half of Hamilton’s core need renter households were not participating in the labour force. There are clear and demonstrable linkages between employment and housing affordability that can mutually enhance and reinforce the other. For instance, increased employment, skills and training opportunities for lower income households will translate into a lower incidence of households in core housing need.
As 2001 core need data is not yet available, the next best source of housing affordability data is from the 2001 Census of Canada. Renter households consistently have a greater housing affordability problem than do owner households. In the context of this discussion, households experiencing a housing affordability problem are defined as households paying 30% or more of their income on “monthly rent (for tenants) or the mortgage payment (for owners) and the costs of electricity, heat and municipal services.” The data is further disaggregated to show owner and renter households who spend 50% or more of their income on these payments. Unfortunately, the Census data does not disaggregate the expenditure components of “gross rent” or “owner’s major payments”, so it is difficult to ascertain whether one specific component is contributing more or less to households experiencing a housing affordability problem. In the context of the rental marketplace, households who are spending 50% or more of their income on rent are clearly economically vulnerable to homelessness.
Overall, we can see that there has been a slight decrease in the number of renter households experiencing a housing affordability problem in Hamilton from 1996 to 2001. However, what is important to note is the magnitude of households experiencing a housing affordability problem in Hamilton.

For the former City of Hamilton, we can extend our analysis of the housing affordability problem much further. By using special tabulations from the 1981, 1991, and 2001 Census, we can show renter households living in the former City who pay greater than 30% and 50% of their gross household income on rent. The two following charts on page 26 demonstrate the magnitude of renter households with housing affordability concerns and the proportion of renter households with housing affordability concerns as compared to the total number of renter households. We can see that over a twenty-year time frame, the number of renter households experiencing an affordability problem both nominally and percentage has increased significantly.
Other data allows us to see the long-term trend of an increasing number of family households with children experiencing an affordability problem.
The next two charts show owner households with a housing affordability problem by the age of the household maintainer (the self-determined “head” of the household).

![Proportion of Owner Households with an Affordability Problem by Age of Household Head, Hamilton, 2001](chart1.png)

Source: Census of Canada.

![Proportion of Owner Households with an Affordability Problem by Age of Household Head, Hamilton, 1996](chart2.png)

Source: Census of Canada.

Not surprisingly, younger owner households have a slightly higher propensity to experience a housing affordability problem. Younger households have yet to reach the peak of their employment earnings potential and will obviously be newer homeowners. The following charts focus on the renter households with an affordability problem by age of household maintainer.
We can see that the 15-24 age cohort experienced a lower proportion of housing affordability problems in 2001 than 1996. There was little change elsewhere among other age cohorts, suggesting that there is a core population of renter households in Hamilton that will always experience a housing affordability problem.

Homeowners in Hamilton are also experiencing affordability problems but not to the same magnitude of renter households as shown in the two charts on page 29.
Not surprisingly, “Lone Parent” and “Non-Family” owner households had the highest incidence of households experiencing a housing affordability problem. It is likely that in both circumstances there will be only one major income earner.
In the rental marketplace, we see similar trends to that of the ownership marketplace, as “Lone Parent” and “Non-Family” households account for a disproportionately higher share of renter households who are experiencing a housing affordability problem.
The charts on this page and the first chart on page 32 examine the trend for households experiencing a housing affordability problem from 1996-2001. Over this period there was an increase in the number of owner households experiencing an affordability problem and a decrease in the number of renter households experiencing an affordability problem.

![Change in Households Experiencing an Affordability Problem, Hamilton, 1996-2001](image1)

Source: Census of Canada.

![Changes in Renter Households Experiencing an Affordability Problem, Hamilton, 1996-2001](image2)

Source: Census of Canada.
As shown below, the decline in the number of renter households experiencing a housing affordability problem can be attributed to significant declines occurring specifically in the 25-34 age cohort. This is simply a result of a more positive economic situation in 2001 than in 1996 with lower unemployment and job growth. In addition, for households with the financial means to move into the ownership marketplace, what became evident in the 1996-2001 period is that with very low mortgage interest rates, the “affordability” of ownership housing became more attractive than renting.

Within the ownership marketplace, an emerging concern is that of senior citizen households who are experiencing an affordability problem. As the vast majority of owner households have paid off their mortgage when they reach this stage of their life, it is likely a result of a spouse passing away and the total income of the household being reduced.
A positive finding when looking at the change in renter households by household type who experience a housing affordability problem is that the number of “Lone Parent” families declined significantly from 1996 to 2001.

As noted previously, senior citizen households account for a significant change in the number of owner households experiencing a housing affordability problem. To a large extent, this trend is corroborated by examining owner households by household type as the largest increase is among the “Non-Family” household type.
The use of income quintiles allows specific analysis over any time period to highlight the precise households who experience a housing affordability problem. This allows future program initiatives to be targeted and ensures any expenditure and/or actions reach those who have the greatest relative need. In the next four charts, households experiencing an affordability problem are grouped by income quintile in order to show the relationship between household income and accommodation. The income quintiles in year 2000 dollars are as follows:

- Quintile 1 (< $20,051)
- Quintile 2 ($20,051 - $37,883)
- Quintile 3 ($37,884 - $59,048)
- Quintile 4 ($59,049 - $86,716)
- Quintile 5 ($86,717 & over)

Not unexpectedly, both owner and renter households in the first and second income quintiles experienced a much higher proportion of housing affordability problems than households in higher income quintiles.
Proportion of Owner Households with an Affordability Problem by Income Quintile, Hamilton, 1996

Source: Census of Canada.

Proportion of Renter Households in Hamilton with an Affordability Problem by Income Quintile, Hamilton, 2001

Source: Census of Canada.

Proportion of Renter Households with an Affordability Problem by Income Quintile, Hamilton, 1996

Source: Census of Canada.
It is clear that there is a core component of households in Hamilton who have experienced, and will continue to experience, housing affordability problems over the long term. These households are largely within the first and second income quintiles.

The chart below shows the minimum “housing wage” required for a household with one breadwinner working full-time, renting a one-bedroom or two-bedroom apartment, and not paying more than 30% of their gross income on rent. The calculation was made using CMHC’s October 2003 average market rent for a one-bedroom apartment ($608) and a two-bedroom apartment in the City of Hamilton ($738) and provides a succinct indication of the difficulties faced by lower income households in our community in seeking rental accommodation affordable to their circumstances. The discrepancy between minimum wage in Ontario – $7.15/hour – and the housing wage is acute: to afford a one bedroom unit, the required housing wage is $12.68/hour; for a two-bedroom unit, the required housing wage is $15.36/hour.

"Housing Wages" vs. Minimum Wage, Hamilton, 2004

3.3 Market Activity

Housing Starts by Dwelling Type, Ontario, 1956-2002

Source: City of Hamilton.
We can see from the bottom chart on page 36 that housing starts on a province-wide basis have fluctuated during the last approximately 40 years; however, with the exception of the late 1960s/early 1970s, apartment starts have always been much lower than other dwelling types. Beginning in the 1970s and through the 1980s, due to a number of tax and legislative measures, the financial attractiveness of constructing rental housing was reduced to where it became simply uneconomic. The end result was a steady decrease in rental starts commencing in the late 1980s.

In the City of Hamilton, the trend is similar. Detached, semi, and row dwelling starts significantly outnumber apartment starts. However, for several years in Hamilton, there were zero apartment starts. The following table and chart show the breakdown of housing starts by tenure.

Table 3.1 – Housing Starts by Type and Tenure, City of Hamilton, 1981-2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Ownership</th>
<th>Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Detached</td>
<td>Semi</td>
</tr>
<tr>
<td>1981</td>
<td>983</td>
<td>133</td>
</tr>
<tr>
<td>1982</td>
<td>741</td>
<td>6</td>
</tr>
<tr>
<td>1983</td>
<td>1395</td>
<td>47</td>
</tr>
<tr>
<td>1984</td>
<td>1323</td>
<td>10</td>
</tr>
<tr>
<td>1985</td>
<td>1700</td>
<td>1</td>
</tr>
<tr>
<td>1986</td>
<td>2190</td>
<td>8</td>
</tr>
<tr>
<td>1987</td>
<td>1993</td>
<td>8</td>
</tr>
<tr>
<td>1988</td>
<td>2014</td>
<td>22</td>
</tr>
<tr>
<td>1989</td>
<td>1941</td>
<td>18</td>
</tr>
<tr>
<td>1990</td>
<td>1166</td>
<td>16</td>
</tr>
<tr>
<td>1991</td>
<td>601</td>
<td>6</td>
</tr>
</tbody>
</table>
In the private sector, lower mortgage interest rates and a tight vacancy rate in the rental market during the 1990s created homeownership opportunities with the construction of thousands of condominium units. The end result was a boom in condominium sales in selected cities across Ontario, particularly Toronto. Research conducted by the Greater Toronto Home Builders’ Association found that condominiums are taking the place of rentals as a source of modest accommodation (2001). Rents typically outpace the costs of condominium ownership, and the high density, smaller spaces which typify condominium developments lend themselves to more affordable equity that many first-time homebuyers can afford. In spite of this, condominiums have not been a prominent feature in Hamilton’s housing market for a number of reasons:

1) The bulk of Hamilton’s single- and semi-detached housing stock is affordable to first-time homebuyers;
2) Until only recently, Hamilton’s downtown core has not been a focus of new housing development;
3) Investor interest has been minimal; and,
4) There is a lower proportion of professional job opportunities in Hamilton compared to Toronto.

### 3.4 Social Housing Stock in Hamilton

In accordance with the Social Housing Reform Act in 2000, the Province of Ontario downloaded responsibility and administration of most social housing to municipalities, including units built under previous federal and provincially-funded programs.

**Table 3.2 – Social Housing Inventory**

<table>
<thead>
<tr>
<th>Municipal Non-Profit Units</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamilton</td>
<td>972</td>
</tr>
<tr>
<td>Dundas</td>
<td>74</td>
</tr>
<tr>
<td>Glenbrook</td>
<td>31</td>
</tr>
<tr>
<td>Stoney Creek</td>
<td>369</td>
</tr>
<tr>
<td>Total City of Hamilton Units</td>
<td>1,446</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private Non-Profit Housing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial (including coops)</td>
<td>3,146</td>
</tr>
<tr>
<td>Federal</td>
<td>3,684</td>
</tr>
<tr>
<td>Total Private Non-Profit Housing Units</td>
<td>6,830</td>
</tr>
<tr>
<td>Public Housing</td>
<td>5,130</td>
</tr>
<tr>
<td>Rent Supplement –Private and Non-Profit</td>
<td>1,090</td>
</tr>
<tr>
<td>Total Social Housing Stock</td>
<td>14,496</td>
</tr>
<tr>
<td>Total Units Under Municipal Administration</td>
<td>14,496</td>
</tr>
</tbody>
</table>

Source: City of Hamilton, Housing Branch.

As Table 3.2 illustrates, Hamilton’s social housing inventory was produced from a number of funding sources and levels of government. The federal-funded housing stock was the first to be constructed. The following federal programs produced assisted housing units that were later transferred to the province:

- **Section 26 Limited Dividend – Entrepreneur.** Private landlords received a preferred mortgage rate, but the savings were passed onto the tenants in the form of rents below market levels.
- **Section 26 and Section 27 Non-Profit.** Units built by public and private non-profit housing companies that received a preferred mortgage rate and thus were able to offer rent rates to tenants that were below market levels.
- **Section 95 Private Non-Profit.** Units built by public and private non-profit housing companies that received an ongoing subsidy based on a write down of the current interest rate at time of renewal to a 2% interest rate.
- **Section 95 Urban Native (Pre 86).** Units owned by urban Native non-profits receive an ongoing subsidy based on a write down of the current interest rate at time of renewal to a 2% interest rate. These projects have access to additional subsidy through a supplemental agreement permitting them to be fully funded based on approved budgets.
- **Section 95 Urban Native (Post 85).** Units owned by public and private non-profit housing corporations that receive a subsidy based on approved budget.
Table 3.3 – Federally-Assisted Housing Units in Hamilton, By Program Origin

<table>
<thead>
<tr>
<th>Section 26 Limited Dividend</th>
<th>Section 27 NP</th>
<th>Section 95 Private NP</th>
<th>Section 95 Municipal NP</th>
<th>Section 95 Urban Native Pre-86</th>
<th>Section 95 Urban Native Post-85</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>243</td>
<td>1,006</td>
<td>2,218</td>
<td>178</td>
<td>77</td>
<td>111</td>
<td>3,833</td>
</tr>
</tbody>
</table>

Source: Social Housing Data Release V.

Table 3.4 – Provincially-Assisted Housing Units in Hamilton, By Program Origin

<table>
<thead>
<tr>
<th>OHC</th>
<th>Provincial Non-Profit</th>
<th>Rent Supplement</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,130</td>
<td>4,605</td>
<td>1,090</td>
<td>10,825</td>
</tr>
</tbody>
</table>

Source: Social Housing Data Release V.

It should be noted that for the provincial program initiatives, only partial information could be found. Under the Rent Supplement Program, there are several different cost-sharing arrangements. For the “Commercial RS Program”, the province (now the municipalities) shares the cost 50/50 with CMHC. For the “Federal/Provincial RS Program”, CMHC pays 60% and the province (now the municipalities) pays 40%. Under the “Provincial RS Program”, the province (now the municipalities) covers 100% of the costs. The Provincial New Tomorrow RS Program is available to federal and provincial non-profits and co-operatives, and is funded exclusively by the province. For non-profits, the following RS programs are available: (1) the Ontario Community Housing Assistance Program (OCHAP), where municipalities now fund 100% of monies to non-profit and co-operative federally funded housing projects; and (2) the Community Sponsored Housing Program (CSHP), where municipalities and the federal government share the costs on a 50/50 basis.

Included under “Provincial Non-Profit” Housing Program are several programs that also created social housing units in Hamilton. The following information cannot be considered as “complete” due to data gathering constraints at the Provincial Government, but does provide a sense of how the programs were utilized in Hamilton:

- Homes Now – 912 units
- Ontario NP (10,000) – 208 units
- Jobs Ready – 10 units
- Other, e.g., jobsOntario Homes – 65 units; Project 3000, Project 3600

In order to coordinate the process for applicants seeking rent-geared-to-income social housing, most non-profit housing providers and several community housing agencies participate in the Community Housing Access Network (CHAN). Over the last five years, there has been a slow but steady increase in the number of people applying for social housing in Hamilton.
A more long-term snapshot of the social housing waiting list reveals the pervasive need in Hamilton for rent-geared-to-income housing. Over the period 1983 to 1986, the average annual waiting list figure was 821 applicants/households. By year-end 2003, the number had increased by over five-fold to 4,362.

As evidenced by the chart below, at year-end 2003, the majority of active people on the CHAN waiting list did not have priority status. Priority status applicants have need for immediate housing and priority is given to victims of abuse and “disadvantaged applicants” who include the homeless, newcomers, and youth. At year-end 2003, there were 26 victims of abuse and 490 disadvantaged applicants waiting for social housing. The relatively low numbers of priority status applicants on the CHAN waiting list suggests that they are being placed into social housing in a timely fashion.
3.5 The Rental Market

It is generally accepted that an indication of a healthy, competitive rental marketplace where the interests of landlords and tenants are balanced is when the rental vacancy rate is in the 2%-3% range. As of October 2003, the rental vacancy rate for apartments was 3.2%. More specifically, by examining the characteristics of vacant units, opportunities can be identified where partnerships can be established with private sector landlords to implement Rent Supplement agreements to accommodate households on the social housing waiting list.

The following three charts show the rent ranges of vacant one, two, and three bedroom units of private apartment buildings with six or more units.
It is also important to note that this data does not include information or account for unit “turnover”. For example, a tenant may be leaving a unit at the end of the month and if another tenant has agreed to rent that unit, the unit is not categorized as vacant. Unit turnover is an indication of the fluidity of rental housing marketplace through the ability of existing supply to meet rental housing demand.

Quite clearly, the rental market in Hamilton has softened since 2002. Whether this a long-term market trend is uncertain; however, with favourable economic conditions for homeownership and household formation trends, it is likely we will not witness the conditions of the 1980s in the foreseeable future where the vacancy rate hovered around the 0.5 percent level.

As shown in the chart on page 44, vacant rental apartment units are distributed throughout the City but there is a concentration within the Downtown & Central, Central East, and East End neighbourhoods.
The following chart below shows the dynamics between the average market rent for one-bedroom apartments in Hamilton and the rental vacancy rate. Between 1999 and 2002, the vacancy rate was well below the 3% mark and rent levels increased in response to a strong demand for units. The marked increase in the vacancy rate of 2003 is partly attributable to the movement of numerous renter households into the homeownership market. Once a rental unit is vacated, landlords who are sensitive to what the marketplace can bear will adjust their rents in vacant units accordingly.
The lack of new rental supply in previous years has meant that demand has shifted to less traditional rental units (i.e., outside of high- and low-rise apartment buildings), such as accessory apartments and condominiums. Additionally, in recent years, a combination of factors including low mortgage rates, rents that were comparable in price to the carrying costs of a conventional mortgage, and the recognition that the benefits of owning outweighed those associated with renting, persuaded many modest income tenants to opt out of the rental marketplace and become homeowners. Although at present time the rental market is competitive and “healthy”, it would be premature to suggest the permanency of this current rental situation.

An absence of new “conventional” rental housing, aging stock, and little or no income growth for OW/ODSP clients in recent years have all encouraged growth in what is known as the secondary rental market. The secondary rental market consists of rental tenures in secondary suites/accessory apartments, and apartments in commercial/retail buildings. The increase in the number of secondary suites has occurred particularly in Hamilton’s lower city. Nevertheless, one drawback of secondary rental units is that they only flourish under certain socioeconomic conditions, and thus cannot be considered part of the permanent rental stock. With a new supply of conventional rental housing, there will very likely be decreased incentives for homeowners or absentee landlords to create these units. (The issue of secondary suites/accessory apartments is further addressed under section 4.1 – “Residential Intensification”.)

3.6 Homeownership in Hamilton

Housing prices appreciate or depreciate based on a number of demand and supply factors, namely changes in population and household growth, real income, construction and land costs, stock market activity, and mortgage interest rates. The following chart displays the average resale dwelling price in the former City of Hamilton.

![Average Resale House Prices](chart)

Source: Realtors Association of Hamilton-Burlington.

Average resale house prices increased dramatically starting in the late 1980s and then levelled out after the recession of the early 1990s. House prices again increased during the early part of this decade. Regardless of the average resale price, housing demand in the former city has been characterized by a consistent annual cycle of decreases
towards the end of each year and increases coming again in the spring months which is typical in most housing markets.

![Minimum Income Required to Purchase a Dwelling, Hamilton, 1978-2004](image1)

Although average house prices have increased, the above chart shows that the minimum income required for a Hamilton household to purchase a resale dwelling in Hamilton has remained relatively constant. This underscores the relative level of “affordability” of Hamilton’s ownership housing stock and the level of mortgage interest rates.

![Required Income to Purchase a Dwelling vs. Average Family Income, Hamilton, 1978-2004](image2)

Barring an approximate four year period between 1988 and 1992, the average household income in Hamilton has exceeded the minimum household income required to purchase a resale dwelling. The 1988-1992 period was a time of rapidly increasing house prices, increasing mortgage interest rates and static household income growth – in effect, a real estate “bubble”. At present, it is clear the market fundamentals remain very positive and Hamilton remains a very affordable community in which to purchase a home.
3.7 Future Household Growth and Housing Demand

It is important to not only assess current housing market conditions and short-term trends but also to look forward over a longer time span and identify future household growth and formation trends and the housing needs and requirements arising from this household growth. In essence, this will provide a “picture” of what Hamilton will look like in the future in the context of housing requirements.

To plan for Hamilton’s growth over the next 30 years, the City is undertaking a number of strategic planning initiatives including the Growth Related Integrated Development Strategy (GRIDS). GRIDS is Hamilton’s urban growth strategy and will identify where growth should occur, and what infrastructure and services (e.g., roads, sewers, water mains, parks, community and services centres, transit routes, biking facilities, etc.) would have to be provided to accommodate the projected population and employment growth. A key input to GRIDS is the projection of future household growth and the housing requirements from this growth.

However, GRIDS is not just about finding the most cost effective engineering solutions to roads and infrastructure planning of new growth areas. The challenge for the GRIDS process will be to find the best way, or pattern, for growth to take place, by taking into account and providing a balance between the different but inter-connected social, cultural, economic and environmental issues.

In November 2002, Council adopted the report “City of Hamilton Population, Household and Employment Projections” prepared by the Centre for Spatial Economics as input to GRIDS that were based on 1996 Census of Canada population and household data. Since that time, City of Hamilton staff has been participating with other staff from the Provincial Government and the municipalities comprising the Greater Toronto Area including the City of Toronto and the Regional Municipalities of Halton, Peel, York and Durham to develop new population and household projections based on data from the recent 2001 Census of Canada. This would result in consistent and cohesive population and household projection numbers for all of the municipalities to formally adopt and use for planning and growth management purposes.

This population and household projection work is being completed by Hemson Consulting and has reached the “preliminary numbers” stage but is confidential. However, additional work has been placed “on hold” at the request of the Provincial Government pending potential planning and growth management legislative and policy initiatives that are to be unveiled in late 2004/early 2005.

In order to advance the GRIDS work program to meet Council’s established time frame, it is essential that credible and defensible household growth and housing demand figures be prepared and endorsed as data input to GRIDS. Accordingly, the “current” population projections from the Centre for Spatial Economics population work previously completed for the City and the City’s household/housing demand spreadsheet model are combined to determine household growth to the year 2031.
The base data for the household/housing demand model are age of household head, household type, tenure and dwelling occupancy pattern propensities for Hamilton from the 1996 and 2001 Census of Canada with slight adjustments to reflect anticipated 2031 household and housing demand shifts. This methodology is consistent with the methodology employed by Hemson Consulting for the Greater Toronto Area/Hamilton projections.

Three major housing/household demand assumptions are built into the 2031 projections:

1) Continued increase in non-family household formation propensities;
2) Slight shift to medium-density dwelling forms in older, ownership age cohorts; and,
3) Increased focus on homeownership propensities.

In terms of the increased propensity for non-family household formation, the following trends underscore this shift:

- Continued high divorce and separation rates of families. Two households are created from what previously was one household. Typically, this would result in one lone parent family (if children are involved) and one single person household.
- Increased longevity of the elderly. Current trends point to seniors living longer lives. As seniors age, they may require supportive housing in a different setting from their traditional home. Alternatively, if in good health, seniors may elect to stay in the family dwelling as long as possible. This also may contribute to less traditional forms of housing being created such as secondary suites/accessory apartments.
- The widowed. People who are widowed may choose to live alone, in which case their housing situation may mirror those of seniors. On the other hand, they may remarry and join another household, which may create other housing needs.
- Couples are often choosing to marry later in life. For a variety of reasons including, for example, career choices, an increase in the number of women participating in the work force, student debts, etc., people are electing to start families at a later age in life. Until this decision is made, many young people in their work force live on their own or move back in with their parents.
- More single people are simply choosing to continue live on their own. Single person households typically create a demand for rental units and/or modest-priced homeownership opportunities.

Over the period 2001-2031, it is anticipated there will be a slight shift to medium density ownership housing among older age cohorts. There is a small but growing demand for an alternative to “conventional” suburban homes and neighbourhoods, and households are seeking a different dwelling style to that of the single-detached. These households are seeking a neighbourhood that offers a range of dwelling forms, lower auto orientation and creative neighbourhood design. Another contributing factor is that a household’s housing preference can change after age 45 with a greater emphasis on a central location. As well, there is the demographic reality that there will be declining share of husband-wife with children households who typically require a larger single-detached home.
Finally, the household/housing demand model has assumed a slightly increased focus on homeownership over the 2001-2031 time period. This is in response to increasingly innovative and flexible mortgage financing instruments and down payment scenarios, e.g., 0% down, rent-to-own, etc., and enhanced consumer recognition and financial knowledge of the benefits of ownership housing.
These are reasonable and appropriate household/housing demand assumptions and it is evident the City is well-prepared to meet this challenge with Council’s focus on economic development matters and implementation of the Economic Development Strategy.

The table on page 49 summarizes total projected household growth and housing demand in the City of Hamilton over the period 2001-2031 by household type, dwelling type and tenure. This statistical information will be an important input to the City’s GRIDS process. The charts and commentary on the following pages elaborate on the projections.

As shown in the chart below, the population of the City of Hamilton is projected to reach approximately 622,400 by the year 2031 using the “Current” assumption as provided by the Centre of Spatial Economics. The core premise underlying the “Current” projection is that “an expansion of Hamilton’s economic base across a variety of industries” occurs and the City “must take the steps required by financing and implementing the required infrastructure in a timely and strategic manner”.

We live in an aging society, as shown in the chart on the page 51. As the baby boom population moves along its life cycle, those aged 65 years and over will make up a larger proportion of the overall population and their changing housing demands will create a niche in the marketplace. For example, some seniors may decide to sell their larger single-detached home that was more suitable for a family, and instead rent or buy a small home or apartment. Demand for conventional single-detached dwellings may lessen and instead focus on less conventional and unique dwelling types.
Increased longevity of seniors combined with stock market gains of the 1980s and 1990s have propelled seniors to become home *buyers*, which has reversed their traditional role as home *sellers*. As well, studies have shown that seniors sell their homes due to poor health or the death of a spouse, and not for capital. A survey conducted by the American Association of Retired Persons concluded that 95 percent of persons 75 and older wanted to stay in the current residence as long as possible, due to better health and wealth.

Population, household and housing demand projections for the same projection period can be different depending on the timeliness of the base data and the assumptions utilized. This is not unusual and will contribute to a variation in the “final” projected numbers. The above chart shows the projected household growth for the City of Hamilton over the period 2001-2031 from two different projection methodologies: the Centre for Spatial Economics “Current” Base projections utilizes 1996 Census actual household propensities for the City of Hamilton with no adjustment or modification for anticipated demographic and socioeconomic shifts over the 2001-2031 period; and, the
Centre for Spatial Economics “Current” Modified projections using 2001 Census data with the various modifications and assumptions described earlier.

What is clear is that a methodology that utilizes the most current available data, i.e., 2001 Census household and housing propensity data, with subtle modifications for anticipated demographic and socioeconomic changes is clearly preferable to a methodology that uses 1996 Census of Canada data with no modifications. Although the statistical information from Hemson Consulting for the Greater Toronto Area/Hamilton projections is currently confidential, there is consistency with this data in terms of the magnitude of future household growth with the City’s “Current” Modified household and housing demand projections.

Therefore, there is a degree of comfort for the GRIDS work to be completed as when the Greater Toronto Area/Hamilton population and household growth numbers are eventually released later in 2004 there is a degree of consistency and commonality with the City’s projection numbers.

The absolute number of household growth is obviously a key contributor to long-term growth management planning. What is also important to recognize is the “dynamics” of the growth or the “numbers behind the numbers”. By reviewing the household projection numbers in greater detail, a more sensitive and insightful analysis of future growth trends and housing requirements can be obtained. As shown in the chart below, over 80 percent of household growth in the City of Hamilton in the period 2001-2031 will occur among households with an age of head 55 years and over. This is not surprising as these household trends reflect the aging of the baby boomer population into the older cohorts.

The chart at the top of page 53 also shows that the number of households in the 25-44 years age cohort will increase slightly from 2001 to 2031. As households in this age cohort have an increased propensity for larger dwellings as a result of generally larger household size, this suggests there will be continued demand, albeit more modest, for the conventional single-family dwelling in a suburban environment.
The 2001-2031 household growth can also be delineated by the type of household. As shown below, the bulk of household growth will be in “husband-wife without children” households, i.e., empty nesters, and “non-family” households, i.e., single persons.

The next chart on page 54 shows the dwelling type preferences of the household growth that will occur over the 2001-2031 time period on an average annual basis. As a result of the age and household type structure of this growth, there will be an increased demand for more higher-density housing forms such as apartments. There will also continue to be strong demand for “grade-related” structures such as single-detached, semi-detached and row/townhouse units.
The following two charts highlight the significance of the baby boom generation to household growth and housing demand projections over the time period 2001-2031 in the City of Hamilton. What is also particularly evident is that although the demand for grade-related dwellings will continue, it is very likely the scope of this demand will be for smaller dwellings than has typically occurred in recent years as the key growth in households will be among smaller households, i.e., husband-wife no children and non-family.
The strong demand for rental housing will continue over the 2001-2031 time period. On an annual average basis, 650 new rental units are required to meet household growth projections. Unfortunately, the actual level of rental housing production has not kept pace with demand and as result households are seeking rental accommodation in the “secondary” rental markets such as accessory apartments in existing single-family dwellings.

What is also evident is that of the average annual requirement of 650 rental units, a segment of these units should be targeted for households who are in “core housing need” and require rent-geared-to-income housing. There are approximately 25,000 renter households in Hamilton who are in core housing need as defined by Statistics Canada and Canada Mortgage and Housing Corporation. Approximately 5,000 of these households do not meet the “adequacy” or “suitability” housing standard, which means the quality and physical conditions of their current dwelling do not meet their household needs and circumstances. The current Community Housing Access Network waiting list for rent-geared-to-income social housing is approximately 4,362 households.
Accordingly, a target of 400 of the average annual requirement of 650 rental units is appropriate for households who require rent-geared-to-income housing.

The aging of the baby boom population also underscores the change in renter household growth over the period 2001-2031 in the City of Hamilton. As shown in the above chart, over 80 percent of renter household growth will be within the 55 years and over age cohort.

As noted below, over two-thirds (69.2 percent) of renter household growth will be among non-family households. The housing implications of this demographic projection are that there will be increasing demand for smaller, typically one-bedroom units, in Hamilton.

The City of Hamilton will experience household growth in the magnitude of approximately 81,000 households over the period 2001-2031. As a result of the aging baby boom population, this household growth will primarily occur in the older age cohorts and within the empty nester and single-person household types.
The nature of this growth has clear implications on future dwelling type preferences. Grade-related dwellings such as single-detached, semi-detached and row/townhouse dwellings will continue to represent the bulk of new housing demand over the time period 2001-2031. However, it is very likely that this demand will be for smaller dwelling sizes than was typically been demanded in the marketplace of the 1980s and 1990s. This is primarily a reflection of a large component of future household growth will be from smaller households. Tempering this shift, however, is that the relationship between the size of the household and size of the dwelling in demand is being weakened in the current housing market context than in previous years because of consumer preferences for unique “rooms” in dwellings such as a media room, computer room, main floor laundry room, etc.

Approximately one-quarter (24.0%) of total household growth over 2001-2031 will be from renter households. This equates to an average annual renter housing demand of 650 units. Rental housing production has not matched this level of demand and as a result we are witnessing pressures on the City’s single-family housing stock for accessory apartments. In addition, as homeownership opportunities and incentives become increasingly targeted at existing lower and moderate income households, the nature of future renter household growth will be very likely within socioeconomic segments of the marketplace that will require rent-geared-to-income assistance.
4.0 Housing Issues in the Hamilton Community

4.1 Residential Intensification

“Residential intensification” is a broad planning concept and essentially means increasing the amount of households/housing units in the existing or built-up area of a community. There are three distinct “methods” of residential intensification:

- **Redevelopment** – Existing structures are demolished, in most cases non-residential, and new residential structures are constructed;

- **Infill** – A residential structure is constructed on a vacant lot or parcel of land and/or an existing underutilized property building where additions or new structures have been built.

- **Conversion** – Existing non-residential structures are renovated and converted to include residential dwelling units or, existing residential structures are renovated and converted to include one or more additional dwelling units.

In Hamilton, the reuse of “brownfield” sites is an excellent example of residential intensification and the City is a leader in this regard through the “Environmental Remediation and Site Enhancement (ERASE) Program”. There are many benefits to encouraging residential intensification in a municipality:

- The existing hard and soft infrastructure is already in place and will more effectively utilize these resources, e.g., water, sewer, parks, public transit, and schools;

- Adds people to neighbourhoods that may be declining in population that will contribute to neighbourhood revitalization;

- Accommodates projected future household growth within the existing urban area and reduces pressure to designate new greenfield areas for urban growth; and,

- Generally results in lower cost housing options.

“Residential intensification” is presently occurring in the City of Hamilton. In particular in Downtown Hamilton, conversion, infill and redevelopment activities are very prominent stemming from the City’s various program and policy initiatives that are successfully stimulating new residential opportunities.

There is, however, one facet of residential intensification that generates considerable debate and discussion – “accessory apartments”. Yet, it is arguably the most effective method of creating new low-cost rental housing with little or no municipal government subsidy. As the City of Hamilton and other Ontario municipalities are now responsible for the cost of administering social housing, $32 million in 2003, the potential implementation of an alternative rental housing supply option is clearly desirable.

An accessory apartment, also known as a secondary suite, in-law suite or basement apartment, is a self-contained second living unit which is built into or attached to an existing single family dwelling. The apartment/suite is private and generally smaller than the primary unit and typically contains one or two bedrooms, a bathroom, living area and
kitchen. Accessory apartments are typically found in basements, but can also be located in second floors and attics.

Households that live in accessory apartments are usually small – one or two people at maximum, such as students, the elderly, or couples saving up to own their first home. In addition to the broad benefits of residential intensification noted earlier, accessory apartments/secondary suites also provide the benefit of additional income for homeowners. This is particularly helpful for elderly homeowners on fixed incomes who may have extra space and also for first-time homebuyers who may be at the margin of homeownership affordability.

Accessory apartments may also be appropriate in rural areas, particularly for senior and/or single-person households. Nova Scotia offers the Parent Apartment Program, where the province offers low interest loans to homeowners with good credit ratings who wish to renovate or build an addition to their home to accommodate a senior family member over 50 years of age who earns less than $20,000 annually. Researchers have found that many elderly households would prefer to live in the same home where they lived out their middle years. A 1996 survey conducted by the American Association of Retired Persons (AARP) found that 83% of senior respondents aged 65 years and over wanted to stay in their own homes and not move. Senior homeowners could rent out their basements, which would supplement their income and provide another presence in the home for companionship, security, and perhaps also the opportunity for the tenant to complete routine housekeeping or maintenance tasks in lieu of rent.

Allowing accessory apartments is a long-standing planning and housing supply issue in our community particularly in the former City of Hamilton. In the early 1990s, staff of the former City of Hamilton Planning and Development Department released a number of background studies culminating in a number of well-attended and lively public meetings. The concerns of residents focused on parking, property values, residential dwelling aesthetics, the existing concentration in certain areas and triplex situations. In essence, the major concern of the residents was that uncontrolled and mostly illegal dwelling conversions had negatively affected the “look and feel” of their residential neighbourhoods.

This resulted in changes to the zoning by-law that provided more flexibility for allowing accessory apartments (or “residential conversions” as they are known in the context of the Hamilton Zoning by-law). Hamilton at the time was in fact a municipal leader in Ontario with this issue and the zoning by-law changes sensitively recognized the broader benefits of accessory apartments while protecting and maintaining the “integrity” and “stability” of the residential neighbourhood.

Shortly after these zoning by-law changes took effect, the Provincial Government in 1994 through Bill 120 – “Apartments in Houses” – made changes to several pieces of Provincial legislation to allow a self-contained accessory apartment as-of-right in single-detached, semi-detached and townhouse dwellings. The accessory apartment had to meet Building Code, Fire Code and reasonable planning standards. Municipal planning documents that prohibited accessory apartments were superceded by the Bill 120 legislation.
In 1996, the Provincial Government repealed the legislation that allowed accessory apartments as-of-right and as result the respective municipal zoning-by-law standards in place prior to 1994 became in effect once again. The current zoning by-law regulations for accessory apartments (residential conversions) in the former area municipalities are varied, as shown in Table 4.1.

### Table 4.1 – Zoning-By-Law Regulations: Secondary Suites/Residential Conversions

<table>
<thead>
<tr>
<th>Area Municipality</th>
<th>Zones Permitted</th>
<th>No. Units in Structure</th>
<th>Min. Floor Area for Dwelling Units</th>
<th>Min. Lot Area</th>
<th>Parking Standards for Additional Unit</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamilton (Section 19 – Residential Conversion Req.’s)</td>
<td>AA, B, B-1, B-2, C, D, R-2</td>
<td>2 max</td>
<td>65 m²</td>
<td>270 m²</td>
<td>Yes • Maintain 50% of landscaped area in front yard</td>
<td>• external appearance and character to be preserved • no outside stairway</td>
</tr>
<tr>
<td></td>
<td>DE, DE-2, DE-3, E, E-1, E-2, E-3</td>
<td>2 or more</td>
<td>As above</td>
<td>1-3 units - 270 m² • 3+ units - 450 m² but not &lt; 65 m²/d.u.</td>
<td>As above</td>
<td>As above</td>
</tr>
<tr>
<td></td>
<td>H</td>
<td>10 max</td>
<td>65 m² avg</td>
<td></td>
<td></td>
<td>• Lot separation b/n converted bldgs (180 m) or maintain ground floor comm. uses</td>
</tr>
<tr>
<td></td>
<td>Any bldg in Area A on Schedule 1 (d/t area)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stoney Creek (Section 6.1.7 – Residential Conversions)</td>
<td>RM-1</td>
<td>4 max</td>
<td></td>
<td></td>
<td>• Min 1.5 spaces /d.u. • 2 spaces max in front yard</td>
<td>• no outside stairway • no increase to volume of bldg</td>
</tr>
<tr>
<td>Dundas “Accessory Apartment” is permitted use in certain zones</td>
<td>R1, R-2, R-3, R.C.C., RH-1 One accessory apartment permitted in a “dwelling converted” (d.c.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• 3 car parking spaces per d.c. • no outside stairway • no change in outside appearance • no impact on surrounding area and n’hood • dwelling must conform • full services including capacity</td>
</tr>
<tr>
<td>Glanbrook (includes definition for “Dwelling, converted” but no regs.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: City of Hamilton, Long Range Planning & Design Division.
In the former City of Hamilton, accessory apartments are allowed, but the requirements differ by specific zoning designation. In the former area municipalities of Stoney Creek and Dundas, limited accessory apartments are allowed. Glanbrook has defined a “dwelling, converted” but has no corresponding zoning provisions. Accessory apartments are not allowed in the former municipalities of Ancaster or Flamborough.

Staff from the Development and Real Estate Division of the Planning and Development Department is presently undertaking a review of the former area municipality zoning by-laws with the objective of creating one comprehensive new City of Hamilton zoning by-law. The treatment of accessory apartments is a typical example of the variation among the former area municipalities and their respective zoning by-laws that will have to be addressed in this important exercise.

The experience of the City of Toronto’s “Second Suite By-law” is particularly instructive as it balances the desire to encourage new supplies of lower cost rental housing with neighbourhood stability. The Second Suite By-law was approved by the Ontario Municipal Board in 2000 and contains the following requirements/parameters:

- As-of-right anywhere in the City of Toronto;
- Maximum 2 units per residential dwelling;
- Applicable only in single-detached and semi-detached dwellings;
- Dwellings must be at least 5 years old;
- The size of the second suite is less than the floor area of the remaining structure;
- No additions or substantial alteration to exterior appearance;
- No roomers or boarders;
- The units can only be divided horizontally;
- The second suite cannot be located in an accessory building or attached garage; and,
- Minimum two (2) on-site parking spaces must be provided.

What is important to remember is that revising municipal zoning by-laws to enhance the potential supply of accessory units in no way suggests that “amnesty” should be granted to existing accessory apartments that were created without due regard to Building and Fire Codes and are technically “illegal” in the context municipal zoning by-law provisions. Accessory apartments, legal or illegal, are an integral part of the supply of low cost rental housing in our community.

This is something that is not just unique to Hamilton but is prevalent in all municipalities in Ontario and across North America. Neither is it a recent phenomenon as accessory apartments have been a common feature of city life for over a century and represents an adaptation of the housing stock to the changing needs of the population.

The challenge for the City of Hamilton in this area is two-fold: 1) what measures/actions can be undertaken to deal with existing accessory apartments that likely do not meet current Building and Fire Code provisions and may be undermining neighbourhood stability; and, 2) harmonizing and refining the zoning by-law and Official Plan framework that recognize and promote accessory apartments as a low cost rental housing option in all areas of the City of Hamilton.
As the issue of existing accessory apartments and their effect on neighbourhoods and tenants crosses various City Departments, it may be appropriate to establish a staff working committee to begin to develop options for consideration by Council. An important component of this work would be consultation with various community-based stakeholders with a concern for this particular issue.

4.2 A New Official Plan for the City of Hamilton

With the amalgamation of the former municipalities of the Region of Hamilton-Wentworth into the City of Hamilton, the land use planning framework for these seven municipal jurisdictions must also be amalgamated. Land use planning is a core municipal responsibility and “helps each community to set goals about how it will grow and develop and to work out ways of reaching those goals while keeping important social, economic and environmental concerns in mind.” To this end, the City has embarked on a multi-year process to create a new Official Plan and Zoning By-law for the new City of Hamilton.

“Housing” is an integral component of any municipal Official Plan in two key ways: firstly, policies are developed that guide the orderly development and redevelopment of residential uses and neighbourhoods; and secondly, housing goals within a land use planning context can be included to delineate the broader objectives and priorities of Council – the housing vision.

Through the community consultation and previous City policy research efforts, there are a number of housing-related policy areas that should be addressed in the new City of Hamilton Official Plan.

Condominium Conversion

A condominium conversion is a legal process where “individual title” is accorded each residential unit within an existing rental apartment building or townhouse complex. As an example, landlord X owns one apartment building with 10 individual residential units. Upon legal registration of a Plan of Condominium for the land and building, landlord X becomes the individual owner of each of the 10 residential units and thus has the ability to sell none, one or all of the units.

The Provincial Tenant Protection Act sets out the rules for tenant households in condominium conversion situations and notes that:

- A landlord cannot require tenants to move out in order to convert a rental building to condominium status;
- In most cases, a tenant has lifetime security of tenure and the right of first refusal to purchase their rental unit after the building has been converted to condominium status; and,
- Lifetime security of tenure means that a tenant can continue to live in their rental unit for their entire life after the building becomes a condominium.

Condominium conversions do reduce the supply of permanent rental housing within the municipality. However, they also provide a supply of relatively low cost ownership housing and can still function as rental housing for a period of time depending on the intentions of the respective owner.
The former City of Hamilton, Town of Dundas and City of Stoney Creek have condominium conversion policies within their respective Official Plans. The thrust of the policies are that condominium conversions cannot occur until certain housing market thresholds are satisfied, thus minimizing any adverse effect on the supply of rental housing.

Table 4.2 shows the number of condominium conversions that have occurred in the former City of Hamilton. Since 2000, the rental vacancy rate has not reached the threshold level to permit new condominium conversions.

### Table 4.2 – Condominium Conversions, City of Hamilton, 1995-2003

<table>
<thead>
<tr>
<th>Year</th>
<th>No. Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>311</td>
</tr>
<tr>
<td>1996</td>
<td>84</td>
</tr>
<tr>
<td>1997</td>
<td>16</td>
</tr>
<tr>
<td>1998</td>
<td>686</td>
</tr>
<tr>
<td>1999</td>
<td>273</td>
</tr>
<tr>
<td>2000</td>
<td>24</td>
</tr>
<tr>
<td>2001</td>
<td>0</td>
</tr>
<tr>
<td>2002</td>
<td>0</td>
</tr>
<tr>
<td>2003</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1394</strong></td>
</tr>
</tbody>
</table>

Source: City of Hamilton, Development Division.

Official Plan policies have proved valuable in providing a policy and housing market framework for evaluating the merits of a proposed condominium conversion. At a minimum, the policies found in the former area municipal official plans should be brought into the new City of Hamilton Official Plan. It is also appropriate to introduce limited flexibility in situations where a proponent is seeking to demolish a rental structure and is willing to provide new replacement rental units elsewhere in the community. In addition, as Hamilton’s social housing stock will be reaching an age and condition in the coming years where redevelopment opportunities are increasingly economically viable and socially desirable, these unique situations should also be recognized in future condominium conversion policies.

**Long-Term Care, Residential Care and Correctional Facilities**

In June 2001, through Report PD00102(a) – “Discussion Paper, Residential Care Facilities, Long-Term Care Facilities, Correctional Facilities and Hostels” - Council approved recommendations to the former City of Hamilton Zoning By-law to clarify various terminology and location criteria. Long-term care and residential care facilities (which in the context of the zoning by-law includes “hostels” and “emergency shelters”) are important housing supply options for vulnerable and at-risk households. The discussion paper also identified areas where Official Plan policies can be enhanced as a disproportionate concentration of these dwelling options were located in the older parts of the former City of Hamilton.

A long-term care facility is accommodation that provides care primarily for the elderly, but also for other people with chronic disabilities. As the population in Hamilton and throughout Ontario continues to age, long-term care facilities will be an increasingly important way of providing housing combined with the appropriate level of medical
support. Accordingly, as noted in report PD00102(a), Official Plan policies should be introduced to “ensure long-term care facilities are located in all urban areas of the new City to allow citizens a wider range of choices to live.”

A residential care facility (RCF) is a residential structure that provides a home-like environment for people who need varying degrees of support and assistance to achieve independence and self-sufficiency. RCFs are licensed by the City of Hamilton and provide 24-hour supervision and guidance with the daily activities of living. As do group homes and Homes for Special Care, the RCF provides an alternative housing option for individuals who do not require, and for whom, an institutional setting could be detrimental to their development and rehabilitation. Suggested Official Plan policies include:

- “Ensure residential care facilities are allowed in all urban areas of the City to allow citizens a wider range of choices to live;
- Limit over-concentrations of residential care facilities in various parts of the City; and,
- Require amendments to the Zoning By-law to allow residential care facilities as-of-right in appropriate areas of the municipality.”

Maintaining Hamilton’s Existing Dwelling Stock
Hamilton has a rich legacy of older residential dwellings in established neighbourhoods. This stock of housing is an asset as it represents a source of housing supply for future generations of Hamilton residents. The condition of residential dwellings not only contributes to neighbourhood revitalization and stability but is also a determinant of health, well-being and the ability of children to learn effectively in a school environment.

The federal government through Canada Mortgage and Housing Corporation recognized the importance of preserving and enhancing a community’s residential dwelling stock through the introduction of the Residential Rehabilitation Assistance Program (RRAP) in the 1970s. The City of Hamilton has been active participant in the delivery and take-up of the RRAP Program recognizing the many positive contributions of RRAP to the dwelling stock and its residents.

Appropriate Official Plan policies in this area would note the importance of retaining and improving the existing dwelling stock and maximizing senior level of government program initiatives to achieve this goal.

The Affordable Housing Continuum: From Street to Shelter to Home
Many households in Hamilton cannot obtain housing that is affordable or appropriate to their needs. Households and individuals may be at risk of homelessness because of economic and/or personal circumstances where a level of support is required to live independently. Our aging and diversifying population has new and unique housing needs that cannot solely be met through current housing options.

The continuum of housing covers the range of housing options from “not housed” or the absolute homeless at one end to those who require no supports and live in adequate, affordable housing. Along the continuum emergency/crisis, transitional, supportive and supported housing options are included. It is important to recognize that people may move along the continuum depending on their particular circumstances or they may
remain at one point for an indefinite period of time. As a municipality, we must be concerned that the housing needs of all members of our community can be addressed and that the land use planning framework supports and enhances this broad objective. Official Plan policies should articulate the concept of an affordable housing continuum and the objective to facilitate the provision of a wide range of housing forms to meet the diverse housing needs of current and future Hamilton residents of all backgrounds and lifestyles.

**Housing Supply Targets**
An element of the “housing vision” within the City’s new Official Plan is to delineate the desired housing production targets over a certain time period. It is particularly important that any municipal housing targets be “realistic” and sensitive to underlying household and economic conditions. As was noted in Section 3.7, future housing demand in the City of Hamilton over the period 2001-2031 is derived from household growth dynamics by the age of household head and the household type. As such, these numbers provide a solid foundation for the following municipal housing targets.

<table>
<thead>
<tr>
<th>Structure</th>
<th>Owner</th>
<th>Renter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade-Related</td>
<td>1,790 (66%)</td>
<td>108 (4%)</td>
<td>1,898 (70%)</td>
</tr>
<tr>
<td>Apartment/Duplex</td>
<td>263 (10%)</td>
<td>542 (20%)</td>
<td>805 (30%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,053 (76%)</td>
<td>650 (24%)</td>
<td>2,703 (100%)</td>
</tr>
</tbody>
</table>

In the preceding table, “grade-related” includes single-detached, semi-detached and row/townhouse units. Also it is important to identify an annual “affordable” rental housing target. As was discussed earlier in Section 3.7, a target of 400 units annually (or 15% of new annual supply) is warranted based on affordable rental housing needs in Hamilton.

**Lowering the Cost of New Housing**
Through consultations with various private sector homebuilders and representatives of industry associations, there was strong consensus that alternative development standards can lower the cost of new housing and thus enhance housing affordability. Municipal flexibility and consistency in the application of development standards is particularly important to ensure a level playing field in Hamilton compared to other municipalities.

City staff and the Hamilton-Halton Home Builders’ Association representatives have been productively negotiating development standards that will lower the cost of housing and this mutually beneficial initiative should continue. In terms of the new Hamilton Official Plan, policy support for alternative development standards is appropriate to formalize the City’s commitment to lower the cost of housing through refinement and acceptance of land use planning and development engineering alternatives for new residential development.
Residential Intensification
As was noted in Section 4.1, residential intensification is an excellent method of accommodating future residential growth in Hamilton. There are also many other benefits of residential intensification. However, any new residential development occurring in built-up neighbourhoods must be sensitive to and contribute to the overall amenity, design and scale of the residential dwelling stock already in place. Accordingly, Official Plan policies to encourage and promote residential intensification developments that are sensitive and well-integrated with the surrounding residential neighbourhood are appropriate.

4.3 The Supply of New Rental Housing

Minimal Private Sector Involvement
Rental housing is an important component of the current housing market. Rental housing is also an important of housing markets in the future as evidenced by the long term need of 650 rental units annually in Hamilton until the year 2031. An adequate supply of rental housing will allow tenant households to secure stable accommodation within their means and allow them to contribute to the local community. For some households, renting accommodation is only temporary, e.g., students, newcomers, new entrants in the workforce, or seniors. Others may rent their home for many years, e.g., single parent families, or the working poor.

The viability of new private rental housing supply in Canada has varied, depending on a variety of supply and demand factors, including, but not limited to, available land for development, the average age of participants in the labour force, location, and tax incentives. A business climate that is conducive to the private sector to construct rental housing needs to be created; however, the municipal role in this is limited. The primary responsibility rests with the federal and provincial governments to provide a legislative and tax environment that will trigger the private sector to build new rental units. Whether this is achievable is uncertain as the nature of demand for rental has changed. Today, demand is principally from lower income households with constrained abilities to pay “market” rents. This in turn affects the economics of rental supply where the ability of the private sector to obtain appropriate investment returns is unlikely.

Most rental housing in Canada was constructed in the 1960s and 1970s. This was due to high demand for rental units by young baby boomers, a favourable Federal tax structure and stable mortgage interest rates. Similarly, as more baby boomers became homeowners, the combination of lessening demand and changes to the tax structure on rental housing, the introduction of rent controls, and a poor economy effectively discouraged the private sector from creating new rental units. In the 1970s and 1980s, senior levels of government tried to stimulate the production of new private rental housing with programs like the Multiple Unit Residential Building Program (MURB), the Assisted Rental Program (ARP), and the Canada Rental Supply Program (CRSP).

Prior to the introduction of the Community Rental Housing Program in 2003, there had been no new private sector rental subsidy programs introduced by governments since 1985. It is important to note that the financial attractiveness of rental housing ebbs and flows, as do all investment opportunities. At present, there does appear to be an increased desire for new rental housing investment opportunities, but it is for smaller projects where government programs are available, and capital appreciation is very likely.
In recent years accessory or basement apartments and rented condominiums or single detached homes have comprised the non-conventional rental housing market, and have served to partially fulfill rental housing demand. This trend is evident in cities like Toronto, and in Hamilton there is evidence of increasing numbers of secondary suites or basement apartments in Hamilton’s Lower City neighbourhoods. From a private market perspective, the nature of rental investments has shifted from building new units to renovating existing ones. As well, it is more cost effective for owners to upgrade/renovate high-rise residential buildings than it is for low-rise structures.

A Real Estate Investment Trust (REIT) is a company that represents a consortium of investor interests, which purchases, develops, administers and sells real estate properties. REITs are attractive to some investors because as the income is generated from property rents, it is not taxed at the corporate level. REITs may also be a viable alternative to bonds. One incentive is that unlike bonds (unless they are RRSPs), the investor can shield REIT income from taxation. REITs may be particularly attractive to investors while the stock markets are performing poorly.

In recent years, REITs have been purchasing existing rental properties, but have not been involved with any new rental developments. This has been very beneficial as these properties are then usually extensively renovated, adding to the quality of the existing housing stock. In fact, there has been recent activity in the multi-residential sales sector in Hamilton where a number of apartment structures have been purchased by corporations for use in REITs. However, REIT activity in Canada has been somewhat limited, as rental property owners are unable to defer taxes on the sale of rental properties. In the U.S., tax deferral was a main reason for growth. Over 200 REITs exist in the U.S., and of these, 30 focus on and have acquired approximately one million units. Another drawback may be that investors perceive that they have better limited liability protection when investing in public companies, as opposed to investing in Canadian REITs, thereby detracting institutional investors from Canadian REIT investment. As REITs focus on maintenance, improvement and tenant services, they are playing an important role in upgrading the portion of Ontario’s private low-end rental stock in need of repair.

The Housing Supply Working Group (HSWG) was a joint government-industry taskforce assembled by the Ontario provincial government in 2000. Its objective was to pinpoint the barriers to increasing new rental supply in Ontario, and how to encourage new rental housing development in the private sector. The final report was released in 2002. The HSWG concluded, “the most significant market improvements [to enable the building of rental housing economically feasible] can be made through joint government action to improve the investment climate for rental housing”. The importance of governments to maintain constant and predictable business environments was also stressed, particularly when partnering with the private sector. Another notable recommendation, which was echoed in community consultations, was:

“The province should, in cooperation with the AMO and the municipal sector, move as quickly as possible to implement a form of tax-exempt bond financing to enable municipalities to raise capital for housing and other infrastructure and growth-related investments (ii).”
This is critical because municipalities have limited fund-raising mechanisms at their disposal. Individuals in the private sector have also commented that they are well aware of the City’s limited ability to provide financial incentives. As a result the City should continue to encourage the federal and provincial Governments to implement measures that will enhance the ability of the private sector to produce new rental housing supply.

City of Hamilton Role in Promoting New Rental Housing Supply

The City of Hamilton has become the lead player in responding to affordable housing needs in our community. While the City of Hamilton can and is playing its part to increase the supply of new rental housing, the responsibility for this task rests also with the Federal and Provincial governments, the private sector, and the community at large. For this reason, partnerships are the key to increasing rental housing supply. Equally important is the need for the Federal and Provincial governments to get back to investing in new rental housing supply in a permanent and sustainable manner.

The Federal and Provincial devolution of social housing to municipalities – the level of government least able to fund the cost of housing – and legislation such as the Social Housing Reform Act has added to the challenges Hamilton faces. Nevertheless, the City has recognized and responded to this challenge through the implementation of a number of measures and programs to enhance the supply of new rental housing in our community.

Hamilton Affordable Housing Partnership Initiative (HAHPI)

On April 10, 2002, City Council approved HAHPI – The Hamilton Affordable Housing Partnership Initiative – as the City’s pro-active strategy and response to affordable housing supply needs.

HAHPI has three key components:

- To co-ordinate and promote in a comprehensive manner the housing supply initiatives that are already in place from all levels of government;
- To develop new housing supply initiatives and partnerships in response to new programming and legislative actions by the senior levels of government; and,
- To facilitate the development of affordable housing in Hamilton through the HAHPI Housing Partnership Fund.

The cornerstone of HAHPI and the City’s commitment to respond to affordable housing needs is the HAHPI Housing Partnership Fund. On March 6, 2003, City Council approved an allocation of $1.5 million to the HAHPI Housing Partnership Fund. The HAHPI Housing Partnership Fund symbolizes the City’s strong desire to address the affordable rental housing supply needs in our community. The HAHPI Housing Partnership Fund is to be used as a lever to secure other funding and resources specifically through Request for Proposals in the City delivery of the Federal-Provincial Community Rental Housing Program (CRHP).

Direct Affordable Rental Housing Production by CityHousing Hamilton

Capital funding of $1.4 million has been allocated for CityHousing Hamilton (the City-owned housing corporations) to commence development of one or more affordable rental housing projects under the leadership and direction of the Board of Directors. The construction in late 2004 of 34 affordable rental units at 555 Queenston Road will be the first tangible results of this key City commitment.
Further, in 2005/2006 the development of Bridgewater Court in partnership with Habitat for Humanity Canada will be another tangible result of direct production by CityHousing Hamilton.

**Community Rental Housing Program (CRHP)**
This Federal/Provincial housing program was announced in December 2002. Hamilton has been initially allocated 200 units in the Pilot component of a four year allocation of approximately 700 units. This represents a federal investment of $17.5 million in new rental housing supply in Hamilton. The program will provide up to $25,000 per unit in Federal government cash grants that have to be matched by third party contributions (provincial, municipal, community and private) to community-led and private sector developers to build rental housing that is rented for a minimum of 15 years at no more than the average market rents.

The Provincial Government has made a commitment to match the Federal cash contribution with an additional $25,000, although the timing of this commitment is unclear. Council approved the City’s participation in delivery and administration of the program in February, 2003. The Pilot Component to the Community Rental Housing Program was released in tandem with Request for Proposals for the HAHPI Partnership Fund in June 2003 and May 2004.

**Downtown Residential Loan Program**
This City program was developed to provide a financial incentive to developers in assisting with the costs of converting commercial space in commercial buildings into rental and condominium residential units in Downtown Hamilton. Interest-free loans are provided for a maximum of 5 years. The maximum loan amount is calculated on the basis of $20 per square foot of habitable floor space. This program has been very successful with over 120 residential units completed and approximately 660 units currently under construction.

**The Municipal Realty Tax Incentive Grant Program**
This Program provides an economic catalyst for developing, redeveloping or renovating residential/commercial lands and buildings located within the Downtown Hamilton Community Improvement Project Area. A nine-year grant is available that will not exceed the increase in municipal realty taxes as a direct result of the development/redevelopment of the land and/or building.

The grant does not exceed 100 percent of the municipal realty tax increase during the first five years, 80% in year six, 60% in year seven, 40% in year eight, and 20% in year nine. An amendment to the Program approved by Council in September 2002 and the Provincial Government in November 2002 allowed limited assignment of the grant from a developer to the first-time purchaser of a new residential condominium unit for a period of five years.

**Reduction of Municipal Tax Rate for “New Multi-Residential”**
In May 2003 Council reduced the property tax rate for new rental housing to make it equivalent to the Residential property tax rate. This improves the economics of operating new rental housing and helps housing providers to raise financing to build rental housing. On average, the savings are equivalent to approximately $100 per month for an apartment unit.
Municipal Housing Facility By-Law
Council adopted this by-law on June 11th, 2003 (No. 03-148). The Municipal Housing Facility By-law is a legislative tool that permits the City to make cash or in-kind contributions and make available City-owned land at below market value for affordable rental housing projects. This is a critical piece of municipal legislation that enables the City to utilize Federal and Provincial housing program initiatives.

The Main Street Housing Program
The Downtown Renewal Division of the Planning and Development Department in late 2004 will be introducing a new housing supply program for properties outside of Downtown but within established Business Improvement Areas (BIA’s). The purpose of this program is to create new housing by converting non-residential space into apartments through the provision of a loan/grant.

Housing Hamilton Innovations Fund (HHIF)
$100,000 has been set aside for a Housing Hamilton Innovations Fund. This program will promote the development of community-based affordable housing supply initiatives. There have been an increasing number of community-based housing organizations offering many unique ideas to meet the housing needs of lower income renter and ownership households. These grass-roots organizations are a tremendous asset in the local context by directly providing and/or facilitating the creation of new low cost ownership and rental housing units for lower income households with minimal government funding assistance.

“Consider Housing” Policy on Surplus City-Owned Lands
In April 2002 through Report PD02001, Council adopted the “Consider Housing” policy on all surplus City-owned lands and lands offered to the City by Federal and Provincial agencies to facilitate and expedite for affordable housing opportunities. Through the City’s Municipal Housing Facility By-law (No. 03-148), the City can give, lend or lease property at less than fair market value or at no cost to a housing provider.

This option provides an effective route of disposing of surplus and vacant City properties that may not have attracted interest in the marketplace and at the same time fulfill Council’s “Consider Housing” policy. A number of other municipalities including Ottawa and Toronto have bundled vacant and/or surplus city properties with Request for Proposals as part of the Community Rental Housing Program and the results have been positive.

4.4 The Tenant Protection Act and Tenant Concerns
The Tenant Protection Act (TPA) is the core provincial legislation concerning residential tenancy matters in Ontario and was introduced in 1997. Although the TPA is outside of municipal jurisdiction, the City of Hamilton can advocate to the Province on landlord and tenant matters as they affect citizens of Hamilton. The main tenets of the TPA are as follows:

(1) The Ontario Rental Housing Tribunal (ORHT) settles all landlord-tenant disputes.
(2) The landlord can request a rent deposit, but cannot increase the rent more than once a year, usually no more than the guideline set by the provincial government. (2001 - 2.9%; 2002 - 3.9%; 2003 - 2.9%; 2004 - 2.9%)

(3) A tenant must not damage the unit, must keep it clean, and cannot arbitrarily withhold rent.

(4) The landlord must keep up repairs to ensure certain health, safety, and building standards. This also includes precludes tampering with the supply of hot and cold water, hydro, and heat.

(5) The landlord cannot enter a tenant’s unit, except in the following instances: in case of an emergency, if permission is granted by the tenant, or if the tenant is terminating the lease and the unit is being shown to prospective tenants.

(6) A landlord may evict a tenant for reasons such as the following:
   (a) Paying the rent in arrears, or not paying the full amount;
   (b) Illegal activities, including jeopardizing others’ safety;
   (c) Disturbing other tenants and/or landlord, e.g. noise;
   (d) Overcrowding of the unit; and
   (e) Problems with pets.

It should be noted that both landlords and tenants have concerns with various aspects of TPA legislation. Landlords, for example, do not favour having rent increases regulated by the provincial government. From our consultations we heard from legal clinic professionals that they wish to implement processes that would prevent and/or stop evictions, and keep the number of evictions resulting from non-payment of rent to a minimum. Some municipalities have taken more proactive responses to the TPA than Hamilton, but there may be opportunities for the City to elevate tenant and landlord concerns with the TPA through increased research and advocacy particularly in partnership with local legal clinics.

The Ombudsman of Ontario is currently following up with the Ontario Ministry of Municipal Affairs and Housing regarding specially-approved rent increases approved by the ORHT under the auspices of the TPA due to rising utility costs. As well, the City could establish an “Eviction Prevention Policy” that some municipalities such as the City of Toronto have done that would help to prevent tenants from going before the ORHT. An eviction prevention policy would also help to keep people housed in more secure accommodation and avoid unnecessary disruption to both tenants and landlords.

Just like homeowners, tenants are also concerned about a number of elements in their home, including the quality of their unit and building. One response by tenants has been to form tenant organizations. While relatively common in the U.S., they are not in Canada. Similar to the TPA, the City of Hamilton has tended not to involve itself in tenant organizations; however, there may be a future role for the City in partnership with local stakeholders particularly in the context of the Tenant Advisory Committee.

In rental units, the landlord is responsible for all needed repairs and renovations, but in some units, repairs are not completed. For various reasons such as fear of eviction or ignorance of their rights, tenants may not complain and the conditions will persist. The cities of Los Angeles, Chicago, and New York have compiled an information database of
all rental units, with accompanying information on compliance and inspections of the
units. If a prospective tenant wishes to obtain information on inspections and
compliance at a particular address, he or she can either access that information on-line
or at City Hall. Some tenants may not be aware of this resource, or will choose not to
use it. To ensure that renter households’ needs are met, these cities conduct regularly
scheduled inspections of rental buildings.

The concept of a “housing registry” for all rental units within the City of Hamilton may be
one way to maximize the potential of the vacant units within the rental housing
marketplace. A housing registry is a database that lists all vacant and available rental
units and would assist potential tenants in securing suitable rental housing. There is
potential for the City to partner with key community stakeholders to create an up-to-date
rental housing registry within the City of Hamilton. This was also a key recommendation
made by the Hamilton/Golden Horseshoe Consultation on Homelessness in 1987. Over
time, this registry would be a valuable resource for tenants, housing advocates and
professionals who monitor Hamilton’s rental market. The City of Calgary manages a
housing registry that welcomes input from both landlords and prospective tenants.

Another important issue for tenant households pertains to housing discrimination.
Housing discrimination is any explicit or implicit actions, procedures, or policies that deny
access to or use of housing for individuals or families, particularly those most in need.
Housing discrimination may be affected by the vacancy rate, the eviction process, and
the type of landlord, i.e., small-scale vs. commercial.

A 2001 CMHC survey conducted in Ottawa found that one in six landlords would not rent
to households on social assistance, even though it is against the law in Ontario.
Discrimination may also occur at a neighbourhood level – for example, tenants living in
housing projects may be unable to obtain approval for house insurance, receive
deliveries, or apply for housing in other areas once their address is known. The City of
Hamilton, through CityHousing Hamilton, is one of the largest landlords in the community
and should take a leadership role in this area.

During the community consultations, a concern identified was the perception that the
City uses exclusionary zoning practices towards groups wishing to build housing for
persons with unique housing needs, e.g., persons with specific psychiatric needs. For
not-for-profit housing developers where the target population is the hard-to-house, a
concern raised was of the perception of additional public scrutiny in terms of proposed
housing initiatives for the hard-to-house vis-à-vis those of the private sector. It is
important to note zoning by-laws obviously restrict some forms of land use in
neighbourhoods, but they do not and cannot discriminate against inhabitants as this
contravenes the Planning Act and the Ontario Human Rights Code. The question
remains to what degree residents and other organizations use the land use planning
process as an obstacle towards groups wishing to build housing for persons with unique
housing needs when the real issue is not based on land use planning concerns but
NIMBY – Not in My Back Yard.

It is unclear what the City’s role should be concerning discriminatory practices in the
private rental market in terms of lower income tenant households on social assistance.
The Rent Supplement Program will have a positive effect on discrimination, as it places
very low income renter households into private units scattered across the city. Another
route may lie with insurance. The federal government would be in the best position to
explore protective insurance programs for landlords/investors against lower income households who may default on rent. On the legal side, the Toronto branch of the Centre for Equality Rights in Accommodation (CERA) serves to enhance tenants’ awareness of legal rights. There is interest in the Hamilton community to open a Hamilton branch of CERA. The City would certainly welcome the opportunity to work with CERA if a branch is opened in future. City staff does participate in the Tenant Advisory Committee and liaise with the various community legal clinics and other community organizations. Further, in the context of social housing administration, it is the City’s responsibility as Service Manager to ensure that all City-administered social housing providers abide by the regulations set out in the Social Housing Reform Act.

4.5 Student Housing

Student housing represents one distinct niche in the private rental market. Student housing can and does have a profound effect on neighbourhoods as the landlords are largely absentee, and is a major concern to some neighbourhood associations. Two key characteristics of student housing are the temporary nature of tenancies – that is, high turnover rates, and impacts associated with the nature of student activities, especially student activities that occur at times which are at odds with other more permanent households that reside in the neighbourhood.

The presence of Mohawk College and McMaster University in Hamilton suggests that demand for student housing is considerable; the combined 2003-2004 enrolment for these two institutions was approximately 26,000 full-time students. Of this total, McMaster offers 3,425 residence beds on campus, and Mohawk offers 342 beds. As expected, the neighbourhoods surrounding both Mohawk and McMaster experience the highest demand for student housing, which affects the make-up of the neighbourhood by household type; one significant “trickle-down” effect is stronger competition for properties that are for sale between investors and families wishing to settle in the area. This raises the question of how to best maintain a healthy neighbourhood balance between student and non-student housing.

The scholastic year of 2003-2004 witnessed the “double cohort” phenomenon in Ontario postsecondary institutions, where graduating students from secondary school from both the Ontario Academic Credit and grade 12 years could apply to postsecondary institutions. This has increased the number of first-year students attending universities and colleges, which has created a surge in demand for rental units in Hamilton. The City recognizes that students represent one segment of the population that would benefit from an increase in the supply of new rental units in Hamilton. A greater supply of units would positively affect the supply-side of housing by increasing the vacancy rate and would also enhance the availability and choice of student housing.

Student housing is an important segment of the broad housing supply continuum, and it would be beneficial to encourage the growth of the rental housing stock. While policies concerning expanding the rental stock should continue to be encouraged and promoted, the finite amount of resources available to the City means that the City’s rental housing supply program initiatives target households with more permanent housing needs in the Hamilton community. McMaster University is the only university in Ontario that does not have a student residence located in the downtown. Elsewhere, universities have played a significant role in revitalizing downtown neighbourhoods by renovating existing
downtown structures and increasing and diversifying the number of households that live downtown.

With continuing funding opportunities for Ontario’s universities and new rental housing supply programs, there may be future prospects for student housing in Hamilton’s downtown. Student housing in the downtown would also ease demand for student housing in neighbourhoods that traditionally experience high demand, such as Westdale.

4.6 Rural Housing

When the former area municipalities in the Region of Hamilton-Wentworth were amalgamated, some of which were predominantly rural, the “New” City of Hamilton became an urban and rural municipality. The 2001 Census recorded that 10.0% of Hamilton’s population, or approximately 48,850, reside in rural areas. This includes approximately 6,150 people who are aged 65 years plus and including approximately 900 who are aged 80 years and over. While the majority of Hamilton’s households live in urban communities, the rural area of Hamilton accounts for just under 80 percent of the total City of Hamilton land area. It is important to determine the nature of rural housing issues in our municipality. Housing trends between urban and rural areas can differ. It should be noted that “rural housing” not only includes housing on farms, but rural settlement areas as well. Rural settlement lots are typically one to two acres in size.

The Census also indicates that slightly fewer than 3,000 people in Hamilton gain their livelihood from agriculture, forestry, mining and other rural industries. Near major urban centres, the rural area is typically very attractive for urban dwellers to “retire in peace”, “escape the city”, “build a dream house”, “get back to the land”, etc., by constructing or occupying rural homes, chiefly for retirement or “commuter” housing purposes. The overwhelming majority of people living in the rural districts of the City of Hamilton have a home in the country because of a lifestyle choice, not out of necessity.

Most rural dwellers accept that their housing choice imposes greater personal responsibility for transportation, water supply, wastewater disposal and many other services which are provided by public agencies to a higher standard within a city. Once established in the rural area, experience confirms that many of these people wish to divide their land further to create new housing - either for personal gain or to address short term family/business needs.

Renovation

Much of the housing stock in rural areas is typically older than urban housing stock, and can more often be the focal point of both work and leisure activities of the resident households. As such, rural housing may require more immediate renovation work than some urban housing stock. Many rural dwellers choose to undertake their own repairs; however, not all rural homeowners have the ability or skill to repair their home themselves and/or to afford to pay for any renovation work. In the case of the latter, funding from the Residential Rehabilitation Assistance Program is appropriate. Additionally, the Province of Prince Edward Island runs a summer program called “Helping Hands for Seniors”, where students are paid to help senior homeowners with minor maintenance or repairs.
New Supply Opportunities
Rural housing has traditionally been characterized by large single-detached dwellings that were built on sizeable properties. These homes were typically built in mind for families, and may not be ideal or desirable for single-person households. The cost of rural housing is increasing as more urban families or retired couples settle in rural areas. Traditionally, rural housing stock has been more affordable than its urban counterpart. As demand for rural housing continues to rise, the price of rural land will also increase. Local rural people earning low to modest incomes may be unable to purchase a home in the area where they grew up, a phenomenon already apparent in cities. Some of the demand for lower cost housing could be met through rural rental opportunities, although the rental supply in rural areas is low and there is little new rental supply being built. This leaves rural low income households with few choices for rental accommodation, older infrastructure and poor living conditions, and likely high utility costs.

Many senior homeowners desire to reside in their homes as long as possible; that is, “age in place”, and dwell outside of retirement or nursing homes. For some seniors, the costs of living in a home are prohibitive, yet there are few housing alternatives that are suitable for a senior lifestyle. While large single-detached homes may become unmanageable for some seniors to maintain, the availability of granny flats (accessory apartments) may allow some seniors to remain independent in a more suitable, scaled-down dwelling that requires little maintenance. As our population continues to age, it is important to recognize that both our urban and rural communities need a range of housing options for seniors that “fall” between traditional single-detached dwellings and retirement homes.

CMHC has found that the causes of rural homelessness are predominantly economic and/or financial. The unavailability of rental stock in rural areas may also have a negative influence on the local economy by limiting accommodation choices for incoming workers. Vacant churches, schools, hotels, or small industrial sites that have existing infrastructure already in place may have potential for conversion into rental residential units.

From a conceptual housing supply perspective, it would appear desirable to increase the number of housing units in rural and settlement areas. Increases to housing density may be achieved with the intensification of existing single-detached dwellings while new residential units can be created through severances.

The issue of rural lot severances, also known as consents, refers to the process of rural landowners and/or farmers separating and selling a portion of their land from their existing agricultural property. Severing land is contentious for municipalities. From a market perspective, it could be argued that landowners should be entitled to sell portions of their land to generate revenue. Often, farming households will use this source of capital to keep the farm intact and provide a source of capital for farming activities. This view has been favoured by the Region of Niagara and the Counties of Haldimand-Norfolk and Wellington.

Alternatively, from a land use planning, environmental and public health perspective, severances have the potential to create future conflict between agricultural and residential land use practices. This view is more accepted by the Region’s of Waterloo and Halton.
Hamilton and its predecessor municipalities have a long history of permitting high levels of new rural dwellings which are unrelated to the needs of people who gain a livelihood from rural industries and resources. This has occurred through individual lot severances along virtually every rural road, large estate residential developments in communities such as Carlisle, Freelton and Greensville, the conversion of “recreational campgrounds” into permanently-occupied mobile home developments, etc. A 2002 study conducted by the University of Guelph concluded that Hamilton had the fourth highest rate of rural residential lot development in Ontario, far in excess of the neighbouring Regions of Waterloo, Wellington, Halton, Haldimand and Brant, but slightly less than Niagara.

The policies of the current Regional Official Plan support this tradition and anticipate it will continue. The Official Plan assigns approximately four percent of all future population growth to occur outside the City’s urban boundaries. These current rural planning policies differ significantly from the policies and recent development practices of most other municipalities in Southern Ontario. They predate agricultural land planning objectives set forth by the Provincial Policy Statement and are inconsistent with emerging planning priorities proposed by the Greenbelt Protection Act that has recently imposed a complete moratorium on all City planning decisions for all rural non-farm development.

Hamilton’s rural residential policies also predate a growing body of scientific research on rural environment and living conditions. By necessity, the vast majority of rural homes are serviced through private water supply and sewage disposal systems. Hydrogeologic, public health and engineering studies conducted elsewhere in North America have consistently shown that agricultural manure and private sewage systems are responsible for the majority of groundwater contamination. Random water testing conducted by neighbouring municipalities, such as Waterloo Region, have indicated that over 50 percent of all shallow, “dug” wells and approximately 20% of all deep, drilled wells are normally found to be contaminated with coliform bacteria or nitrates or both. Public health studies have long confirmed that such bacteria are closely associated with gastrointestinal disease and have shown that such ailments are much more prevalent in rural dwellers than city dwellers. For infants under the age of 12-18 months, who are exposed to +10 mg nitrate in their food or water supply, these contamination conditions can lead serious health risks from “blue baby syndrome”.

Depending on the soil and geological conditions in which rural housing is located, there can be wide variations in health and environmental risks when rural housing is developed in close proximity. Engineering design and construction standards for private servicing systems typically lag behind this emerging research, using uniform lot sizes and construction specifications which are not able to capture very wide variations in natural environment constraints. Uniform specifications also assume that rural home owners will properly maintain their wells, cisterns and private sewage systems, despite evidence that most do not and when problems arise, most fail to report problems to public health and environmental protection authorities.

Rural housing developments in Hamilton have not escaped these environmental constraints. While no comprehensive analysis has yet been completed to confirm the scale of the issues, there is extensive anecdotal evidence. Communal and private servicing systems in Greensville, Carlisle and Freelton are all currently subject to comprehensive development restrictions due to environmental constraints for water and wastewater servicing. The majority of rural “recreational trailer/mobile home parks” are
now or have recently been subject to “clean-up” orders under the Environmental Protection Act for malfunctioning water and wastewater systems. A very large number of rural housing units utilize water cisterns due to biological or severe mineral contamination of their groundwater wells. Piped urban water and sewage collection systems have been extended into numerous rural areas, such as north-east Stoney Creek, Hamilton South Mountain and Pleasantview to deal with wide-spread failures in private service systems in previous decades.

Partly for land use planning purposes and partly out of concern for potential public health issues, a growing number of municipalities in Ontario have chosen to severely restrict or totally prohibit the creation of further rural residential housing. While there is an on-going demand from rural property owners to create new housing units to assist family members, generate new income from property sales or in response to affordability constraints in urban areas, it is clear that a comprehensive re-evaluation of the City’s existing Official Plan policies can no longer be avoided. Until that re-evaluation is completed, rural housing is unlikely to provide a significant contribution to future growth in housing demand and affordability in the City of Hamilton.

4.7 Manufactured Housing

Manufactured housing is housing that is built piece-by-piece in an indoor factory, transported to the site and then assembled. Other names for manufactured housing include modular-built and factory-built homes. Slight variations on this process include pre-cut, panelized, and mobile homes.

Manufactured housing was once a more common practice in Canada following the Second World War; however, there are fewer manufactured homes built in Canada today. Manufactured homes are comparable to site-built housing in terms of quality, price, and appearance, yet some manufactured homes have the potential to be more affordable to lower income households for a variety of reasons. First, the manufacturing process is very efficient and produces little waste. Second, because the homes are built indoors, some problems experienced with building on-site such as poor weather, theft, vandalism and damage to on-site materials can be avoided. Third, the economies of scale also permit manufacturers to buy materials in large quantities, which may allow for lower prices. Fourth, plumbing, electricity, and other installations are more easily assembled while the outer shell of the home is being built.

CMHC has observed that due to affordability reasons and greater acceptance by the public at large, manufactured housing is becoming more and more common in the U.S. and represents 24% of all U.S. housing starts, compared to 3% in Canada. One exemplary project headed by HomeSight in Seattle entitled “Noji Gardens” reduced housing prices to buyers by approximately 15%. The project’s housing designers found the hinged roof design – which permits a unit to be transported and then the roof to be fitted on-site – to be particularly successful. Most of the buyers were purchasing their first home and came from a variety of ethnic backgrounds.

Also according to CMHC, most municipal by-laws require updating and have not recognized the significant design and performance improvements made by the industry over the last 20 to 30 years. During a recent consultation with an Ontario modular-built housing manufacturer, however, it was noted that municipalities are becoming more accepting of these homes. There may be potential for the City of Hamilton to encourage
greater awareness of manufactured housing through partnerships with developers/builders of manufactured housing.

Another potential niche for manufactured housing is with infill development. For example, the same Ontario housing manufacturer spokesperson commented that a 1500 ft\(^2\) bungalow could be constructed from start to finish in three months. As well, in order to alleviate the misperception that manufactured housing is synonymous with mobile homes and trailers, the City could partner with the industry and provide information to the community. Because of this perception, the industry prefers the term “modular homes”. As part of the City’s review and consolidation of the former area municipal zoning by-laws, it would be appropriate to identify opportunities that facilitate the development of modular and manufactured homes.

Additionally, manufactured townhouses could be particularly effective for families searching for affordable homeownership opportunities in areas where single-detached homes may be unaffordable, or in infill areas. CMHC found that lower income families prefer to live in semi-detached or row housing that offer family amenities nearby, rather than single-detached houses with few amenities. Ultimately, the challenge for the manufactured housing industry is to ensure that manufactured homes appeal to potential consumers and the public, while maintaining an element of affordability.

4.8 Rooming Houses/SROs

Rooming houses/lodging homes or single room occupancies (SROs) have long been an important source of accommodation in the private rental market. The City of Hamilton through By-law No. 01-156 has defined rooming houses as, “Any house or other building or portion thereof in which four or more persons are harboured, received or lodged for hire, and where lodging rooms are without kitchen facilities for the exclusive use of the occupants”. However, in the context of the Fire and Public Health regulations, a rooming house is defined as a building where at least three unrelated single persons can each rent a room (usually furnished) that may include cooking facilities, and does have shared washroom facilities. Typically, 12-month leases are not required, and rooms can be rented by the week or month.

Historically, rooming houses functioned as a stepping stone for newcomers, transient workers, students, and newly-formed households. Over the past 40 years, however, the role of rooming houses has gradually changed. Today’s rooming house tenants are often socially isolated and struggle with the burden of poverty and the risks of absolute homelessness. People who tend to reside in rooming houses are single persons on very low incomes, who often must deal with other issues such as mental and/or physical disabilities, drug addictions, marginalization and isolation from family, limited education or employment skills, and other issues that arise from the complications of living in poverty. Rooming houses in Hamilton are largely located in the downtown core and in the east end of the Lower City.

In one context, rooming houses can be considered a form of substandard accommodation that contributes to the social exclusion of marginalized populations. On the other hand, rooming houses are a vital source of affordable housing for the “hard-to-house” at a time when both social housing and new private rental housing supply are in decline. In order to determine the value of rooming houses, the best approach may be to first consider the opinions of rooming house tenants. Recent research conducted in
Hamilton pointed out that the most important elements in determining the quality of life for most roomers are: relationships with landlords and with other tenants, living conditions, problems with the Tenant Protection Act, and supports available to assist with daily living. As well, rooming houses function as “transitional housing” in a private sector context. The very nature of rooming houses may be conducive to some people with addictions who need some support.

The main attraction of the rooming house is undoubtedly its reasonable rents, although rooming house tenants usually pay more per square foot for their amount of living space than tenants in other forms of accommodation. Certainly, privately-run rooming houses must remain profitable enterprises for landlords in order to preserve the remaining stock, yet rents must also be at affordable levels for vulnerable tenants. It is a delicate balance that may necessitate government intervention in the form of rent supplements, due to a rising disparity between rent and income levels. A model of SRO housing developed by the Ministry of Municipal Affairs and Housing and the City of Toronto found that independent of government funding, dwellings with rooms sized 120 ft$^2$ with limited common space and parking would have a minimum projected cost of $425 per room - $100 more than the current shelter allowance of the monthly Ontario Works benefit.

Besides offering lower rents than most other rental stock, another benefit of rooming houses/SROs is that they provide housing for many “hard-to-house” tenants, e.g., people with mental illness, who may otherwise be unable to attain accommodation. Rooming houses run by non-profits typically offer additional support services to tenants, e.g., education and training workshops, and as such are in an ideal position to manage rooming houses.

From a municipal viewpoint, rooming houses are also an important component of the housing stock. Rooming houses are typically found in inner city neighbourhoods and in close proximity to many social and community services. Their design allows for an increased number of households to reside in one dwelling, which contributes to neighbourhood revitalization by increasing the population of the neighbourhood, and diversifying the range of households that reside in the neighbourhood. Rooms are usually rented by single person households that have a limited income. Rooming houses are one type of private rental housing that is relatively affordable to single persons, and thus play a role in housing people that may otherwise have nowhere else to live. With minimal resources for socializing, the presence of other “roomers” in the dwelling may help create a community atmosphere that would be of benefit to low-income singles. Existing rooming houses also offer great potential for cost-effective renovation and rehabilitation projects as the infrastructure is already in place. As such, they represent an ideal opportunity for the City to partner with community non-profits to increase the number of RGI rooming houses.

In addition, the federally-funded Residential Rehabilitation Assistance Program Rooming House component provides grants to rooming house owner/operators who wish to renovate their properties. However, take-up of this program has been limited in Hamilton. One way to increase owner/operators’ knowledge of RRAP would be to encourage building inspectors to hand out RRAP brochures during their inspections. The City of Hamilton needs to be mindful of rooming house conditions, otherwise the number of people visibly homeless in our communities may increase.
The City could underline its desire to maintain and enhance rooming houses as an important housing supply option through cross-collaboration and communication between appropriate departments. One such issue that would benefit from this strategy is the licensing and regulation of property standards of rooming houses. At the crux of the matter is whether enforcing property standards will help preserve the stock and ameliorate the quality-of-life for the tenants who live there, or whether City involvement (e.g., ensuring all rooming houses are licensed and inspected regularly) would contribute to rooming house owner/operators “closing shop” and taking units off the market. One possible solution is to more pro-actively inspect rooming houses for property standards but have more flexibility on the timing and extent of required repairs to allow residents to remain in their home. This is an area that the City of Toronto has undertaken action resulting in improved property standards and better relations with rooming house landlords. Above all, rooming houses must be recognized as an important housing supply niche for low-income singles that help in eliminating the homeless problem.

As shown above, the licensed rooming house stock in Hamilton is slowly decreasing. Data collected independently by the Housing Help Centre shows that the number of unlicensed rooming houses in Hamilton consistently outnumbers the licensed, and also that there is a discrepancy between how many licensed rooming houses are in Hamilton. For example, in 2001, the Housing Help Centre recorded 51 unlicensed rooming houses in Hamilton, and 26 licensed. The City of Hamilton listed 38 licensed rooming houses in 2001.

When attempting to quantify rooming house stock, there is an additional definitional problem with Statistics Canada definitions. Hamilton’s Roomers & Boarders Taskforce found that the majority of Hamilton’s rooming houses have less than ten rooms, but until the 2001 Census, Statistics Canada classified private rooming houses as dwellings with more than ten rooms. Other uncertainties arise from unlicensed rooming houses that fall under the Innkeeper’s Act. Despite these obstacles, it is evident that our rooming house stock continues to decline.

Some rooming house owner/operators do not wish to become licensed because of licensing fees and inspections. The annual license renewal fee is $135. The annual inspection fees for health and fire are $90 and $120, respectively. For licensed lodging
homes, a Certificate of Compliance is required every three years, at which time the property standards will also be inspected. The certificate costs $220 plus $20 per resident. Fire and health compliance is inspected every year. Therefore, every year an owner-operator of a licensed lodging home will pay $345, and every three years will pay in excess of $565, the exact amount depending on the number of residents.

Licensing of all rooming houses is obviously the ideal situation as it would ensure that individual roomers are residing in homes that are in compliance with fire and health regulations through an annual inspection process. Providing an opportunity for rooming house owner/operators to license their establishments without penalty or possibly at a reduced fee would downplay owner/operators’ fears of additional administrative costs.

Enforcement policies form the other principle component of rooming house preservation. Some municipalities have found that coordinated inspections between City departments allow for better budgeting of time and resources. As part of its “Rooming House Initiative”, the City of Edmonton “cross-trains” its inspectors so that one inspector can assess compliance for building, fire, zoning, and health codes on one visit to the site. In a pilot project in the Parkdale neighbourhood of Toronto, special fire, safety, zoning, and building standards for rooming houses were created. At the federal level, CMHC also found that, “alternate standards and coordinated municipal building inspections have been successful in improving the physical condition of many [SRO] units”. More flexible interpretations of building codes that would not compromise safety may be appropriate for inspections of low-end rental stock. Flexibility would also help to keep compliance costs, and thus running costs, at a minimum for owner/operators. Cooperation between various municipal departments and a municipal commitment to regularly inspect living standards for rooming house tenants is necessary.

4.9 Homeownership Opportunities for Lower Income Households

Benefits, Constraints and Program Initiatives

Aspirations for homeownership are ubiquitous across all segments of society. As homeownership promotes neighbourhood stability and also positively affects children’s development, governments are naturally supportive; however, homeownership can be a particularly positive event for lower income households. For those lower income households who own a home, much of their personal wealth will be represented in their home equity. U.S. studies have shown that lower income households who can pay off a mortgage have greater personal wealth than lower income households that do not own a home. The American Homeowner Education and Counselling Institute (AHECI), which represents stakeholders nation-wide, was formed to help coordinate local initiatives that enhance the personal wealth of lower income households. Due to the size of the secondary mortgage market in the U.S., lenders are able to offer fixed-rate 30-year mortgages to homebuyers. In addition, the U.S. Consumer Federation of America and other partners have introduced a “Build Wealth Through Homeownership” initiative that will help lower income households build personal equity. The five main tenets of the program are as follows:

1) Prepare for homeownership – pay down debts and start saving for a down payment, which will help achieve a better mortgage rate.

2) Buy a home – qualify for a mortgage with at least three credible lenders before house-hunting.
3) Pay the mortgage on time – helps to build wealth and avoid penalties. Maintaining an emergency fund is advisable.

4) Seek help – first, contact the lender if the payment cannot be made on time. Counselling from another agency may also be advisable.

5) Be cautious when borrowing home equity – take out a home equity loan or a second mortgage only for emergencies or major events such as home renovations or education, as you are spending your personal wealth.

To date, homeownership opportunities for lower income households have been limited in Canada due to a variety of socio-economic and financial barriers. One neighbourhood group in Hamilton commented that it is difficult to secure a mortgage from a lender if the property is located in a specific neighbourhood. An example of how socioeconomic factors can influence the potential for homeownership in Canada is found with household type and its position in the life course. Households dependent on one income, such as single parent families, will be less likely to be homeowners than a dual-income household with children. Nevertheless, many lower income households still have aspirations for homeownership, and partnerships between government, the private sector, non-profit organizations, and community stakeholders could have great results for promoting homeownership opportunities for these households. With homeownership comes a variety of other opportunities for lower income households. Housing wealth represents a considerable portion of household equity, and housing appreciation may help finance major expenditures such as post-secondary education, a trade-up on the current home, and retirement savings.

Before addressing the scope of opportunities, it is perhaps best to highlight two main barriers that hinder lower income households from becoming homeowners: lack of knowledge regarding the home buying process – homeownership education; and, the inability of households to secure a nominal down payment.

An inability to secure a down payment is a major stumbling block for lower income households that aspire to homeownership. To qualify for a conventional mortgage, households must have available 25% of the purchase price of the home as a down payment. However, households that have 5% of the purchase price available can qualify for a high-ratio mortgage with insurance from CMHC or GE Capital, or a number of other financial institutions. In fact, there are now 0% down payment options available, but a concern with this option is that households who have not saved up for a downpayment may not have acquired the necessary savings skills and behaviour that is required for other mortgage options, and may not be able to sustain homeownership over the long term.

As of April 2004, the REALTORS Association of Hamilton-Burlington reported that the average sale price of a resale dwelling in the former City of Hamilton was $158,399. Therefore, to qualify for a high-ratio mortgage, a household would have to save approximately $7,919 for a 5% down payment. Thus, for lower income households, saving 5% down payment may be quite difficult, more so than the carrying costs of a mortgage. Innovative financing mechanisms would allow some lower income families to enter into homeownership who might not otherwise qualify for a mortgage.
Downpayment aside, homeownership can offer significant cost savings to households that can sustain mortgage payments. The cost of homeownership decreases over time, as most monthly mortgage payments remain fairly stable while incomes generally rise. In addition, when factoring in inflation, mortgage payments will eventually represent a smaller expense over the years until it is paid off. Conversely, rental units are more closely linked to income and inflation, so most renters can expect to see their rents rise over time.

There are several initiatives across Canada at the provincial or municipal level that aim to create affordable homeownership opportunities for lower income households:

- The Home Ownership Program in New Brunswick offers low-interest, long-term loans to homebuyers to help reduce the first mortgage. Those households with an income below a defined level receive a grant instead of a loan.
- The Rent-to-Own Program in Winnipeg, Manitoba, provides grants to non-profit developers who upgrade and then sell older homes. When purchasing the unit, tenants are allowed to put their rent towards a downpayment.
- The Neighbourhood Home Ownership Plan in Saskatchewan provides interest-free loans for first mortgage reduction to future homeowners in a co-operative. There is an option for low income families to have the loan become a grant.
- The Dom-cible Program in Montreal, Quebec, gives grants to the homebuyers to help with their down payments.
- The Home Ownership Assistance Program in Surrey, British Columbia, provides interest-free loans earmarked for the first mortgage. Approximately fifty percent of the loan can be considered a grant after a certain amount of time has passed, which helps to control resale transactions.
- In 2001 the Provincial Government introduced the Ontario Home Ownership Savings Plan (OHOSP), which offers tax refunds to singles who earn less than $40,000 or couples who earn less than $80,000, who intend on purchasing their first home.

In Hamilton, the Home Ownership Affordability Partnership (HOAP), is a unique solution for lower income households seeking home ownership opportunities. HOAP is a partnership among the Realtors Association of Hamilton-Burlington (RAHB), the Hamilton-Halton Home Builders’ Association, the City of Hamilton and the Threshold School of Building. Social housing tenants in CityHousing Hamilton communities who are paying a market rent are invited to apply to HOAP. A committee uses criteria such as “need” and “ability to secure a mortgage” then assesses the applications and a family is selected. With the help of volunteer Realtors from RAHB, the selected family searches and then purchases their home. As the housing stock in Hamilton is relatively “affordable”, particularly in the Lower City, it is actually less expensive to own a home than to continue to pay market rent. Since the family owns the home from the outset, they contribute to its re-design and renovation plan. As homeowners, they are also eligible for Residential Rehabilitation Assistance (RRAP) grant from Canada Mortgage and Housing Corporation.

The Threshold School of Building uses the house as an on-site classroom to introduce and train disadvantaged youth in building trades. Costs are kept low by donations of cash and building materials from HHHBA members. In exchange for contributing a significant amount of time into “sweat equity” on the renovation of their house, the home qualifies for a 0% down payment. There are many benefits to HOAP:
• Neighbourhood revitalization and investment;
• Promotion of affordable home ownership for existing tenant households;
• Making available existing social housing units for other more needy households;
• Training youth to have marketable job skills in the construction and renovation industry.

Homeownership Education and Counselling (HEC)
As noted in the preceding section, the absence of homeownership education and counselling (HEC) opportunities is one barrier for lower income households to secure their own home. By the same token, the availability of HEC could be effectively used as an important tool to assist lower income households who desire homeownership.

An initial focus of HEC is to assess potential clients of their financial resources, credit history, and other factors that may either enhance or impede their ability to become homeowners. Another component of “pre-purchase” HEC is to help households determine their “best fit” home in terms of their financial capacity vis-à-vis their expectations. As well, households learn the steps necessary to attain a conventional mortgage, appropriate savings behaviour, and financial literacy. In this context, partnerships between HEC agencies and mortgage lenders are a win-win situation. Through the HEC agency, lower income households have the opportunity to acquire funds for affordable homeownership, and mortgage lenders have access to new clients.

Once a home is purchased, households would be given further guidance on the financial behaviour necessary to avoid defaulting on payments and foreclosure, while also learning how to maintain the value of their property. Counselling should ideally be conducted on a one-to-one basis to ensure that the households’ unique needs are adequately addressed.

In recognition of the benefits of affordable homeownership opportunities, CMHC has recently published a training course entitled, Homeownership Education and Training Program. Social Enterprise and Development Innovations (SEDI), a federal non-profit, also offers financial literacy training to households participating in its Home$ave and Learn$ave programs.

Equity Cooperatives
Equity cooperatives are a form of homeownership that involves “sharing” ownership responsibilities between the tenant-stockholders/co-op members who own shares, and the company that owns the property. Equity cooperatives can take the form of many types of housing, ranging from row homes, single-detached dwellings, or apartments. Co-op members pay monthly fees that cover the cooperative’s management and operating costs. These costs can consist of property taxes, insurance, mortgage payments, and rehabilitation of the property. Members also sign an occupancy agreement (also known as a proprietary lease) for their specific unit in the cooperative. There are several incentives associated with cooperatives:

1) In contrast to rental tenure, a cooperative offers its members secure tenure if they adhere to the terms of the occupancy agreement.

2) Some households cannot afford to own a traditional single-detached home, but can afford to own a unit in a cooperative.
3) Purchasing a unit is typically much less expensive than saving up for a down payment on a single-detached dwelling.

4) Non-profit cooperatives frequently offer training in areas like homeownership and credit counselling, which not only educate members on how to sustain their current tenure but also may prepare them for conventional homeownership.

5) By participating on the Board, some members will have the opportunity to develop leadership and management skills.

6) Cooperatives allow people to live in a democratic environment with others who share similar socioeconomic characteristics.

One potential disadvantage of cooperatives is that the member’s use of the unit may be somewhat restricted by the occupancy agreement, e.g., inability to sub-let. There are approximately 2,100 cooperatives Canada-wide, most of which are nonprofit. Cooperatives are more prevalent in the United States, particularly in large cities such as New York. There are relatively few equity cooperatives in Canada due to the reluctance of banks and other financial institutions to finance cooperatives because they are perceived to be at a greater risk of default as the mortgage cannot be secured against the title of the property. Alternatively, mortgages may be offered but at higher rates of interest than conventional mortgages. A successful cooperative must have a competent board of directors that can understand and adapt to Canadian investment structures, manage the property, and provide leadership to its members.

Equity cooperatives are similar to other cooperatives, but take the form of companies that are either privately run or are not-for-profit. Many of these companies pre-date provincial legislation concerning condominiums, which allow them to differ from condominiums in many respects. An equity co-op is distinguished by how its votes are registered. In an equity co-op, each person in a household gets one vote; in a “regular” co-op, it is one vote per unit. The Board is composed entirely of tenant-stockholders who reside in that cooperative. When units are up for resale, they are typically offered below market value, which makes them a more affordable housing choice for lower income households. There are 17 equity cooperatives in Hamilton.

### Table 4.4 – Equity Cooperatives, City of Hamilton

<table>
<thead>
<tr>
<th>Equity Co-op</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vauxhall Co-op Apartments</td>
<td>285-287 Bold St</td>
</tr>
<tr>
<td>King’s Forest Apartments</td>
<td>1755/61 King St. E</td>
</tr>
<tr>
<td>Charlton Towers</td>
<td>38-40 Charlton Ave W</td>
</tr>
<tr>
<td>Burbank Apartments</td>
<td>137 Emerald St N</td>
</tr>
<tr>
<td>Park Apartments</td>
<td>75 Duke St</td>
</tr>
<tr>
<td>East Brow Co-op Apartments</td>
<td>5 East 36th St</td>
</tr>
<tr>
<td>Kingsway Co-op Apartments</td>
<td>802 King St W</td>
</tr>
<tr>
<td>Lanedale Co-op Apartments</td>
<td>2 Stroud Rd</td>
</tr>
<tr>
<td>Westdale Co-op Apartments</td>
<td>1253 Main St W</td>
</tr>
<tr>
<td>Hillview Terrace Apartments</td>
<td>107 St. Joseph’s Dr</td>
</tr>
<tr>
<td>Dorchester Apartments</td>
<td>69 Herkimer St</td>
</tr>
<tr>
<td>Sherwood Plaza</td>
<td>223 MacNab St</td>
</tr>
<tr>
<td>Merksworth Apartments</td>
<td>231 MacNab St</td>
</tr>
<tr>
<td>Castle Apartments Ltd</td>
<td>4 Robinson St</td>
</tr>
</tbody>
</table>
Cooperatives in Canada must follow certain rules in order to operate. For instance, they must hold annual shareholder meetings in accordance with the Cooperative Corporations Act. Proxy voting at this meeting is not allowed. As well, cooperatives in Ontario must file for a “Certificate of Incorporation” with the provincial government in order to receive legal status.

One innovative technique being used predominantly in Toronto’s cooperative housing sector is “Options for Homes”, headed by Michel Labbé. Essentially, Options builds low-cost homes for low- and moderate-income households. Rather than profit from building and then selling the units, Options instead takes out a small second mortgage on each unit it constructs. In so doing, it makes a profit when the unit is sold. The profits are then used to leverage money and build more low-cost homes. These developments differ from traditional cooperatives in that the homes are privately owned, rather than collectively owned. A key feature of this model is that the developments are sustainable and run independent of government subsidy.

Housing Trusts
Housing trusts are an idea that has long received great interest in housing policy circles. Housing trust funds are created with the purpose of facilitating and/or encouraging the creation of low cost housing for lower income households who cannot afford housing that meets their needs on the private market. A key feature of housing trusts is a dedicated source of funding. Monies dedicated to a housing trust must be on-going and reliable in order for the trust to sustain the development of new lower cost housing. An independent administrative body is typically formed to oversee the regulation, operation, and protection of the fund.

A strength of housing trusts is that because the funds are created and funded locally, they can uniquely respond to local housing needs, be flexible towards housing needs, and incorporate innovative techniques to achieve these objectives. Housing trusts can also make long-term commitments to housing in the community whereas some government-funded housing initiatives focus on more immediate concerns in the housing market. Monies from housing trusts could be directed to a number of different projects including new construction, renovation and rehabilitation, emergency repairs, homeownership counselling, retrofitting, assistance with down payments, and eviction prevention.

The “Housing Trust Fund Working Group” funded through the first round of the Supporting Communities Partnership Initiative investigated the feasibility of initiating a housing trust fund in Hamilton. The Group concluded that without a steady capital contribution and/or sufficient private or philanthropic interest and support, a housing trust fund could not be sustained. Elsewhere, the British government attempted to establish Housing Investment Trusts in an effort to provide more rental housing, but institutions were largely unwilling to invest in the rental market due to high costs associated with residential property management and low rates of return.
Housing trusts encourage the private sector to get into the business of building affordable housing. In the U.S., the Center for Community Change found that local Housing Trust Funds raise approximately $9.00 for every $1.00 spent. There are more than 275 housing trust funds in the U.S. that spend approximately $750 million annually on housing. Despite differences in funding formulae between the U.S. and Canada, there are a number of successful housing trust funds in place in Canada:

- One approach endorsed by the Province of New Brunswick places a $0.02 per $100.00 levy on all assessed residential and non-residential property except that which is government-owned. This raises approximately $4.4 million per year for housing in New Brunswick.
- In Montreal, a community loan association was formed that included a mixture of ‘philanthropic’ capital investors and community residents who were interested in building low-income housing.
- A three-way partnership between all levels of government and support from the corporate sector and community allowed the City of Edmonton to establish a very successful Edmonton Housing Trust Fund (EHTF). During 2000-2003, the EHTF helped to substantially fund 723 new long-term supportive, emergency, and transitional housing units in Edmonton, and also provided funds for hiring new outreach workers devoted to homelessness issues.

The key to any housing trust is strong community representation on the governing body, reliable day-to-day regulation, and funding commitment. In other areas of Canada such as Peterborough, Vancouver, and Banff, monies for housing trusts have come from the Supporting Communities Partnership Initiative (SCPI), interest from the Social Housing Reserve, and development charges. Methods employed in other cities may not be as relevant for Hamilton, but their examples provide good indications that housing trusts can be replicated in a Canadian context. One option in a local context is capturing 1% of gambling revenue to be used to develop a housing trust fund. This would require the Provincial Government to endorse such a concept. The slot machines at Flamborough Downs earn approximately $3 million annually in revenue. At present, this revenue is being used towards the debt for the Borers Creek storm water project in Flamborough. Once the debt is paid, the future use of this slot money will be a decision of Council and potentially could become a key revenue source for a housing trust fund or the HAHPI Housing Partnership Fund.

**Municipal Bonds**

Municipal bonds are an initiative largely found in the U.S. States, cities, counties, and/or other government bodies issue municipal bonds in order to raise money for public projects such as building schools, highways, hospitals, additional infrastructure, and other projects including housing (known as housing bonds). Private investors purchase a municipal bond at a set interest rate and their principal is returned when the bond matures. It is a low-risk investment and many municipal bonds are also sheltered from federal income taxes which add to their attractiveness. At the end of 2000, there was approximately $1.5 trillion outstanding in U.S. municipal bonds (U.S. Federal Reserve). In Ontario, this form of innovative financing could help generate capital for much-needed repairs to aging infrastructure for both the provincial and municipal governments.
Housing bonds are issued by state and local governments and are intended to stimulate the supply of housing. Housing bonds may take the form of (1) “Mortgage Revenue Bonds” that allow interest savings for first-time homebuyers, or (2) “Multifamily Housing Bonds” that provide low cost mortgage financing for new low-income apartment development projects.

**Individual Development/Living Accounts**

Another homeownership incentive for lower income households found predominantly in the United States and through the efforts of Social and Enterprise Development Innovations (SEDI) in Canada, is the Individual Development Account (IDA).

SEDI is a Canadian non-profit organization with a mandate to help people who live on low incomes to become more financially self-sufficient. To that end, SEDI works with stakeholders across Canada to develop relevant policies and programs, build community capacity, educate the public, disseminate information, and conduct research. In partnership with the National Secretariat on Homelessness and CMHC, SEDI is working to develop pilot projects in Toronto and Hamilton.

An IDA is a means to help lower income households save and accumulate assets such as homes, businesses, or education. A successful IDA program involves partnerships between community groups, financial institutions, and lower income households. A household taking part in the program would open an account at a participating financial institution. Every dollar saved in their IDA would then be matched by a $1 to $8 ratio. The contribution is based on what can be raised by community-led organizations, faith-based groups, foundations, employers, and local governments.

IDAs are most frequently used for a down payment on a house, but can be earmarked for other uses. In addition to the financial savings, participants are also required to attend financial management workshops and receive on-on-one counselling. The strategy behind this is to first help lower income households gain assets and then teach them how to keep their assets. In Canada, the Cities of Calgary and Winnipeg both have IDA programs that run independently of any government funding.

Very similar to the IDA, the Individual Living Account (ILA) also teaches people to develop financial and economic skills, and can be geared toward homeless persons or those in transitional housing. The savings accrued under an ILA would be used for expenses such as first and last month’s rent, as homeownership is beyond the scope of most of the participants.

**Community Land Trusts**

The concept of a community land trust (CLT) is similar to that of a housing trust, except that as its name implies, the focus is on obtaining land to be used for affordable housing. The land would be permanently owned by a community-led non-profit organization. The only known CLT in Canada is the West Broadway Community Land Trust in Winnipeg. The emphasis of CLT is not on creating new units, but rather on the preservation of existing affordable housing. A CLT is well-suited for neighbourhood revitalization schemes as they rely on grass-roots expertise and work very well on a small scale until more properties and monies become available.
Community Development Financial Institutions
American non-profit housing developers created another successful means of leveraging capital in Community Development Financial Institutions (CDFI). CDFI are certified and funded by the federal government, with the intent to increase and ease the availability of credit, investment capital, and financial services in urban and rural communities in need. The CDFI Fund offers incentives to traditional banks through work in the private market, local tax revenues, and enhancing the economic development of neighbourhoods. The Fund also allows leveraging from banks, foundations, and other sources. The advantage of CDFI is that they operate in segments of the market that are not adequately served by traditional financial institutions. Activities of CDFI include:

1) Mortgage financing for first-time homebuyers;

2) Financing for community facilities;

3) Lending commercial loans and/or investments to start or expand small businesses;

4) Offering loans for the rehabilitation of rental housing; and

5) Offering financial services to low income households and local businesses.

Between 1996 and 1998 CDFI lent $3.5 billion for community development and constructed or rehabilitated 24,885 housing units, 94% of which were for low income households. With appropriate financial backing, the concept of a CDFI could have a significant role in creating more homeownership opportunities for lower income households in Canada.

4.10 Housing Conservation and Rehabilitation

The importance of adding new housing stock in neighbourhoods is undeniable. For health, social, and economic reasons, it is just as important to maintain the condition of existing housing stock. More than half of Canada’s housing stock was built following WWII. As illustrated in Table 4.5, Hamilton is no exception. There are several implications associated with aging stock; the most obvious is the need for repairs and/or rehabilitation.

<table>
<thead>
<tr>
<th>Period of Construction</th>
<th>No. of Dwellings</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1946</td>
<td>38,855</td>
<td>20.7%</td>
</tr>
<tr>
<td>1946-1960</td>
<td>41,220</td>
<td>21.9%</td>
</tr>
<tr>
<td>1961-1970</td>
<td>33,035</td>
<td>17.8%</td>
</tr>
<tr>
<td>1971-1980</td>
<td>30,285</td>
<td>16.1%</td>
</tr>
<tr>
<td>1981-1990</td>
<td>24,870</td>
<td>13.2%</td>
</tr>
<tr>
<td>1991-1995</td>
<td>10,055</td>
<td>5.3%</td>
</tr>
<tr>
<td>1996-2001</td>
<td>9,835</td>
<td>5.2%</td>
</tr>
<tr>
<td>Total Dwellings</td>
<td>188,155</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada.
As of 2001, Table 4.5 shows that over 40 percent of Hamilton’s existing housing stock was constructed before 1961. This suggests there will be an on-going need for renovation and/or rehabilitation of existing stock in future.

Statistics Canada defines the condition of occupied private dwellings under the following three categories – “regular maintenance”, i.e., painting, furnace cleaning, etc.; “minor repairs”, i.e., missing or loose floor tiles, bricks or shingles, defective steps, railing or siding, etc.; and “major repairs”, i.e., defective plumbing or electrical wiring, structural repairs to walls, floors, ceilings, etc. As noted in the 2001 Census, the approximately 187, occupied private dwellings in Hamilton, 124,880 required regular maintenance, 48,870 required minor repairs, and 14,400 required major repairs.

Although more specific core need housing data from the 2001 Census is not yet available from CMHC, the chart below shows the dwellings in Hamilton as of 1996 that are in need of major repair by the period in which the dwellings were constructed.
The Residential Rehabilitation Assistance Program (RRAP) is a federally-funded program that assists lower income households by providing grants to make necessary repairs. Take-up in Hamilton has always been considerable. There are different components of RRAP, depending on housing type and tenure. Prior to 1999, the City of Hamilton was responsible only for administering RRAP Homeowner, while CMHC administered the other RRAP programs such as Rooming House, Rental and Conversion.

Table 4.6 – RRAP Homeowner Allocation in Hamilton, Per Calendar Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Forgivable Loans</th>
<th>No. of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>$635,050</td>
<td>167</td>
</tr>
<tr>
<td>1993</td>
<td>$344,133</td>
<td>125</td>
</tr>
<tr>
<td>1994</td>
<td>$376,762</td>
<td>111</td>
</tr>
<tr>
<td>1995</td>
<td>$725,265</td>
<td>189</td>
</tr>
<tr>
<td>1996</td>
<td>$267,320</td>
<td>49</td>
</tr>
<tr>
<td>1997</td>
<td>$388,963</td>
<td>58</td>
</tr>
<tr>
<td>1998</td>
<td>$279,554</td>
<td>46</td>
</tr>
<tr>
<td>1999</td>
<td>$337,079</td>
<td>54</td>
</tr>
<tr>
<td>2000</td>
<td>$409,624</td>
<td>42</td>
</tr>
<tr>
<td>2001</td>
<td>$307,404</td>
<td>34</td>
</tr>
<tr>
<td>2002</td>
<td>$468,490</td>
<td>51</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$4,539,644</td>
<td>926</td>
</tr>
</tbody>
</table>

The chart below shows that in 1996, nearly half of all dwellings in need of major repairs in Hamilton were single-detached homes. This is in part a reflection of the composition of Hamilton’s housing stock, the majority of which is comprised of single-detached housing.
Table 4.7 – Allocation of Additional RRAP Funds in Hamilton by Program Type, Per Calendar Year

<table>
<thead>
<tr>
<th>Program &amp; Year</th>
<th>Forgivable Grants</th>
<th># Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRAP Rooming House</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>$121,338</td>
<td>39</td>
</tr>
<tr>
<td>2000</td>
<td>$1,414,103</td>
<td>169</td>
</tr>
<tr>
<td>2001</td>
<td>$1,054,073</td>
<td>127</td>
</tr>
<tr>
<td>2002</td>
<td>$336,000</td>
<td>28</td>
</tr>
<tr>
<td>2003</td>
<td>$482,128</td>
<td>52</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$3,407,642</td>
<td>415</td>
</tr>
<tr>
<td>RRAP Rental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>2000</td>
<td>$345,240</td>
<td>33</td>
</tr>
<tr>
<td>2001</td>
<td>$60,062</td>
<td>10</td>
</tr>
<tr>
<td>2002</td>
<td>$133,927</td>
<td>8</td>
</tr>
<tr>
<td>2003</td>
<td>$198,000</td>
<td>11</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$748,660</td>
<td>62</td>
</tr>
<tr>
<td>RRAP Disabled</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>$12,000</td>
<td>1</td>
</tr>
<tr>
<td>2000</td>
<td>$122,000</td>
<td>2</td>
</tr>
<tr>
<td>2001</td>
<td>$387,900</td>
<td>50</td>
</tr>
<tr>
<td>2002</td>
<td>$400,000</td>
<td>31</td>
</tr>
<tr>
<td>2003</td>
<td>$120,000</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,041,900</td>
<td>94</td>
</tr>
<tr>
<td>RRAP Conversion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>2000</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>2001</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>2002</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>2003</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$5,198,202</td>
<td>571</td>
</tr>
</tbody>
</table>

As noted in Table 4.6, the dollar value and number of units renovated through RRAP Homeowner has declined. This is because the federal government dramatically scaled back RRAP in response to fiscal pressures. Recognizing these fiscal concerns are to a large extent mitigated, it would be appropriate to resume Hamilton’s funding level to what it was in 1992 when 167 single-family dwellings were repaired. There will continue to be strong demand for rental units that are affordable to lower income households. An asset of RRAP is that it assists private market households maintain their housing in good condition, and thus helps facilitate the preservation of existing rental units. However, take-up of RRAP Rooming House monies has been sporadic in Hamilton, because the program stipulates that the owner must agree to keep the rooming house in operation for the next 8 to 15 years. If the rooming house is sold within that time period, the grant is added to the title like a mortgage, which owners fear may dissuade prospective buyers.

The chart on page 93 illustrates that households with lower incomes have a greater likelihood of residing in dwellings that need major repairs, which underscores the need for and value of RRAP in Hamilton.
Another initiative that could dovetail with RRAP monies and that has potential in Hamilton is the process of identifying abandoned properties and renovating them for affordable housing. The “Empty Homes Agency”, a non-governmental organization located in the UK, performs this service and then promotes conversion to housing. Given the aging nature of Hamilton’s existing housing stock, a similar agency could be useful in the Hamilton context.

Another facet of housing conservation and rehabilitation is ensuring that the social housing stock in Hamilton remains in a good state of repair. Prior to downloading, it was evident that the Provincial government under funded replacement reserve funds for all social housing projects in Hamilton and across Ontario. A clear signal by the senior levels of government to rectify this deficiency would be particularly welcome as this stock of housing is aging and provides shelter for vulnerable households.

4.11 “CityHousing Hamilton” – The City-Owned Housing Corporations

History and Evolution
Since the 1950s, the City of Hamilton has retained ownership of a municipal housing company starting with the Hamilton Housing Company Limited. In the 1980’s, Council of the former City of Hamilton made a clear commitment to address affordable rental housing needs by spearheading the establishment of the Municipal (Hamilton) Non-Profit Housing Corporation which tapped into the various Federal and Provincial non-profit housing supply programs.

In 1999, the Board of Directors of the private non-profit Coronation Park Housing Company Limited requested that the City assume ownership, administrative and property management responsibilities of their 16-unit project. With the passing of the Social Housing Reform Act in 2000, the City of Hamilton also became the sole owner of the Hamilton Housing Corporation, formerly known as the Hamilton-Wentworth Housing Authority which was responsible for the administration and management of 5,100 Ontario Housing Corporation “public housing” units in the City.
Also in 2001, the Board of Directors of the municipally-sponsored Ancaster Senior Citizen Apartments Limited requested the City to assume ownership, administrative and property management responsibilities of their 16-unit project. This was followed by a similar request in 2002 by the Dundas Valley Non-Profit Housing Corporation for their 74-unit project.

In total this comprises some 6,200 rental units in over 50 apartment and townhouse complexes and scattered single and semi-detached units across Hamilton. In order to effectively manage, administer and ensure public accountability for these City-owned corporations, a consolidated Board of Directors was established comprised of 5 City Councillors and 4 members of the public. The Board of Directors is appointed for a 3 year term following municipal elections. These City-owned housing corporations and the Board of Directors now operate under the name of “CityHousing Hamilton” to provide a recognizable and clear “brand” to the City’s affordable rental housing supply responsibilities.

In early 2004, the Board of Directors of CityHousing Hamilton approved plans to amalgamate of Hamilton Housing Corporation with Hamilton Housing Company Limited, Ancaster Senior Citizens Apartments Limited and Coronation Park Housing Company Limited into a new entity known as “Hamilton Housing Corporation”.

**Regeneration of the City’s Public Housing Stock**

As was identified in Section 2.4, the Ontario Housing Corporation in the late 1960s and early 1970s constructed and acquired many apartment and townhouse complexes in Hamilton to provide rental housing for lower income households, generally without consideration to local municipal concerns. While this stock is still in a good state of repair, it is nevertheless aging and represents a building and urban design that is becoming out-dated. In addition, unlike social housing constructed since the mid-1970s to the mid-1990s where income integration was a key policy and program objective, 100% of these rental units were targeted to households who would pay rent on a geared-to-income basis.

This presents a difficult dilemma facing the Board of Directors of CityHousing Hamilton. Recognizing the clear objective is to provide as much housing as possible for those households who need rent-geared-to-income housing, this must be balanced with the reality that having a high concentration of households with similar socio-economic characteristics can present social and property management difficulties for the respective building/complex and the surrounding neighbourhood. This is an issue that is not unique to Hamilton and all municipalities across Ontario are beginning to review how the former public housing stock can be more sensitively and effectively integrated within the larger community.

In Toronto, the Toronto Community Housing Corporation (the former Metro Toronto Housing Authority and other municipal housing corporations) is leading the revitalization and redevelopment of their Regent Park and Don Mount Court locations that will effectively re-integrate these communities into the neighbourhood and increase the supply of rent-geared-to-income, average market rental and ownership housing opportunities. A hallmark of these two initiatives is partnership with the private sector in creating these new housing opportunities.
At present, there is no equivalent to Toronto's Regent Park in terms of scale and social and community integration issues in Hamilton. However, the challenge for CityHousing Hamilton will be to anticipate where potential “hot spots” may arise and establish a course of action that could include small-scale revitalization and redevelopment, introducing market rental tenants, alternative property management services, enhanced community development efforts and/or increased tenant involvement in the corporate decision-making process.

The Toronto Community Housing Corporation has been a leader in this regard through the development of a “Community Management Plan” that involved over 6,000 consultations with community stakeholders and focuses on seven inter-related strategic objectives:

1) Create Financial Sustainability
2) Build a Community Model
3) Maintain and Improve the Physical Condition of Buildings
4) Create Healthy Communities
5) Build More Affordable Housing
6) Creating a Healthy Organization
7) Establish Good Governance

The downloading of the Hamilton Housing Corporation public housing portfolio to the City of Hamilton has been a challenging exercise. It came at a time of fiscal constraint at the local level and at a time of municipal amalgamation. While the municipal fiscal challenges remain, this a tremendous opportunity for the City to improve the lives of thousands of Hamilton residents and revitalize and reintegrate a significant physical asset into the broader community.

4.12 The Cycle of Homelessness

Introduction

“Homelessness is not only a housing problem,
but it is always a housing problem.”

Homelessness is the most challenging social and housing issue facing our community. Adequate and stable housing is also the most important factor in improving the health conditions of individuals experiencing homelessness. This issue has been the subject of many reports and research papers over the past several years and the work in this section of “Keys to the Home” draws upon these past efforts including the Social Planning and Research Council, the Hamilton Executive Director’s Aboriginal Coalition, the Housing Help Centre, the Hamilton District Health Council, the Homelessness Initiative Campaign for Adequate Welfare and the Roomers and Boarders Committee.

One of the first steps in understanding homelessness is to define its different components, e.g., chronic vs. episodic. People who experience homelessness for long periods of time are “chronically homeless”, while people who periodically experience being homeless are “episodically homeless”.

These two descriptors of homelessness – chronic and episodic – describe the experience of homelessness over a period of time. There are additional terms used to describe homelessness that are more closely related to the dwelling location and/or the
socioeconomic status of, a person experiencing homelessness. For example, “absolute” homelessness refers to people who must sleep outside (not always literally on the street) or in emergency shelters. The “hidden” homeless refer to people who are not sleeping on the streets or in shelters, but who are living temporarily with family or friends. They are “hidden” because they dwell in private places away from public scrutiny. The “precariously housed”, or people at-risk of becoming homeless, are not absolutely homeless, but may become so through a financial, social, or health-related setback. In this case, precariously housed households typically pay more than 50% of their gross income on rent, which leaves little income for other necessities such as food and medication, let alone emergencies, such as a job-layoff or the death of a family member.

Homelessness has been a widely-publicized issue in Canada, and attempts to address the homelessness problem has incorporated various definitions to gain a sense of the significant concerns surrounding the various stages of what can be termed the “homeless continuum “or “cycle of homelessness”. There are three main sites of the homeless cycle – the streets, shelters, and precarious/at-risk housing. The chronically homeless do not seem to permanently exit the homeless cycle – that is, maintain stable and permanent accommodation that is affordable to their income. The longer people are chronically homeless, the greater the likelihood that they will remain so.

Another important step involves estimating the extent of the problem. This is crucial as government funding often depends on the size of the absolute homeless population (i.e., the number of people sleeping on the streets or in shelters). The 2001 Census was the first time that Statistics Canada isolated the category “shelters” from the broader definition “collective dwellings”. People living in shelters included those living in emergency shelters, shelters for victims of abuse, halfway houses, and other assisted shelters. The data cannot be considered 100% accurate, as the transient nature of the population makes it difficult to track to any degree of certainty.

<table>
<thead>
<tr>
<th>Hamilton CMA</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>All age groups</td>
<td>275</td>
<td>135</td>
<td>135</td>
</tr>
<tr>
<td>Under 15 years</td>
<td>60</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>15-34 years</td>
<td>100</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>35-64 years</td>
<td>95</td>
<td>60</td>
<td>35</td>
</tr>
<tr>
<td>65 years and over</td>
<td>15</td>
<td>15</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, 2001 Census.

Although the numbers in Table 4.8 are for the Hamilton Census Metropolitan Area (CMA), which includes the Cities of Burlington and Grimsby, all of the shelters are located in Hamilton and in particular the former City of Hamilton. While difficult to estimate the numbers, there is a consensus that the homeless population is becoming more diverse. This trend started in the 1980s in the U.S. but in Canada it became apparent in the 1990s. Historically, homeless people were considered to be white, single, older men with drinking problems who lived on “skid row”. An important distinction between the “old” and “new” homeless populations is that the older population of the 1950s, 1960s, and 1970s usually had some form of inexpensive accommodation, whereas many of today’s homeless are also “houseless”.

Today, the homeless population is composed of more minorities, substance abusers, families, women, the unemployed and other people unable to find housing. Despite its diversity, there are a number of overlapping dimensions that help us to characterize the current homeless population, including poverty, age, gender and single parenthood, race and ethnicity, mental illness and physical disabilities, and living single. Another measure of those “at risk” of homelessness are current renter households who are paying in excess of 50% or more of their income on rent. As noted in Section 3.2 on page 25, approximately 14,200 renter households in Hamilton fall into this category.

Very low income households living in private rental market dwellings are the households most at risk of homelessness, and are always at risk of homelessness due to the ratio between income and monthly rent. Table 4.9 displays the monthly benefits and shelter allowances available to single and several types of family households if they receive assistance from Ontario Works (OW) or Ontario Disability Support Payments (ODSP). The table calculates the difference between the maximum monthly shelter allowance by household type and the average monthly rent by dwelling size for the City of Hamilton. It is quite apparent that the shelter allowance for all household types has not kept pace with average market rents. Social assistance rates have not been increased in many years, and in 1995 were cut by 21.6%. The result is that households must use a greater portion of their monthly benefits on rent that would have otherwise been spent on other essential items such as food. Against this backdrop, it is evident that eviction prevention programs for very low income tenants are an important element of any homelessness prevention strategy.

Table 4.9 – ODSP/OW Benefits and Shelter Allowances vs. Average Market Rents

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Monthly Basic Benefit</th>
<th>Maximum Monthly Shelter Allowance</th>
<th>Average Monthly Rent</th>
<th>Difference Between S.A. and Avg. Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontario Works (OW)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Person</td>
<td>$520</td>
<td>$325</td>
<td>(bach) $483</td>
<td>-$158</td>
</tr>
<tr>
<td>Single Parent &amp; 1 Child</td>
<td>$997</td>
<td>$511</td>
<td>(2 bed) $769</td>
<td>-$258</td>
</tr>
<tr>
<td>2 Parents &amp; 2 Children</td>
<td>$1,250</td>
<td>$602</td>
<td>(3 bed) $959</td>
<td>-$357</td>
</tr>
<tr>
<td><strong>Ontario Disability Support Payments (ODSP)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Person</td>
<td>$930</td>
<td>$414</td>
<td>(bach) $483</td>
<td>-$69</td>
</tr>
<tr>
<td>Single Parent &amp; 1 Child</td>
<td>$1,475</td>
<td>$652</td>
<td>(2 bed) $769</td>
<td>-$117</td>
</tr>
<tr>
<td>2 Parents &amp; 2 Children</td>
<td>$768</td>
<td>$959</td>
<td>(3 bed) $959</td>
<td>-$191</td>
</tr>
</tbody>
</table>

*Note: Average monthly rents are from October 2003. Sources: City of Hamilton; CMHC.*
Households at Greater Risk of Homelessness

Some members in our society require more than just conventional shelter, and/or they may face certain barriers to attaining stable and affordable accommodation. Households at greater risk of homelessness are often in “core housing need”, and include persons with physical disabilities, persons with mental disabilities, people with addictions, urban Aboriginals, newcomers, youth, and victims of abuse. The housing and support responses to the needs of the various groups differ and any policy and program response must be sensitive to these unique circumstances.

Persons with Physical Disabilities - Persons with physical disabilities often face greater difficulties in securing suitable accommodation that would allow for greater flexibility and independent living. To ensure their accessibility needs are met, persons with disabilities must be selective when looking for accommodation. One approach to housing design that may be ideal for persons with disabilities is “FlexHousing”. FlexHousing is an innovative design that can adapt to the changing needs of families, e.g., as children grow, leave home, and aging parents move in. One example of a FlexHousing dwelling is a two-storey single detached home converted into two self-contained, single-storey apartments. FlexHousing is accessible for persons with physical disabilities; key design features include wide hallways and entrances, and non-slip flooring. FlexHousing can also result in savings to homeowners over the long term, as it eliminates the need for future renovations and/or upgrades. In sum, FlexHousing represents a proactive means to increase the supply of new housing that is readily “change-able” to accommodate the needs of persons with disability.

Along a similar vein, “universal design” is a key issue to consider for housing needs of persons with physical disabilities. Housing that incorporates universal design promotes universal accessibility for everyone, e.g., lever door handles instead of knobs, wider doorways, or an outdoor entrance with no steps. Accessible designs are often tailored to specific needs (i.e., mobility impairments), while universal designs are all-purpose. Universal designs may allow a family member to remain in the home rather than moving to a care facility or other institution, because they allow more freedom of movement and therefore independent living in the home. Universal design in housing is a key aspect to consider not only for persons with physical disabilities, but for seniors as well.

Accessibility issues for seniors will become more prominent in the community as the baby boomers age, and will affect the quality of life for a number of citizens living in Hamilton. One City strategy for new housing projects with which CityHousing Hamilton could take a leadership role is incorporating the main elements of universal design and/or FlexHousing in a portion of new units and would highlight the importance of having a supply of accessible housing stock. Another issue concerns condominiums. The City’s Advisory Committee for Persons with Disabilities advised staff that it is “difficult” to receive approval for requests for modifications in individual condominium units by the condominium corporation. An appropriate City step would be to lobby the province in the context of the Condominium Act to allow for “as-of-right” modifications within units for persons with disabilities who live in condominium units.
Persons with Severe Mental Illness - Between 1965 and 1976, the province of Ontario deinstitutionalized 75 percent of its mental health patients. Today’s younger mentally ill population includes people who have never been institutionalized; therefore, without proper housing and supports mental illness will become increasingly visible amongst the homeless. As well, a significant portion of the psychiatric population in Hamilton is aging, who will require additional mental and/or physical supports.

One form of housing that helps people with mental illness live independently are “Residential Care Facilities” (RCFs), formerly known by its licensing term as Second Level Lodging Homes. At present, eligible individuals that reside in RCFs are subsidized 80% by the province and 20% by the municipality. The City of Hamilton has an excellent RCF system that keeps many people from becoming homeless. The City of Hamilton’s RCF licensing By-Law requires that Registered Nurses regularly inspect all licensed RCFs three times per year. The City charges a $50.00/bed licensing fee that pays for 2.0 nurses to inspect 95 facilities. A shortcoming of the by-law is that many private, for-profit senior facilities are designated as RCFs under the by-law; therefore, the City in effect subsidizes those inspections. There is also the need for the RCF By-law to be consistent and to require that all licensed RCFs be inspected. It may be appropriate at the time the RCF By-law is amended that private for-profit RCF operators also bear the full cost of inspections by Registered Nurses.

Hamilton, Toronto and Ottawa are the only municipalities in Ontario to offer supportive housing to people with mental health issues. The City of Windsor is also reconsidering its role. This has great significance for Hamilton; there are only so many mental health consumers that our community can absorb. If the City were to subsidize more RCFs mental health consumers from outlying municipalities would be attracted to Hamilton without the benefit of additional tax dollars. One radical strategy would be to only accept new RCF clients that are Hamilton-born or who reside in Hamilton, which is a strategy the City of Toronto currently practices.

What may be the most appropriate step, however, is for the Provincial Government to assume funding for all RCFs Province-wide and establish Provincial standards/regulations. RCFs do provide an option to living on the street but may not provide much quality to individuals lives. People living in these facilities have health issues and the Provincial Government needs to step up and ensure care and service level standards are being met. RCFs do provide an appropriate housing option for people and some provide more than just custodial care and this should be recognized by the Province.

Another long-term strategy should focus on augmenting the supply of other forms of housing that emphasize the transition between supported and independent living and that would be a step up for mental health consumers who currently reside in RCFs. Some RCF tenants who are able to live on their own with only minimal supports choose to remain in RCFs because there are no other supportive housing options to explore. Ideally, the City should concentrate on perfecting the current RCF system, but not plan for expansion. Table 4.10 shows the City of Hamilton’s RCF inventory.
Table 4.10 – Inventory of Subsidized and Private Residential Care Facilities
City of Hamilton, February 2004

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Subsidized Homes</td>
<td>62</td>
</tr>
<tr>
<td>Subsidized Capacity (beds)</td>
<td>1,098</td>
</tr>
<tr>
<td>Licensed Capacity in Subsidized Homes (beds)</td>
<td>1,236</td>
</tr>
<tr>
<td>Number of Private Homes</td>
<td>33</td>
</tr>
<tr>
<td>Licensed Capacity in Private Homes (beds)</td>
<td>1,870</td>
</tr>
</tbody>
</table>

Source: City of Hamilton, Residential Care Facilities & Hostels Unit.

People with Addictions - People with addictions may be considered “hard-to-house” and will require additional supports in order to maintain their housing while addressing their addictions. While alcoholism is the most prevalent addiction, people can suffer from a wide range of addictions, including other drug use and gambling. In the case of a gambling addiction, an addict may keep his or her habit secret from the rest of the household until they are suddenly forced into homelessness. While transitional housing could be appropriate accommodation for some people with addictions, additional supports would be required in order to prevent a re-entry into the shelter system.

The housing supply response to these situations is the establishment of a “harm reduction facility” where homeless individuals with alcohol addictions are provided limited alcohol in a safe and controlled way so as not compromise their health. This also enables the client to continue to live in a shelter setting as opposed to the street.

Urban Aboriginals - Statistics Canada reports that over 70% of Aboriginals in Canada, who include North American Indians, Métis, and Inuit, live in non-reserve areas. Of that number, approximately 68% live in urban areas. Ontario has the largest number of Aboriginals living off-reserve, with 148,000 people, or roughly 1%, of Ontario’s population. The housing conditions of Aboriginals living off-reserve are generally poorer than those of the general populace, e.g., in 2001, 25% of non-reserve Aboriginal children lived in crowded conditions, compared to 13% of all Canadian children. Also in 2001, 18% of non-reserve Aboriginals lived in housing that required major repairs (defined by Statistics Canada as “...defective plumbing or electrical wiring, structural repairs to walls, floors, ceilings, etc.”) compared to 8% for all non-reserve Canadians.

As mentioned earlier in Section 3.5, in 1985 the federal government introduced the “Urban Native Housing Program”, but in 1993 it was discontinued. In 1996, Ottawa announced that it was transferring the administration of existing off-reserve Aboriginal housing to the provinces and territories. Some advocates protested that the federal government was discriminating against off-reserve Aboriginal peoples because it continued to manage the housing on reserves. Also in 1996, the Native Home Providers in Ontario (NHPO) was incorporated and offered membership to Ontario’s 40 Aboriginal housing corporations that had previously been created by CMHC. The NHPO advocates for Aboriginal housing in Ontario and liaises with senior levels of government on behalf of its member housing providers.

To date, no province or territory has accepted responsibility for creating a new supply of off-reserve Aboriginal housing, and there is recent evidence to suggest that the administrative responsibility of off-reserve housing shift back to the federal government.
The City of Hamilton endorsed this move, and could lobby further in future for off-reserve Aboriginal housing to again be under federal jurisdiction.

Urban Aboriginals are over-represented in Hamilton’s homeless population. While representing only 2.5% of Hamilton’s overall population, urban Aboriginals make up a significant portion of Hamilton’s homeless population, estimated to be 20%. Some urban Aboriginal households may be particularly vulnerable to homelessness for a number of reasons, including very low income, little formal education, disproportionate numbers of single parent families, and high-risk behaviour, e.g., alcoholism. Some Aboriginal children suffer from fetal alcohol syndrome (FAS); studies have shown that FAS children are more likely to become incarcerated and/or homeless later in life. There are limited employment opportunities in mainstream society that complement an Aboriginal way of life, leaving many urban Aboriginals to live in poverty. In fact, 52% of Hamilton’s Aboriginal community lives in poverty, compared to 28% for Hamilton overall.

It is important that housing for Aboriginals provide stable accommodation that allows the expression of Aboriginal heritage, history, and traditions, and ideally run by the Aboriginal community itself. Otherwise, some mainstream organizations may unintentionally discriminate against Aboriginal clients; alternatively, some Aboriginals may stay away from organizations if they perceive them to be discriminatory. While new supply initiatives should be under the purview of the federal government, the City could potentially render assistance to community stakeholders by expediting the approvals process, e.g., providing assistance with building codes. Some urban aboriginal housing providers remarked that in absence of federal funding, they had a desire to use their assets as collateral for loans to develop new units. Aboriginal stakeholders in the community also stated that Native traditionalists and elders do not believe in homeownership, therefore suggesting a need for “affordable” rental units that can be used as a first step to getting urban Aboriginals out of the shelters.

Seniors - As mentioned above, seniors who require support may live in supportive or transitional housing. Table 4.11 on page 102 outlines a range of housing options that may be appropriate for seniors. Various options are required to adequately address the range of specific housing needs required by some seniors, and in some cases, also to prevent homelessness. Some seniors will have a greater risk of becoming homeless that stem from a variety of reasons and/or life events, including:

- physical and/or mental impairments that may become more pronounced with age;
- chronic and/or terminal illnesses;
- widows, widowers, or singles who are socially isolated and have few friends or family left; and/or,
- little or no retirement savings.

As our population continues to age, there will be an increase in the number of seniors with health problems who will need to be cared for in a residential setting, strongly suggesting the need for further integration between health, residential, and social services.
Table 4.11 – Housing Options for Seniors by Physical Dependency

<table>
<thead>
<tr>
<th>Level of Dependency</th>
<th>Housing/Facility Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>Single-Family Housing/Apartments. Accessory Apartments “Granny Flats” Housing</td>
</tr>
<tr>
<td>Moderate to Low</td>
<td>Retirement Mobile Home Parks Elderly Housing (multi-unit) Group Homes Cooperative Housing Senior Centres</td>
</tr>
<tr>
<td>Moderate</td>
<td>Adult Day Care Centres Respite Care Centres Assisted Living/RCFs Hospices</td>
</tr>
<tr>
<td>Moderate to High</td>
<td>Nursing Homes/Long-Term Care Facilities Continuing Care Retirement Communities</td>
</tr>
<tr>
<td>High</td>
<td>Rehabilitation Hospitals Acute-Care Hospitals</td>
</tr>
</tbody>
</table>

Source: National Aging Information Centre.

Newcomers - In general, newcomers to Canada need a combination of health, education, employment, and housing opportunities in order to effectively integrate into Canadian communities. Of these, finding housing is usually the first overwhelming priority; however, some newcomers cannot secure and/or afford suitable accommodation due to non-existent Canadian credit records and unfamiliarity with Canadian legislation such as the Tenant Protection Act.

In the 1996 Census of Canada, CMHC found that recent immigrants spend more of their income on shelter than do non-immigrants, and that immigrants in core housing tended to be newcomers who rented their accommodation, and who lived in particular sections of larger Census Metropolitan Areas (CMAs). Newcomers now come from more Asian, African, Caribbean, and Central/South American countries than was the case historically, when many immigrants came from Great Britain and Western Europe. Citizenship and Immigration Canada (CIC) now uses a point system on potential immigrants that focuses on education qualifications and skills. The result of increased diversity of newcomers, coupled with low incomes typically earned by newcomers, compromises their ability to secure low-cost housing.

Newcomers are a group that would benefit from transitional housing. When first entering the country, many newcomers are uncertain of Canadian rules, customs and regulations and may be taken advantage of. Transitional housing offered on a time-limited basis would offer safe, barrier-free accommodation to newcomers that would allow them to settle into Canadian society. CMHC has also found that the shelter-cost-to-income ratio for immigrants typically declines as the length of residence increases, often by moving into social housing or into more affordable rental accommodation. This further suggests a role for temporary, but stable, transitional housing. As well, CMHC has determined that the homeownership rate of newcomers nearly equals that of Canada-born citizens after ten years of residence in Canada.
A related issue is the future labour shortage predicted by a Human Resources & Skills Development Canada (HRSDC) report entitled, “HR Matters”. In all Ontario, Hamilton is projected to have the highest number of people retiring from the workforce over the next ten years. In order for Hamilton to sustain a vibrant economy, it must have amenities in place to attract skilled immigrant labour, as well as equal opportunities and access for newcomers and immigrants. Hamilton does have some advantages that can be further strengthened. It has a relatively low cost of living in comparison to Toronto, yet it is close enough to Toronto that newcomers and immigrants can benefit from the opportunities. There are also many diverse ethnic communities living throughout the Golden Horseshoe. In fact, CIC has designated Hamilton as a settlement site for highly skilled newcomers, and the City should make the most of this by lobbying the Federal Government to continue to send skilled people here, to continue to reach out to the newcomers in our community, and to increase our community’s awareness of these issues.

**Children and Youth** – Children are typically considered to be between the ages 0 to 12 and youth 13-17 years of age. Due to their age, children and youth are a subset of the population that is particularly vulnerable to homelessness. In 2000, City Council endorsed a “Children’s Charter of Rights” brought forward by community advocates. In essence, the charter stipulates that Hamilton’s adults and neighbourhoods should protect and support the rights, freedoms, and upbringing of its children. Implicit is the recognition that children and youth must reside in a safe and stable environment in order to develop acceptable levels of physical, mental, and psycho-social health. Low cost housing for families is paramount in reducing the risks of homelessness for children and youth. Homeless youth with opportunities to live in social housing have a greater chance of maintaining successful tenancies if they have access to “geared-to-youth” educational and/or training activities and long-term support services where family and friend connections can be nurtured.

**Victims of Abuse (VOA) and Lone Parent Families** - The City recognizes that VOAs have very specific and immediate housing needs. Care must be taken to ensure that accommodation for VOAs allow them to feel safe and secure. Often VOAs are women with small children, whose housing needs must also be considered.

Statistics Canada reports that lone parent families are more likely to live in poverty than families with two parents. As noted in the SPRC report “Progress Report on Homelessness in Hamilton 2003”, 64% of Hamilton’s lone parent “working poor” families with children less than 18 years of age lived in poverty. The National Child Benefit (NCB) funds are targeted to alleviate child poverty, but currently the Province claws back 80% of the NCB of families receiving Ontario Works, which limits the scope of program funding.

**Emergency Shelters**
Table 4.12 shows the emergency shelter capacity in Hamilton by client population. It should be noted that the Native Women’s Centre and Martha House are also included in the inventory of transitional/supportive housing in Table 4.13.
Table 4.12 – Emergency Shelter Capacity in Hamilton

<table>
<thead>
<tr>
<th>Shelter</th>
<th>No. of Beds</th>
<th>Clientele</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Shepherd Men’s Centre</td>
<td>40</td>
<td>Men</td>
</tr>
<tr>
<td>Salvation Army, Booth Centre</td>
<td>113</td>
<td>Men</td>
</tr>
<tr>
<td>Mission Services, Men’s Residence</td>
<td>72</td>
<td>Men</td>
</tr>
<tr>
<td>Wesley Urban Ministries, Wesley Centre</td>
<td>50</td>
<td>Men &amp; Women</td>
</tr>
<tr>
<td>Native Women’s Centre</td>
<td>16</td>
<td>Native Women</td>
</tr>
<tr>
<td>Martha House</td>
<td>28</td>
<td>Women</td>
</tr>
<tr>
<td>Mary’s Place</td>
<td>11</td>
<td>Women</td>
</tr>
<tr>
<td>Inasmuch House</td>
<td>28</td>
<td>Women</td>
</tr>
<tr>
<td>Mary Ellis House</td>
<td>6</td>
<td>Women</td>
</tr>
<tr>
<td>Interval House</td>
<td>20</td>
<td>Women</td>
</tr>
<tr>
<td>Notre Dame House</td>
<td>20</td>
<td>Youth</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>404</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: City of Hamilton.

Capacity in Hamilton is not adequately meeting demand. For many nights out of the year, especially during winter months, all emergency shelters are over their capacity. As there is considerable demand for families seeking emergency shelter, hotels are also used on a limited basis to house families in an emergency. The chart immediately below illustrates the number of children and adults living in hotels in Hamilton, suggesting that hotels may be a residence of last resort for some family households.

![Number of Hotel Stays, Hamilton, 2001-2003](chart)

Source: RCFs & Hostels Unit, City of Hamilton.

Transitional and Supportive Housing

There are some people in our community who not only require shelter, but who also need support services to help with daily living. Transitional, supportive, and supported housing represent an area of housing that provides both shelter and support. However, in an absence of much government support, this area of housing is not well developed and it is difficult to produce a definitive inventory in Hamilton. A main reason for this is that the definitions of transitional, supportive, and supported housing vary between organizations; in reality, classifications are made on an ad hoc basis in response to client needs.
In 1999, the “Housing Development Group” (HDG) in Hamilton published a report in which supported housing was defined as incorporating the following elements: “…consumer choice in housing; flexible and individualized supports to help individuals to meet their needs and goals; and regular or normalized housing.” The HDG members represented organizations that provide housing and/or supports and advocate for severely mentally ill people in Hamilton. Supported housing is a somewhat flexible housing term as it can include varying measures of support along the “support continuum”.

Supportive housing has a firmer definition, as stated by the Ontario Ministry of Health and Long-Term Care:

“Housing [that] is designed for people who only need minimal to moderate care – such as homemaking or personal care and support – to live independently. Accommodations usually consist of rental units within an apartment building. In a few cases, the accommodation is a small group residence.”

Supportive housing is often associated with housing for seniors as they often require long-term care. The National Homelessness Initiative (NHI), which is run by Human Resources & Skills Development Canada (HRSDC), defines supportive housing as:

“Long-term or permanent accommodation (public, private or non-profit) for people who cannot achieve or maintain housing stability independently and who require long-term or permanent services to help them maintain an appropriate level of safety and stability, while moving toward greater independence and quality of life, wherever possible. The level of independence achieved will depend upon the needs of the targeted population.”

Transitional housing shares many similarities with supportive housing, but as a rule provides shelter to people who have been homeless. Transitional housing provides stable accommodation for the homeless and people at risk of homelessness, and also offers services such as crisis intervention, job training, and counselling that will help people to become self-reliant. As noted in the 2003 Report Card on Homelessness, people most in need of transitional housing include victims of abuse, newcomers, Aboriginals, seniors, and youth. CMHC has found that transitional housing does not adequately meet the needs of seniors because they require long-term housing with care resources, while by its very nature, transitional housing is temporary.

According to the NHI, transitional housing is defined by the following criteria:

“…temporary or interim accommodation (in the form of multi-unit apartments, single room occupancies, scattered site apartments, etc.) to homeless or at-risk of homelessness individuals and/or families that is combined with case managed support services, aimed at helping these individuals to transition to long-term and permanent housing, self-sufficiency and independence. Transitional housing programs normally range from weeks in duration up until three years.”
With transitional housing clients receive housing and services designed to help them live independently and become self-sufficient. Transitional housing normally provides clients with structure, support, supervision, and skill-building so that they can move from homelessness into stable, permanent housing and to prevent them from returning to homelessness. Generally, transitional housing addresses long-term needs rather than emergency needs and there is usually more emphasis on participation and independence.

The main principle of transitional housing is the emphasis on temporary, rather than permanent, accommodation. The end goal is to facilitate the movement of households from transitional housing into permanent housing. Without the training and support that is provided by transitional housing, the household would still be at high risk of returning to or becoming homeless, into permanent housing.

To further compound the issue, the Province of Ontario has set its own funding priorities for people who may be accommodated in transitional housing. As per “Directive 29” found in the Ontario Works Act, the Province defines an “interval or transition home” as a dwelling that serves the needs of victims of abuse (VOAs). Residential care facilities, residential substance abuse facilities, retirement homes, and hospitals are not considered to be interval or transition homes.

Housing targeted to VOAs is considered “Second Stage Housing”, and is for VOAs only. Funding for Second Stage housing was cut by the previous provincial government, and although the current provincial government has indicated that it may renew a measure of financial support in future, currently there are no funding initiatives on the immediate horizon. Hamilton’s Second Stage Housing is included in several tables below that list Hamilton’s inventory of transitional and supportive housing.

VOAs notwithstanding, it is apparent that there are few housing choices for households with special needs between emergency homeless shelters and permanent housing. Outside of Toronto, there is little formal supply of transitional housing programs in Ontario. Under the Tenant Protection Act, housing could not be defined as “transitional” or “temporary” unless it serves a rehabilitative and/or emergency capacity.

Community organizations who desire to provide housing to people with unique housing needs will typically offer services to tenants in addition to lodging. Rather than getting into the business of new housing construction, some non-profits may choose to focus on conserving and rehabilitating existing stock. Land costs may be less expensive in more mature neighbourhoods than property located in suburban neighbourhoods and the infrastructure is already in place which helps expedite potential projects. The City may want to consider taking a role in exploring ways in which community organizations could provide transitional and supportive housing units; that is, how to bring more community stakeholders into the business of creating new housing supply. Without adequate numbers of transitional housing units, some vulnerable individuals will turn to emergency shelters.

Additional transitional housing would help alleviate dependence on the emergency shelter system, and aid the community’s response to long-term homelessness problems. The City recognizes that it cannot build and administer transitional and supportive housing on its own. Rather, the appropriate approach for the City would be to partner with community stakeholders who have extensive experience and knowledge of the local
community, and then move towards achieving the common goal of increasing the supply for transitional housing. This also dovetails effectively with the scope and priorities of the second round of the Federal Supporting Communities Partnership Initiative.

Various organizations in the community have entered into contracts or “head leases” with Hamilton Housing Corporation. Under a head lease, the sponsoring organization pays the monthly rent of a unit located at a social housing site, and is permitted to bring in their own clients for use of that unit. In Table 4.13, the existing inventory of “head lease” partnerships between HHC and community stakeholders is listed, as well as all other transitional and supportive housing units in the City of Hamilton.

**Table 4.13 – Inventory of Transitional and Supportive Housing**

<table>
<thead>
<tr>
<th>HHC Head Leases</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brain Injury Service of Hamilton (BISH)</td>
<td>9</td>
</tr>
<tr>
<td>Bridge to Discharge</td>
<td>10</td>
</tr>
<tr>
<td>Good Shepherd HOMES Program</td>
<td>40</td>
</tr>
<tr>
<td>Gwen Lee Supportive Housing Community Program, St. Elizabeth Visiting Nurses</td>
<td>40</td>
</tr>
<tr>
<td>Hamilton Program for Schizophrenia</td>
<td>3</td>
</tr>
<tr>
<td>St. Joseph’s Bridge to Home</td>
<td>2</td>
</tr>
<tr>
<td>St. Matthew’s House and St. Elizabeth Visiting Nurses (SEN)</td>
<td>4</td>
</tr>
<tr>
<td>Wellington Psychiatric Outreach Program (WPOP)</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>118</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interval and Transition Homes</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martha House</td>
<td>28</td>
</tr>
<tr>
<td>Interval House of Hamilton-Wentworth</td>
<td>20</td>
</tr>
<tr>
<td>Mission Services – Inasmuch House</td>
<td>28</td>
</tr>
<tr>
<td>Native Women’s Centre</td>
<td>15 (+ 1 crib)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>92</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second Stage Housing</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Services of Hamilton-Wentworth – Family Shelter</td>
<td>10 (1-year tenancies)</td>
</tr>
<tr>
<td>Family Services of Hamilton-Wentworth – Second Stage Services</td>
<td>28 (1-year tenancies)</td>
</tr>
<tr>
<td>Phoenix Place</td>
<td>6 (1-year tenancies)</td>
</tr>
<tr>
<td>West Niagara Second Stage Services</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supportive Housing</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Shepherd Supportive Housing</td>
<td>66</td>
</tr>
<tr>
<td>Canadian Mental Health Association</td>
<td>3</td>
</tr>
<tr>
<td>Hamilton Future Community Assistance Inc.</td>
<td>16</td>
</tr>
<tr>
<td>Rent Supplement – Homestead Residential and Support Services</td>
<td>3</td>
</tr>
<tr>
<td>Rent Supplement – Case Management Agencies</td>
<td>10</td>
</tr>
<tr>
<td>GS – Taylor Apartments</td>
<td>15</td>
</tr>
<tr>
<td>Homestead Christian Care</td>
<td>28</td>
</tr>
<tr>
<td>HHC – ROOFS Program (SCPI)</td>
<td>555</td>
</tr>
<tr>
<td>HHC – SEN Community Link (SCPI)</td>
<td>794</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1490</strong></td>
</tr>
<tr>
<td>Supportive Housing (Partial or Full Funding by Ministry of Health and Long-Term Care)</td>
<td>Number of Beds</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Baldwin House (CMHA)</td>
<td>14</td>
</tr>
<tr>
<td>GS HOMES – Mathias Place</td>
<td>28</td>
</tr>
<tr>
<td>GS HOMES – McGinty House</td>
<td>10</td>
</tr>
<tr>
<td>GS – Emmaus Place</td>
<td>60</td>
</tr>
<tr>
<td>GS HOMES – scattered</td>
<td>108</td>
</tr>
<tr>
<td>Quetzel Consultants – HPS (Selcor Place)</td>
<td>12</td>
</tr>
<tr>
<td>Wesley Community Homes Inc. – WPOP</td>
<td>3</td>
</tr>
<tr>
<td>Wesley Community Homes Inc. – HPS</td>
<td>5</td>
</tr>
<tr>
<td>Quetzel Consultants – HPS (First Place)</td>
<td>12</td>
</tr>
<tr>
<td>Quetzel Consultants – HPS (205 Jackson)</td>
<td>3</td>
</tr>
<tr>
<td>Quetzel Consultants – HPS (330 Charlton)</td>
<td>3</td>
</tr>
<tr>
<td>GS – HPS (35 Aikman)</td>
<td>5</td>
</tr>
<tr>
<td>WCH Inc. – CMHA (195 Ferguson)</td>
<td>3</td>
</tr>
<tr>
<td>Rent Supplement – Case Management Agencies</td>
<td>25</td>
</tr>
<tr>
<td>WCH Inc. – Ministry of Community, Family and Children’s Services</td>
<td>59</td>
</tr>
<tr>
<td>HHC – Ken Soble Apartments</td>
<td>106</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>456</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transitional Housing</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Shepherd – Brennan House (youth)</td>
<td>14 (+ 1 emergency bed)</td>
</tr>
<tr>
<td>Good Shepherd – Sommerville House</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>25</strong></td>
</tr>
</tbody>
</table>

Sources: City of Hamilton; Hamilton District Health Council.

Analysis by City Staff has revealed a limited inventory of transitional housing in Hamilton. The inventory of supportive housing is more definite as it has benefited from long-term funding from the Ontario Ministry of Health. Nevertheless, a comprehensive gap exists between shelters and permanent affordable housing. This gap would be adequately filled with new transitional and supportive housing units. The province traditionally funded transitional housing for VOAs; in today’s absence of provincial funding, some residual transitional housing programs for VOAs remain in the form of “interval and transition homes” and “second stage housing”.

Through community consultations, it is evident there are other groups in society such as people with addictions and people with mental illness who would benefit from transitional or supportive housing. To that end, an assessment of need should be conducted in Hamilton to determine the demand level for transitional and supportive housing, and to enhance strategies for increasing supply.
From Street to Shelter to Home:  
A Systems Approach for Homelessness/Affordable Housing

“The problem of homelessness was decades in the making; it is related to deep-seated structural trends as well as to crises in the personal lives of individuals.”

This quote from Wolch and Dear (1993) shows that solutions to and prevention of homelessness cannot be developed or solved over the short-term by a single organization.

An appropriate response by the City of Hamilton is the use of a “systems approach”. A “systems approach” to homelessness and affordable housing needs requires an examination of the entire current system in place that addresses, reduces, and prevents homelessness and affordable housing needs in our community. The system includes homeless individuals and their needs, people at risk of homelessness due to personal and/or economic situations, service providers, existing and potential funding bodies, the roles and participation of each level of government, legislation, and a range of “affordable” housing options. In a systems approach, it is vital to emphasize community goals rather than individual, organizational, or other goals. Along this vein, community participation is vital as it will help to generate political support and will facilitate implementation of important programs.

Once the scope and depth of the local homelessness and affordable housing problems are understood, the next step in implementing a systems approach involves cataloguing existing local approaches to homelessness prevention, and exploring those areas in need of further development. As part of this process, it is important to recognize the people and agencies in Hamilton who already play a key role in homelessness prevention through different policies, programs and organizations. They include, but are not limited to:

- New affordable housing development;
- Rent supplements;
- Existing social housing providers;
- Homeless shelters;
- Mental health services;
- Substance abuse services;
- Hospitals and other public health outreach programs;
- Social services;
- Legal clinics; and
- Employment services and skills development training.

The City of Hamilton is obviously a major player in a systems approach as it is responsible for delivering a number of housing programs that have been described previously including the HAHPI Housing Partnership Fund, various Rent Supplement Programs, the Community Rental Housing Program and the Residential Rehabilitation Assistance Program.

The City is also responsible for administering the Supporting Communities Partnership Initiative (SCPI), which is funded by Human Resources and Skills Development Canada (HRSDC). Through a Community Action Plan and the direction of a Community
Advisory Board (CAB) strategic input was provided in order to properly allocate these resources over a three-year period, 1999-2002. The first set of SCPI priorities were primarily geared toward responding to immediate programmatic needs that stemmed from homelessness in the community.

SCPI is currently in its second round of funding that again spans a three-year period of 2003-2006. The second set of SCPI priorities have more of a prevention focus, and centre on transitional, supportive, and supported housing. A second CAB has been assembled and SCPI II proposals are currently being received.

CityHousing Hamilton, in partnership with community agencies, is providing programs and supports to assist people at risk of homelessness. These initiatives include:

- The Housing with On-site, Mobile and Engage Services (HOMES) program, managed by the Good Shepherd Centre in collaboration with other community partners, provides on-site support seven days a week to residents at 500 MacNab Street North, 95 Hess Street South and 181 Jackson Street West who have had a history of homelessness and suffer from a serious mental illness. Services include collective kitchens, health promotion programs, recreational/social programs and case management services.

- The Real Options Of Support (ROOFS) Program is an on-going project funded by SCPI. ROOFS provide on-site support to tenants living at 95 Hess Street South and 181 Jackson Street West, with the aim of reducing the tenants’ risk of homelessness.

- The VHA Community Link’s Homeless Intervention Program is funded by SCPI and provides transitional apartments for seniors who are homeless or at risk of homelessness.

In addition to housing policy and programs, there are additional services delivered by the Public Health and Community Services Department that help to address and prevent homelessness in Hamilton. They include:

- Prevention services for disease control, outbreak, workplace safety, and general public health practices.

- The administration of Ontario Works and Ontario Disability Support Payments for very low-income individuals.

- Residential Care and Long-Term Care facilities for individuals needing a variety of supports with daily living.

A systems approach to homelessness and affordable housing emphasizes an overlap between different areas of expertise. In order to draw on this overlap, participants must share an overall objective of homelessness prevention, but they must also be allowed to maintain links with their home agency/organization in order to remain competent in their area of expertise and to bring important skills and knowledge to the table. With a centralized plan in place, policies and the Service Delivery Program could then be coordinated. On a micro level, this strategy is successfully used by the City’s Mental Health/Outreach Team under the Community Programs Branch, Public Health & Community Services. Another example was discussed on page 24 where the strong links between employment status and households experiencing housing affordability concerns were noted.
As a conceptual example, applying the systems approach to Hamilton’s emergency shelter system will require a shift in thinking to eliminate any duplication of services and decrease the number of organizations competing for the same funding sources. The City could take the lead to focus on long-term, collective strategies and implementation measures for homelessness prevention.

Another component of the systems approach is social housing. There is recognition that the private market cannot respond to households in core housing need, and that these households require government intervention in the form of social housing and other assistance programs. The quality of our low-cost housing and some of our neighbourhoods is deteriorating, because the momentum of past government expenditures is ending.

In summary, the systems approach involves a number of steps:

1) Determine the scope of the local homeless problem and the local affordable housing needs.
2) Document roles and responses to the homeless/affordable housing problem.
3) Recognize current strengths and weaknesses of local responses to homelessness and affordable housing needs and gaps in service delivery.
4) Assemble interested stakeholders and local politicians who wish to prevent homelessness in our community to a single roundtable committee.
5) Develop a coordinated “from the ground up” homelessness prevention strategy with the roundtable group.
6) Design municipal policy and program responses to correspond with the above framework.
7) Maintain regular communication between stakeholders. This includes exchanging information, and data-sharing of regular quantification of the homeless situation in our community, and updates from frontline staff.
8) Design and the implement program evaluation criteria that will allow the committee to continuously review its progress and quickly adapt to any changes in the local homelessness problem.
9) Disseminate our progress to the community.
5.0 A Housing Strategy for the City of Hamilton

5.1 Web Survey Results

In an effort to solicit input from citizens in Hamilton on housing issues and needs, a confidential and anonymous survey was made available on the City of Hamilton web page. For those without internet access, hard copies of the survey were made available at the Housing Help Centre.

It should be noted that the results of the survey cannot be considered as statistically significant. However, the survey results are still of value for several reasons. First, the web responses capture a snapshot of the perception of housing issues from citizens in Hamilton. Second, the respondents from the Housing Help Centre represent a vulnerable and often marginalized tenant and homeless population, whose voice may seldom be heard. Their feedback on housing issues, particularly issues associated with lower cost rental housing, is very important.

The majority of respondents lived in Hamilton’s Lower City, and rent their accommodation. The most common household types were single person households, couples with children, and couples without children. The final part of the table is a record of the three most important housing issues selected by the respondents. Notably, the majority of both the web-based and Housing Help Centre respondents indicated that the most important housing issue was, “The City of Hamilton needs more social housing units for lower income households”. Although the priority for other issues differed between the two groups, most of the selected priorities dealt with housing affordability concerns.

Table 5.1 – Summary of Survey Responses

<table>
<thead>
<tr>
<th>Web Respondents</th>
<th>Housing Help Centre Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residing in Community</td>
<td></td>
</tr>
<tr>
<td>Ancaster 0</td>
<td>Hamilton Mountain 5</td>
</tr>
<tr>
<td>Dundas 7</td>
<td>Hamilton Lower City 30</td>
</tr>
<tr>
<td>Flamborough 0</td>
<td>Stoney Creek 1</td>
</tr>
<tr>
<td>Glanbrook 0</td>
<td>Outside Hamilton 3</td>
</tr>
<tr>
<td>TOTAL 46</td>
<td>TOTAL 15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rent or Own</th>
<th>Web</th>
<th>HHC</th>
<th>Household Type</th>
<th>Web</th>
<th>HHC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent 25</td>
<td>Rent 14</td>
<td>Single person 7</td>
<td>Single person 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own 17</td>
<td>Own 0</td>
<td>Single parent family 2</td>
<td>Single parent family 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other 4</td>
<td>Other 1</td>
<td>Couple with children 14</td>
<td>Couple with children 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL 46</td>
<td>TOTAL 15</td>
<td>Couple with no children 13</td>
<td>Couple with no children 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior(s) 1</td>
<td>Senior(s) 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other 9</td>
<td>Other 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL 46</td>
<td>TOTAL 15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Three Most Important Issues Chosen

<table>
<thead>
<tr>
<th>Web</th>
<th>HHC</th>
<th>Issue Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>8</td>
<td>The City of Hamilton needs more social housing units for lower income households</td>
</tr>
<tr>
<td>17</td>
<td>4</td>
<td>Vacant properties located in the downtown and in the north end should be redeveloped into housing</td>
</tr>
<tr>
<td>15</td>
<td>5</td>
<td>Your income is not enough to pay for your rent and still have money left for over for your other monthly expenses</td>
</tr>
<tr>
<td>11</td>
<td>6</td>
<td>You cannot find an affordable unit to rent</td>
</tr>
<tr>
<td>9</td>
<td>0</td>
<td>Ability to secure a mortgage to buy a home</td>
</tr>
<tr>
<td>8</td>
<td>0</td>
<td>Saving up for a down payment for a house, townhouse, condo, etc.</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>The City should promote homeownership for lower income tenants</td>
</tr>
<tr>
<td>7</td>
<td>5</td>
<td>Being able to afford to live in a neighbourhood of your choice (e.g., suburbs vs. downtown vs. rural areas)</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>Learning about how to buy your first home (e.g., lack of knowledge about the housing market)</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>The City should do more to create affordable housing by decreasing housing construction costs</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>Getting landlords to make repairs in your unit (e.g. leaky roof)</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>Saving up for repairs/renovations</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>Ability to continue paying for a mortgage over a long-term period</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>The City does not provide enough emergency/transitional housing for families</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>Lack of knowledge about your legal rights as a tenant under the Tenant Protection Act</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>Making sure your dwelling is big enough for your whole household (e.g., number of bedrooms)</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>Good relations with your landlord</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>The City should take a larger role in creating partnerships with community organizations and/or the private sector in order to build more private (i.e., not City-owned) housing</td>
</tr>
<tr>
<td>1</td>
<td>0</td>
<td>Condition of dwelling - you do not feel safe about the standards of your property, and you are not sure how to improve them.</td>
</tr>
<tr>
<td>1</td>
<td>0</td>
<td>Being able to make some money if/when you resell your home</td>
</tr>
</tbody>
</table>

### 5.2 A Housing Strategy for Hamilton...

**Where we are...**

In April 1992, Council of the former City of Hamilton adopted the recommendations of the “1992 City of Hamilton Municipal Housing Statement”. The Executive Summary noted the following:

“Efforts are still required to address the most persistent form of housing need in Hamilton – the needs of the homeless or street people, individuals with special needs and renter households with chronically low incomes.”

“These households are extremely vulnerable to changing economic conditions and can literally be on the verge of homelessness at times. These individuals and households experience a very high incidence of housing affordability problems and have little or no choice in regard to affordable housing options in their community other than through access to assisted or social housing.”
“All levels of government need to recognize the critical housing needs in our society and allocate appropriate resources. What is needed above anything else, is a conscious recognition that it is the people who are literally living on the street that have the greatest relative housing need in our communities. Ideally this recognition should be accomplished through the creation of a comprehensive housing policy by both senior levels of government that recognizes the role of the private sector, government and the scope of programmatic initiatives in the housing market.”

“Municipalities have a very important role to fulfill in achieving these broader aims. Although their fiscal resources and jurisdictional powers are limited, they are the level of government that can best articulate the housing needs of their community, identify emerging housing concerns and respond in a cohesive, efficient and cost-effective manner.”

“As with any housing strategy, co-operation, co-ordination and partnerships are the three key elements that effectively mobilize a municipality’s involvement in the housing field. The City of Hamilton cannot do it alone; other municipalities, Hamilton residents, community agencies, the private homebuilding and development industry and, most importantly, senior levels of government need to participate with the City in a concerted and cohesive way to address housing problems within Hamilton.”

Fast forward 12 years and much of the above remains true today. In 2004, the housing needs in our community are even greater then in the early 1990s. There are more homeless people on our streets, there are more people and families in our emergency shelters, there are more renter households experiencing affordability problems and there are more people on our waiting lists for social housing.

Since that time a lot has also changed in terms of housing “responsibility”, particularly through social housing devolution. The Provincial and Federal Governments now regard the municipal level as the lead player in identifying and responding to housing issues and needs. We now pay for social housing, we now administer social housing, we now own social housing and we now deliver various housing supply, rehabilitation and homeless prevention programs on behalf of the Federal and Provincial governments.

It is evident that we are on the cusp of a new era of housing in Canada, Ontario and Hamilton. Most important is the clear desire of all three levels of government and our diverse range of community stakeholders to “make a difference” in Hamilton and address the affordable housing needs of our citizens.

The Federal Government is committed to homelessness prevention with the second round of the Supporting Communities Partnership Initiative (SCPI); the Community Rental Housing Program is increasing the supply of new rental housing in our community; and the Residential Rehabilitation Assistance Program (RRAP) has been re-energized with additional funding allocations.

The Provincial Government once again is recognizing the important role it can and must play in responding to housing needs across Ontario with a new spirit of co-operation and commitment. Enhancements to the Community Rental Housing Program have been promised; a redesigned Rent Supplement Program, a new Housing Allowance initiative and a new Rent Bank Program are forthcoming; an active push is being made to utilize surplus Provincial lands for affordable housing opportunities; and, a renewed focus is emerging on providing supportive housing options for members of our society who need affordable housing in tandem with appropriate supports.
Over the past 18 months the City of Hamilton has made a great deal of progress in housing and a strong commitment has been established by Council to respond to housing needs in our community even with on-going fiscal and amalgamation challenges. A Municipal Capital Facility By-law was adopted to provide incentives for private sector and community-led housing providers to build new affordable rental housing; the tax ratio for the “New Multi-Residential” property tax class was made the same as the “Residential” property tax class, reducing the operating costs for new rental developments; $1.4 million was set aside from the Hamilton Future Fund to construct the 34-unit CityHousing Hamilton rental development at 555 Queenston Road; the Hamilton Housing Innovations Fund was established to trigger community-based responses to affordable housing supply needs; and, an additional $1.5 million was also set aside from the Hamilton Future Fund for the Hamilton Affordable Housing Partnership Initiative (HAHPI) Housing Partnership Fund to facilitate and lever additional affordable rental units built in Hamilton through the Community Rental Housing Program.

In addition, many community-based stakeholders are recognizing the important role they can play. The Hamilton Community Foundation is emerging as a significant contributor and facilitator to unique and innovative responses to affordable housing needs in Hamilton. The Social Planning and Research Council and the Housing Help Centre have a long-standing record of advocating on behalf of those in need in our community and advancing the affordable housing agenda. Existing social housing providers are actively exploring opportunities to develop new affordable housing in Hamilton such as Good Shepherd Non-Profit Homes and Victoria Park Community Homes. And the REALTORS Association of Hamilton-Burlington and the Hamilton-Halton Home Builders' Association are very committed to provide responses to the affordable housing needs in our community and building on their successful Home Ownership Affordability Partnership (HOAP) with the Threshold School of Building.

There are four key lessons from the past decade that must underpin current and future housing initiatives in Hamilton:

1) The recognition that there is no one “quick fix” or “silver bullet” to addressing the housing needs of the citizens in our community. A balance and range of responses is required from many organizations that recognizes the context of the local housing market and the complexities and linkages of housing needs;

2) Partnership must be the modus operandi;

3) Housing is not a “cost”; it is an investment to allow people to lead more independent and fulfilling lives now and in the future. It is the building block for healthy communities, stable and healthy families and enhances access to educational and employment opportunities for society’s most vulnerable members; and,

4) Housing is a catalyst for economic growth.

What Should Be Done Now...

The return of the large-scale social housing programs of the 1970s to the mid-1990s is unlikely in light of the permanent fiscal challenges facing the senior levels of government. But that cannot be held as an excuse for no involvement. The current temporary Federal-Provincial Community Rental Housing Program should be made permanent and refined to have a greater emphasis on providing housing for households who require their rent geared to their income. Also, the maximum funding envelope available for take-up in municipalities by the private sector and community-led housing providers must be increased to respond to long-term rental housing demands.
An immediate significant enhancement to the housing situation of lower income households in Hamilton would be to increase the shelter component of the Ontario Works and Ontario Disability Support Program (OW/ODSP) monthly benefit which has not been adjusted for many years.

The on-going subsidy funding for the administration and provision of existing rent-gearred-to-income social housing in all Ontario municipalities simply cannot be borne solely from the property tax base of the respective municipality. The senior levels of government must recognize this, particularly the Provincial Government, and begin to take back this funding responsibility. This is an issue that the Association of Municipalities of Ontario (AMO) must continue to push. As well, the Provincial Government must develop a “pooling” arrangement for social service related expenditures incurred by the City of Hamilton in the same manner as the City of Toronto and the surrounding regional municipalities of Halton, Peel, York and Durham.

**Recommendation #1**
*That the Provincial Government assume a larger portion of the subsidy costs associated with the administration and provision of social housing in all Ontario municipalities.*

**Recommendation #2**
*That the Provincial Government increase the shelter component of the monthly OW/ODSP benefit to reflect the increases in market rents that have occurred over the past many years.*

**Recommendation #3**
*That the Federal and Provincial Governments commit to making the Community Rental Housing Program a permanent rental housing supply program, provide a greater focus on rent-gearred-to-income housing options and increase the maximum funding envelope for municipal Service Managers to accurately reflect long-term rental housing demand and needs.*

The recognition that a range of responses from various organizations to address affordable housing needs underscores that a “systems approach” concept must be implemented. A systems approach recognizes that the “needs” and “actions/inactions” at any point along the affordable housing continuum will have a positive and negative impact, respectively, at other points along the continuum. In other words, everything is inter-connected. The private sector as well has a role to play in the systems approach, particularly in its capacity and expertise in developing affordable housing projects on behalf of community-led organizations.

**Recommendation #4**
*That the City of Hamilton through the Public Health and Community Services Department begin to implement a systems approach to affordable housing, where the emphasis is on community goals versus individual or department goals, to ensure the effective utilization and allocation of scarce resources.*
What became very evident through the community consultations and the various housing issues addressed in Section 4 and from the results from the web-based survey is the expectation that the City of Hamilton must continue to take a leadership role in all aspects of housing. Leadership doesn’t mean doing it all ourselves or stepping into someone else’s shoes - it means forging partnerships, sowing the seeds, being bold and in many situations stepping back once the momentum has been firmly established. It means being creative, intelligent and proactive and tapping into the skills, experience and wisdom of the stakeholders in our community and moving forward together. And, perhaps most important, it doesn’t necessarily mean spending large amounts of money.

The following recommendations are wide-ranging, position the City as a leader in addressing affordable housing needs and related housing issues. The recommendations also underscore the importance of developing partnerships to implement a range of permanent solutions at various points along the housing continuum.

**Recommendation #5**
That the new Official Plan for the City of Hamilton include policy direction in a number of key housing areas including condominium conversions, maintenance of Hamilton’s dwelling stock, the affordable housing continuum, housing supply targets, residential intensification, accessory apartments and lowering the cost of new housing construction.

**Recommendation #6**
That as part of the development and harmonization of the former area municipal zoning by-laws into one Hamilton zoning by-law by the Development and Real Estate Division of the Planning and Development Department, accessory apartments as-of-right throughout the City with appropriate site specific requirements be considered as it represents a cost effective way of providing new lower cost rental housing opportunities.

**Recommendation #7**
That a staff working committee be established to develop options for City Council on addressing the issue of existing accessory apartments that may not meet current building, zoning and fire code provisions.

**Recommendation #8**
That the City of Hamilton liaise with private sector associations such as the Hamilton-Halton Home Builders’ Association to lobby the senior levels of government to refine and/or introduce legislative and tax measures that will enhance the capacity of the private sector to construct new rental housing.

**Recommendation #9**
That CityHousing Hamilton establish an “Eviction Prevention Policy” in consultation with the various community legal clinics and other housing stakeholders as a model for adoption by other social housing providers and private rental landlords in Hamilton.
Recommendation #10
That the Building and Licensing Division of the Planning and Development Department report to the Planning and Economic Development Committee on the feasibility of establishing a licensing initiative for the private rental housing stock including the provision of information on inspections and compliance.

Recommendation #11
That the Policy Program and Planning Division of the Public Health and Community Services Department develop methods of seeking the opinions and concerns of tenants in Hamilton on Tenant Protection Act matters as background to the activities of the Tenant Advisory Committee.

Recommendation #12
That the City of Hamilton assume a more proactive role in advocating the interests of tenants to the Provincial Government as part of the forthcoming Provincial review and consultation on the Tenant Protection Act.

Recommendation #13
That CityHousing Hamilton review all tenant placement procedures and policies and establish an “Anti-Discrimination Policy” in consultation with the various community legal clinics and other housing stakeholders as a model for adoption by other social housing providers and private rental landlords in Hamilton.

Recommendation #14
That the Downtown Renewal Division of the Planning and Development Department continue to seek opportunities for the development of a student residence in Downtown Hamilton through the Downtown Residential Loan Program as a way of reducing the pressure on the single-family housing stock in the neighbourhoods surrounding McMaster University and Mohawk College.

Recommendation #15
That CityHousing Hamilton explore the feasibility of developing a single room occupancy (SRO) dwelling as a pilot project in partnership with one or more community stakeholders.

Recommendation #16
That the Building and Licensing Division of the Planning and Development Department report to the Planning and Economic Development Committee on the feasibility of proactive and harmonized enforcement of the City’s rooming house stock and reducing or eliminating the licensing and inspection fees associated with rooming houses as a way of enhancing and preserving this stock of housing.
Recommendation #17
That the Employment, Housing and Long-Term Care Division of the Public Health and Community Services Department partner with the REALTORS Association of Hamilton-Burlington (RAHB) to identify opportunities and linkages where CityHousing Hamilton social housing tenants with the means and desire for homeownership can purchase their first home.

Recommendation #18
That the Federal Government increase the funding commitment to the homeowner component of the Residential Rehabilitation Assistance Program (RRAP) to meet the growing needs of dwelling repair for lower income households in Hamilton.

Recommendation #19
That through the Council-approved “Consider Housing” policy for the disposition of surplus City-owned lands and/or buildings, the Development and Real Estate Division of the Planning and Development Department identify lands and/or buildings appropriate for affordable rental housing that will be packaged with future Request for Proposals for the Community Rental Housing Program and HAHPI Housing Partnership Fund.

Recommendation #20
That upon retirement of the debt for the Borers Creek stormwater project, revenues from the Flamborough slots be dedicated to the HAHPI Housing Partnership Fund as a permanent method of levering new affordable rental housing supply in Hamilton in partnership with the private sector and community-led housing providers.

Recommendation #21
That the Program Policy and Planning Division of the Public Health and Community Services Department co-ordinate and develop a data collection system of Hamilton’s homeless population to enhance and support the various program delivery areas of the Department.

Implementation and Where Do We Go From Here?
The Social Vision and the Affordable Housing Flagship
In 2002 the Public Health and Community Services Department launched a new initiative to implement the social elements of Vision 2020. City Council supported this initiative by adopting the Social Vision for the City of Hamilton as presented in the report “A Social Vision for the New City of Hamilton.”

The Social Vision is as follows:

The City of Hamilton is a safe, healthy and caring community which fosters a sense of belonging and pride. It is a culturally rich and diverse community that ensures that all citizens have access to opportunities and resources to meet
their basic needs and promote active participation. It is a vibrant community which promotes support for basic needs as well as inclusion for all.

To make the Social Vision a reality, a number of steps need to be undertaken with a broad range of community partners. These steps are organized into three areas of focus known as “flagships”: children and families; skills development; and affordable housing.

The goals of the affordable housing flagship are as follows:

1) To increase the supply of affordable housing in the City of Hamilton;
2) To promote the availability of affordable housing through such measures as rent subsidies, funds for home improvement and assistance with the payment of first and last months rent, etc.; and,
3) To ensure the availability of emergency and shelter arrangements in order to reduce substantially the rate of homelessness in Hamilton.

A number of specific actions were identified to make the affordable housing flagship a reality:

1) Review current City of Hamilton affordable housing practices;
2) Create a coordinating mechanism for affordable housing;
3) Engage citizens in affordable housing issues;
4) Raise awareness of the importance of affordable housing;
5) Gather information on exemplary models;
6) Identify possible affordable housing initiatives; and,
7) Provide supports for living in place.

“Keys to the Home” has documented where we are as a community, identified a multitude of housing issues and concerns in our community and outlined a comprehensive range of recommendations. There are without doubt many more housing recommendations and ideas that can be brought forward for consideration; however, the recommendations in “Keys to the Home” cannot be just words on paper and lost in the minutiae. The recommendations require implementation and follow-through, the community needs to be continually re-engaged on identifying emerging and priority housing issues, and the City must continue to move forward with creative and cost-effective solutions to affordable housing needs in partnership with various stakeholders.

As was noted earlier we are on the cusp of a new era in housing for the City of Hamilton with many housing program and partnership initiatives underway and the real potential for many more. This is an ideal and timely opportunity for the Affordable Housing Flagship to be the tool or lever to support and enhance the leadership of the City in affordable housing and other housing issues, and capitalize on the current visibility, prominence and momentum for affordable housing solutions in Hamilton. The Flagship can be a tool for bringing together community stakeholders who have a demonstrated commitment and evident role in promoting and implementing affordable housing solutions in Hamilton. Utilizing the expertise of the City’s business sector, the Hamilton-Halton Home Builders’ Association and the REALTORS Association of Hamilton-Burlington is very important to ensure the long-term success of the Flagship.
The Flagship can also act as a forum for information exchange, best practices discussion, idea dissemination and prepare additional housing-related recommendations in consultation with City of Hamilton staff.

As well, the Affordable Housing Flagship can assume some distinct and unique roles. The “Housing Trust Working Group” has engaged the expertise of Mr. Tom Zizys, Housing Consultant, and a number of ideas have come forward that may also guide the scope and role of the Flagship. One area is that of “Housing Facilitator/Housing Advocate”. This could include the following:

- Coordinating and pushing policy and regulatory reform;
- Facilitating specific housing development projects;
- Advocating with other levels of government;
- Being a catalyst for integrated projects/programs; and,
- Promoting public education.”

Another area for consideration as a potential role for the Flagship is the co-ordination of the many committees/working groups in Hamilton currently engaged in housing. This would require:

- “Sorting out the roles, responsibilities and inter-relationships of these various committees and working groups;
- Ensuring that issue or initiative has a committee “home” and provide both support and oversight;
- Ensuring there is a broad strategic connection between these activities; and
- Ensuring that resources exist of at least a secretariat nature to allow these processes to function.’

Staff of the Program Policy and Planning Division of the Public Health and Community Services Department is currently developing the governance structure for the Social Vision and the various flagships. Recognizing the current community momentum around housing issues and affordable housing solutions, it is appropriate at the same time to establish the specific parameters and goals of the Affordable Housing Flagship and the appropriate community stakeholder participants.

**Recommendation #22**

*That the Affordable Housing Flagship of the Social Vision be comprised of key housing stakeholders in the Hamilton community along with appropriate City of Hamilton staff as resource, and that the initial priorities of the Flagship focus on:*

- Supporting City of Hamilton staff in the implementation of “Keys to the Home” recommendations;
- Articulating emerging housing needs in the community;
- Information sharing and identification of best practices on affordable housing solutions;
- Advocating on behalf of local affordable housing solutions; and,
- Providing the strategic oversight and coordinating the roles, responsibilities and inter-relationships of the various community-based housing committees and working groups in Hamilton.*