

# CITY OF HAMILTON

## NOTICE OF MOTION

General Issues Committee: June 19, 2024

**MOVED BY COUNCILLOR M. SPADAFORA .....**

### **Declaration of Emergency in the Area of Affordability**

WHEREAS, the City of Hamilton acknowledges that the challenges of affordability can be precursors to poor physical and mental health outcomes, barriers to higher learning, facilitating addictions, participation in crime, and homelessness;

WHEREAS, the City of Hamilton acknowledges that the challenges of affordability arise from the increased cost of living, inflation, and various taxes from the federal, provincial, and municipal levels of government;

WHEREAS, Mayor Andrea Horwath, in her Mayoral Directive to Staff on August 31, 2023, recognized the high cost of living in an inflationary time;

WHEREAS, Tax Freedom Day – the day of the year when the average Canadian family has earned enough money to pay the various taxes imposed on it from the federal, provincial, and municipal government upfront – was even later this year, on Monday, June 19;

WHEREAS, according to the Bank of Canada, Ontario CPI (Total) recently peaked at 8.1% in June 2022 – representing a 39-year high dating back to 1983 – and is currently now at 2.7%;

WHEREAS, according to the Hamilton Family Health Team, nearly 12% of Hamilton households report food insecurities with nearly 20,000 Hamiltonians accessing a food bank every month, including 6,000 children;

WHEREAS, according to Hamilton Food Share, the number of Hamilton households that access food banks and hunger relief programs increased by approximately 40% from 2022 to 2023 resulting in the City of Hamilton allocating \$1.25 million in the 2024 budget and over \$600,000 in grant funding for food banks and hunger relief programs;

WHEREAS, the Federation of Canadian Municipalities has passed a motion urging the federal government to provide emergency funding to food banks and food rescue agencies as well as recognize the system issues involved in food bank usage, including affordability;

WHEREAS, an analysis of Hamilton real estate prices over the past 10 years on Listing.ca shows an increase of 95.4% – essentially a doubling in just one decade – resulting in fewer Hamiltonians being able to afford either a mortgage downpayment and/or ongoing mortgage payments;

WHEREAS, according to the Canada Mortgage and Housing Corporation (CMHC), the median household income after taxes in Hamilton is \$66,103;

WHEREAS, a recent Zoocasa study on housing affordability has found the Hamilton-Burlington area to be the third least affordable region in Canada and the tenth least affordable region in North America;

WHEREAS, the REALTORS Association of Hamilton-Burlington report that the median sale price for single detached homes has risen to \$880,000 in the first quarter of 2024;

WHEREAS, fewer and fewer Hamiltonians can afford to purchase a home using various housing affordability metrics to determine affordability including the Housing Affordability Index, Gross Debt Service (GDS) ratio, and Total Debt Service (TDS) ratio;

WHEREAS, Equifax Canada indicates that, in Ontario, mortgage delinquency rates soared by 135.2% above pre-COVID-19 pandemic levels, that in the first quarter of 2024 the total mortgage balance reaching severe delinquency – which is 90 days or more without payment – has surpassed \$1 billion for the first time ever, that mortgage borrowers filing for bankruptcy have ballooned by 76.4%, and that those who renewed their mortgage in the fourth quarter of 2023 saw their monthly mortgage payment increase on average by \$680;

WHEREAS, the federal government recently passed a motion in the House of Commons on Tuesday, June 11, 2024, that raised the capital gains inclusion tax rate from 50% to 67% for not only corporations and trusts, but for individuals who have annual capital gains in excess of \$250,000, an amount that is much more easily attainable given the high cost of homes compared to the time period of 1988 to 1989, the last time the capital gains inclusion tax rate was at 67% and when the average cost of a home in Hamilton was under \$150,000 according to the Canada Mortgage and Housing Corporation (CMHC);

WHEREAS, the CBC has reported that since the federal government's fuel levy was introduced in 2019, the carbon tax has added 17.6 cents to the cost of a litre of gasoline;

WHEREAS, the City of Hamilton recognizes that municipal emergencies in Ontario are declared by the head of council as per the process detailed in the Emergency Management and Civil Protections Act; and

WHEREAS, the City of Hamilton acknowledges that the declaration of an emergency does not immediately result in a municipality receiving any additional funds or resources from senior levels of government.

**THEREFORE BE IT RESOLVED:**

- (a) That the Mayor formally issue a declaration of emergency in the area of affordability, as per the procedure outlined in the Emergency Management and Civil Protection Act;
- (b) That the Mayor send correspondence to the Premier of Ontario requesting that the provincial government commit to fully funding gaps, including but not limited to, the areas of social services, affordable housing, transportation, and other infrastructure;
- (c) That the Mayor send correspondence to the Prime Minister of Canada requesting the federal government commit to fully funding gaps, including but not limited to, the areas of affordable housing, housing for refugees, transportation, and other infrastructure.