

# CITY OF HAMILTON

## MOTION

General Issues Committee: Monday, July 8, 2024

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

**SECONDED BY COUNCILLOR T. JACKSON.....**

### **Declaration of Affordability Crisis**

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, participating in crime, homelessness, and often resulting in an inability to escape cycles of poverty;

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 2024 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 Economic Research Institute, the cost of living in Hamilton is 9% higher than the provincial average, and 14% higher than the national average;

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 accessing food banks and hunger relief programs increased by approximately 40% from 2022 to 2023;

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 systemic issues involved in food bank usage, including affordability;

WHEREAS, Food Banks Canada recently released a report on June 19, 2024 noting that using the newly developed Material Deprivation Index (which uses an updated list of material deprivation indicators that are more reflective of social and economic realities as well as the lived experience of historically marginalized groups), 6 million more people – 25% of Canadians – are living at a poverty level living standard and cannot afford two or more household essentials;

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 reported recently 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, according to a recent CBC News analysis on June 11, 2024, involving over 1,000 neighbourhoods across Canada's largest cities, Hamilton is among metropolitan areas with the lowest percentage of potentially vacant and affordable two-bedroom apartments at 1.2% or 420 units;

WHEREAS, according to the Canada Mortgage and Housing Corporation (CMHC) Rental Market Report from January 2024, the rent growth for a two-bedroom unit in Hamilton hit a record of 13.7% – the second highest percentage growth in Canada behind only Calgary at 14.3%;

WHEREAS, The Hamilton Spectator reported on February 10, 2024, that the average rental listing price in Hamilton has grown from \$1,681 in 2019 to \$2,212 in 2023;

WHEREAS, the federal government recently passed a motion in the House of Commons on 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, in addition to recently added taxes, the cost of a litre of gasoline has risen by 17.6 cents;

WHEREAS, the Canadian Real Estate Association reports that as of May 2024, the unemployment rate in Hamilton grew to 7%, higher than the provincial unemployment rate of 6.7% and higher than the national unemployment rate of 6.0%;

WHEREAS, the Hamilton Community Foundation reports that, using the Statistics Canada Low Income Cut-off, the 16.7% poverty rate in Hamilton remains above the provincial average of 13.7% and above the national average of 12.8%

THEREFORE BE IT RESOLVED:

- (a) That Council formally declare an affordability crisis in the City of Hamilton;
- (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 within the City of Hamilton as identified with the assistance of the Government and Community Relations department;
- (c) That the Mayor send correspondence to the Prime Minister of Canada requesting that the federal government commit to fully funding gaps, including but not limited to, the areas of affordable housing, transportation, and other infrastructure within the City of Hamilton as identified with the assistance of the Government and Community Relations department.