
Mid-term Fix, Long-term Fog

Reviewing Provincial Affordable Housing Policy
in Ontario, 2002-2012

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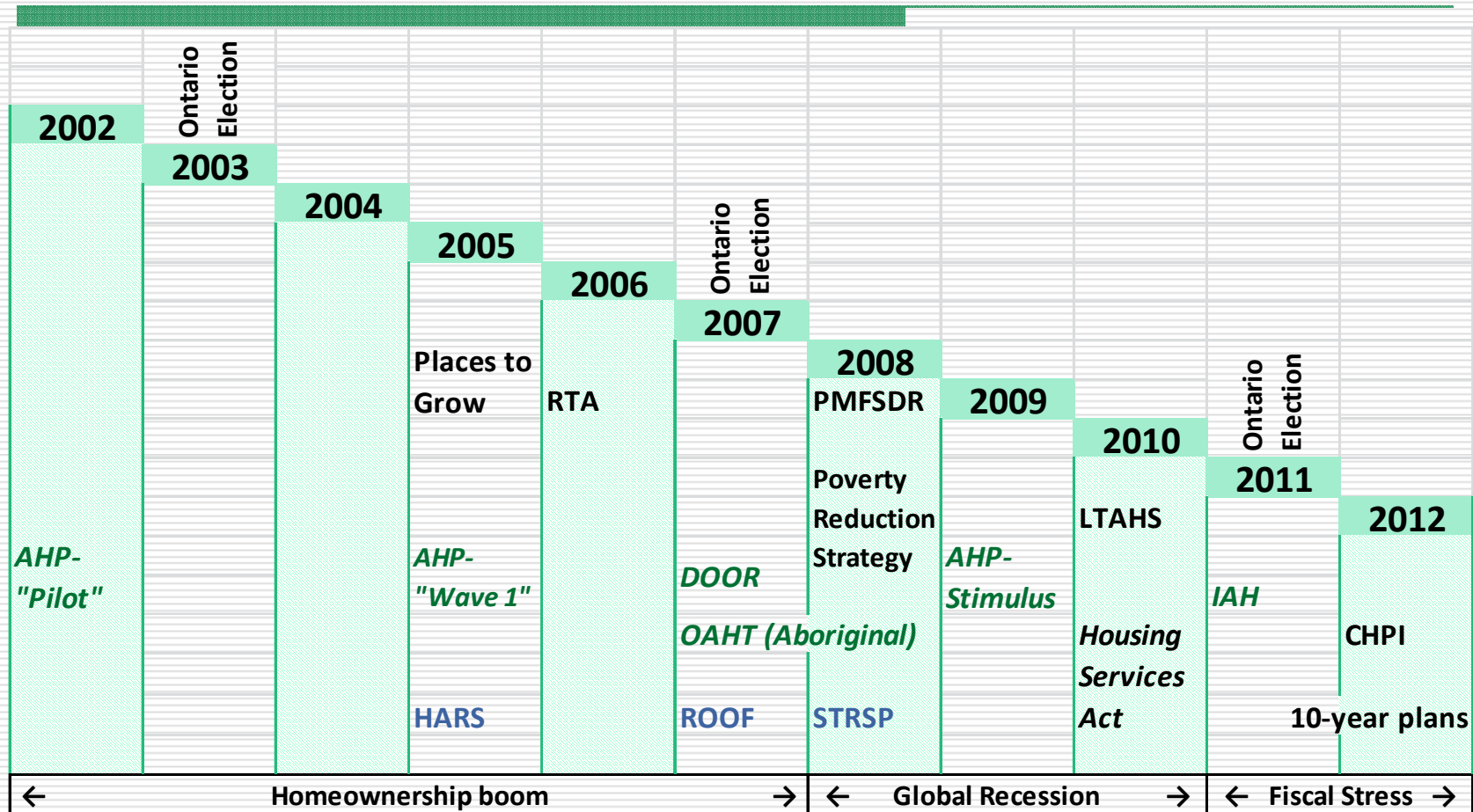
Outline

- 1) Themes and timeline
- 2) Context
- 3) Some specific policy/program areas
- 4) Overall strategy and policy linkages
- 5) Conclusions

Some themes

- “Modest but significant” initiatives in homelessness, new supply, and rent subsidies
- Willing partner in federal initiatives
- Vague strategy, benign incrementalism
- No reversal of fundamental changes of 1995-2000
- Positive attitude, capacity, relations w/ sector & advocates
- Housing reflected other Ontario social policy themes
- Housing programs reflected limited mainstream concerns

Timeline

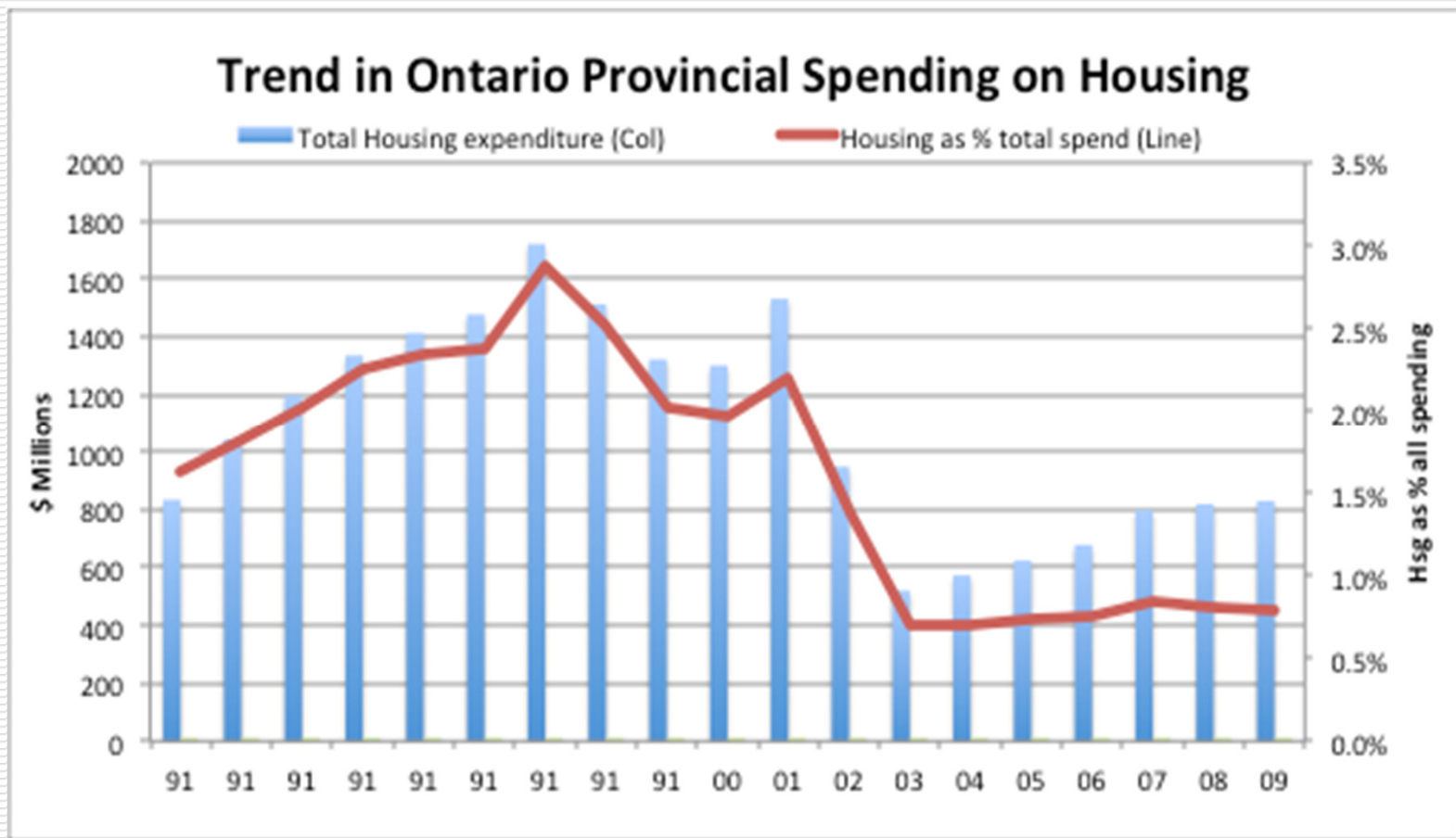


Context: Economic and Housing Market

- Favourable economy 1996-2008:
 - Housing boom, interest rates mostly offsetting rising prices
 - Biggest rise in ownership rate since 1945-55
 - Best household income growth since 1970s
 - Zero added renters. Placid rental market conditions in terms of subsidy cost pressures and market rent increases
 - Homeless numbers not escalating like 1980s and 1990s
- Recession 2008-2010
 - Brief consensus on stimulus
 - Not as severe as feared, especially in housing
- Housing affordability not a large mainstream concern
- Strong economy and then stimulus consensus were both favourable to increased public spending

Context: Political & policy

- Reduced fiscal capacity from Harris/Eves tax cuts
- 1995-2000 double devolution: fundamental legal, funding, and institutional change in social housing
- Major housing & related policy/program areas as of 2004:
 - SHRA and new municipal role was still fresh
 - Half-hearted Ontario participation in “Pilot” AHP 2002-2003
 - Homelessness ... see related presentation
- Ontario Liberal platform 2003 – a major reference point
- Federal “Fiscal dividend” politics and “Urban agenda” 1999-2006 led to SCPI, AHI – fortuitous for Ont. Liberals
- Related Ontario social & fiscal policy 2004-2012
 - PMFSDR 2008, gradual social cost upload, housing set aside
 - “Poverty reduction” – small but significant initiatives



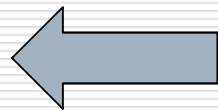
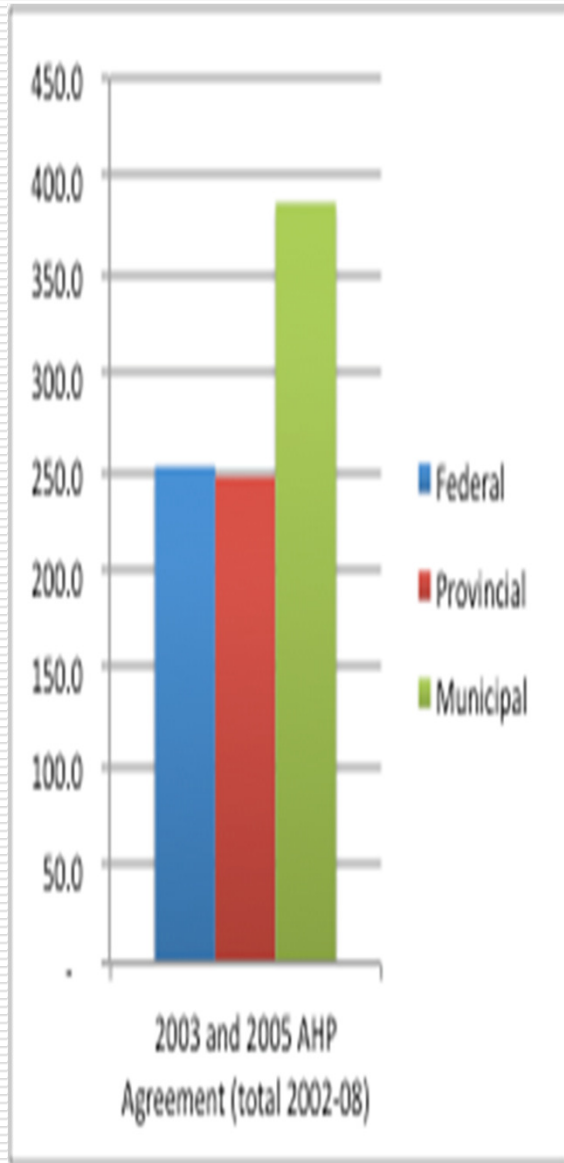
Source: Statistics Canada. Table 385-0002 - Federal, provincial and territorial general government revenue and expenditures, for fiscal year ending March 31, annual (dollars) Gross spending, including federal transfers

Specific area 1: Social Housing

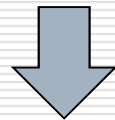
- By far the biggest area (households, annual spending)
- No fundamental changes
 - Most of SHRA 2000 was carried through to *Housing Services Act 2011*
 - A number of helpful changes from former SHRA
 - No incremental Ont. cost-sharing (unlike PMFSDR)
 - Not like the “big change once a decade” that social housing experienced in the 1950s-1990s
- Major role for SHSC (now Housing Services Corp.)
- No strategy for upcoming years when social housing will change to a low-debt, low-federal-subsidy system

Specific area 2: New affordable supply

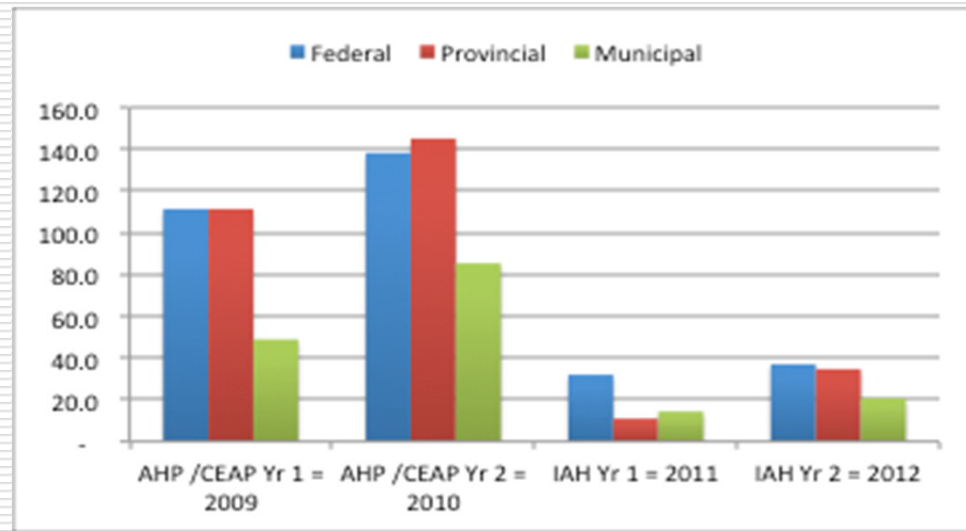
- Largest new initiative in terms of dollars and profile
- Ontario actively engaged, unlike 2002-2003 “Pilot”
- Happy accidents federally, converging w/ Ont. priorities
- Willing partner in matching federal funding in 2005 (“Wave 1”), 2007 (stimulus), 2008 (IAH), 2011 (IAH+)
- About 1,300 units/year (2% of total production)
 - Far higher than 1996-2003! About 1/5 of the 1965-95 annual volumes and much less low-income-targeted.
- Significant emphasis on:
 - Aboriginal housing (trust funds)
 - Designated groups/supportive in AHP & IAH
 - Equitable funding and activity in all areas of Ontario
- Ad hoc emergence of Infrastructure Ontario role
- Ramping down after 2009-11 Stimulus round



Aggregate 2002-2008 spending under AHP agreements (6 yrs.)



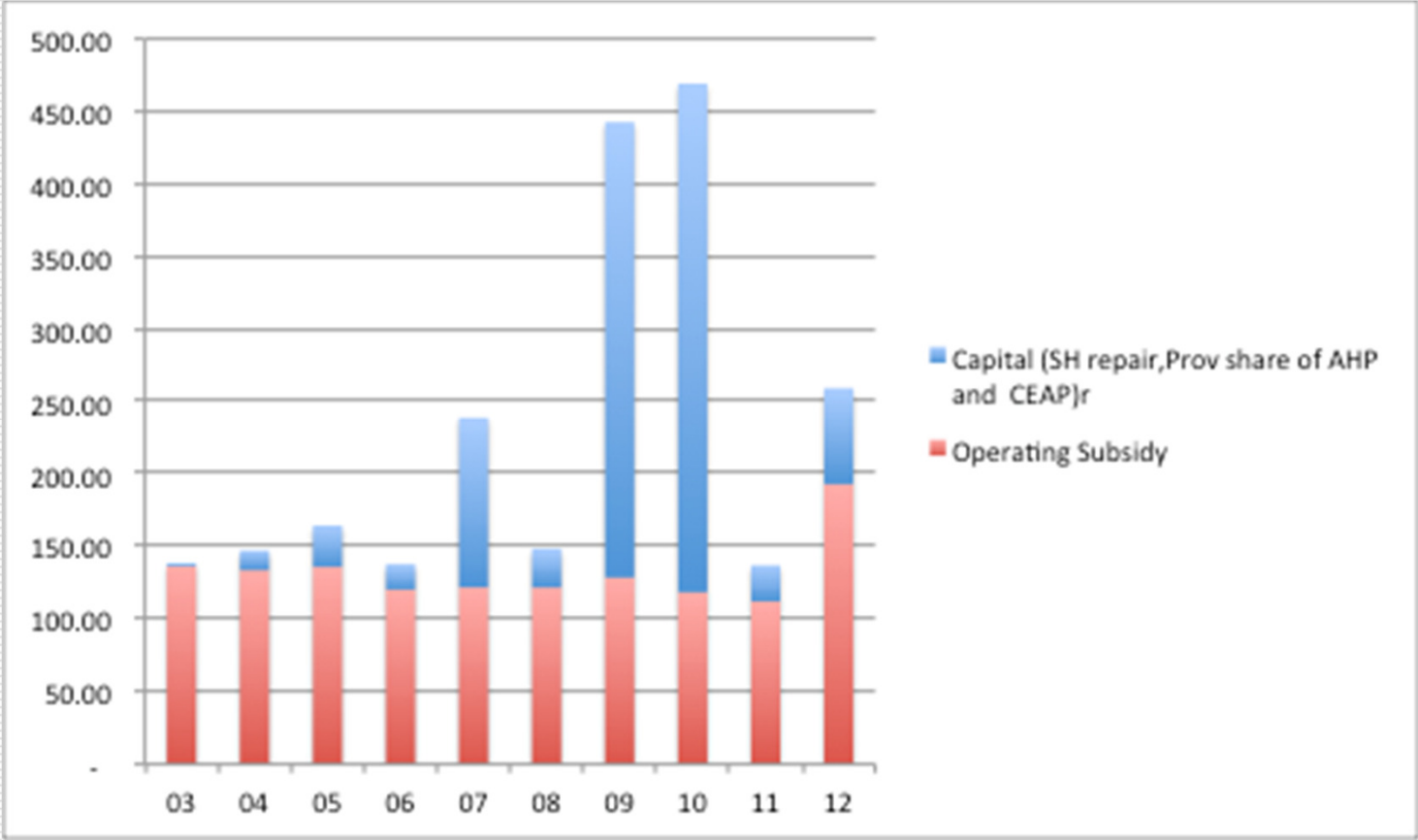
Annual 2009-2012 spending under Stimulus & new AHP agreements



(CEAP = Canada's Economic Action Plan)

Source: MMAH annual data

Net Ontario Housing Spending (Operating & Capital) 2003-2012



Specific area 3: Rent control / L&T

- 2003 platform
- No major change, “don’t-rock-the-boat”
 - No end to decontrol at unit turnover
 - *Residential Tenancies Act 2006* (Liberal “brand”)
- Saw-off between tenant advocates and well-connected landlord lobby
 - Placid market conditions – important context
 - Long internal government tussle... story to be told?

Specific area 4: Rent supp /allowances

- Major area of piloting new approaches
- Ad hoc/incremental at provincial and municipal level ...
 - Significance of: 2003 platform; Fontana urgency; advocacy by Daily Bread/ONPHA coalition; OPS creativity
- HARS in AHP; extended Strong Comm Rent Supp; ROOF (federal trust fund), STRSP, IAH rent supplement
- Meaning of “housing allowance” now altered in Ontario
- In effect a new program strategy although small scale:
 - Alternative to “deep” RGI in context of scarce dollars
 - Often prioritized for high needs rather than “as-of-right-but-wait-forever”
 - Frequently linked to homeless programs
- Menu for municipalities/DSSABs in IAH

Overall housing strategy

- Strategy promised in 2007 election
- *Long Term Affordable Housing Strategy 2010*
- Not strong ... e.g. Did it address major issues or meet the criteria later applicable to municipal H&H plans?
 - Evidence base?
 - Vision of non-market role in housing system?
 - Strategy for social housing given upcoming change?
 - How to house >8,000/year added low-income renters?
 - Is funding just a federal & municipal responsibility?
 - “Whole housing market” approach?
 - Links to related policy spheres?
- Requirements for SM 10-year plans (though useful) tending to position housing as primarily a local matter
- *De facto* strategy: Ride the benevolent boom market?

Linkages to key related policy spheres

a) Provincial-municipal fiscal arrangements

- Incrementalism, no long-term fixes re social housing
- Mitigating inequities - Ont. Municipal Partnership Fund
- Winding down GTA equalization (concern of "905" GTA)

b) Growth Management / urban development

- Growth Plan is all land use; no housing-related tools for less commuting, mix of housing, transit-supportive...
- No inclusionary housing (unlike UK /some US /Vanc /Montreal)
- Frame affordable housing re special needs more than re growth

c) Income security / Poverty reduction / social policy

- Housing set aside in PMFSDR 2008
- Housing absent in Poverty Reduction Strategy 2010
- "Housing poverty" underplayed in SA reform doc 2012

Conclusions

- “Modest but significant” initiatives
 - Rent subsidies – New approach although smallish scale
 - New supply – Willing partner of feds (happy fed accidents)
- Positive attitude, capacity, relations w/ sector & advocates
- Vague strategy, benign incrementalism
 - Mainstream happy in market; weariness with change
- No reversal of fundamental changes of 1995-2000
 - Now entrenched by default and by design
 - Middle-of-road is shifted, not your active Ont. of 1950s-80s
 - “Get your housing in the market like the rest of us”
 - Big social housing issues punted to the future
 - Long-term limits to relying on municipal capacity
- Housing weakly reflected other Ont. social policy themes
- Now into a new and different period, 2012 onwards