

Re: Report HSC22042, August 11 agenda, 10.1, Housing Sustainability and Investment Plan

Dear Chair and Members of the Emergency and Community Services Committee

I write to support the proposal to develop a Housing Sustainability and Investment Plan.

May I offer three suggestions for developing that plan.

First, how big is the problem and thus the solution?

We need to begin this work with a thorough analysis of the size of the housing crisis so that estimates can be made of what the ultimate response would need to be. Then we can work backwards to a strategy. For instance, based on the 2016 Census, **Hamilton had 30,750 households in core housing need**. 55,000 households paid more than 30 per cent of their gross household income for housing. Both figures will be updated as Census 2021 results come in.

What would it take to eliminate core housing need in Hamilton—how many net new units of public housing, social housing, co-operative housing? How many rent supplements and housing benefits? How many private sector units that are affordable would we need to retain and add? And what's the ballpark estimate of the cost? Might we need to double (or more) our stock of social and co-op housing units?

Beyond core need are other affordability challenges. Vast numbers of households are priced out of home ownership, a different type of challenge that impacts the ability of people to afford to live here. According to Ratehub.ca, even as house prices fell between March and June, the cost of servicing a mortgage rose. To buy the average home in Hamilton in June, you needed an income of \$179,000, far beyond the income of the vast majority of city households.¹

Second, stop the losses

We need a strong focus on preventing losses of existing affordable housing units, both social housing and private-sector units. As the statistics on the next page show, Hamilton has been steadily losing both social housing units and affordable private-sector units. The 2021 Census will allow an update on the loss of affordable private-sector units. So far, we haven't been able to build affordable housing as fast as we lose existing units, so we keep falling behind.

Third, don't forget co-operative housing and land trusts

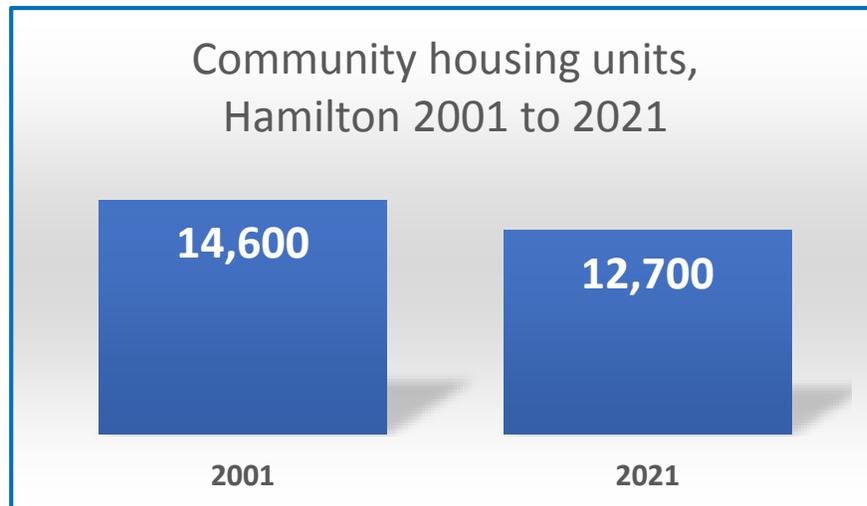
In addition to the organizations mentioned in the report, I urge you to include the co-operative housing sector and the possibility of land banking through the community land trust. Hamilton has only about 1,000 units of co-op housing but they provide mixed-income affordable housing communities for people who aren't poor but who are priced out of the private market. Land banking is one tool for freezing the cost of land that is a key driver of housing costs.

Your sincerely,

Bill Johnston,

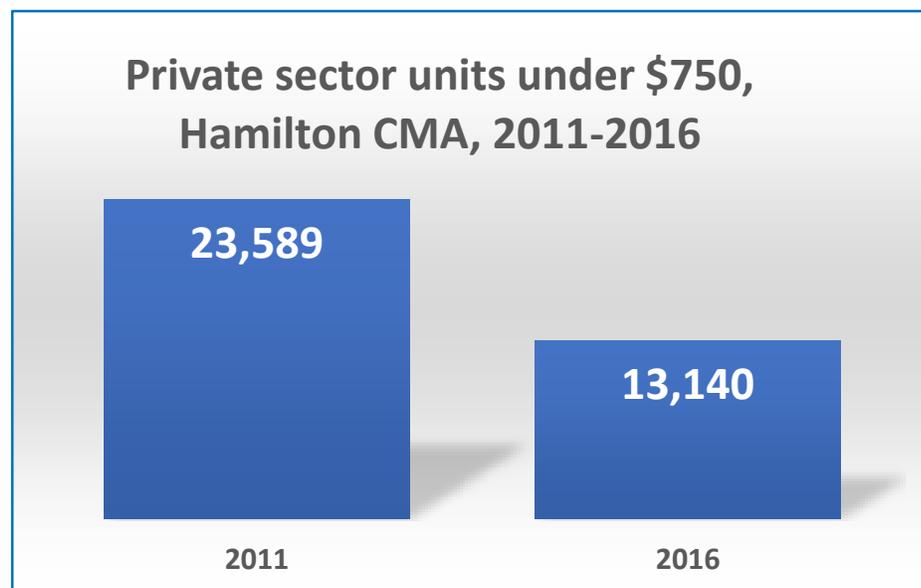
Hamilton's supply of affordable housing units is shrinking

- Hamilton lost about 1,900 subsidized housing units—public and non-profit—since 2001.



City of Hamilton, *Housing and Homelessness in Hamilton Quarterly Data Snapshot Q3 2021*, 12.

- In just five years, between 2011 and 2016, the Hamilton Census Metropolitan Area lost about 10,400 private-sector units renting for less than \$750. (A rent of \$750 is affordable if a household earns \$30,000 a year before taxes.) Hamilton's share would be about 80 per cent or 8,000 lost units. The units were lost to demolition, conversion to condos or, mainly, rising rents. The losses continue and the 2021 census will let us update those figures.



Steve Pomeroy, based on Census 2011 and Census 2016 data, email, February 3, 2021.²

¹ Jon Jilani, "June 2022: How much income do you need to afford a home in Canada?," Ratehub.ca, July 20, 2022, <https://www.ratehub.ca/blog/what-income-to-afford-home-canada/> Census 2016 data show that only 14 per cent of Hamilton households earned more than \$150,000 in 2015. We await Census 2021 data. Statistics Canada. 2017. *Hamilton, C [Census subdivision], Ontario and Hamilton, CDR [Census division], Ontario (table). Census Profile*. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017. Accessed August 10, 2022, <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3525005&Geo2=CD&Code2=3525&Data=Count&SearchText=hamilton&SearchType=Begins&SearchPR=01&B1=All&TABID=1>

For an indication of how these housing prices impact even well-paid Hamiltonians, see the story of Marc Iturriaga in Jason Markusoff, "Nowhere to buy: Soaring home prices, insane bidding wars, and cancelled dreams have spread from urban centres into towns across Canada. How did everywhere become Toronto and Vancouver?" *Maclean's*, May 17, 2021 (the June, 2021 print edition), <https://www.macleans.ca/longforms/canadian-real-estate-market-housing-2021/> Marc was hired in 2020 by Mohawk College in Hamilton as executive director of the student association with a salary that puts him in the top 15 per cent of Canadians but couldn't find a home he could afford in Hamilton and despairs of being able to attract employees because Hamilton is so expensive.

² Steve Pomeroy, Focus Consulting, provided the calculation in a February 3, 2021 email to Bill Johnston, who had asked Pomeroy how to do a Hamilton calculation of lost units; Pomeroy had done calculation of lost units nationally (see the next footnote). Pomeroy's calculation is based on census data, "Shelter Cost (12), Tenure Including 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," for the Hamilton CMA. He focused on unsubsidized units. In 2016, there were

- 3,310 units renting for less than \$500 and
- 9,830 units renting for between \$500 and \$749.

In 2011, there were

- 2,340 units renting for less than \$400
- 4,955 renting for between \$400 and \$599 and
- 21,725 renting for \$600 to \$799.

Since the 2016 and 2011 categories aren't the same, Pomeroy then used an assumption, that the number of units in 2011 were evenly spread between \$400 and \$599 and between \$600 and \$799, which allowed him to estimate the number of units in 2011 that rented for less than \$750, then compared that to the actual 2016 figures.

	Rent under \$400	Rent \$400 to \$599	Rent \$600 to \$799
Census 2011	2,340	4,955	21,725

	Rent under \$500	Rent \$500 to \$749	Total under \$750
Census 2011	2,340 + half 4,955 = 4,818	Half 4,955 + $\frac{2}{3}$ 21,725 = 18,771	23,589
Census 2016	3,310	9,830	13,140
Units lost between 2011 and 2016			10,449

The assumption that the 21,725 units that rented in 2011 for between \$600 and \$799 are evenly distributed and therefore that three-quarters of them rented for less than \$750 might of course be incorrect. If many of those units actually rented for between \$750 to \$799, then his calculated 2011 figure would be too high and his calculation of the number of units lost between 2011 and 2016 would also be too high. It seems unlikely, however, that it would be much too high.