



HOUSING IS FUNDAMENTAL



IS FUNDAMENTAL

A REPORT TO THE COMMUNITY FROM THE AFFORDABLE HOUSING ACTION COMMITTEE



Imagine what it must be like for those individuals and families who live daily with the insecurity of wondering: Where will I sleep tonight? How can I afford to feed my kids and pay this month's rent? Will I be able to pay the heat and hydro and still not fall into rent arrears or default on the mortgage payments?

It is concern for members of our community, homeless or living with an overwhelming sense of housing insecurity, that motivates the Affordable Housing Action Committee (AHAC) to advise governments and advocate.

In December 2003, a "Housing Needs Analysis and Strategies for Peterborough City and County" was completed. AHAC is pleased to offer to our community leaders, decision makers and interested citizens a timely 2006 Progress Report. This Report identifies both ongoing gaps and accomplishments made since 2003.

Housing is a fundamental human right and a major determinant of the health of individuals, families, and indeed, our whole community. Beneath the statistics, tables and facts in this Progress Report is the reality of the lives of adults and children who need and deserve a decent, safe, stable home they can afford. Our community, all of us together, are responsible to ensure all our citizens are adequately housed.

AHAC commits to using the Progress Report to ensure that housing needs, especially for those with low and modest incomes, remain a community priority.

John Martyn
Chair, AHAC

Quick Facts on Housing

- Rent increases have outpaced growth of income since 2003.
- House prices have increased by more than 20% since 2003.
- Only 4% of houses completed in 2004/2005 were priced under \$150,000.
- Demand for rent-g geared-to-income (R-G-I) units has increased since 2003 and remains very high.
- No additional R-G-I units have been added since 2003.
- Wait time for R-G-I units can be three to five years.
- 90% of homes constructed since 2003 have been single-detached at a cost of \$205,000 and higher.
- Most shelters operate at capacity.
- Only 25 temporary wintertime beds have been added to emergency housing supply since 2003.
- Wait time for CMHA supportive housing is 36 months.
- Wait time for other supportive housing is at least five years.
- There is a growing demand for housing for seniors. By 2026, 25% of population in the GPA will be over age 65.
- Food Bank usage has increased by 34.4% since 2003.
- An hourly wage of \$10.85 is needed to rent a bachelor apartment.
- The current Affordable Housing Program (federal and provincial) provides capital dollars only.
- 682 Aboriginal people experience homelessness or housing insecurity here in Peterborough each year.
- There is no permanent emergency shelter for two-parent and father-led families.

Shelters

A significant increase in shelter usage occurred between 2003 and 2005. The number of clients served increased 23% from 1,578 in 2003 to 1,947 in 2005. This is based on those served only in Cameron House, the Youth Emergency Shelter and the Brock Mission.

An estimated 175 Aboriginal families are waiting for housing (60% are single mothers; 30% are single fathers).

(Credit: Whitepath Consulting & Counselling)

Food Banks

The 2005 Hunger Report conducted by Kawartha Food Share (KFS) cited increased housing costs, rising heating costs and insufficient income (for food) as contributors to greater food bank usage. Member agencies (of KFS) reported an increase in single persons visiting the food banks. Families with many dependents and single parent families commonly used the food banks.

Food Bank Usage during the Month of March in the Greater Peterborough Area, 2003 to 2005				
	2003	2004	2005	% Change 2003 - 2005
Adults	2,555	2,864	3,478	36.1%
Children	1,943	2,263	2,565	32.0%
Total	4,498	5,127	6,043	34.3%

Sources: Kawartha Food Share, Hunger Count Result, March 2005

Household Composition of Clients Accessing Kawartha Food Share's Member Agencies, March 2005	
Single Parent Families =	44%
Singles =	34%
Dual Parent Families =	14%
Couples With No Children =	8%

Sources: Kawartha Food Share, Hunger Count Result, March 2005

The Cost of Eviction

A study prepared by East York/East Toronto Family Resources compared the cost of eviction to the cost of prevention. It concluded that if individuals and families had access to appropriate income support funds and housing help services, the saving, (through prevention), to tenant, landlord and society was approximately 50% for a single person and approximately 40% for a family.

The lack of both job opportunities and adequate, affordable housing are major contributors to homelessness.

AT RISK



Homelessness Can Occur for Many Reasons

Definition of Homelessness:

- Living on the street
- Use of temporary shelters
- Moving continuously around temporary arrangements

Risk Factors:

- Low incomes that preclude suitable housing
- Unemployment
- Discriminatory treatment by landlords or others
- Lack of life and interpersonal skills
- Ignorance of housing rights
- Abuse or violence in a domestic unit
- Physical or mental health conditions; developmental disability
- Substance use problems
- Language barriers or literacy problems

(Credit: Experiencing Homelessness: The First Report Card on Homelessness in Ottawa, 2005)

Assisting households to remain in their housing is a cost effective strategy.

First Time Homebuyers

Despite lower borrowing costs, higher housing prices, increasing utility costs and slow income growth are making it more difficult for first time homebuyers according to a report from the Royal Bank of Canada. Annual Canadian incomes increased by one to five percent. In Peterborough house prices have increased by at least ten percent annually since 2003.

**Detached Bungalow (2005) = \$205,000
Up 20.59% since 2003**

Rental Market Affordability

Low income people spend a disproportionate amount of their income on housing, food, and clothing. The Housing Progress Report of 2006 demonstrates rental affordability assuming that households do not exceed 30% of income on rent.



**Comparison of Average Rents to Affordable Rents
in the Greater Peterborough Area**

Household Income (2001)	Proportion Renter Households	Affordable Monthly Rent	1 Bedroom (2005) \$693	2 Bedroom (2005) \$797	3 Bedroom (2003*) \$845
Under \$10,000	12.1%	Under \$250	Not Affordable	Not Affordable	Not Affordable
\$10,000 to \$19,999	27.9%	\$250 to \$500	Not Affordable	Not Affordable	Not Affordable
\$20,000 to \$29,999	20.0%	\$500 to \$750	Rent is not affordable to households earning under \$27,720	Not Affordable	Not Affordable
\$30,000 to \$39,999	13.4%	\$750 to \$1,000	Affordable	Rent is not affordable to households earning under \$31,880	Rent is not affordable to households earning under \$38,680
\$40,000 to \$49,999	10.1%	\$1,000 to \$1,250	Affordable	Affordable	Affordable
\$50,000 and over	16.5%	\$1,250 and higher	Affordable	Affordable	Affordable

*2005 data unavailable for 3 bedrooms
Source: CMHC Rental Market Report 2005, Statistics Canada Special Tabulations (2001), SHS Calculations

AFFORD

40% of households cannot afford the average market rent for any apartment type without spending in excess of 30% of their incomes.

ABILITY

**Comparison of Incomes Required to Afford
Average Rents, 2003 and 2005**

	Income Required for Rent to be Affordable 2003	Income Required for Rent to be Affordable 2005	Change in Income Required for Rent to Remain Affordable 2003 - 2005
1 Bedroom	\$24,560	\$27,720	\$3,160
2 Bedroom	\$29,120	\$31,880	\$2,760
3 Bedroom	\$33,800	\$38,680	\$4,880

Source: SHS Inc. Calculations based on CMHC Rental Market Report

Minimum Housing Wage

A new measure of affordability for average market rents is the hourly wage a person must earn in order to rent a unit without spending more than 30% of total income. Using this approach, a study found that in Metro areas across Canada provincial minimum wages were inadequate to afford average market rents. (Credit: Steve Pomeroy in an article written for CHRA.)

The Ontario minimum wage, currently at \$7.45 an hour, is inadequate to rent any apartment type in Peterborough.

2005 Minimum Housing Wage, Peterborough

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Minimum Wage (2005)
Peterborough CA	\$10.85	\$14.44	\$16.60	\$20.15	\$7.45
Downtown Peterborough	\$10.33	\$13.73	\$16.50	N/A	
Remaining CA	N/A	\$15.38	\$16.69	N/A	

Sources: CMHC Rental Market Report, 2005, Ministry of Labour, Employment Standards Fact Sheet- Minimum Wage, and SHS Calculations

Rising Costs of Utilities

For low and moderate income households, rising utility costs demand a higher than average proportion of income be devoted to the cost of housing. One in five households in Ontario spend 12% of their total income on utilities. Housing occupied by low income households are often less energy efficient due to inadequate insulation, poor maintenance, inefficient furnaces and appliances, and poorer windows.

The "Affordable" Guideline

"Affordable" means a household should not spend more than 30% of their gross annual household income (before tax) on shelter costs. This threshold is used by C.M.H.C. and is generally accepted by stakeholders in the housing environment.

Especially for low and moderate income households, when this 30% guideline is exceeded, the household becomes more incapable of financing all life essentials.

The term "affordable housing" refers to housing that is affordable to low and moderate income households.

Maximum Affordable Rent/Ownership 2005

Without spending more than 30% of gross annual income, the following table illustrates housing affordability for selected occupations in the Greater Peterborough Area.



Maximum Affordable Rent and Maximum Ownership Costs for Selected Occupations, 2005

Occupation	Average Hourly Wage 2005	Average Salary 2005	Maximum Affordable Rent	Maximum Affordable Ownership Price
Construction Millworks & Industrial Mechanics	\$21.34	\$44,387	\$1,109.68	\$160,776
Sales, Marketing & Advertising Managers	\$18.13	\$37,710	\$942.75	\$136,591
Manufacturing Managers	\$19.23	\$39,998	\$999.95	\$144,878
Administrative Clerks	\$14.49	\$30,139	\$753.48	\$109,168
Customer Service, Information & Related Clerks	\$12.11	\$25,189	\$629.73	\$91,238
Shippers & Receivers	\$12.74	\$26,499	\$662.48	\$95,950
Registered Nurses	\$26.34	\$54,787	\$1,369.68	\$198,446
Retail Salespersons & Sales Clerks	\$10.14	\$21,091	\$527.28	\$76,395
Industrial Electricians	\$21.58	\$44,886	\$1,122.15	\$162,583
Welders	\$16.27	\$33,842	\$846.05	\$122,580
Truck Drivers	\$14.94	\$31,075	\$776.88	\$112,558
Labourers in Processing, Manufacturing & Utility	\$13.34	\$27,747	\$693.68	\$100,503
Minimum Wage	\$7.75	\$16,120	\$403.00	\$58,389

Source: HRSDC 2003 Wage Book for the Peterborough HRSDC Area, 2003, and SHS Inc. Calculations.
Note: Annual salary calculation based on 40 hour work week for 52 weeks.

SUPPLY

The failure to meet annual housing supply targets has a cumulative effect.

New Supply Housing Targets

The 2003 Needs Analysis identified housing targets for the GPA necessary to keep pace with anticipated growth. While actual housing starts represented 84% of the total annual target set in 2003, the number of units built that were affordable to households earning lower and more moderate incomes fell significantly short.

Housing Targets for New Supply in the Greater Peterborough Area

Household Income (2001)	Annual Housing Supply Target Greater Peterborough Area	2004 Actual Housing Supply Greater Peterborough Area	2005 Actual Housing Supply Greater Peterborough Area
Under \$10,000	31	0	0
\$10,000 to \$19,999	93	0	1
\$20,000 to \$29,999	94	4	14
Sub-Total	218	4	15
\$30,000 to \$39,999	84	35	17
\$40,000 and over	368	520	381
Sub-Total	452	555	398
TOTAL UNITS	670	559	413

Of the 218 units required for incomes under \$30,000., the actual supply fell short by 214 units in 2004 and 203 units in 2005.

Rent-Geared-To-Income (R-G-I) Housing

As of November 2005, 1,491 applicants were awaiting R-G-I housing in the GPA. Single and family households experience a wait of approximately three to five years. This is evidence of the shortfall of affordable rental housing in the Greater Peterborough Area (GPA).

Since the 2003 Needs Analysis, there has been no addition of new R-G-I units throughout the G.P.A. Future development of new R-G-I units should grow in proportion with population.

Long-Term Care Facilities

A shortfall in the number of long-term care beds exists in Peterborough. An aging population is cited as a key cause for this situation. The waiting list for long-term care in the GPA currently has a monthly average of 398 applicants. Many people on this list could be better served in supportive housing; however, waiting lists for supportive housing can be even longer.

Supportive Housing

When support services are integrated with housing, the term used is supportive housing. Changes in supportive housing agencies include:

- Kawartha Participation Project added an additional five new units for persons with disabilities.
- The Can. Mental Health Association added one new unit.
- Canadian Mental Health Association has had 30 fewer applicants on the waiting list.
- St. John's Centre for seniors has had its waiting list increased by 50.
- Kawartha Participation Project increased its waiting list by 2 individuals. However, this waiting list is extremely long – approximately a ten year wait.

Many persons with disabilities are not reflected on waiting lists, but are in need of suitable, affordable, accessible housing.



The supply of "affordable housing" is not keeping pace with demand.

SHORTFALLS

INITIATIVES THAT MAKE A DIFFERENCE

Peterborough is a community that demonstrates its support through actions and outcomes. As a result, Peterborough is recognized as a forerunner in developing affordable housing and in meeting the housing needs of its community. Its success is often dependent upon the collaborative efforts of all of the following entities:

Federal and Provincial

Governments – Senior level government funding supports the development of new affordable housing units through the Canada-Ontario Affordable Housing Program. The Supporting Community Partnership Initiatives (SCPI) provides funding for community homelessness and housing insecurity programs.

The Affordable Housing Action Committee (AHAC)

- Identifies emerging needs around affordable housing.
- Communicates and provides strategies for awareness and commitment to affordable housing and housing affordability throughout the community.
- Influences policy development about affordable housing at all levels of government.

Municipal Government –

Councils commit to housing strategies that provide for the development of affordable housing to meet the needs of its citizens.

Community Agencies and

Organizations – Many agencies provide housing-related supports: Brock Mission; Habitat for Humanity; Peterborough Affordable Housing Foundation; Peterborough Community Housing Development Corporation; The Youth Emergency Shelter; Peterborough Housing Corporation; non-profit, co-operative and federal housing providers; the Community Counselling and Resource Centre; the YWCA; the Community Legal Centre; private sector landlords participating in the Rent Supplement Program; a coalition of faith groups; and agencies supporting the Aboriginal community.

How Can You Help?

Recognize that housing is a social and political responsibility and is significant to achieving healthy and sustainable communities. You can:

EDUCATE yourself by becoming familiar with local housing issues and by understanding the many factors that contribute to inadequate housing.

ADVOCATE among your friends, family, colleagues, community leaders and local politicians for the development of housing that meets the needs of the community.

VOLUNTEER at local shelters, emergency food programs or share your skills with local housing providers or the Affordable Housing Action Committee.

CONTRIBUTE by assisting in fund raising or donate to efforts designated for emergency, transitional, supportive, or affordable housing.

RECOMMENDATIONS

The Community Education Working Group of the Affordable Housing Action Committee makes the following recommendations:

- Develop a comprehensive intergovernmental housing strategy that responds to the housing needs of the community including emergency, transitional, supportive, rent-g geared-to-income, affordable housing, and home ownership.
- Urge the Federal and Provincial Governments to continue to fund the development of new affordable housing units, especially for those with low to moderate incomes, and maintain funds for the Supporting Community Partnership Initiative (SCPI).
- Develop a local community land trust.
- Increase Ontario minimum wage and the shelter components of Ontario Works and Ontario Disability Support Program to reflect escalating rents and market values.

This report has been derived from the Peterborough City and County Housing Progress Report 2006. For a viewing of the full report, please go to the City of Peterborough website at:

www.city.peterborough.on.ca

Click on the "Housing" tab in the right hand list.

