

Supporting the full continuum of affordable housing – including homeownership

Since the COVID-19 pandemic began, Ontario’s pre-existing affordable housing crisis has rapidly worsened. The pandemic has also introduced new challenges, causing even remote communities that were once considered affordable to experience quickly growing income and wealth inequality. Today more than ever, Ontarians need a safe and decent place to shelter, live and work.

This reality is why Habitat for Humanity is urging the Government of Ontario to invest in the **full affordable housing continuum** – from emergency shelters to homeownership and other equity-building housing models. Our communities cannot focus on only one part of the continuum: all Ontarians need safe and appropriate housing they can afford – one that provides a foundation on which they can build a better future.

Unfortunately, in Ontario, barriers such as systemic racism, domestic abuse and poverty have left many people and communities behind, making it harder for them to have safe, decent homes. When it comes to the health of children and youth, housing impacts their ability to reach their full potential and achieve life goals. But we can change this fact.

According to the Ontario Home Builders Association, one million homes will need to be built over the next decade.ⁱ Supply is critical to making housing affordable.

Investing in housing also boosts jobs and our economy. The Canadian Federation of Municipalities notes that every dollar invested in housing results in \$1.40 in economic growth, and up to 13,000 jobs are generated per \$1 billion invested in housing.ⁱⁱ According to a Boston Consulting Group study, for every dollar Habitat for Humanity receives, \$4 in social benefits are returned to the communities we serve.

Why Affordable Homeownership?

- Homeownership creates stability and enables multigenerational wealth
- Equity can be used to start a business, finance education, plan for retirement
- With ~1/3 of Habitat homeowners coming from social and emergency housing, pressure on municipal housing waitlists is lessened.
- Owners are responsible for the maintenance of their homes, relieving the government of this responsibility and cost.
- Many Habitat homes are fully accessible and built for high-risk populations and families historically underserved in the housing continuum.

About the Habitat Ontario Caucus

At Habitat for Humanity, our 24 local organizations in Ontario provide homeownership and other equity-building solutions for families in need of housing.

Our Habitats operate across the entire province and work closely with their local municipal governments.

In addition to building new homes and running our ReStores, Habitat is involved in renovation programs, skills training, and many partnerships with local community groups and agencies. These include Indigenous communities and non-profit organizations, such as Community Living and groups supporting women fleeing domestic abuse, refugees and immigrants.

Habitat Advocacy Recommendations:

All four levels of government must work together to ensure funding for the full continuum of affordable housing is accessible and expedited, and that building processes and rules foster the growth of long-term affordable housing options.

In Ontario, Habitat for Humanity urges all political parties to take action and make affordable housing a priority. Affordable homeownership and other equity-building housing models must be mandated as part of the solution in our local communities by the Province of Ontario.

Specifically, Habitat for Humanity recommends the Government of Ontario:

- 1. Ensure affordable homeownership and other equity-building housing models are part of the solution to Ontario's housing crisis by increasing funding for housing to municipalities, with dedicated funds for service managers to apply to homeownership and other equity-building options.**

While provincial policies allow municipalities to spend housing funds on affordable homeownership developments, the rapidly increasing housing needs of communities result in funds being spent primarily and most often exclusively on emergency and short-term housing. In turn, this leaves few pathways for individuals and families to move from short-term to long-term sustainable housing options, which is why the full affordable housing continuum must be funded.

- 2. Ensure the *Planning Act*, Provincial Policy Statement, 2020, and other related legislation and plans enable and encourage municipalities to increase their supply of affordable housing in a timely manner.**

For example, revise the province's inclusionary zoning policy to ensure more municipalities are able to use it, especially in smaller communities that are not near a major transit station. In addition, to ensure that inclusionary zoning policies do not simply pass costs along to other home purchasers, Habitat recommends the Government of Ontario provide financial incentives to not-for-profit affordable housing builders, either through funding or the waiving of fees.

In the province's largest urban centres, create more choice by ending exclusionary single-family zoning. Allow for the development of gentle density, such as duplexes, triplexes and fourplexes, without case-by-case approvals, similar to legislation that New Zealand has enacted.

Innovative solutions to meet the need: Leahy's Lane Condos

To meet the growing demand for affordable housing in Peterborough, the local Habitat took on an ambitious project to build a 41-unit condo development with 1-, 2- and 3-bedroom units.

The project has been in partnership with the municipality and CMHC, with funding from all levels of government – demonstrating that smaller communities can undertake large developments as a solution to the housing crisis.

The units have full universal design, exceed the CMHC energy efficiency requirements, and include in-suite laundry.

[Click here](#) for a story on one of Leahy's Lane's new homeowners.

3. Make publicly-owned land available for affordable housing, prioritizing not-for-profit affordable housing providers with access in high priority areas.

In cases where surplus land goes to market, the Request for Proposals process should have a higher weighting for performance on affordable housing, encouraging or requiring market developers to include affordable housing (both rentals and homeownership).

In communities across the province, decommissioned schools, firehalls, ambulance stations and municipal building could be used to create affordable housing.

4. Reduce the costs of building affordable housing and “red tape” by eliminating fees, development charges, HST and the land transfer tax for not-for-profit affordable housing developers. The provincial and federal governments must make it easier for municipalities to waive these fees for affordable homeownership providers by providing financial incentives such as access to additional funding for municipal services.

As an example, not-for-profits like local Habitats must pay for HST up front on a building, which is then added to a mortgage and incrementally recovered over the lifespan of the mortgage. While the HST rebate program does reduce some of the tax required to be remitted, the portion is limited and the process adds an administrative burden. In contrast, for-profit developers can receive their HST back immediately when they sell the unit to the new owner.

With housing prices rapidly increasing across Ontario, HST unnecessarily increases costs for not-for-profit builders, which in turn reduces Habitat’s ability to build more homes faster. For every seven homes Habitat builds, an eighth home could be built if HST were not applied.

5. Create long-term funding opportunities for skills training programs. Invest in Habitat for Humanity’s local programs that encourage Ontarians to pursue careers in affordable housing and the skilled trades. Habitat for Humanity is requesting \$2.8 million over three years to provide general skills training to 1,475 students in 10 regions + \$1.01 million over three years for an apprenticeship training program in the Greater Toronto Area.

The proposal builds upon existing Habitat skills training programs in select communities across Ontario, with the goal of building more affordable homes while also helping people gain the skills they need to either re-enter the workforce or to begin a career in the skilled trades – ultimately fostering and growing the affordable housing sector in Ontario. Many of the programs are also targeted to youth and historically under-represented populations in the skilled trades, including women, Indigenous people, immigrants and refugees.

Helping families in need of accessibility

For Brianne and her son Brayden, living in a four-level back split was becoming increasingly difficult and dangerous for them both, as Brianne had to carry her son up the stairs. Now a teenager, Brayden is wheelchair bound and non-verbal, and is entirely dependent on his mother and out-of-home programs for his day-to-day care.

With few accessible, affordable single-level homes in London, Ontario, Brianne was growing increasingly frustrated. Eventually, her stepdad recommended she apply to Habitat for Humanity.

In April 2019, she and her son were approved for a home: a bungalow with a ramp up to the side door, and wider hallways and doors to accommodate Brayden’s wheelchair.

[Click here](#) for the full story.

ⁱ Smart Prosperity Institute. *Baby Needs a New Home*, October 2021.

<https://institute.smartprosperity.ca/sites/default/files/Baby-Needs-a-New-Home-Oct-1.pdf>

ⁱⁱ Federation of Canadian Municipalities. *Seizing the Moment: Budget 2017 Recommendations from Canada's Local Order of Government*, 2017.

<https://fcm.ca/sites/default/files/documents/resources/submission/seizing-moment.pdf>