



Affordable and Attainable Housing in Eastern Ontario

2021 AMO Delegation Briefing Note

Introduction

In 2021, the topic of affordable and attainable housing in eastern Ontario has been pushed to the forefront as a result of the impacts caused by the COVID-19 pandemic. The financial pressures and economic uncertainty of navigating a pandemic, combined with increased population in rural areas, have made it clear just how difficult it is for many Canadians to secure housing in eastern Ontario. For this reason, affordable and attainable housing remains a key priority for the Eastern Ontario Wardens' Caucus (EOWC).

Background

In eastern Ontario, there is a growing gap between individuals who can afford to live in the region and those who cannot. As the cost of home ownership continues to rise to previously unseen levels, and our populations continue to increase, this reinforces that the EOWC must take on a leadership role in order to advocate for eastern Ontario residents and to highlight the unique challenges and obstacles faced by our rural communities.

The COVID-19 pandemic has not only created a financial strain on residents, but also on municipalities looking to undertake or complete affordable housing projects. The cost of building materials and skilled labour, for example, has risen exponentially and funding programs do not take price escalation into consideration. In short, funding supports must consider the new realities that municipalities face that make existing challenges to get a project built all that more difficult. A premium added to funded projects to cover these costs for small, rural municipalities would ensure a level playing field with larger centres and larger developers that are able to better absorb these market fluctuations.

The EOWC is doing its part to find solutions to support private sector and not for profit builders looking at affordable and attainable housing construction in rural communities. The EOWC has been awarded \$200,000 as part of the Canada Mortgage and Housing Corporation (CMHC) Housing Supply Challenge to build a prototype data solution.

This solution aims to support the long-term planning of housing programs and incentives for municipalities. It also aims to support not for profit and private sector builders in overcoming barriers to implementing housing in rural communities resulting from information gaps.

On the assisted housing side, the EOWC, in an effort to explore all possible options in alleviating the housing struggles of rural eastern Ontario, seeks clarification and further information regarding the Canada Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI). As Service Managers are currently in the final year of the first phase (2021/2022) and there have been no announcements to date regarding the second phase, a problem arises of being unable to plan to commit funds under our COCHI and OPHI investments. Service Managers are unable to commit further funds to non-profit housing providers who have previously been the recipients of COCHI and OPHI investments. As such, they may be unable to continue maintaining their affordable housing units. Furthermore, Service Managers may, for example, be unable to carry out health and safety repairs or replace/repair core building systems.

It is evident that affordable housing has become even more unattainable to thousands of families in eastern Ontario, and the repercussions of this are felt in many areas of public policy-including economic recovery and job creation post pandemic. To address affordable housing issues in our communities is to ensure job growth and economic prosperity now and into the future.

Key Recommendations

Rural vs. Urban Divide:

- Allow for the accumulation of COCHI and OPHI funding on a yearly basis, so as not to restrict rural municipalities from taking on larger affordable housing projects.
- Extend funding timeframes so that rural municipalities have the ability to plan for future development. Rural communities do not have the number of residential developers that exist in urban areas; therefore it can take longer to attract, plan and execute an affordable housing project in a rural area.
- Create a rural funding stream for affordable housing development. Rural projects are at a smaller scale thus the operating costs are higher. In addition, capital cost per unit is also higher.
- Provide a premium to small, rural municipalities that apply for housing project funding to address their inability to absorb market fluctuations in the costs of materials and labour.

Streamline Ministerial Administration:

- Provide flexible funding without the ongoing reporting burden. This will allow Service Managers and municipal partners to be more creative with their funding and developing more affordable housing.
- Provide clear direction on the future of COCHI and OPHI funding (second phase).
- Apply a rural lens to future funding opportunities, understanding that large scale projects both in cost and scale are unworkable in smaller communities.

Increase Supply:

- Increase financial support given directly to municipalities in the development of more affordable housing.
- Increase funding for housing allowances to address urgent housing needs in rural communities as a bridge to more permanent housing solutions.

Conclusion

Every Canadian ought to have the ability to live in a safe and secure environment with a roof over their head — whether they're in a big city or a rural community. As we move forward to address the ongoing issues surrounding affordable housing, a rural approach must not be overlooked. The EOWC is committed to working with key stakeholders, including the Provincial Government, to improve affordable housing in rural eastern Ontario. In addition to funding municipal projects, there is a need to incentivize the private sector. All levels of government, plus the private sector must work collaboratively to achieve these goals.