

The Data is Clear: It's time to Preserve Ottawa's Affordable Housing March 2024

Ottawa's affordable housing emergency is well recognized – and in response, City Council has identified as its top priority a suite of actions to create a City that "has affordable housing and is more liveable for all." Steps are being taken, from new capital investment, to new incentives (for new development), to a more ambitious mandate for Build Ottawa, among others.

Though each are critical steps, none serve as a direct response to one particular trend: Within Ottawa, the loss of affordable housing has been outpacing the number of new affordable units added under all affordable housing programs combined. As data from Steve Pomeroy (appended) confirms, between 2011 and 2021, Ottawa lost a total of 30,215 private rental units with rents below \$1,000 - a number greater than the entire community housing stock in Ottawa – and a number representing 31x more homes than the number of new affordable homes developed with government dollars. Some of this loss is relative, following significant increases in rent, while other units are lost to demolition – or renovictions.

New development is necessary, but we must mitigate the loss of existing affordable homes – before it's too late.

This trend is well documented in Pomeroy's research, demonstrating that "the ongoing erosion of existing lower rent units in Ottawa is undermining efforts to add affordable supply." Indeed, the number of low-income renter households facing severe rent cost burdens and precarious housing situations is only increasing. While we are facing insufficient supply, we are specifically facing a growing insufficient supply of affordable, and even non-market (or community-owned) affordable housing. This is not the time to be losing more.

Citing Canada's housing crisis, Scotiabank's Rebekah Young suggested last year that in response, "a modest start would be doubling Canada's stock of social housing to bring it in line with peers in the context of a coherent and well-resourced strategy."¹ Young goes on to note that "A target should not necessarily imply new builds …. It should encompass a broader approach that contains optionality to build, buy, renovate, or retrofit units to add incremental supply to the social housing sector" - for near-term impact.

The second study appended here reinforces Young's recommendation. Canadian Housing and Renewal Association (CHRA), Housing Partnership Canada and numerous sector partners released an economic study² in late 2023, authored by Deloitte, clearly identifying the significance of community housing on productivity. In fact, doubling the share of community housing units by 2030

¹ Young, Rebekah "Canadian Housing Affordability Hurts" Scotiabank Economics, January 18, 2023.

² Deloitte LLP "The Impact of Community Housing on Productivity" November 27, 2023.

would result in a 5.8% to 9.5% increase in productivity. And the economic gains are not just from the stimulus impact of building new homes. Community housing – kept affordable in perpetuity - keeps its residents healthier, happier, safer and more self-reliant. Secure in their homes, residents of community housing are able to invest in their own well-being and future. These attributes are good things for economic productivity - and increase the standard of living for everyone.

One way to grow this stock of community-owned housing is through transitioning private low and moderate-rent housing stock into community-owned, non-profit housing – through asset transfers or acquisitions – to preserve low and moderate-rent homes forever. Only by doing so can we stabilize rents, protect tenants from displacement, mitigate housing precarity, and retain neighbourhoods for everyone.

Across Canada, governments and community actors are taking note. Here in Ontario, in 2021, the City of Toronto established the Multi-Unit Residential Acquisition Program (MURA) to provide dedicated and timely funding to non-profit and Indigenous housing organizations and community land trusts, to facilitate the purchase and conversion of at-risk private market affordable rental housing into permanent affordable housing. In April 2023, the City of Hamilton passed its Housing Sustainability and Investment Roadmap, with a second pillar dedicated to "Acquisition of Affordable Housing" – citing the importance of buying "at-risk" properties and working with social purpose capital investors regarding financing.

These and other examples offer a potential roadmap for us to collectively strengthen the City of Ottawa's own 10-Year Housing and Homelessness Plan, which includes the objective to "preserve the existing affordable housing stock." The City's plan even suggests as a tactic the establishment of a fund or grant / loan program to support non-profits in acquiring (market) rental housing. Yet, we remain behind other cities in moving this objective forward.

Preserving our community's affordable housing, forever, is central to the *raison d'etre* of the Ottawa Community Land Trust (OCLT) – an entity bringing together the community housing sector, impact investors and the private sector. But we are not alone. There is widespread support to "Stop the Loss." In order to protect renters and preserve affordable housing supply – in perpetuity – the majority of this Council joined over 150 organizations in Ottawa to endorse Starts with Home, a campaign that fully recommends a non-profit acquisition strategy.

But to stop the loss, we need the City of Ottawa to work with the community in developing an acquisition policy and funding framework to effectively preserve at-risk affordable housing – and ensure housing security for residents. Toolkits, including a practical step-by-step guide created by the HART project, "How to create a successful property acquisitions strategy," are available. And Ottawa's community sector is a willing partner, bringing experience, insight and lessons learned.

The data is clear: It's time to stop the bleed.

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