



Region of Waterloo

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A stylized illustration of a blue hand holding a green house icon. The background features a large, light green house silhouette and a blue hand silhouette.

# AFFORDABLE HOUSING STRATEGY

COMMUNITY BEGINS AT HOME

# *A Time to Celebrate, A Time to Move Forward*

The Waterloo Regional Community has achieved its Affordable Housing Strategy goal!

In 2005, Regional Council established an enhanced goal of helping to create 1,500 units of new affordable housing by the end of 2008.

With our community partners, that goal has now been achieved.

It is a time to both celebrate and to refine our Affordable Housing Strategy, as we continue to work together to address unmet and growing needs in our community.

This brochure has been prepared to demonstrate our success to date and to introduce the new Affordable Housing Strategy, which was endorsed on October 29, 2008 as Regional Council's plan to address affordable housing needs to the end of 2013.



## Introduction to the New Affordable Housing Strategy

Housing is a basic necessity of life and an important factor in our health and well-being. Accessible and affordable housing is available to most of our population; however, there are segments of the population for which this need is not being met. To help meet this need, the Region of Waterloo initiated its first Affordable Housing Strategy (AHS) in 2001, and enhanced it in 2005, with a total target of creating 1,500 new affordable housing units by the end of 2008.

Strategic investment and sustainable futures continue to guide our directions.

Reaching the goal of 1,500 units is a significant milestone that has had a positive impact on households and the community at large; however, there is still work to be done to continue to assist households in need and in working towards our vision as an “inclusive, thriving and sustainable community.”

The new Affordable Housing Strategy builds on our successes of creating sustainable affordable housing. We will continue to ensure that we remain both strategic in our investments and sustainable in our outlook, recognizing that fully achieving our goal will depend on additional funding from senior levels of government. With a new goal and eight years of experience in creating affordable housing, the Region of Waterloo and our partners will continue to create and maintain affordable housing in the belief that ‘community begins at home.’



# Focus on the Future

## The New Goal of the Affordable Housing Strategy 2008 - 2013 is:

“to create at least 500 new units of sustainable affordable housing.”

A total of 500 new units of sustainable affordable housing is to be achieved through:

- New Affordable Rental Units – 370
- Regionally Constructed Units – 30
- New Provincial Rent Supplement Units – 75
- Affordable Home Ownership Units – 25

The new goal is based on our need for affordable housing balanced against required senior government funding and community capacity to deliver new homes.

Along with this new goal, a new identifier has been created to visually represent this new goal and the role of Community Housing in providing a “hand up”.

The house in green represents the vision of affordable housing in Waterloo Region, which is housing that is sustainable from an environmental, economic and community perspective.

The hand in blue symbolizes the Region of Waterloo and its role as a supportive provider of sustainable affordable housing.



## Snapshots of Success 2001 - 2008

- More than 1,500 units of affordable housing have been created for more than 2,700 people
- Leveraged \$12.4 million in home purchases through the Affordable Home Ownership project
- \$128 million in capital expenditures in the local construction industry
- More than 2,500 person years of construction employment created, averaging 350 to 375 jobs annually
- Every \$1 invested by the Region leveraged \$13 from other sources
- The Provincial and Federal governments will collect more than \$45 million in income and payroll taxes from the construction of these units

# Components of Success for Creating Sustainable Affordable Housing

The following components must be present in order to successfully meet the goal of the new Affordable Housing Strategy. Success in each component is measured through a variety of outcome measures:

## Affordability

While there are many different ways to measure housing affordability, most housing analysts use a similar housing affordability benchmark.

To be considered affordable, a household should spend no more than 30 per cent of its income on housing costs.

There is no one type of affordable housing; it is relative to a household's income. Affordable housing comes in all forms (townhouses, apartments, single detached homes, etc.) and all types (supportive, market, etc.) across the housing continuum, and can be either rental or ownership.

## Sustainability

There are three areas of consideration when discussing sustainability; economic, environmental and community.

**Economic sustainability:** demonstrating that affordable housing makes good business sense, and that it is a good investment now and for the future.

**Environmental sustainability:** demonstrating that affordable housing can respect the natural environment, diminish destructive impacts and reduce consumption of energy and water.

**Community sustainability:** demonstrating that affordable housing can foster equity, social inclusion, and security, and help create complete communities.



# Targeted Priorities

The provision of a range of sustainable affordable housing opportunities is a guiding principle of the Affordable Housing Strategy (AHS), and effectively meeting the components of success will ensure the goal of the AHS is met. However, priorities are adjusted from time to time to focus on particularly pressing needs and gaps within the housing continuum. In this phase of the AHS, priority areas have been identified, and the Region of Waterloo is committed to dedicated targets for these priorities. These targets are also incorporated into the measurable indicators.

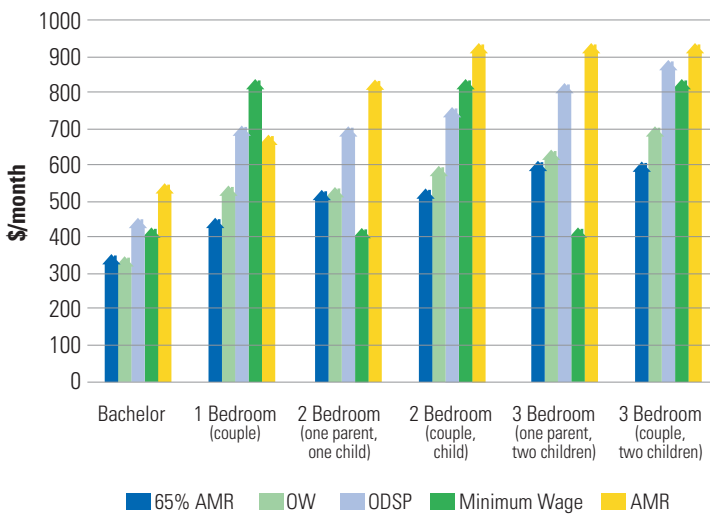
## Priority Area #1: Units affordable to lower income households

Lower income households are those who earn less than \$20,000, including singles and lone parents, earning minimum wage, or who rely on Ontario Works or Ontario Disability Support Program (ODSP) payments or some seniors on fixed incomes. AHS units offered at average market rents or at 80 per cent of average market rents (AMR) are still unaffordable to these households. In order to better address these households' affordability needs, target **40 per cent of all units created to be available at 65 per cent of average market rent**, significantly increasing affordability for these households.

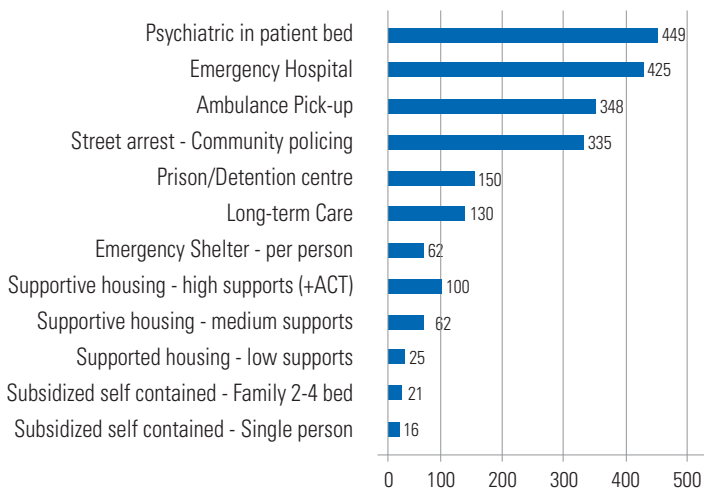
## Priority Area #2: Increase Supportive Housing Supply

Affordable supportive housing is housing with support service available within the building to allow families and individuals to live independently. As our population continues to grow, so too will the demand for supportive housing services, which can range from support for seniors, those with mental or physical disabilities, to support with life skill tasks. The provision of supports along with a stable, affordable home increases quality of life for households requiring such support, and keeps them out of more unstable emergency and institutional settings. To better serve households with affordable and support needs, create **100 affordable supportive housing units** in existing or new projects.

### Lower Incomes and Housing Affordability



### Typical Daily Costs of Responses to Homelessness in Waterloo Region



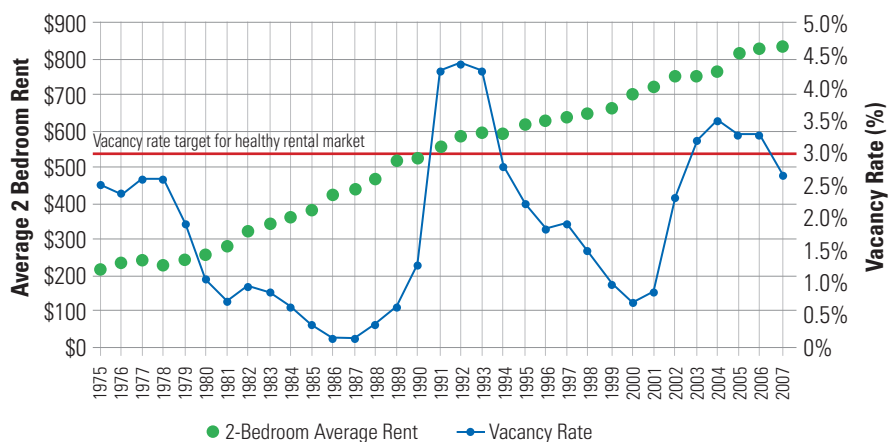
# The Impact of the Affordable Housing Strategy: Past and Present

In 2001, the rental market vacancy rate was below one per cent. The introduction of the Affordable Housing Strategy units into the rental supply has helped to raise and maintain the rental vacancy rate at a healthier three per cent. This balance has helped to temper rental increases and address the waiting list for Community Housing.

The AHS has made an impact on other areas of our community outside of the housing market, benefitting the economy, the environment, neighbourhoods, individuals and families:

- A full range of housing, including affordable housing, is a key contributor to attracting employers and maintaining a strong employee base.
- Some AHS projects developed on brownfield properties within Waterloo Region, resulting in the clean-up of formerly contaminated locations.
- Many affordable housing units incorporate environmental upgrades and energy efficient design practices that reduce water consumption and decrease dependency on energy sources, thereby reducing operating costs and also contributing to lower rents.
- All AHS projects are infill projects, located across cities and townships, which help reduce the need for greenfield development.
- AHS projects can act as a catalyst for neighbourhood revitalization, contributing to neighbourhood sustainability.
- Affordable housing provides stability and acts as a key to maintaining good mental and physical health. The reduction of high housing costs can lower stress and illness and allow families and individuals to fully participate in social and economic activities.
- In mixed income neighbourhoods, lower income households are shown to have better health and education outcomes than households in strictly lower income neighbourhoods.

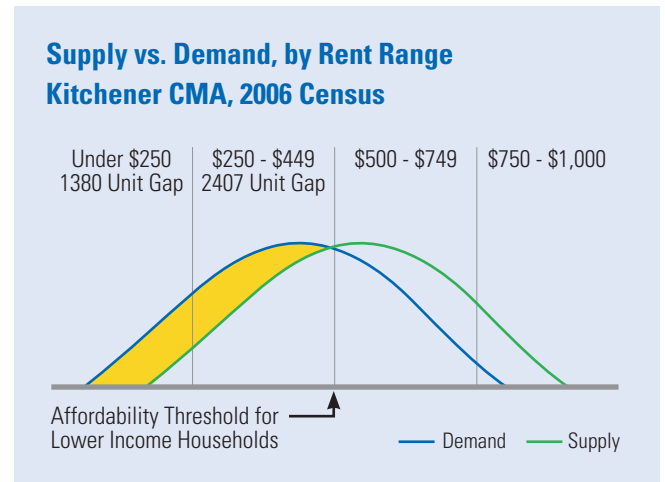
**Historic Average Rents and Vacancy Rates, Kitchener CMA (1975 - 2007)**



# The Continued Need for Affordable Housing: Looking to the Future

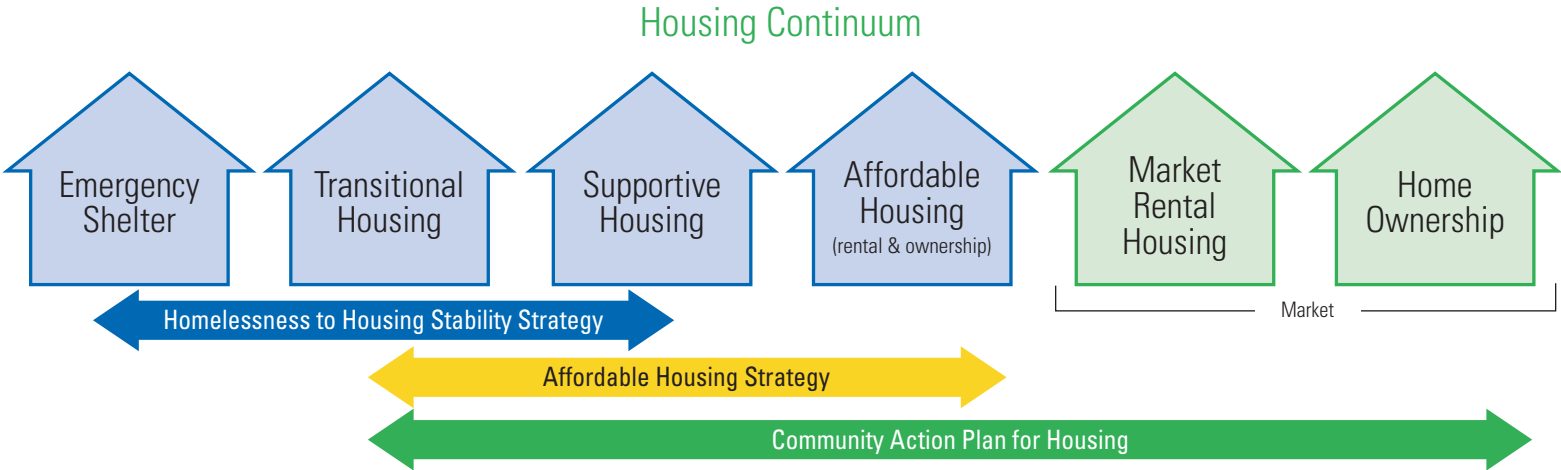
While affordable housing options in Waterloo Region are readily available for most households, there is still a significant portion of the population that cannot afford to own or rent a home. Analysis of housing and income data demonstrate that there is a continued need for affordable housing to assist lower income households in Waterloo Region.

- Currently, there is a 3,780-unit shortfall for affordable units available to households most in need, at a monthly rental rate of up to \$500, the rent level affordable to a household earning less than \$20,000 annually.
- One-parent families and singles on Ontario Works (OW), Ontario Disability Support Program (ODSP) or earning the minimum wage cannot afford current average market rent units in Waterloo Region, with an affordability gap ranging from \$150 to \$300 monthly.
- Nearly 40 per cent of all renting households pay over 30 per cent of their income for housing, with 16 per cent (8,365 households) paying more than 50 per cent of their income toward housing.
- More than 3,200 households are on the Region's Community Housing Access Centre waiting list for affordable housing, with wait times averaging between six months and seven years depending on housing requirements.
- There are more than 3,500 applications for a space in a longer term housing stability program (e.g. housing with support services).



# Connecting with the Housing Continuum

The housing continuum identifies the diversity of housing types found in Waterloo Region. The private sector is effective at delivering a wide range of rental and ownership housing options within the Region. However, intervening approaches are necessary to ensure that the other, non-market types of housing are available to meet current needs of households within our community and to maintain a balanced continuum. To ensure a diversity of housing types, the Region of Waterloo has adopted comprehensive strategies and plans, and works in partnership with non-profits, the private sector and service delivery agencies to deliver and maintain this diversity.



The **Homelessness to Housing Stability Strategy** focuses on the left side of the housing continuum, in an effort to end homelessness in Waterloo Region through the provision of housing stability for those experiencing or at risk of experiencing homelessness, and to provide supports to households to maintain housing.

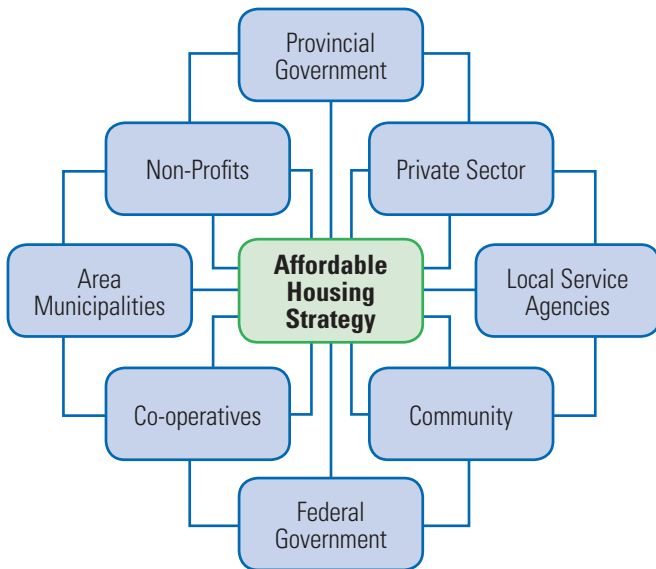
The **Affordable Housing Strategy** addresses the short-term needs of lower and middle income households to find and maintain affordable housing of many types.

The **Community Action Plan for Housing** provides a comprehensive overview of the state of housing in Waterloo Region and identifies longer term housing needs and actions in both non-market and market housing.



# Shared Success, Continued Connections

Many of the accomplishments and successes of the Affordable Housing Strategy (AHS) would not have been possible without the successful partnerships the Region has cultivated and the integration of other Regional initiatives. As we move into the future, the continued success of the AHS will depend on these continued connections.

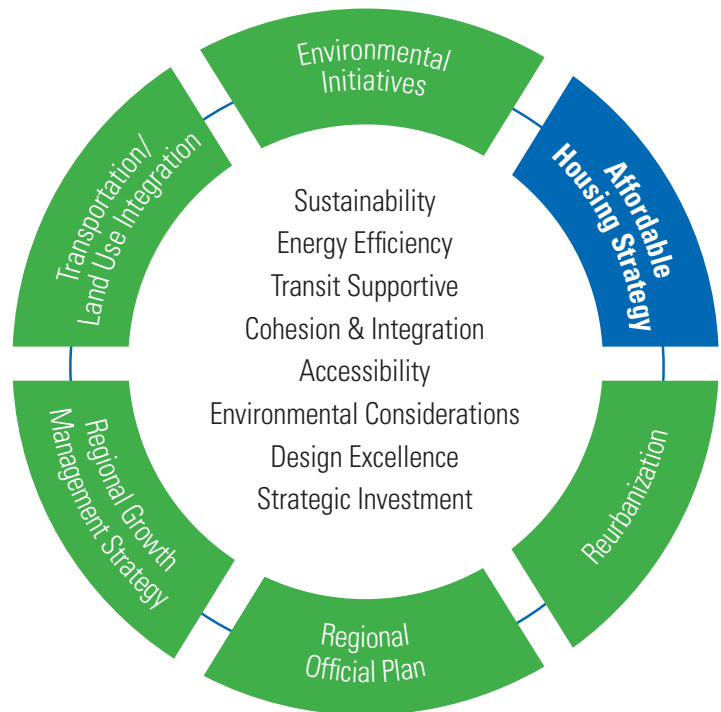


## Linking Partners

The ability to create and maintain positive partnerships between various stakeholders has been a key component to the success of the AHS. All partners have a role to play in providing a range of sustainable affordable housing options in Waterloo Region.

## Integrated Regional Initiatives

The AHS is one of many Regional strategies and initiatives that strives to achieve the Regional vision of creating an inclusive, thriving and sustainable community. The goal and implementation of the AHS complement and help to realize the goals of other related initiatives.



# Measures of Success: An Outcomes-Oriented Approach

To ensure that the Region is meeting the goal of creating affordable sustainable housing, a series of measurable outcome indicators have been developed to keep us on track and working toward the vision of an 'inclusive, thriving and sustainable community.' Outcome indicators will be measured on a regular basis. Below are some examples of outcomes that will be measured to ensure success.

## Affordability Indicator

- Units created that allow lower-income households to achieve the 30 per cent affordability standard

## Sustainability Indicators

### Economic Sustainability

- Number of jobs created
- Construction investment
- Increase of property tax values
- Impact on rental market
- Ability to leverage equity

### Environmental Sustainability

- Development of brownfields (resulting in cleanup of contaminated locations)
- Number of intensification and adaptive reuse developments (protects greenspace from development)
- Energy efficiency, reduction in energy/water consumption
- Percentage of recycled material used
- Reduction of greenhouse gas emissions through design excellence

### Community Sustainability

- Number of affordable units created
- Number of people from priority list housed
- Measured reduction of waiting list numbers
- Development of mixed income neighbourhoods (through provision of a range of housing and supports)
- Number of accessible/adaptable housing units created
- Number of supportive housing units created



# Sustainable Affordable Housing: Tools of the Trade

Ensuring success with the indicators to achieve the goal of creating sustainable affordable housing requires a variety of tools and initiatives. The Region has opportunities to work within the existing housing system and maximize and leverage the existing assets and partnerships. Further work can only be done with a renewed commitment from senior levels of government.

1. Add new sustainable affordable housing units to the housing supply, as senior government funding becomes available
2. Provide supports to existing and new units, including supports for those with mental health, physical, developmental and non-specific support needs (also requires external funding)
3. Create new rent assisted units
4. Continue to provide Regional development charge grants and other incentives for the development of new affordable units, as available
5. Continue to utilize the Affordable Home Ownership revolving loan fund
6. Convert units to universally accessible design within the existing Community Housing supply
7. Continue to utilize Municipal Housing Facilities by-law to permit financial assistance to private sector developers of affordable housing
8. Continue to make use of refinancing policy framework to facilitate new affordable housing projects
9. Connect providers with other available incentives such as Provincial and Federal energy efficiency grants (i.e., through broader distribution of the Housing Funding and Incentives Guide and information sessions)
10. Continue to apply Optional Property Tax Class providing equalized tax treatment (a ratio of 1.000) for new multi-residential developments for 35 years
11. Continue to address reserve fund shortfalls and develop preventative maintenance plans for existing affordable housing
12. Work to raise awareness about the importance of affordable housing within our community
13. Facilitate the creation of partnerships, linking affordable housing providers with supportive service providers
14. Measure and report on outcome indicators on an annual basis





Region of Waterloo  
**AFFORDABLE  
Housing  
STRATEGY**  
*community begins at home*



Sunnyside Seniors Apartments, owned and operated by the Region of Waterloo.



Region of Waterloo

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**2007-2010 Regional Council**

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