

Taking Action on Affordable Housing in Ottawa

'Broadening the Base'



Fostering a Community Conversation on Innovative Approaches for Affordable Housing for Ottawa

May 2014

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Introduction & Background

The purpose of *'Broadening the Base'* is to foster a community-wide conversation on how the pace of affordable housing development can be dramatically accelerated over the next five years.

The positive and devoted work of affordable housing by social organizations, housing agencies and the contributions of the City of Ottawa and the province of Ontario should be acknowledged and appreciated. There is widespread community commitment to ensuring that all city residents have stable, secure and sustainable accommodation.

Yet many affordable housing gaps remain. Land, fiscal and capacity shortfalls are among the major challenges to adding new affordable housing capacity across.

'Broadening the Base' is based on the premise that new ideas and innovations, in some cases based on the experiences of other jurisdictions, are needed to enhance the scale, quality and viability of affordable housing for Ottawa.

It is envisioned that the outcome of 'Broadening the Base' process will be the establishment of new creative and impactful structures and mechanisms that position Ottawa to take further action on affordable housing through tapping into and leveraging an array of community leadership skills and assets.

Affordable Housing in Ottawa – Bridging the Gaps

- Ottawa is a caring city; a community where residents support and help those in need.
- A crucial element of a vibrant and sustainable community is access to affordable housing, notably for individuals and families whose personal situations are challenged.
- Through the efforts of housing, community and social organizations, and the City and housing partners, there has been solid progress on adding to affordable housing capacity in many parts of the community.
- The work of these organizations, and the individuals contributing their expertise and commitment deserve huge recognition and commendation. Ottawa's 10 Year Housing Plan also represents a positive step for the future of Ottawa and Ottawans.
- Yet, several notable affordable housing gaps remain. Certain affordable, as well as supportive housing requirements remain pressing and unmet including capacity to serve: youth at risk, low income families, the chronically homeless, Aboriginal peoples, vulnerable seniors, and other key constituencies.
- It appears timely and important to consider a focused, concentrated and more systemic approach to address priority affordable housing requirements in Ottawa.
- Such a collaborative effort can build on the assets and strengths of existing housing organizations and bodies. Most certainly, existing governmental and organizational programs/support need to be maintained and reinforced.

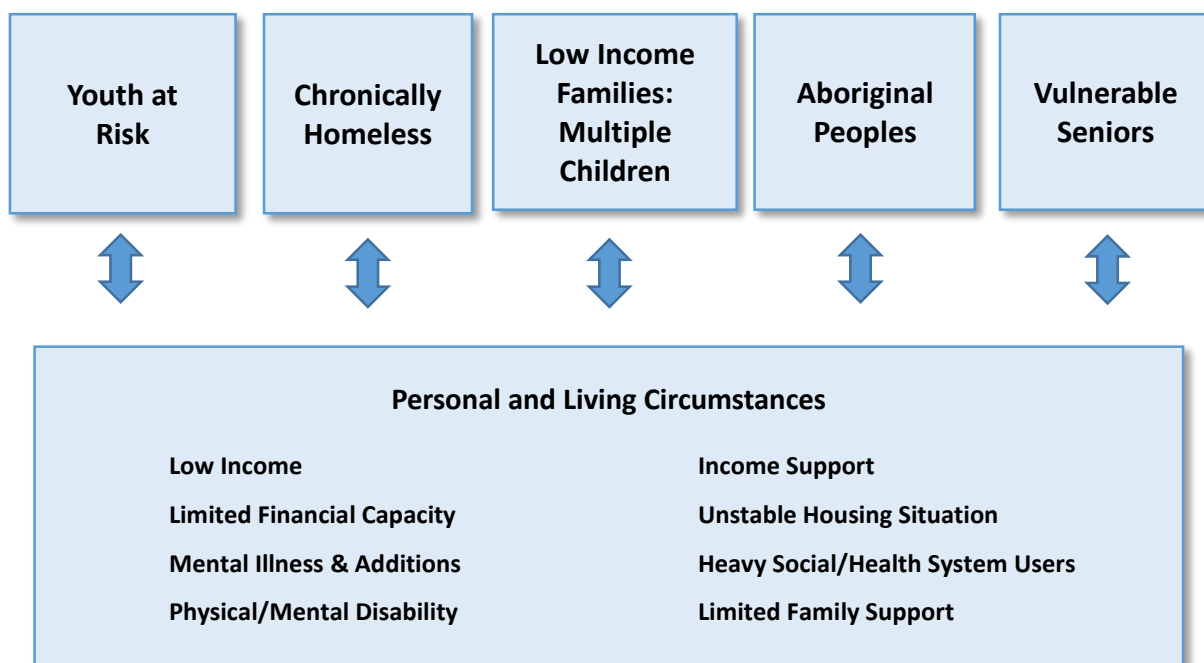
In addition, and of crucial importance: to make a substantive impact for priority populations will require a 'Broadening of the Base' of Ottawa's affordable housing capacity; catalyzing and leveraging new Capital, Land and Capacity resources. Bottom line, Ottawa needs a cooperative and collaborative effort to tap into the goodwill of city residents, and the development base to achieve tangible, term-specific affordable housing goals.

Taking Action on Affordable Housing – Focusing on Key Populations

- Affordable housing is a spectrum. For a wide range of individuals and families, the costs of accommodation relative to income and economic circumstances are prohibitive. Trying to address all affordable housing needs is daunting.
- Consider these numbers. As of Dec 2012, some 9,717 households were on the waiting list for affordable housing including: 3,665 households with children and 1,965 senior households. In 2012, 381 different youth (aged 16-17) accessed the shelter system over the year with the average length of stay being 38 days. There are estimates that at least 1,000 other youth under 25 accessing the adult shelters. During 2012-2013 the City of Ottawa commissioned a study which identified that 16% of the longest stay shelter need clients, were Aboriginal people.
- ‘Broadening the Base’ offers the perspective that to catalyze additional resources, and leveraging existing assets, it may be more effective to focus on key populations for whom the lack of affordable housing creates dire living conditions and poor quality of life.
- It is proposed that five specific populations deserve a particular affordable housing focus:
 1. People who are chronically homeless,
 2. Low to very low income families with multiple young children,
 3. Youth at risk,
 4. Aboriginal people, and
 5. Vulnerable seniors.
- Clearly there are some individuals and families who fall into more than one of the above categories. And, of crucial importance, health factors and personnel conditions, including mental illness and addictions are present amongst a large percentage of these populations.

- Social and housing agencies are well aware of the situation and have made great strides in addressing the affordable housing problems of specific populations. Notable projects include: a) Beaver Barracks for low income families, b) Salus' Clementine Residence for the chronically homeless, and c) Unitarian House for vulnerable seniors.
- But the simple unescapable fact is that more affordable housing capacity is needed in Ottawa, especially for the focus populations noted.

Key Focus Populations (KFP) For Affordable Housing



'Broadening the Base' proposes that the Community of Ottawa commit to a 5-Year Target that would seek to add 1,000 affordable housing units and rent supplements for the Key Focus Populations, additional to efforts that governments should support. The above target can only be achieved through sufficient contributions of capital and land by Ottawa residents, faith organizations, businesses and public institutions that would reduce the projected \$200-250 mn in capital costs required.

Broadening the Base – Making a Big Difference

- Building new housing capacity is entirely viable. The challenge is making it affordable. Governments must play a key role, and the Ottawa, Ontario and Canadian governments deserve to be commended for devoting resource to affordable housing over the past couple of years.

These contributions need to be maintained and accentuated.

- However, this level of resourcing is not sufficient to truly address the City's affordable housing needs. Grant, philanthropic, and strategic partnering, to access land and capital, from faith organizations, companies, families and individuals are critical to enhancing the affordable housing landscape in Ottawa.
- To have a major impact on affordable housing capacity in Ottawa, 'Broadening the Base' highlights the **3 Major Innovations** that appear to be needed, including:

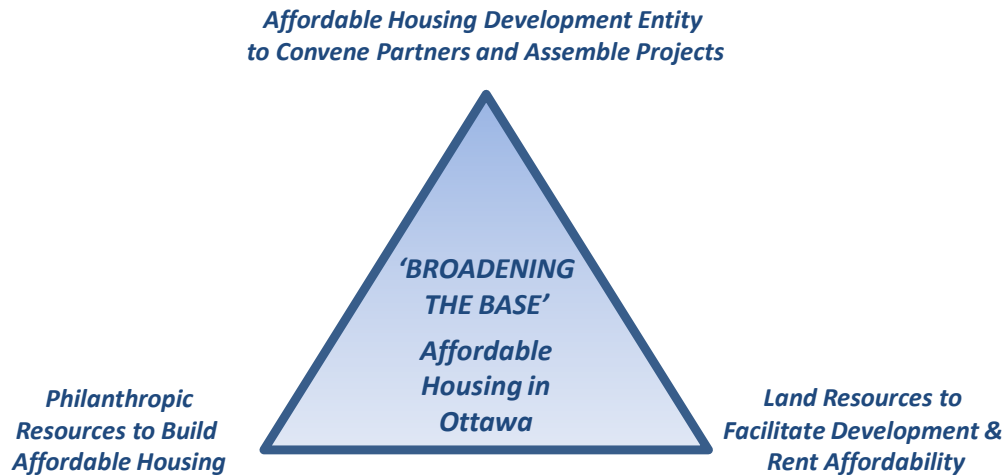
Innovation 1 - Establishment of an Affordable Housing Development Entity: Creating a community-representative body that can assemble the land and capital resources for affordable housing and work in partnership with social and housing agencies, governments and development companies to bring projects on line and the utilization of development models including, potentially: Financial Mechanisms, Social Impact Bonds, Community Bond, Mid-Term Equity Trust, Land Trusts, REITs and shared asset mortgages.

Innovation 2 – Philanthropic Resources to Build Affordable Housing: Launch of a major philanthropic effort to Ottawa institutions, charitable bodies, businesses and residents to launch an Affordable Housing Campaign to build 1,000 units for the Key Focus Populations. The role of existing charitable bodies including the Community Foundation of Ottawa and the United Way would be key to philanthropic efforts.

Innovation 3 - Land Resources to Facilitate Development and Rent Affordability: The contribution of land resources that reduces capital costs and impacts on rent affordability. These resources include: Faith Communities, Development Companies, City Partners, Operating Partners, Community Partners, Fed Gov't surplus land, School Board (surplus land), Legions (surplus land) and underutilized property.

- Essentially, the innovations noted are an integrated approach to affordable housing that has been proven successful in other communities.
- The strategy involves bringing and leveraging new community assets to the table, through philanthropy and partnering, connected through a community-centered Affordable Housing Development Entity.

‘Broadening the Base’ Conceptual Framework



- What’s different about the ‘Broadening the Base’ concept?
 1. An inclusive, community-centered approach as well as community leadership, including from social and housing agencies, business and the development community.
 2. Tapping into and catalyzing community resources and assets for affordable housing and utilizing philanthropic values and organizations.
 3. Strategic partnering and collaboration on affordable housing to build more vibrant, market-integrated and sustainable housing and communities.
 4. A targeted approach to build affordable housing for Key Focus Populations.
 5. An integrated, solutions-directed and systemic strategy, applying new affordable housing tools and innovations.

The ‘Broadening the Base’ conceptual framework is a proactive, integrated, forward-thinking, collaborative, resource-catalyzing and substantive approach to making a large impact on affordable housing in Ottawa for key populations.

Moving Forward – Next Steps

- ‘Broadening the Base’ is at the idea stage. The concept needs to be tested and validated. Most importantly, it needs to be shared and discussed through a community-wide conversation to determine if it is the right approach, today, to increase affordable housing in Ottawa.
- Further if the “fit” and timing for ‘Broadening the Base’ resonates with a diverse array of affordable housing stakeholders, an implementation strategy for all of its components needs to be developed and affirmed.
- It is proposed that a **3 Step Process** unfold, as follows:

Step 1 - Community Engagement and Discussion: Refinement of the ‘Broadening the Base’ and a series of sector/group/organizations conversations about the merits, pros/cons, components and development of the concept

Step 2 – ‘Broadening the Base’ Engagement and Interactive Event: An open and inclusive 1-2 day session on how the ‘Broadening the Base’ concept can be strengthened and implemented including presentation and interactive dialogue with affordable housing leaders from other communities.

Step 3 – Development of a ‘Broadening the Base’ Implementation Strategy: Development of a ‘Broadening the Base’ Implementation Strategy with key designed lead organizations and a community-representative governance structure.



Making a major impact on affordable housing in Ottawa is a pressing community need. ‘Broadening the Base’ could be the approach that has the major impact the community seeks.

Attachment "A"
Cross Canada Checkup on Affordable Housing Action

Overview

Almost every major Canadian and US city is taking action on affordable housing, often with a particular focus on homelessness. These include:

- City of London
- The City of Calgary's Resolve Campaign
- Vancouver Streethome Program
- Los Angeles' Home for Good Plan
- Victoria's effort: Vancouver Island Investment Co-op
- Nova Scotia's use of community investment funds, and
- The U.S. Housing Partnership Network

In addition, new financing mechanisms are being developed and employed, including:

- Investment by VanCity
- New Market Funds
- The Community Forward Fund
- Montreal's REIT
- The Green Gate Fund, and
- Trillium Housing

Ottawa can and should learn from and build on effective affordable housing models being pioneered in other cities.

Toronto

Overview

Creating and maintaining affordable housing is one of the City of Toronto's key priorities. The Affordable Housing Office expedites affordable housing development, facilitates the development of new policy and works in partnership with the federal and provincial governments and the private and voluntary sectors on a range of initiatives. City Council established the Affordable Housing Office and the Affordable Housing Committee in 2005.

- More than 640,000 people in Toronto – including students, seniors, young couples, people with disabilities, Aboriginal peoples, low-income workers and their families, new Canadians and people who are unemployed - need some form of assistance to meet their housing needs.
- 200,000 tenant households live in housing they cannot afford, spending 30% or more of their income on shelter, with little left to cover their basic needs.
- 95% of new builds are for the ownership market.

The Toronto Community Housing Corporation is the largest social housing provider in Canada and the second largest in North America. It provides homes to about 58,500 low and moderate-income households, including seniors, families, singles, refugees, recent immigrants to Canada and people with special needs.

Links

<http://www1.toronto.ca/wps/portal/contentonly?vnextoid=05d407ceb6f8e310VgnVCM10000071d60f89RCRD>

Systems and Structures

- The Affordable Housing Committee oversees the activities of the Affordable Housing Office. These activities include directing federal and provincial government investments in new affordable rental and ownership housing in partnership with private and non-profit developers. They also include delivering federal funds to repair and modify the homes of low-and-modest income seniors, disabled persons and families. The committee also facilitates the implementation of Housing Opportunities Toronto, the City's 10-year affordable housing action plan.
- The Homelessness Partnering Strategy Community Reference Group (CRG) - The CRG is a formal advisory group comprised of representatives of community organizations, service agencies and stakeholder groups involved in addressing homelessness. It is consulted on a regular basis on significant matters relating to the HPS program, such as the renewal of federal funding, the development of the HPS Community Plan, and the development of RFPs.
- The Housing and Homeless Services Network - This committee provides a forum to share information about services, research initiatives, and funding opportunities among its 800 members. An email contact list has been developed through this Network which allows for instant communication regarding important information such as Extreme Cold Weather Alerts to the broader community.
- The Housing Help Network - This committee provides a forum for information sharing, developing best practices and problem solving around emerging issues with Housing Help Centre service providers.

- The Immigrant and Refugee Housing Committee - This committee consists of a diverse group of service providers, policymakers and researchers who focus on housing issues of Toronto's immigrants and refugees. Members share information, identify issues and work to improve access to housing and housing supports for immigrants and refugees.
- The Rent Bank Steering Committee - This committee develops operational guidelines, evaluates service delivery and makes recommendations for policy changes as needed. Participants include representatives from the eight community agencies (Local Service Access Centres) which operate the program and the lead coordinating agency.
- The Rental Housing Advisory Committee - This committee supports a network of community agencies and advocacy organizations for landlords and tenants to monitor the impacts of the Residential Tenancies Act and other matters related to rental housing. The committee also develops and delivers information materials about the legislation and housing resources and provides advice to City policymakers on rental housing issues.
- The Rooming House Working Group - This is an advisory committee to the division. It is a multi-stakeholder group with the goal of increasing both the supply and quality of rooming houses.
- Until around 2006, there were advisory groups e.g. a reference group for affordable housing. This was a 3rd-party, arm's length group composed of members of the private sector with an interest in affordable housing. It was helpful to have this input for 3rd parties, but that approach was abandoned in the transition to the current system (see below)

Housing Fund Raising

- Close the Housing Gap campaign - to persuade the federal and provincial governments to continue funding social housing at existing levels and provide new, long-term funding for social housing capital repairs.
- Non-profits have their own internal fundraising capacity. There is no external umbrella group that assists with fundraising
- Several organizations are very strong on fundraising, e.g. YWCA, Woodgreen
- The Housing Opportunities Toronto Action Plan 2010-2020 calls for \$484 million in annual investments over the next 10 years to assist 257,700 households.
- The 2011-2014 budget includes \$103 million in funding from a combination of federal and provincial money, in 4 streams: New rental housing, Affordable home ownership, Rent supplements, Housing repair

Land Trusts

- The Toronto area has several active land trusts.
- Established in 1975, the **Co-op Housing Federation of Toronto (CHFT)** is a member-supported organization that operates three land trusts that own land occupied by over 4,000 co-op homes.

More than 45,000 people in over 160 non-profit housing co-operatives in Toronto and the York Region. CHFT provides development assistance for non-profit housing co-operatives. Projects have included townhouses and apartments, new construction and the rehabilitation of existing buildings, with a focus on co-op communities that include facilities for people with special housing needs.

- The **Neighbourhood Land Trust** was established in 2012, and its board of directors consists of local organizations and groups that represent the diversity of the Parkdale neighbourhood of Toronto. The NLT does not currently have properties, but is intending to become an entity that seeks land as a gift or to be purchased for the purposes of affordable housing, urban agriculture, and community & cultural activities.
- There is also the **Toronto Islands Residential Community Trust**, which was established in 1993 to manage the land and buildings associated with the Island community, ensuring that the community is maintained and the sale of island homes do not result in windfall profits for the owners.
- There is no formal relationship between the City and these trusts, and no plans to establish a city land trust. In their experience, they have not seen any benefit of the trust approach to affordable housing that goes beyond the non-profit housing approach.

Vancouver

Links

- <https://vancouver.ca/people-programs/vancover-housing-strategy.aspx>
- <http://vancouver.ca/files/cov/Housing-and-Homeless-Strategy-2012-2021.pdf>
- <http://thetyee.ca/News/2013/06/12/Vancouver-Community-Land-Trust/>
- <http://www.chf.bc.ca/partner/land-trust>

Land Trusts

Vancouver's Community Housing Land Trust Foundation is a registered charity created in 1993 by the Co-operative Housing Federation of BC to acquire, create and preserve affordable housing for future generations and to foster self-managed housing communities in Vancouver, BC.

Under a new agreement, Vancouver will lease four city-owned parcels of land to the Land Trust Foundation. It in turn will sub-lease those sites to four partners to develop affordable rental-housing units.

Five housing co-operatives and one non-profit housing society lease land from the Land Trust, and they provide more than 350 housing units to co-op members and residents.

Land Trust Projects

The four sites partnership is a ground-breaking agreement between the co-op and non-profit housing sector, the City of Vancouver and VanCity Credit Union. The consortium aims to develop 358 units of housing affordable to a broad range of Vancouver residents, from the most vulnerable to those who simply need an affordable place to call home.

The City will provide 99-year leases on four City-owned sites to the Community Housing Land Trust Foundation. The Foundation will work with co-op and non-profit housing providers to develop the affordable housing, which will then be operated by the partners.

- Fraserview Housing Co-operative will develop 278 units. Two residential towers on SE Marine Drive will be home to moderate-and-low-income families and singles while a 90-unit river-front project on East Kent Avenue will provide three-bedroom townhouses and two- and three-bedroom apartments for families.
- Tikva Housing Society will operate 32 townhouses, also on East Kent Avenue, next door to the co-op towers. These will provide housing for low-income families.
- On Kingsway, Sanford Housing Society will offer 48 one-bedroom units primarily for people living with mental illness. This site allows for commercial space at street-level. This space (commercial rental unit, CRU) will be sold and the proceeds used to reduce costs over the four sites.
- The non-profit partners will invest almost \$4M of their own equity to the projects. Together with the City's land contribution, a customized mortgage arranged by VanCity and the proceeds of the commercial space sale, this equity will ensure that these homes remain affordable over the long-term.
- Construction is due to start on the first two projects in the autumn of 2014, with the first residents due to move in a little over a year later. Full occupancy of all the projects is scheduled for 2017.
- The Land Trust is a registered charity. The Land Trust administers two funds to help new members cover the cost of their shares.