

# AFFORDABLE HOUSING

*in Guelph*



**GUELPH**  
WELLBEING



REPORT

October 2014



# Everyone will have a safe and affordable place to live.

## OUR GOAL

When we have a healthy population we all benefit.

Despite current support and success stories there is still a lot of work to do in our community to help create affordable housing in the city. Guelph Wellbeing is working towards providing safe and affordable housing.

## Affordable housing and wellbeing

Access to safe, affordable, stable housing is a strong social determinant of health. Wellington Dufferin Guelph Public Health has highlighted the many ways in which lack of appropriate housing can lead to health consequences.

- In order to be able to obtain employment and provide a supportive home for raising healthy children, stable affordable housing is widely considered to be essential.<sup>1</sup>
- Housing costs affect disposable income, access to jobs, health status, and general inclusion in society.<sup>2</sup>
- According to the 2008 Chief Public Health Officer's Report, inadequate housing impacts health by contributing to the inability to afford other basic necessities in life and by being exposed to unhealthy conditions, such as substandard and harmful environmental conditions and overcrowding.
- Many families in our community find themselves having to move around from house to house and neighbourhood to neighbourhood. Individuals or families looking for non-market affordable housing face a wait time in Wellington-Guelph of two to nine years.<sup>3</sup>
- Homelessness is both a product and contributor of poor health.<sup>4</sup> A Toronto survey found that when compared with the general population, homeless individuals had an increased risk for many chronic conditions, including respiratory diseases, arthritis, rheumatism, high blood pressure, asthma, epilepsy and diabetes. Furthermore, homeless populations do not receive the health care services they need.<sup>5</sup>



Guelph Wellbeing supports the vision statement developed through the County of Wellington's community consultations: **"Everyone in Guelph Wellington can find and maintain an appropriate, safe and affordable place to call home"**.<sup>6</sup> In Guelph, many local leaders, including the County of Wellington have flagged action on housing as a high priority.



**GUELPH WELLBEING**

*Working together for the best possible quality of life*

## About Guelph Wellbeing

Guelph Wellbeing is a project guided by a Community Leadership Team working together to address our community's needs to create a happy, healthy and resilient community.

Our work is based on the Canadian Index of Wellbeing, a globally-recognized index that takes a comprehensive approach to measuring quality of life. Through extensive community engagement, Guelph Wellbeing has identified three key issues in our community: food security, social and physical connectivity, and affordable housing.

This report is one of four published in 2014 about Guelph Wellbeing. We hope this information about affordable housing brings awareness to the issues in Guelph and provides you with opportunities to make a difference in our community. We will continue to gather data, take action, measure impact and prepare an impact report in 2015.

**Our journey starts here...working together for the best possible quality of life.**

# Facts about housing



**10.4%**

of Guelphites live in core housing need

## Core housing need

A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability, standards and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

### Adequate

housing are reported by their residents as not requiring any major repairs.

### Affordable

dwellings costs less than 30% of total before-tax household income.

### Suitable

housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard requirements.

A household is not in core housing need if its housing meets all of the adequacy, suitability and affordability standards; or if its housing does not meet one or more of these standards, but it has sufficient income to obtain alternative local housing that is acceptable (meets all three standards).

Source: Canada Mortgage and Housing Corporation



Despite the increase in costs of food over a 5-year period, the percentage of income required from a median Ontario family of four to pay for rent and food in 2013 is relatively affordable.

For example, a reference **family of four** with a median Ontario income spends **17% of its income on rent** and **11% to purchase healthy food**.

As a comparison, a family of four on Ontario Works (OW) may spend more than three times the amount of its income on rent and food compared to the median Ontario family of four. A family of four on OW is estimated to spend about **55% of its income on rent** and would need to spend about **37% to purchase healthy food**.

A **single person** on OW is in the most difficult situation, having only enough money to cover rent (**92% of income may go to rent**) leaving insufficient money (**8% of income**) left over to purchase any food or cover basic expenses. After paying rent, a single person on OW would require an extra quarter of their income to afford healthy food, let alone pay for other basic living expenses.<sup>7</sup>

## 2012 Guelph Community Wellbeing Survey

Respondents with an annual household income of less than \$40,000 were asked about their current residence.

**33%**

My residence is barely affordable for me

**37.5%**

To afford my place of residence, I sometimes have to do without for my other needs



## Percentage of Guelphites spending 30% or more of their income on housing in 2011

**26.2%**  
of entire city

**9.6%**

of affluent neighbourhoods

**30.1%**

of impoverished neighbourhoods

The Two Rivers neighbourhood has the highest rate. Guelph is lower than the Ontario average of **27%**.



# Affordable housing assistance

Providing housing choices to meet the needs of all types of residents is not the sole responsibility of one agency or body.

Meeting housing needs of residents relies on the collaboration of many stakeholders including all levels of government; the Canadian Mortgage and Housing Corporation (CMHC); the community benefit sector; social services, health care, foundations, faith groups, education, criminal justice, the private housing sector; realtors, property managers, landlords, insurers, financiers, developers, contractors, and community residents; and tenants, homeowners, donors and volunteers.

Many organizations in Guelph work on issues related to housing, and a lot has been achieved already. The **County of Wellington Social Services Department**, as the Service Manager for housing in our community, plays a pivotal role in addressing housing issues in Guelph. The main functions are maintaining and providing the Centralized Waiting Lists, the Housing Help and Outreach Services, Landlord and Management Services, Social Housing for Non-Profit and Co-operative Housing Owners and Affordable Housing. The **Guelph Non-profit Housing Corporation** works with three shelters in Guelph to provide emergency housing. The County also conducts

research and consultation, and provides various kinds of support to those seeking housing. In close consultation with the community, the County of Wellington has developed a 10 Year Housing and Homelessness Plan "A Place to Call Home". The Housing and Homelessness Plan outlines eight goals and 38 actions, which provide a roadmap for addressing housing and homelessness needs in Guelph and Wellington: **Guelph Wellington Task Force for Poverty Elimination** and the **Wellington Guelph Housing Committee** do research and advocacy on housing issues.

There are also a number of projects underway in Guelph. One example is The **Guelph Wellington Task Force for Poverty Elimination** and the County of Wellington advocacy work for an Ontario Housing benefit. There are also local subsidies that are available to assist with the payment of rental deposits and utilities.<sup>7</sup> And the **Guelph Habitat for Humanity** mobilizes volunteers and community partners in building affordable housing and promoting homeownership as a means to breaking the cycle of poverty.



## What we know

- It is very challenging to find affordable housing in Guelph. Families and individuals living with low incomes struggle to pay the rent. Because there are long wait lists for social housing, people living with low incomes are often forced to find rental housing in the private market.
- There is inadequate supportive housing for seniors, people living with mental illness or addictions, and people with disabilities.
- Social housing stock in Guelph is aging and requires major upgrades.<sup>8</sup>
- People with poor credit history face extra obstacles when trying to find housing.<sup>9</sup>
- Social assistance rate and minimum wage have not kept pace with housing costs

### Ontario's Housing Continuum

Affordability should be viewed on a continuum, rather than at a specific price point. Within Ontario's housing continuum, there are varying degrees of affordability. The range and diversity of housing needs means that community responses to the challenge of affordable housing require a range of approaches, based on community needs. Within the continuum, communities may face affordability challenges, both in absolute terms (the price of housing) as well as in relative terms (types of housing). Given the diversity in land values across Ontario, similar housing types may vary in terms of affordability from one community to another.

Homelessness	Emergency shelters	Transitional housing	Supportive housing	Social housing	Subsidized rental	Private market rental	Home ownership
The provinces funds programs for housing and other services for the homeless.	Provide short-term temporary housing.	Intermediate step between shelters and permanent housing.	Housing with support services (such as medical and social) to help people live independently.	Housing developed with government funding, including public, non-profit and cooperative housing.	Market housing subsidized through government funding.	Private market rental comprises the majority of affordable housing in Ontario.	In 2006, 71% of households in Ontario own their home
<b>Non-market housing</b>					<b>Market housing</b>		

source: MMAH, Municipal tools for affordable housing, summer 2011

# Current state of housing

# 1.7%

Second lowest vacancy rate in Ontario

- The Guelph Census Metropolitan Area, (CMA) has the **second lowest vacancy rate in Ontario at 1.7%**, well below what is considered a healthy vacancy rate (3%)<sup>10</sup>
- Affordable market rent options for tenant households with incomes in the bottom 20% income levels are virtually non-existent in the Guelph area (**less than 1%**).<sup>11</sup>
- No new permanent social housing (geared-to-income housing) has been built since 1995 due to lack of sustainable capital and operating funding from senior levels of government.<sup>12</sup>



Chris lives in Guelph with his wife and three small kids. They live in a small two bedroom house they bought when they first moved here six years ago with their first baby. They rent out an accessory apartment in their basement to cover the cost of their mortgage. Without this income 60% of Chris' wages would go toward their housing. Chris and his wife are constantly worried about how they would make ends meet without their tenant. They also feel their family is outgrowing their home. They feel trapped.



Between 2013-2014

Rents increased **3.6%** Social assistance increased **1%**



The lack of market rent options for the lowest income households highlights the importance of an adequate supply of rent-geared-to-income housing, along with alternative accommodation such as rooming houses for one person households.



Lack of income is the primary obstacle for households with incomes in the lowest income levels (bottom 30%). Many such households have to pay a very high share of their income on rent and skip other basic necessities.<sup>13</sup>

Households facing the greatest affordability challenges include:

- fixed income tenant households
- minimum wage earners
- single seniors (tenants and owners)
- lone parent families (tenants and owners)
- tenants more so than owners
- youth (children)
- recent immigrants



17- year old Jay has learning disabilities and dropped out of school in grade 10. He reads at a grade three level and has always been frustrated and embarrassed at school. He suffers from depression and addictions. Jay was kicked out of his home because of his drug use. For a while Jay "couch surfed" but when friends stopped inviting him over for the night Jay went to Ontario Works (OW) to get help finding money for housing and to another agency to help with his addictions. Eventually Jay was able to rent a room in a house. The rent takes 60% of his OW cheque and sometimes Jay gives up other things like food or his bus pass to afford his rent. Jay is looking at employment counselling but knows that with his level of literacy getting a good job will be very hard. Sometimes he feels like giving up.

*HHS Interim summary of findings & Conclusions of the Need and demand study for 2006 to 2011*

# Our collective call to action

## 1 Explore Social Impact Bonds (SIB's)

SIB's are a specific type of social impact financing in which funds are raised from investors to provide social service providers with the working capital to deliver their services. The Province of Ontario through the Ministry of Economic Development, Employment and Infrastructure is considering applications using this model. There has been a great deal of local interest in this mechanism.

### Recommendation

Explore learning and sponsorship opportunity with the CMHC and Finance for Good, a non-profit organization that builds the tools, processes, and partnerships required to develop and implement transformative initiatives in the community.

Pursue local interest in this mechanism and perform a strategic self assessment to review the organizational competencies, (finance, negotiations, research and evaluation), ability to dedicate internal resources, orientations to impact, existing strategic partnerships, and a vision of taking the program to scale.

## 2 Support advocacy efforts

The **Ontario Housing Benefit** is a monthly payment that would be given directly to tenants receiving social assistance and eligible low-income individuals and families. This would perform much like the Ontario Child Benefit and be delivered as part of the income tax system.

Support for a **National Housing Strategy** to ensure secure, adequate, accessible and affordable housing. And support to the Federation of Canadian Municipalities "Housing Crunch" initiative **Fixing Canada's Housing Crunch**.

### Recommendation

Building on the advocacy work of the Guelph Wellington Task Force for Poverty Elimination and the Wellington Guelph Housing Committee to determine linkages to the Provincial Poverty Strategy, National Housing Strategy and the Fixing Canada's Housing Growth.

## 3 Explore and pilot housing programs

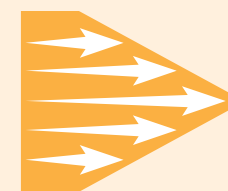
**Home sharing** is a housing option that enhances the affordability by reducing day to day household expenses such as maintenance, repair, laundry and childcare. This option involves sharing common facilities such as the kitchen, dining room, playroom, workshops, laundry room and guest rooms. There are strong linkages to the Older Adult Strategy that looks to keep older adults in their homes longer.

**Homeward Bound** is a program for single mothers and their children. It provides these families with a furnished apartment for up to four years, funds towards a two year college-level diploma, job internships, fully funded childcare and employment in their field of study with living wages. Some consideration towards piloting this program could be explored.

The **social enterprise model** could be used for teaching/skill building opportunities using trade apprentices to build affordable housing.

### Recommendation

Explore partnership opportunities to pilot and launch these programs with Conestoga College, the University of Guelph, Ministry of Skills and Trades, Employment and Social Development Canada, Canada Mortgage Housing Corporation (CMHC), Guelph Habitat for Humanity, Guelph Homebuilders Association, the business community and Wellington County and social services with Ontario Works and childcare and community benefit organizations.



## Acting together through collective impact

Collective impact is the commitment of a group of people from different sectors that form a common agenda for solving a complex social problem. To achieve large scale, lasting solutions for social problems sectors such as government, civil society, and business need to coordinate their efforts and work together toward a clearly defined goal.

## For more information

### Social Impact Bonds

[ontario.ca](http://ontario.ca) > Social Impact Bonds  
[impactinvesting.marsdd.com](http://impactinvesting.marsdd.com)

### Ontario Housing Benefit

[dailybread.ca](http://dailybread.ca) > Learning Centre  
> Housing Benefit

### Home Share

[homesharenl.ca](http://homesharenl.ca)

### Homeward Bound

[woodgreen.org](http://woodgreen.org) > Our Success



## Conclusion

Affordable housing, although complex due to the involvement of many levels of government and partners, can be achieved by working together. There are a lot of innovative ideas to explore that could align well with the Housing and Homelessness Plan and other strategies that are in development like the City of Guelph's Housing Strategy. It is a positive starting point to address a growing need for affordable housing.

# Acknowledgements

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## Endnotes

- 1 The Wellbeing of Children: A report card for Wellington Dufferin Guelph 2009, p. 61
- 2 Wellington-Dufferin-Guelph Public Health (2013). Addressing Social Determinants of Health in Wellington-Dufferin-Guelph: A public health perspective on local health, policy and program needs. Guelph, Ontario.
- 3 The Wellbeing of Children: A report card for Wellington Dufferin Guelph 2009, p. 61
- 4 Wellesley Institute, Precarious housing in Canada, Butler-Jones, David, Dr. , 2010
- 5 Wellington-Dufferin-Guelph Public Health (2013). Addressing Social Determinants of Health in Wellington-Dufferin-Guelph: A public health perspective on local health, policy and program needs. Guelph, Ontario.
- 6 A Place to Call Home, A 10-year Housing and Homelessness Plan for Guelph Wellington, The Corporation of the County of Wellington, 2013
- 7 The County of Wellington, Ontario Works <http://www.wellington.ca/en/socialservices/ONTWRKSHousingStabilityProgramme.asp>
- 8 A Place to Call Home, A 10-year Housing and Homelessness Plan for Guelph Wellington, The Corporation of the County of Wellington, 2013
- 9 Guelph Wellington Task Force for Poverty Elimination, [gwpoverty.ca](http://www.gwpoverty.ca). Impact on credit
- 10 Guelph Census Metropolitan Area, Spring 2014
- 11 Wellington County housing <http://www.wellington.ca/en/socialservices/housing.asp>
- 12 Wellington County housing <http://www.wellington.ca/en/socialservices/housing.asp>
- 13 Wellington-Dufferin-Guelph Public Health (2013). Addressing Social Determinants of Health in Wellington-Dufferin-Guelph: A public health perspective on local health, policy and program needs. Guelph, Ontario.