

Pre-budget presentation, City of Hamilton General Issues Committee February 8, 2021

From Bill Johnston

Good afternoon, and thank you for this opportunity.

My name is Bill Johnston, I am co-chair of the Affordable Housing Team at the First Unitarian Church of Hamilton, but this written submission is my own opinion, and not necessarily my church's.

I speak today to support the housing recommendations in the report, *A Just Recovery for Hamilton*.

I come at housing issues out of my faith commitment to affirm and promote the inherent worth and dignity of every person and the recognition that we are all interconnected, so none of us can thrive unless we all do.

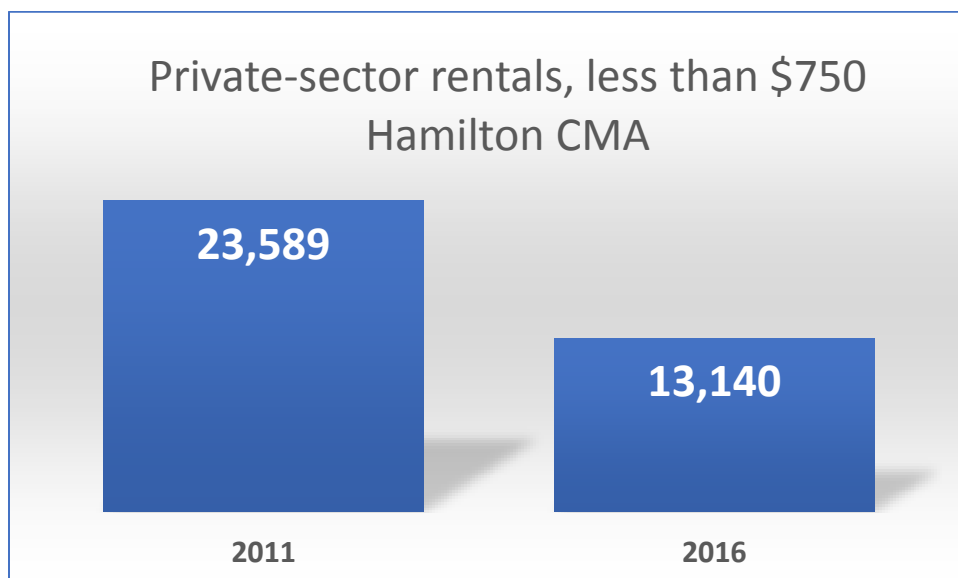
I will focus on a specific aspect of the challenge of providing safe, adequate and affordable housing to all of the tens of thousands of Hamilton households whose housing is inadequate or not affordable.

I am well aware of the city's efforts, including its embrace of Housing First, the \$50 anti-poverty program and its action plans. Yet I am also aware, as you are, that city isn't meeting its goals such as reducing the housing waitlist by half.

One reason—which hasn't got enough attention—is that we are losing affordable private-sector rental units far faster than we can build new affordable units.

You will remember housing consultant Steve Pomeroy, who was keynote speaker at the city's 2019 Hamilton Housing Summit.¹ He has calculated the number of units that rented for \$750 a month or less that disappeared in the five years between the 2011 and the 2016 Census. \$750 a month is affordable on an income of \$30,000 a year.

For the Hamilton Census Metropolitan Area, he calculated that we lost more than 10,000 of those affordable rent units between 2011 and 2016.²



Hamilton has just under 80 per cent of the rental units in the Hamilton CMA, so our share of those lost units is about 8,200. Pomeroy says the trend is continuing.

Hamilton has built or approved about 365 new affordable units every five years.³ So we are losing more than 20 private-sector affordable units for every unit we build.

We lose most of those affordable units because every time a unit is vacated, the rent can and does go up, often a lot.

So, governments need to do everything they can to help tenants avoid eviction.

First, no one should be evicted because they lost income during the pandemic. Moratoriums on evictions, though necessary, are not enough. Tenants need help with arrears or they will be evicted.

A recent Canada Mortgage and Housing survey found 2,700 tenant households in the Hamilton Census Metropolitan Area are in arrears. The average arrears in the Hamilton CMA was \$1,424.⁴ Our federal government, in the September Throne Speech, said, "Canadians should not have to take on debt [because of the pandemic] that their government can better shoulder."⁵ That should apply to any rent arrears caused by COVID.

I urge the city to act on recommendation 53 in the *Just Recovery for Hamilton*, to set aside money in a local rent bank to help tenants deal with arrears caused by COVID. But I also urge the city to push Queen's Park to cover those costs, as recommendation 52 proposes. Both Ottawa and Queen's Park have provided help to commercial tenants, but no rent relief to residential tenants. Both Ontario and Ottawa are in budget consultations right now, with deadlines of Feb. 12 and 19, respectively for input.

Second, no one should be evicted because of renovations. Landlords have an obligation to allow tenants to return, at their old rent, if they have to move out for major renovations.⁶ Many tenants likely don't know of their rights. So I urge the city to adopt recommendation 60 to ensure tenants know their rights and recommendation 54, for the city to use all its tools to ensure tenants can return, to avoid loss of an affordable unit.

Third, we need Ottawa to expand the Rapid Housing Initiative to provide funds so non-profits, housing co-ops and cities can buy of existing private-sector buildings to keep their rents permanently affordable.

We need, as recommendation 51 says, pro-active inspections to ensure that lack of routine maintenance doesn't lead to a need for major renovations.

Mostly, the city needs much more investment in new construction, upgrades to existing buildings and portable housing benefits. We support recommendation 55 for more local investment but most of the money must come much bigger investments from the senior governments. The National Housing Strategy will help only a third of Canadian households in core housing need. The Ontario government cut Hamilton's allocation for new or reburished housing to less than a third of what it had been. Even the original figure was far too little. The amount of Canada-Ontario Housing Benefit provided so far will help only a tiny fraction of Hamilton's 16,000 precariously housed residents.⁷

Thank you.

Recommendations from *A Just Recovery for Hamilton* cited above:

51. Prioritize healthy homes during COVID-19 and beyond, including resuming building inspections, enforcement of all property standards, and the implementation of all COVID-19 health and safety measures as recommended by Public Health.
52. Urge the province to suspend eviction enforcement, hearings and orders until the province has entered the post-pandemic recovery period and immediately bring in rent relief.
53. Implement a municipal 'rent bank' where any tenant in financial need can receive non-repayable grants, so tenants can get the funds they need without falling further into debt.
54. Use all of the city's regulatory powers to protect tenants from predatory renovation practices and save Hamilton's affordable housing stock.
55. Make a deeper municipal capital budget investment in housing first placements to end homelessness.
60. Take a proactive approach when it comes to informing tenants of their rights and provide resources for tenant groups to respond to Above Guideline Increases and threats of displacement.

A Just Recovery for Hamilton: Municipal Policy, Investment and Opportunities for a more equitable COVID-19 Recovery in 2021, <https://img1.wsimg.com/blobby/go/8f506d6a-c19c-4d0e-9714-b94e774e3ed5/Just%20Recovery%20Hamilton%20-%20Policy%20Paper-0004.pdf>

Endnotes

¹ Dr. Steve Pomeroy, CEO of Focus Consulting Inc. and Senior Research Fellow for the Centre for Urban Research and Education, Carleton University. "Hamilton Housing Summit (HSC19037), report to the Emergency and Community Services Committee, August 15, 2019, <https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=201209> Focus Consulting <https://www.focus-consult.com/> Carleton University <https://carleton.ca/sppa/people/pomeroy-steve/>

² Calculations based on Statistics Canada, "2011 National Household Survey: Data Tables, Shelter Cost Groups (11), Household Total Income Groups in 2011 (11), Shelter-cost-to-income Ration (9), Housing Tenure Including Presence of Mortgage and Subsidized Housing (7), and Household Type (17) for Owner and Tenant Households in Non-Farm, Non-reserve Private Dwellings of Canada, Provinces, Territories, Census Metropolitan Areas and Census Agglomerations, 2011 National Household Survey," <https://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/dt-td/Rp-eng.cfm?TABID=2&LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GK=0&GRP=0&PID=106661&PRID=0&PTYPE=105277&S=0&SHOWALL=0&SUB=0&Temporal=2013&THEME=98&VID=0&VNAMEE=&VNAMEF=> AND Statistics Canada, "Data Tables, 2016 Census, Shelter Cost (12), Tenure include Presence of Mortgage Payments and Subsidized Housing (7), Shelter-cost-to-income Ratio (9), Household Total Income Groups (14) and Household Type including Census Family Structure (16) for Owner and Tenant Households in Non-Farm, Non-reserve Private Dwellings of Canada, Provinces and Territories, Census Metropolitan Areas and Census Agglomerations, 2016 Census—25% Sample Data," <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/dt-td/Rp-eng.cfm?TABID=2&LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=1341763&GK=0&GRP=1&PRID=110571&PRID=10&PTYPE=109445&S=0&SHOWALL=0&SUB=0&Temporal=2017&THEME=121&VID=0&VNAMEE=&VNAMEF=&D1=0&D2=0&D3=0&D4=0&D5=0&D6=0>

Calculations were made by Steve Pomeroy and sent in an email to Bill Johnston, February 3, 2021. Pomeroy noted that the rent ranges in the 2016 and 2011 data do not align. "In the absence of customized data, I have interpolated, assuming an even distribution of rents across the range. So to convert 400-600 to units under 500 I would select 0.5 x the 400-600 range, etc." Calculations for the graph were made by Bill Johnston, based on Pomeroy's method.

³ “Recommended Projects from Request for Proposals C5-19-19 Ontario Priorities Housing Initiative: Rental housing Component (HSC19060),” report to the Emergency and Community Services Committee, November 7, 2019, <https://pub-hamilton.escribemeetings.com/FileStream.ashx?DocumentId=207363> This report, page 3, shows that “Since 2003, there have been 21 projects with a total construction value of \$101 M, constructed with \$82 M of federal and provincial funds, creating 1011 new affordable rental units available for low and moderate-income households.” Those 1,101 units were built (or approved) over a 16-year period. The five-year figure used in this report divided that 1,101 total by 3.

⁴ The Hamilton CMA arrears number was 2,704 and the total rent in arrears was \$3.85 million. Canada Mortgage and Housing Corporation, *2020 Rental Market Report*, January 28, 2021, https://www.cmhc-schl.gc.ca/en/housing-observer-online/2021/2020-rental-market-report?utm_medium=newsletter&utm_source=housing-research-newsletter&utm_campaign=january2021&utm_content=english and data table for Canada 5.0 Rental Arrears, Privately Initiated Apartment Structures of Three Units and Over—Provinces and Major Centres, <https://www.cmhc-schl.gc.ca/en/data-and-research/data-tables/rental-market-report-data-tables>

⁵ *A Stronger and More Resilient Canada: Speech from the Throne*, to open the Second Session of the Forty-Third Parliament of Canada, September 23, 2020, 10, https://www.canada.ca/content/dam/pco-bcp/documents/pm/SFT_2020_EN_WEB.pdf

⁶ *Residential Tenancies Act*, section 53, <https://www.ontario.ca/laws/statute/06r17>

⁷ *Canada’s National Housing Strategy: A Place to Call Home*, 4, <https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/placetocallhome/pdfs/canada-national-housing-strategy.pdf> says the National Housing Strategy “sets ambitious targets... This will include ... as many as 530,000 households being taken out of housing need.” Statistics Canada, “One in ten Canadian households living in core housing need in 2018,” 2020-10-2, <https://www150.statcan.gc.ca/n1/daily-quotidien/201002/dq201002a-eng.htm#:~:text=More%20than%201.6%20million%20Canadian,alternative%20housing%20in%20the%20community> reported that 1.6 million Canadian households lived in core housing need in 2018. 530,000 is 33.1% of 1.6 million.

The provincial commitment to Hamilton was outlined in Housing Services Division, City of Hamilton, *OPHI/COCHI Key Stakeholder Consultation July 24, 2019*. Slide 8 lists the province’s average commitment for the next three years (2019-2020 to 2021-2022) as \$5.8 million compared to the average annual allocation for the previous three years of \$21.3 million, which was 3.67 times larger.

“Canada-Ontario Housing Benefit,” report to city council February 12, 2020, 1, https://www.hamilton.ca/sites/default/files/media/browser/2020-02-14/infoupdate-hsc-canada-ontario_housing_benefit_feb122020.pdf showed the province had allocated \$1.15 million to Hamilton for 2020-2021, which the report said would translate into about 320-350 portable housing benefits for nine years. That there are 16,000 Hamiltonians precariously housed (that is, paying 50 per cent or more of their pre-tax income for housing) is from City of Hamilton, *Coming Together to End Homelessness: Hamilton’s Systems Planning Framework*, 12, <https://www.hamilton.ca/sites/default/files/media/browser/2019-07-25/coming-together-to-end-homelessness-report-final-07252019.pdf> The specific figure in the report is “approximately 16,400 people spend more than 50% of their income on rent, with incomes of less than \$20,000/year.”