



Breaking the Loop: Unaffordable Rental Housing
Project Findings, Evaluation & Recommendations Report

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LAND ACKNOWLEDGEMENT

CityLAB Hamilton is situated on the traditional lands of the Anishinaabe and the Haudenosaunee nations. This land is governed by the Dish With One Spoon Wampum agreement. This treaty reminds us that this land is shared and to care for the land and for each other. Hamilton is home to diverse First Nations, Inuit, and Métis peoples who contribute to the vibrancy of the city in every aspect. It is important to recognize our commitment to this land and Indigenous peoples and approach work concerning affordable rental housing from a lens of Indigenous equity, reconciliation, and sustainability. This is an ongoing commitment – both as individuals, and as an organization of CityLAB. We recognize that though other CityLAB groups engaged in some dialogue with Indigenous partners, our group specifically had very limited collaboration with Indigenous communities. This is a major limitation in our report and we strongly recommend that the City of Hamilton moving forward with this project engage with various Indigenous community members.

ACKNOWLEDGEMENTS

This final report and recommendations for the City of Hamilton's Housing Sustainability and Investment Roadmap was made possible by the support of many people whom we would like to acknowledge. To the City of Hamilton staff, thank you for attending our many dialogues and helping us forge a path forward in what was often very uncertain territory. To the instructors (Elizabeth Bang, Dave Heidebrecht, Randy Kay, and Darina Vasek) and staff members, thank you for providing us the tools, opportunities, and diverse supports that we needed for our success. To our peers at CityLAB, thank you for providing much-needed encouragement, creativity, and laughter to our time here.

Finally, we would like to give a special thanks to all of the stakeholders from Hamilton and the surrounding areas (including representatives from ACORN, Indwell, CMHA, RAHB, and HDAA) who were able to contribute their time, energy, and insights into our project. Much of our work stems from the numerous interesting dialogues that we were able to have with these individuals and organizations, and without them, our recommendations would not be complete.

1.0 EXECUTIVE SUMMARY

1.1 Overview

In the City of Hamilton (CoH), many tenants report that their rent takes up a majority of their income, while they struggle to pay remaining non-housing expenditures. This is the result of Hamilton's lack of affordable rental stock. There are many gaps in existing municipal policies that hinder the production and maintenance of affordable rentals in the city. The CoH recognizes these issues in Hamilton as they have committed to implementing a Housing Sustainability and Investment Roadmap (HSIR). This semester, CityLAB is contributing to the CoH's HSIR by conducting research through engagement with diverse stakeholders.

This group's project centers around **affordable rentals**. Throughout numerous conversations with City staff, community organizations, and organizations representing the private sector, **our team has determined three key reasons for Hamilton's shortage of affordable rentals**: (1) the loss of existing affordable stock due to reno- and demovictions, and vacancy decontrol, (2) the high costs of building and developing new stock, and (3) the financialization of housing.

1.2 Findings

At the beginning of the semester, our group struggled to define affordability, as many have questioned whether the existing definition of affordability—rent prices being at 30% of the average income or 80% of market rate—was still viable in a climate of skyrocketing housing prices. Our initial conversations with stakeholders focused on gaps in research and the barriers tenants currently face when seeking affordable rental housing in the CoH. During dialogues with City staff, our biggest takeaways were: (1) a large contributor to the housing crisis in Hamilton is the lack of supply of affordable rental units, (2) the municipal government does not have the financial leverage to sufficiently address the supply problem, and (3) even if the City did receive funding from the provincial or federal government, they lack a tangible plan for how funds would be allocated. After our initial conversations with City staff, we believed most of our research should focus on how to create new affordable housing stock. Some creative solutions we contemplated surrounded the development of new stock such as generating funding and capital for the city through hosting events and a tourism tax, to generate infrastructure that could be converted into affordable housing, improving inclusionary zoning policy, and leveraging city properties to incentivize developers to build more affordable units.

A subsequent conversation with the *Association of Community Organizations for Reform Now (ACORN)* Hamilton offered an alternative perspective; there are many existing affordable units, however, their numbers are rapidly diminishing due to vacancy decontrol and reno- and demovictions. This new knowledge shifted the focus of our research towards

preserving existing affordable stock, and especially the concept of vacancy control. After presenting this at our stakeholder cross-dialogue session (engaging a variety of sectors), our focus has shifted yet again. The dialogue addressed the two extremes: housing as a commodity, versus housing as a human right. As the majority of our conversations have only looked at the harm being done to renters, we failed to consider the welfare of landlords as new programs or policy changes are implemented. We have come to an overall conclusion that the CoH must take a balanced approach, and that any proposed recommendations must consider housing as both a human right, and as a commodity in the financial markets.

1.3 Recommendations

We were informed by City staff, that the CoH has already begun putting plans in place to tackle the issue of unjust reno- and demovictions. Thus, our group has finalized the focus of our work as finding solutions based on **preserving existing stock**.

Through our research, we have identified 3 main themes for our recommendations: (1) building new stock, (2) preserving existing stock, and (3) collaboration between stakeholders. As we believe that building new stock is out-of-scope for our project, and largely an unfeasible approach for the CoH, our team has decided to focus on ideating solutions centered on maintaining existing affordable stock. This can be done through:

- a. **Creating more incentives for (private) landlords** —with the criteria that units be rented at an affordable rate for a minimum number of years + others so as to not be taken advantage of— through: i) rebates/reimbursements and/or subsidies/grants for renovations: ii) tax rebates/exemptions; and iii) waiving by-law enforcement charges, iv) the purchase and renovation of existing affordable units at risk of conversion (e.g., Toronto’s MURA Program)
- b. **Updating by-laws & Enforcement** through: i) licensing of landlords: ii) vacancy control: capping rent ceilings of rental units during vacancy turnover; and iii) enforcement of maintaining liveable standards
- c. **Implementing stronger policies** such as: i) stronger tenant protection through creation/amendment of policies (e.g. Quebec City)
- d. **Encouraging collaboration between City staff, non-profit organizations, different levels of government, and private sector** for the purposes of: i) lobbying the province for increased support; and ii) creation of an office exclusively with representatives from different municipality/city and organizations for collaboration between different stakeholders

As large corporations continue to dominate Ontario’s rental market, this further underlines the urgency to improve on tenant protection policies and ideate recommendations that consider the perspectives of both landlords and tenants.

2.0 INTRODUCTION

2.1 Context

CityLAB Semester In Residence (SIR) is an interdisciplinary program made up of students from McMaster University, Mohawk College, and Redeemer University, that has been engaging with the City of Hamilton and its residents since 2017. This semester, the city requested that we produce potential recommendations on the Housing Sustainability and Investment Roadmap (HSIR). From the housing continuum, our team's scope is affordable rental housing.

Recovering from the Covid-19 pandemic, Canada, like the rest of the world, has faced extremely high inflation, impacting the quality of life of residents. Post-pandemic, as the economy reopened, a resurgent demand for several essential goods and services drove up prices, with Consumer Price Index (CPI) inflation rising to 8.1% in June 2022 compared to 2.2% in 2020.⁶ However, wages have not been matching inflation. Especially in Hamilton, many tenants have seen their rental unit prices increase exponentially while their income remains stagnant, making rent “unaffordable”, and forcing them to spend a majority of their income on rent alone. The Canadian Mortgage and Housing Corporation (CMHC) considers housing “affordable” if monthly rent “costs less than 30% of a household’s before-tax income”¹. However, with rent prices increasing, many residents struggle to afford rent in addition to other expenses, such as food, gas, and electricity.² This calls for the need for more affordable housing in Hamilton; however, gaps in policies are not currently encouraging the production and maintenance of sufficient and adequate rental properties.

2.2 Scope of findings

Through stakeholder conversations this the semester, we have identified three major explanations of the affordable rental shortage in the City of Hamilton: (1) the loss of existing affordable stock is in part due to poor tenant protections permitting reno- and demovictions and vacancy decontrol (2) the high development and construction costs to build new stock, and (3) the financialization of housing.

The practice of reno/demoviction has been identified as a contributing source to decreasing housing affordability. The term describes a situation where landlords evict tenants forcibly who are paying below the average market rent so they might perform renovations, increase the rent for new tenants.⁴ It has been suggested that vacancy decontrol— a policy that permits landlords to raise rent prices without limit after a tenant leaves a unit— contributes to the deficit in affordable rental stock in the city, because it creates incentives for landlords to perform actions such as “renovictions”.⁴ This view is controversial, as there is evidence that restrictions on rent control negatively impacts landlords, and specifically “mom and pop”, small and non-professional landlords. Additionally, with increasing ownership and

maintenance costs, vacancy control may de-incentivize landlords to keep their units up-to-code. The major negative impacts of reno/demoviction and unregulated vacancy control call for a balanced approach to stronger tenant protection policies to ensure a more stable rental market where tenants are protected from wrongful eviction, and excessive increases in rent prices, while landlords are still given enough financial freedom to maintain their units and remain profitable.

Furthermore, with the assent of provincial Bill C23 – the More Homes Built Faster Act – and discussions surrounding the Act, it became clear that this rush to build new stock would not benefit the affordable rental market and would instead facilitate new market-value builds. Further, current market parameters are not favorable for developers, as profit margins remain well below the desired 20% benchmark, rendering new affordable rental developments unattractive to builders without substantial government subsidies or incentives. Several non-profit organizations, including ACORN, have voiced concerns surrounding Bill C23 as it removes authority of municipalities to implement inclusionary zoning policies, encourages a very limited set-aside rate for affordable rental units of 5%, keeps units affordable for a maximum of 25 years when affordability would be best maintained *forever*, and continues to define “affordability” as 80% of the average market rent.⁸ Overall, the Bill has the capacity to threaten tenant protection from reno- and demovictions, and creation and protection of existing affordable housing.

Finally, in the contemporary world, housing is no longer treated as a human right, and has instead transformed into a commodity and a profit-centered industry. The “financialization” of housing has resulted in investors such as Real Estate Investment Trusts (REITs) mass-buying and renovating run-down buildings– not for the sake of providing liveable, affordable spaces, but rather to maximize profits for their shareholders. As a result, it is easy for these institutional actors to justify increasing rental prices, and evicting existing tenants that are unable to afford these costs.³

We as a team believe in a housing-as-a-right approach, the idea that housing is a human right and a fundamental need, should be adopted when ideating potential solutions and approaches. Article 25(1) of the UN Universal Declaration of Human Rights states, “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services ...”⁵. This is something difficult to uphold without the appropriate policy or initiatives in place, but especially without attitudes that will align the community and city on this issue. Treating housing as the physical brick-and-mortar structure has shifted common conceptions moving housing away from centering around human beings finding shelter.

A document that surfaced from James Dunn and Steven Pomeroy in late October 2022 has helped us develop the specifics of our recommendations for the HSIR ([See Appendix A](#)). The document points to four areas the city should focus on in their HSIR: construction,

acquisition, retention and provision of supports. Throughout dialogue conversations, there is agreement from stakeholders that a lack of strong tenant protection policies is causing a decrease in the number of affordable rental units in the city. As large corporations continue to dominate Ontario's rental market, this further suggests the urgency to improve tenant protection policies, as the uneven distribution of corporate power against individual tenants has created an unfair housing market.

2.3 Problem Statement

There is a shortage of accessible, adequate, up-to-code, and affordable housing in the City of Hamilton. However, the housing crisis is a complex problem that requires one to take many diverging factors into account. The existing affordability of many rental units in Hamilton is being threatened by the financialization of housing and the lack of sufficient legislation to prevent affordability loss. Additionally, the lack of communication and collaboration between key players in solving the housing crisis, such as community members, landlord associations, non-profit organizations, developers, City staff, all levels of government (federal, provincial, and municipal), have hindered progress on the topic. This calls for proposed solutions that considers the perspectives of all members involved, as well as collaboration between the different levels of government, while valuing the importance of humans' right to shelter.

3.0 EXPLORATION PROCESS

3.1 Dialogue stakeholder conversations

The exploration process consisted of conversations with various stakeholders ([see Appendix B](#)). We began by having in-person meetings or Zoom calls with one or two City of Hamilton staff members at a time. With City staff, we were introduced to the affordable rental housing landscape and asked questions to fill our initial gaps in knowledge. The breadth of expertise shared by City staff was diverse, and included housing services, social housing, land management, law, finance, and more. Beyond City staff, we were exposed to stakeholders from non-profit organizations in Hamilton including *The Just Recovery Hamilton Coalition*, and a representative from *Indwell*. As we navigated our initial conversations, we researched relevant issues, sought out effective examples of housing strategies from other cities, and developed personas based upon demographic information gathered through quantitative data and stakeholder discussions.

A month into the process, we spoke with a representative from ACORN about possible recommendations to the affordable rental housing crisis, and the conversation framed a new lens for approaching our project. Finally, we hosted a dialogue with key representatives from various corners of the affordable rental housing landscape, including City staff, realtors, individuals from the *Hamilton District Apartment Association (HDAA)*, and a representative from the *Canadian Mental Health Association (CMHA)* who specializes in housing support for CMHA clients. Our dialogue involved information-sharing from our group, conversations about proposed exemplars, as well as a roundtable discussion through a collaborative and interdisciplinary lens. Gathering perspectives from diverse stakeholders throughout this information-finding process was integral to exploring the topic of affordable rental units.

3.2 Equity, diversity and inclusion incorporation

Throughout this process, we prioritized principles of equity, diversity, and inclusion (EDI) in each aspect of our exploration. In our conversations, we used the approach of appreciative inquiry, which involved a brainstorming process that prioritized the strengths of the members involved in order to design recommendations that benefited the community. To promote EDI in conversation, each CityLAB team member engaged in formal Dialogue classes; lessons from this class were used to facilitate inclusive dialogue with effective communication and active listening with each stakeholder. Having a variety of stakeholders was also essential for employing EDI, as it was important to us to have many, diverse conversations to gain a broader understanding of affordable rental housing.

By engaging in dialogue with stakeholders from the private sector, public sector, and the city, we also developed a more holistic understanding of the issues involved. Specifically, we focused on shifting dialogue towards the inclusion of equity-deserving groups, such as by

speaking with a representative from *CMHA* to better understand the barriers to housing that individuals with mental illness(es) and addiction face. Additionally, we decided to minimize harm by refraining from engaging in dialogue with residents so as not to resurface hurt caused by the housing issues in Hamilton. Our research also included depicting the interactions of the community with potential solutions in order to validate the recommendations. We created personas from equity-deserving groups within the affordable housing market, including individuals with low socioeconomic status, newcomers to Canada, and single parents. This research contextualized stakeholder conversations from an EDI framework.

4.0 FINDINGS

Our group began solely with the knowledge that we were to provide recommendations to the City of Hamilton (CoH) for their 10-year Housing Sustainability and Investment Roadmap (HSIR) as it pertained to affordable rentals. The first day our group formed, we met with City staff to gather information pertaining to where our project should focus and to determine the largest barriers facing affordable rental housing in Hamilton. If we were to develop recommendations for the city, we first had to know what problems the City of Hamilton and other stakeholders were facing. *A few key things were made clear on that first day that have framed the work conducted throughout the rest of the semester:*

- a) **City staff explained that there is a supply problem when it comes to affordable housing in Hamilton.** As the average price of rent has come close to doubling in the past 10 years, this has resulted in an increased demand for affordable rental units. What further contributes to this demand is that wages have not increased at the same rate as the price of housing. As demand for affordable rental units has risen sharply in the past 5-10 years, supply has not been able to match this.
- b) **The municipal government does not have the financial capabilities to spend their way out of this supply problem.**
- c) **Even if the city were to receive funds from other levels of government, they do not have a plan in place as to how they would allocate those funds.** Currently, when the CoH has been receiving funds either from the province or the federal government it has been distributed on an ad hoc basis.

4.1 Barriers to affordable rental housing

As addressing supply problems seemed to be where the city believed we should center our research, in the subsequent weeks, we focused many of our stakeholder conversations on the intricacies involved with building new affordable rentals. Throughout this process, it was apparent to us that money was the biggest problem. Although the Constitution of Canada states that housing is the responsibility of the provincial government, in late 1990's under Conservative leadership, these responsibilities were downloaded to municipalities in Ontario⁹. Additionally, since municipalities such as Hamilton largely draw their budget from property tax—whereas other levels of government levy their taxes based on income—municipalities' tax base largely stay the same over time even if there is greater wealth coming into the city. Furthermore, municipalities cannot run a deficit, thus they are limited in their ability to invest in future projects that could pay dividends in the future. These findings contribute to the CoH's inability to fund the construction of new affordable rental units. Additionally, since new affordable rental units are only "affordable" if they are subsidized, the cost of constructing plus subsidizing a unit is very high, with multiple City staff estimating that it costs approximately \$500,000 to build one affordable unit in the city. Even a government that could run a deficit would likely face difficulties in building its way out of an affordability crisis such as Hamilton's.

As a result of these findings, we began considering alternative and creative solutions to include private financing in the building of affordable rental housing. One option we briefly looked at was hosting an event like the Commonwealth games that might generate capital for the CoH through a tourism tax while also producing infrastructure that could be converted into affordable units in the aftermath of the event. We also considered approaches where the CoH could leverage municipal lands to incentivize property developers to build affordable rental units while also gaining profits from market rental units. We met with representatives from Indwell Community Homes, a non-for-profit organization who aided in clarifying barriers to not-for-profit generated affordable housing. In sum, the biggest takeaway was that not-for-profits rely on funding from provincial and federal governments and are often unprepared when funding models change. Additionally, the folks from Indwell encouraged our group to look at outside solutions and to broaden our horizon past what City staff were suggesting.

4.2 Vacancy (de)control and renovictions

An impromptu meeting with a member of Hamilton's *ACORN* chapter resulted in our group becoming aware of a rather different perspective than City staff were offering on the topic of the barriers to increasing affordable rental supply in Hamilton. Whereas our understanding of affordable rental housing had previously been solely focused on subsidized rental units, the representative from *ACORN* pointed out that there are many rental units in Hamilton that are affordable because tenants have been in the units for a long tenure. However, the affordability of these units is lost when tenants leave due to a provincial policy called vacancy decontrol. The policy of vacancy decontrol in Ontario states that landlords can only raise rents on a unit by the Ontario Consumer Price Index (CPI) as long as it is occupied by the same tenant, however, landlords are not limited to how much they can raise rents during tenant turnover. This brought to light an area of non-subsidized, affordable housing stock that exists, but is not typically advocated for or protected.

For example, an individual that has remained in the same rental unit for 15 years, experiences some rent increases during their tenancy, however, these are typically regulated; in 2023, the set rent increase limit in Ontario is 2.5%. However, rent prices of other apartments in the same building that have been vacated in the past 15 years, may be increased significantly more due to vacancy decontrol. Therefore, the 15-year tenant's rent might be considered affordable compared to average market rates. Thus, there are many affordable rental units that are not necessarily government subsidized. These are not units that people lease if they are entering into the rental market, but for the people in them, they are nevertheless affordable. However, therein lies the issue of landlords being incentivized to evict tenants, in order to access the financial benefit of vacancy decontrolled rental price increases. This commonly results in the loss of that particular type of affordable housing stock.

A major problem that *ACORN* pointed to that contributes to the decreasing number of affordable units is that existing affordable rental stock is being lost due to “renovictions”, a term that describes landlords who raise rent prices under the guise of renovating the units. As rents have increased in Hamilton, some landlords have taken it upon themselves to earn greater rents from their units, which can be done through renovictions. Although there are mechanisms in place that state landlords must make an offer for tenants to return to their unit at the same price they paid before. However, in the interim, people who used to occupy those units at an affordable rate are forced to find new rental units at market price due to vacancy decontrol mechanisms. Since many cannot afford a market unit, the only option for many is to rely on subsidized housing. Many tenants do not return to their units after renovations are complete and landlords can therefore seek higher market rates for their units by pursuing new tenants.

The concept of vacancy decontrol and renovictions was helpful in gaining a broader picture of the housing crisis as we were under the impression that the sole reason for the **supply** shortage was that wages were increasing at the same rate as the housing market. As a result, the only option appeared to be building our way out of the supply problem. This new knowledge of affordable market rental units brought a new perspective as to what might be causing such a high **demand** for affordable rental housing. Our group envisioned this supply-and-demand problem as a snake eating its own tail. The loss of affordable units results in an increased demand for more units at an affordable rate, however, landlords take advantage of this supply shortage by increasing rent prices, and therefore the increased demand also results in the loss of affordable units. Thus, even if we were to focus on building new affordable units, it would not prevent the many existing affordable market units from disappearing. Hence, the state of high demand and low supply would likely remain unchanged.

As this came onto our horizon, we started to modify our focus. With these new findings, it seemed as if we ought to address both increasing supply and keeping increases in demand at bay. As a result, we struggled with formulating recommendations that would touch on both factors. Thus, to further hone in on what our focus ought to be for our recommendations, we met with a City staff intimately familiar with the CoH’s current plans for their HSIR, as we wanted to align with the progress the city was making on the project so as to not make our work redundant. The meeting proved to be fruitful as we were able to hone in on what our group could focus on. Since the city had already hired a consultant to work on the issue of “renovictions”, and building new affordable rental housing units is outside the purview of the municipal government to be tasked with, the City staff member suggested that our group focus on maintaining existing affordable rental units. Rather, we could center our research and recommendations surrounding how the municipal government could avoid the loss of affordable market rental units outside of instances of renovictions.

Upon further investigation, we found there had been much discussion on the topic of **vacancy control**, where rent increases are tied to the unit rather than being tied to the tenant, as it is in Ontario's form of "vacancy decontrol". At its surface, this would address a problem that we had identified where many affordable rental units are lost when tenants leave voluntarily. Many tenant advocacy organizations throughout Ontario, as well as the provincial NDP party, have made recent calls for the province to legislate vacancy control measures to curb its losses of affordable rental units. As this seemed to address our identified problem, we began to focus our research on this topic of vacancy control. We found that there are many individuals and organizations, in the world of finance and economics with pressing critiques of vacancy control. Their arguments revolve around their belief that vacancy control actually hurts renters in the long term. As rents are kept below what they might have been if left up to the market, investment in housing becomes less profitable. As a result, it is less likely for developers to build new apartments, and landlords have decreased resources to upkeep their units leading to disrepair.

4.3 A balanced approach to housing

The tension surrounding this conversation is intimately related to a broader more philosophical divide when it comes to housing. On one hand, there is the belief that housing is a human right and that everyone deserves to have a home. On the other hand, there is the school of thought that views housing as a financial commodity where the bottom line rules all. Both models are flawed as housing does exist within a world governed, at least to a certain extent by economic laws, while the financialization of housing has left many people struggling to find shelter. Thus, the main thing we have found is that effective housing policies must marry a human-centered approach along with a solid economic foundation.

From these stakeholder conversations, we wanted to figure out what was most in-scope for us, and what we had most control over. After considering all of our findings, our group has decided that our recommendations should focus on preserving existing affordable housing stock (retention), as it is the most in-scope for us for the time that we have during the semester and the other three seem to be out-of-scope for us as we lack expertise in law, finance, and economics.

5.0 RECOMMENDATIONS

Throughout our process, from the exploratory stage to identifying gaps in research, we have come across a multitude of approaches to tackling the affordable rental housing crisis in Hamilton. Considering all our findings, our focus turned towards the preservation and maintenance of existing stock, an approach that has proven viable, sustainable and even politically beneficial in other jurisdictions and municipalities across the country. This can be accomplished via multiple avenues, however policies, monetary and non-monetary incentives for landlords (both professional and private) and municipal by-laws and their appropriate enforcement are key areas to be considered. Furthermore, as our cross-dialogue conversation sparked a small debate surrounding housing as a human right vs a commodity, our recommendations take on a balanced approach that considers housing as both a human right and a financial commodity. While stronger tenant protection policies are needed to protect the rights of tenants, we believe that the welfare of landlords should not be overlooked, as housing has been seen as a profitable business venture.

Although our recommendations are focused on one of the thematic areas outlined by James Dunn and Steven Pomeroy (construction, acquisition, **retention**, and housing supports), we also believe that **collaboration** should be a major focus of the city. Thus, our recommendations are concentrated on incentivizing (private) landlords, policy and by-law enforcements, and collaboration of all key players involved (city, non-profit organizations, all levels of government).^{1* 1}

5.1 Creating incentives for (private) landlords

Incentives can be monetary and non-monetary. The former includes grants, subsidies and forgivable or low- to no-interest loans designated for property redevelopment, unit improvement and maintenance of standards, while the latter considers rebates and exemptions surrounding taxes and levies. The waiving of fees and charges could incentivize landlords to at least consider a gentle intensification of their property. Coupled with a streamlined uniform licensing process (equally beneficial to tenants) as is currently being piloted by the CoH might prove supportive to increasing and maintaining affordable rental properties.

Additionally, to preserve existing affordable rental units without having to create new buildings and infrastructure, the city could acquire and renovate existing affordable housing stock that is at risk for being lost to market rental prices. For example, the Multi-Unit

Spotlight Exemplar: Multi-Unit Residential Acquisition (MURA) Program from the City of Toronto

Created in **2021**

Addresses Toronto's goal of creating 40,000 affordable rental units in the City by 2030

Involves giving **incentives** (waiving property taxes & other fees, offering grants) to non-profit & Indigenous housing organizations

GOAL: for non-profit organizations to **purchase & renovate** existing rental stock that is at risk of becoming unaffordable, and ensure its affordability for the **next 99 years**

^{1*} Disclaimer: we are aware that every policy and program requires funding. Funding is outside of our scope– we can simply recommend where to allocate funds, not necessarily funding strategies.

Residential Acquisition (MURA) program in Toronto provides monetary incentives to non-profit developers to carry this out ([see Appendix C](#)).

5.2 Update and enforce by-laws & enforcements

The city should provide strong tools for municipalities to ensure affordable rental units remain affordable, up-to-code and within liveable standards. Landlords can be compelled to maintain best practices and tenants receive protections alongside a transparent, regulated process. Vacancy control policies could be used to limit rent increases to a predetermined level (in line with annual inflation rates) to avoid excessive inter-tenancy hikes while allowing for standard upkeep to maintain standards. Landlords are already required to offer renovated units to existing tenants at a legacy rate, though many tenants are unaware of this legislation. However, landlords are currently not required to provide alternate or temporary accommodations for tenants while units are being renovated. Further, it is important to note that the welfare of landlords, particularly in the private sector, ie. “mom and pop” landlords, need to be considered.^{2*}

5.3 Implement stronger affordable housing policies

Policies on affordable housing and standing operating procedures for acquisition of property for redevelopment into affordable units have been proven to be effective in maintaining affordable rental stock levels. The City of Hamilton should develop stronger tenant protection policies to preserve the existing affordable stock and protect tenants from rent increases, renovictions and barriers that prevent them from seeking affordable rental housing.

5.3.1 Flexible rent control policies

On all residential leases, the landlord should let new renters know the amount of rent paid for the unit in the last 12 months. If the new tenant believes that the rent increase is infeasible, they should be able to appeal to the Landlord Tenant Board within a reasonable timeframe, where the landlord must present justifications for the rent increase, such as renovations or increased building costs.

5.3.2 Enhanced protection from evictions

The city should require a longer notice for evicting tenants. Currently, the province only requires a 60-day notice. As an example, in Québec City, evictions require a 6-month notice to the tenant. Additionally, new policies were implemented where landlords are required to pay the tenant one month’s rent as compensation. The COH can learn from this and implement these policies in the city.

^{2*} On the theme of reno- and demovictions: we have established that the City of Hamilton is aware of the problems and practices surrounding renovictions and has begun inquiries into this matter, rendering it out-of-scope to our purpose.

5.3.3 Fewer barriers for low-income tenants

The province requires tenants to pay first and last month’s rent as a deposit. This serves as a major barrier for low-income tenants to access adequate housing. To better serve tenants who come from a low-socioeconomic background, landlords should not require tenants to pay for last month’s rent or a security deposit. This is currently being implemented in Québec City. The CoH should implement similar policies within the city to better serve low-income tenants.

Additionally, exclusionary zoning policies have discriminated against low-income tenants from seeking affordable housing. For example, members of Homeowners Associations (HOAs) and Condo Owners Associations (COAs) have the final word in who they allow into their properties.¹⁰ The city could implement this and expel such power from the HOAs and COAs, which the province of British Columbia (BC) has already implemented.¹⁰

Other policies to consider revolve around inclusionary zoning, facilitation of rezoning and redevelopment (ie. cutting red tape, eliminating charges and fees) and the revisiting of criteria for prospective tenants to include principles of EDI as tenants often face exclusionary criteria and are unable to find stable, affordable, liveable and safe housing.

5.4 Encourage collaboration between different stakeholders

Over the course of our work, we have seen significant shortcomings in the **area of collaboration** about the housing crisis. Findings from our cross-dialogue further specified these **collaboration** needs as being the collaboration of other municipalities, the collaboration of all three levels of government, and collaboration between different stakeholders with one another and the municipalities. We recognize that Hamilton is currently a part of the Association of Municipalities of Ontario (AMO), a non-profit organization which lobbies for the collaboration of all levels of government (federal, provincial, municipal), and private and non-profit housing sectors to come together and address the housing crisis.⁷ However, interestingly, attendance of AMO meetings is restricted to City staff members, excluding the potential for communicating with outside private or non-profit organizations. We recommend a similar forum, but where all key players are able to attend meetings and give voice to their concerns, ideas, and hopes for the city. Learning the perspectives of diverse stakeholders will allow for a greater, more relevant range of needs to be considered with regards to ideating solutions for the affordable housing crisis in Ontario.

Spotlight Exemplar: Legislation Against Strata Rules in Westminister, British Columbia

The Province of BC has very recently tabled **legislation prohibiting strata rules** against renting, which is projected to free up 300,000 units

Further legislation would compel municipalities to **issue housing reports** every 5 years with binding targets

Should municipalities fail to meet the targets, the province would have the power to step in and amend zoning by laws and issue permits

This is not popular with **Condo and Homeowner Associations**

6.0 CONCLUSION

The lack of affordable housing stock cannot be solved with just one or two, or even four good recommendations. Throughout the course of the semester, we recognized that formulating recommendations surrounding the development of new stock is out-of-scope for our project, which allowed us to center our focus towards preserving existing affordable housing stock. We also focused on identifying barriers and gaps in research, where we found that a major contributor to the loss of existing stock is vacancy decontrol, which incentivizes landlords to evict their existing tenants to raise rent prices for future tenants. After our community dialogue, we determined that the approaches taken must consider the wellbeing of both tenants and landlords.

As we heard from our stakeholders, and as we have seen throughout our dialogues and even as we observe other teams tackling different parts of the housing continuum, many different policies need to be implemented to produce a solution that approaches comprehensiveness. Navigating the problem of the quickly growing deficit in affordable rentals requires an equally comprehensive approach, which is sensitive towards the many different groups involved. As we saw the tension between housing as a human right versus a financial investment, we determined that a balanced approach must be taken, and that any realistic recommendations ought to consider housing as both a human right and a financial investment. To formulate our recommendations, we turned to other strategies that other municipalities/cities have implemented to protect their existing affordable stock, where we came across the Multi-Unit Residential Acquisition (MURA) Program from Toronto, and more rigorous tenant protection policies from Quebec City. We felt that the CoH could learn from these cities, thus we used these exemplars to finalize our recommendations. We propose that the CoH can preserve existing stock through the incentivization of (private) landlords for renovations, stronger by-laws & enforcement, the creation/amendment of policies to better protect tenants, and the collaboration between City staff, non-profit organizations, different levels of government and private sectors.

6.1 Next steps

As we prepare to wrap up our involvement in this project, there are several next steps that we propose with regards to beginning the slow process of further exploring and possibly implementing our recommendations. We will be producing a transition report with greater detail about these steps, but believe they should focus on:

- a. Determining the feasibility and funding available for acquisition of affordable rental units,
- b. Encouraging further collaboration across sectors and levels of government, and
- c. Engaging with the community members who we were not able to in order to determine their opinions and needs in terms of affordable rental housing.

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8.0 APPENDIX

- A. APPENDIX 3.1 [Affordable Housing Initiative-Matrix Dunn editorial1](#)
- B. APPENDIX 3.2 [Contacted Stakeholder Affiliations](#)
- C. APPENDIX 3.3 [New Multi-Unit Residential Acquisition \(MURA\) Program to Protect Existing Affordable Rental Homes](#)

APPENDIX 3.2: Contacted Stakeholder Affiliations

