



A Housing Action Plan for Stratford: 2008

Affordable Housing Action Committee



THE AFFORDABLE HOUSING ACTION COMMITTEE

is a coalition of citizens and service providers concerned about the lack of decent, affordable housing in Stratford and area. Our purpose is to educate, inform and mobilize the community action.

WE BELIEVE

1. That all Canadians have the right to decent, safe and appropriate housing.
2. That strong, vibrant communities where people can afford to live, work, raise a family, purchase locally and pay taxes are in everyone's best interest.
3. That it is our collective responsibility to address issues of homelessness and inadequate housing.

FOR MORE INFORMATION

CONTACT US:

Affordable Housing Action Committee
c/o The United Centre
32 Erie St., Stratford
Ontario
(519)271-7730

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was researched and written by Tim Welch.*

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Introduction

The Affordable Housing Action Committee, which represents a variety of social and community agencies, as well as members of the local real estate industry, wish to work with all levels of government, private sector builders and developers, and community organizations and interested individuals to help meet the housing needs in Stratford and Perth County.

Stratford is a prosperous and growing community, but, like most areas in the Province of Ontario, Stratford has a significant need for more affordable housing. This report provides a brief update of housing needs and demographic analysis, an update of what actions have been undertaken to meet housing needs since the 2003 Stratford Housing Analysis Report, and what further actions should be taken in the next few years to help meet the need for affordable housing in the City of Stratford.

In 2001, administrative responsibilities for the existing affordable social housing (about 1,200 units) were transferred to the City of Stratford, as service manager, in 2001. In response to this devolution of housing responsibilities (while acknowledging the continuing need of the Federal and Provincial governments to take action to meet housing needs), in 2002 the City of Stratford hired a consulting firm to undertake a comprehensive Housing Needs Analysis and develop an Affordable Housing Action Plan.

Housing Needs and Assessment Study

The Housing Needs and Assessment study for the Stratford Service area was completed in 2003. The study noted a number of key realities of affordable/social housing in the community. The study observed:

The role of municipalities in the provision of housing has changed since the enactment of the *Social Housing Reform Act*. In addition to its traditional role in coordinating and facilitating the provision of housing through measures such as the official plan, the City of Stratford, as service manager, has been delegated additional authority and responsibilities under the *Social Housing Reform Act*.

The City of Stratford CMSM is now the sole shareholder of approximately 663 public housing units located in the municipalities of the City of Stratford, Separated Town of St. Marys and Perth County and is responsible for the administration and funding of another 526 non-profit, co-operative, federal and rent supplement units throughout the service area. In addition, the *Social Housing Reform Act* granted additional powers to Municipal Service Managers such as the City of Stratford CMSM to develop new housing programs and services.

The housing assessment concluded that Stratford's population will continue to grow, with the City needing about 325 new units of housing a year. With about one third of the population earning under \$30,000 per year (1996 figures) about 100 of these homes should be affordable to low and moderate income households.

The 2003 study further recommended that the focus of the new affordable housing should be to respond to the increasing percentage of seniors households as well as respond to the growing tourist/service sector which generally pays people modest wages.

The Study also noted a number of key demographic factors which will impact the housing needs of Stratford

- 9.3% of the population in Stratford lives below the poverty line
- there is a high incidence of low income among single individuals
- there is a trend of decreasing household size
- 2001 vacancy rate 3.2% compared to 5.5% in 1999 and 7.8% in 1998
- special needs and supportive housing were in short supply especially for 16-18 year olds, mental health consumers, persons with addictions, persons with physical disability/mobility impairment, persons with dual diagnosis and recent mothers without partners.
- 1996 Census data founds that 2,775 renter households in the Stratford Service Area were paying more than 30% of their income on shelter. A total of 1,145 were paying more than 50%. The most serious affordability difficulties were found among lone-parent families with children and single individuals.
- while demographic analysis showed a need for an increasingly diverse supply of housing (including modest sized housing which is more typically affordable) between 1997 and 2002, over three quarters of the housing built was “unaffordable” single and semi-detached homes.

In responding to the needs analysis, the report made a series of recommendations (referred to as an action plan) for the various levels of governments and community/private sector organizations to undertake. The report recognized that there had to be a variety of approaches to create affordable housing including:

- direct financial incentives to build affordable housing;
- planning measures to help facilitate the production of affordable housing;
- establishing community partnerships;
- undertaking public education and awareness initiatives;
- advocating to senior levels of government to provide increased support for affordable housing initiatives.

A number of the key specific recommendations included:

- financial incentives from senior levels of government including both improved capital funding and funds for operating rent supplement or RGI subsidies to help the lowest income residents, potential contributions at the Municipal Service Manager level, potential local municipal contributions and community-based financial support.
- establish a capital reserve fund to help support the creation of new affordable housing as well as provide funds for the capital repair of existing social housing, the fund should have annual municipal contributions of at least \$100,000.
- establish a capital facilities by-law to allow Stratford to define affordable housing and set the general rules for providing financial assistance by Stratford for new affordable housing proposals.
- equalize the property tax rate for new affordable housing to the single family residential rate as opposed to the higher multi-residential rate.
- implement a “housing first” policy to have appropriate surplus municipal lands considered for use for new affordable housing.
- undertake planning measures such as retaining already zoned multi-residential sites, supporting accessory apartments in municipalities outside of Stratford, adopting policies to discourage the conversion and demolition of existing affordable rental housing, preferred planning approvals for new affordable housing developments through measures such as reduced parking, reduced landscaping requirements, zero lot line development, and support incentives to encourage renovation of apartments and conversion of non-residential space to affordable housing in the downtown area of Stratford.
- having the city encourage and support partnerships between community groups/non-profits, private sector builder/developers and all levels of government.
- public education to make community aware of housing needs and potential solutions.
- look at redevelopment of public housing sites to maximize the use of these public resources so that the resources can be targeted most effectively to affordable housing needs in the community.

Actions Taken Since 2003

In the nearly five years since that report, there have been modest actions taken to meet the housing needs in Stratford.

In 2003 the Pilot phase of the Canada-Ontario Affordable Housing Program was unveiled and Stratford was one of 12 communities in the Province to be assigned funding allocations. Stratford was allocated funding for 100 units. Unfortunately no new affordable housing projects were developed in Stratford under this pilot phase of the program due to a combination of factors such as:

- very modest funding levels under the Pilot program (\$25,000 per unit in federal government funds and \$2,000 per unit in provincial funding)
- the delivery of the program was perceived as complex given the three levels of government involvement and rules in the delivery of the program
- receiving only housing proposals which were in the early stages or were not viable (reflecting the lack of experienced affordable housing proponents located in Stratford),

It should be noted that Stratford City Council did enact a municipal facilities by-law in 2003 in anticipation of delivering the Pilot phase of the AHP.

With significant turnover of municipal housing staff in 2004 - 2006, there was little in the way of substantive progress in the creation of new affordable housing in Stratford. In the past 18 months, however, there have been signs of forward movement in meeting housing needs specifically:

- 1.) The city has accessed an improved “Wave 1” of the Canada-Ontario Affordable Housing Program (\$1.05 million in capital funding) and combined this funding with an offer of accessing municipal lands to create new affordable housing. This has resulted in a new private sector/public lands partnership which should see the construction of 30 new affordable units begin construction later in 2008.

- 2.) The City of Stratford has also been provided with \$2.1 million in DOORS funding through federal government funds (flowed through to Stratford by the Province of Ontario). In late 2007 the City of Stratford approved \$1.2 million in DOORS funding to create 15 units of affordable rental apartments for seniors in Stratford.
- 3.) And in early 2008 the City of Stratford is also approved two requests for accessing further DOORS funds from other non-profit and private sector housing proponents.
- 4.) As part of the funding for the new affordable housing proposals, the City of Stratford provided additional municipal support through agreeing to effectively tax the new affordable units at the lower single family residential rate, and, in the case of the new senior's rental housing, exempt the units from paying municipal development charges.

(NOTE: Both the AHP and the DOOR's funding provide financial assistance to subsidize the capital costs of new construction in order to create rents which are below market (about 80% of average rents). However, neither of these programs offer Rent Geared to Income (RGI) assistance to make this housing affordable housing to lowest income households such as those approximately 10% of the population who live below the poverty line.

- 5.) The City of Stratford in 2007 launched the delivery of an affordable home ownership program (a further component of the Canada-Ontario Affordable Housing Program) which will see 31 moderate income households provided with down payment assistance of approximately 5% of the purchase price of a moderate income home. By the end of 2008 about 22 households in Stratford will have been helped to become home owners (and begin building equity in a key asset) through this program.
- 6.) The City of Stratford is also delivering the Housing Allowance program of the Canada-Ontario Affordable Housing Program which will see 20 households provided with monthly assistance averaging \$180 in order to help those households afford their current rent for up to a five year period.

Updated Community Profile and Affordable Housing Needs in Stratford

A brief update of the housing needs in Stratford indicates that even with these recent actions, there remains a large need for more affordable housing in our community.

This summary report seeks to highlight the continuing affordable housing needs in Stratford and recommends a number of actions which can be taken to help meet that need.

Demographic Profile and Housing Needs

Population

According to City of Stratford *Census figures for 2006*, the population of permanent residents is 30,461.

Data obtained from the 2006 Census indicates that the population of the City of Stratford increased by 2.3% between 2001 and 2006. While this is slower than the growth rate for the province as a whole (6.6%) during the same time period, the overall demand for housing is furthered by the gradual shrinking number of people per household. According to the 2006 Census, the number of one person households grew from 3,680 to 4,035 over the previous five years. This represents a 9.6% increase in single person households compared to the city's population increase of 2.3%. Clearly the City should put an emphasis on creating new housing for small or single person households.

Households

Census data further indicates that in 2006 there were 12,880 households in the City, with about two thirds living in owned homes. In 2006, the number of rental households was, 4,110 or 32% of all households. However, recalling that the City of Stratford's Housing Needs Assessment Report (2003) indicated that rapid growth was occurring in the service sector, specifically the tourist industry, a sector typically characterized by modest paying jobs, the number of tenant households is likely to increase proportionally. A lack of affordable housing could not only present affordability difficulties for these individuals but also make it difficult for local service industry employers to attract the required labour force, thereby presenting a negative impact on the local economy.

Demographic Profile

In comparison to the province as a whole, the demographic profile of the City of Stratford is older. Census figures reveal that, for Ontario as a whole, the average age in 2001 was 37.2 years. During the same year, the average age of the City of Stratford was 38.5 years. Data obtained from the 2006 Census reveals that the median age of those residing in the City of Stratford has risen to 41.1 years. This can be attributed to the fact that 17% of the population in the City of Stratford is 65 years of age or above. For Ontario as a whole, seniors 65 and above, represent only 13.6% of the population.

Census data further reveals that there are increasingly fewer and fewer children living in the community. As stated above, one person households have increased from 3,680 to 4,035 according to the 2006 Census Report. The 2006 census figures re-enforce the message from the 2003 City of Stratford Housing Needs Assessment report that for the Stratford Service Area, the aging of the population points to the need to place an increasing emphasis on a variety of housing for seniors and single person households.

Rental Vacancy Rates

As noted in the 2003 housing needs assessment report, the rental vacancy rate in the late 1990s showed a higher availability of rental units with the 1998 vacancy rate being 7.7% (a balanced rental vacancy rate is considered to be about 3%).

However beginning about seven years ago the rental vacancy rate dropped down to the three per cent range – 3.4% in 2000, 3.2% in 2001 – and has stayed in that range. In 2006 the rental vacancy rate was 3.2% and the December, 2007, *Rental Market Report* prepared by CMHC indicates that the City of Stratford had a vacancy rate of 3.9%. This rate is comparable to the rest of Ontario with a 3.3% rental vacancy rate.

Average Rents Continue to Increase

Since the 2003 Housing Needs Assessment report, average rents in Stratford have continued to increase.

Table #1
Average Rents in the City of Stratford

Year	One-bedroom	Two-bedroom
2007	\$616	\$740
2006	\$614	\$736
2005	\$601	\$722
2004	\$590	\$690
2001	\$553	\$664
2000	\$540	\$643

Source: CMHC Rental Market Reports.

While the annual increases have varied, the trend of increasing rents continues since 2000 with one bedroom rents increasing 14.1% from 2000 to 2007 while two bedroom average rents increased by 15.1% over the same period.

In looking at the rents in 2007 it is important to compare them to key incomes of the some of the lowest income households in order to gauge the relatively affordability of average market rents.

The figures below suggest that single person households are likely to have more difficulty finding affordable accommodation and are more likely to be experiencing housing affordability problems (i.e. paying more than 30% of their income in rent). This situation is acute for senior citizens households and other single persons who require safe and affordable housing but lack the financial resources to cover the increased rents.

Five examples of what would qualify as affordable rent for individuals and households with different income levels are provided below.

- **Example 1:**

A single person, making minimum wage, and working 40 hours per week could afford to pay no more than \$415.00 per month in rent, assuming 30% of their income went towards accommodation. Even if their wage was \$10 per hour, the same individual could afford to pay no more than \$519.00 per month. Both rents are well below the average for the Stratford area.

- **Example 2:**

A senior citizen (aged 65 and above) living on a basic pension receives \$1,219.00 per month (or \$14,628.00 per year) in income. This income is a combination of Old Age Security (OAS), Guaranteed Income Supplement (GIS) and Guaranteed Annual Income System (GAINS). Given this income, a single pensioner can afford to pay no more than \$366 per month in rent. This is well below the average rent for a one-bedroom apartment in the City of Stratford.

○ **Example 3:**

For a senior couple, living on a basic pension receives \$2,006 per month (or \$24,072 per year) in income. This income is a combination of Old Age Security (OAS), Guaranteed Income Supplement (GIS) and Guaranteed Annual Income Supplement (GAINS). A senior couple receiving a basic pension would, therefore, be able to afford a rent of no more than \$600.00 per month.

○ **Example 4:**

For a single, unemployed person receiving Ontario Works (OW), the maximum monthly support payment is \$548. Of this amount, the maximum shelter component is \$342. For more information on current OW rates and the maximum shelter component, please refer to **Table #2**.

Table #2
OW Rates, October 2007

Household Size	Maximum Monthly Rate	Maximum Shelter Portion
Single	\$548	\$342
Couple	\$950	\$538

○ **Example 5:**

As of November, 2007 a single person living on financial assistance provided through the Ontario Disability Support Program (ODSP), on account of a physical or mental disability, receives a monthly rate of \$999. Of this, the maximum shelter component is \$445. For more information on current ODSP rates and the maximum shelter component, please refer to **Table #3**.

Table #3
ODSP Rates, November 2007

Household Size	Maximum Monthly Rate	Maximum Shelter Portion
Single disabled	\$999	\$445
Couple	\$1,521	\$700

Waiting Lists for Housing

The City of Stratford is responsible for operating a “co-ordinated access” system for those persons applying for financially assisted, rent geared to income housing.

Presently there are 133 households on the co-ordinated access waiting list with 87 households needing one bedroom units and 46 families needing two bedroom or larger units. Of the single households on the waiting list 14 are seniors and 73 are non-seniors.

Length of Time to be Housed

In a survey conducted by the Ontario Non-Profit Housing Association in 2007 it was estimated by City of Stratford housing staff that it took approximately 18 -24 months for “non-senior” single persons to be housed, 18 -24 months for seniors to be housed, and 6 -12 months for families with children to be housed in Rent geared to Income Housing

Average Income

According to 2001 Census figures, the average annual income of a single-person household in the City of Stratford was \$25,221. For the average household, a combination of all household sizes, the median household income during the same year was \$47,938. This compares with the average annual incomes of \$49,557 in 1996 and \$45,331 in 1991. The 2006 income figures have not yet been released. This suggests that single person households may have more difficulty finding affordable accommodation and are more likely to be experiencing housing affordability problems (i.e. paying more than 30% of their income in rent).

House Prices

The price of purchasing a home has also continued to increase since the release of the housing needs study five years ago.

The following chart illustrated the change in housing prices for select years over the previous decade

Table #4 Stratford and Area Median House Prices

Housing Type	1998	2001	2004	2007	% increase 1998 -2007
Detached Two Storey	\$179,308	180,281	237,000	265,000	47.8%
Detached Bungalow	141,901	152,306	185,200	232,000	63.5%
Condo Townhouse	82,000	87,200	182,400	130,000*	58.5%
Condo Apartment	143,982	126,288	92,490	165,000	14.6%

* It should be noted that the figures for townhouse and condo apartment sales are based on a small number of sales (generally below 10 units per year each) and can therefore swing more wildly than the two storey and bungalow prices which typically are based on sales of more than 100 units per year for each category.

2008 Action Plan:

Recommendations to Move Forward to Meet the Housing Needs in the City of Stratford.

As 2008 unfolds, there is progress on creating new affordable housing in Stratford with 60 new affordable housing units now under development (the first affordable rental projects in over 13 years). There are also other non-profit and private sector firms also interested in future affordable housing developments.

In order to build on this momentum, there needs to be a variety of activities undertaken by various levels of government, community organizations, and the private sector.

A: Financial Assistance

It is only with the recent more substantial financial assistance of “Wave 1” of the Canada-Ontario Affordable Housing Program that new affordable housing projects become financially viable.

Recommendation #1

Both the City of Stratford and community organizations should advocate to the Federal and Provincial Governments that they should undertake a new affordable housing initiative for capital funding – perhaps at higher rates of \$80-\$90,000 per unit – now that the Affordable Housing Program is close to being fully allocated.

Given that it often takes one to two years from a general program funding announcement to implementing and delivering a new housing program, it is important that the Provincial and Federal Governments announce new housing programs in the spring of 2008.

While the Province has indicated that the AHP is generally allocated, there are also indications that there may be small amounts of unallocated or re-allocated funds to be made available in the late winter/early spring of 2008.

Recommendation #2:

The City of Stratford, if it has specific affordable projects it supports, should quickly request that the Province of Ontario provide additional allocations for these affordable housing proposals in Stratford.

The Canada-Ontario Affordable Housing Program had various program requirements and goals many set by the Province and Federal governments which complicated the delivery of the program at the local level.

Recommendation #3:

Future affordable housing programs should be streamlined so that, while the major funding should come from the Federal and Provincial governments, the delivery of the program should be clearly delegated to one level of government; preferably the municipal level of government which has the strongest understanding of local housing needs.

Recommendation #4:

The Federal and Provincial levels of government should work to have ongoing affordable housing programs to ensure new affordable housing can be created on an ongoing basis. Ongoing affordable housing programs can help support the retention affordable “housing infrastructure” (builders/developers and municipal staff who can develop expertise in delivering affordable housing programs).

Recommendation #5:

To ensure that a portion of the rents in any new affordable housing program are affordable to the lowest income households, the Provincial government should provide ongoing operating subsidies to allow at least 25% of the units created to be rented on an RGI basis. RGI assistance allows renter households with very low incomes to pay rent at an affordable rate of 30% of their income.

Recommendation #6:

The City of Stratford should continue the positive policy position with the two recent affordable housing developments by making it clear that new long term affordable housing multi-residential developments will be taxed at the lower single family residential property tax rates.

Recommendation #7:

The City of Stratford should waive its development charges for new affordable housing projects in order to further assist in making the projects affordable.

Recommendation #8:

The City of Stratford should call upon the Federal and Provincial governments to continue the affordable home ownership down payment assistance program to help meet the affordable housing needs of moderate income owners. Ownership assistance funding should continue to assist about 20 home purchasers per year in Stratford.

B: Land for Housing

In part, it was the offering of municipal government land which sparked the first successful affordable housing project in the 2007 RFP. There are not a lot of multi-residential sites available in the Stratford to be used for new affordable housing so the City of Stratford needs to play an active role in making sites available for multi-residential affordable housing.

Recommendation #9:

The City of Stratford should strongly consider a housing first policy for land by making municipal land available for future housing initiatives either as stand alone housing projects or as mixed use developments (i.e. housing combined with community centres, daycares, libraries etc.) The City should actively review its land holdings and consider making available an appropriate site as part of future affordable housing proposal calls.

Recommendation #10:

The Federal and Provincial governments must take a more active role in identifying lands that they own in the City of Stratford for use for affordable housing. This includes lands which could be used for multiple purposes including affordable housing.

While Governments are a potential source of land, there are many buildings/parcels of land owned by community or non-profit organizations which could be intensified or redeveloped with the goal of adding affordable housing to their sites. Both the Affordable Housing Action Committee and the City of Stratford should strongly encourage existing non-profit, co-op and community service organizations to review their current buildings/land holdings to see if any of those sites would be appropriate for adding new affordable housing.

Recommendation #11:

Community organizations including churches, existing social housing providers, and community organizations/service agencies should look at their land holdings and consider whether any of their lands (including low density office sites) would be appropriate for an affordable housing development or as a mixed use project which could include an affordable housing component.

C. Planning Initiatives

Planning initiatives and policies are an important component to making an affordable housing proposal viable. There are some important planning measures which could benefit affordable housing proposals.

Recommendation #12:

The City of Stratford should give serious consideration to reduced parking requirements for affordable housing. To provide guidance in this matter, the city could survey the parking requirements of existing social housing providers.

Recommendation #13:

The City of Stratford should provide planning approval flexibility in intensifying sites for affordable housing and should have flexible planning policies for mixed commercial and residential uses.

Recommendation # 14:

City of Stratford planning staff should continue to be supportive in affordable housing proposals which require rezoning or minor variances in recognition of the importance of creating affordable housing in the City of Stratford.

D. Partnerships and Outreach

There are a number of community based organizations in Stratford interested in helping to meet the affordable needs. While they bring energy and some resources, they do not always have the expertise in the actual development and construction of housing. Representatives of the Stratford Homebuilders Association, for example, have indicated they have the home building expertise and wish to work with groups to build the housing.

Recommendation #15:

The City of Stratford, in cooperation with other levels of governments and community organizations, should continue to sponsor periodic forums that serve to highlight the affordable housing needs of the community. These forums also allow for networking and creating partnerships among community groups and builders (including experienced builder/developers from nearby larger cities) which may be interested in developing affordable housing in Stratford.