

AFFORDABLE HOUSING - FOR WHO?



Canada has been in a housing crisis for years. Millions of Canadians still lack access to a home that is affordable. This is despite the fact that Canada is a rich country. Having access to affordable and healthy housing is recognized as a human right and the pandemic clearly reinforced that Housing is Health. Every person needs a home!

Canada passed the National Housing Strategy Act (NHTA) - first piece of legislation that identifies housing as a fundamental human right. Canada Mortgage Housing Agency - (CMHC), is delivering a range of National Housing Strategy (NHS) initiatives to provide "affordable housing". However, ACORN members question the terms of these loans and grants being provided to developers. Billions of dollars are going into the pockets of private developers instead of supporting people who need it most. In most NHS programs:

- Rents offered are still nowhere near affordable; and
- The length for which affordability is required to be maintained is **ONLY 10-20 years**.

ACORN members want to see this changed.

HOUSING NEED IN CANADA (1)

Household income before taxes	Total number of households	Households in core housing need (A)	% of households in core household need	Households - Affordability as core housing need (75% of A)
Less than \$10,000	119,985	89,235	74.4%	66,926
\$10,000 to 19,999	1,010,940	722,075	71.4%	541,556
\$20,000 to \$29,999	1,679,635	921,455	54.9%	691,091
\$30,000 to \$39,999	2,189,680	765,085	34.9%	573,814
\$40,000 to 49,999	2,310,680	529,085	22.9%	396,814
\$50,000 & above	25,492,195	465,045	1.8%	348,784

HALIFAX EXAMPLE

Recently, the federal government approved a low cost loan of \$115.5-million to a Halifax-based developer BANC Investment Ltd. under the **Rental Housing Construction Initiative**.

- This is a 12-storey mixed-use building that will provide 324 new units.
- 76 units will have "affordable" rents ranging from **\$1455 - \$1844/ month**. (Almost double of what ACORN considers affordable)
- 42% of the households in Halifax have income below \$30,000 and it is these households that need support. For them to be in truly affordable housing (i.e. paying less than 1/3 of their income on rent), they would need to be paying **\$833/month**.
- Affordability will be maintained for **ONLY a minimum of 21 years**.

"The federal government considers housing "affordable" if it costs less than 30% of a household's before-tax income".
(CMHC)

Data sources:

1. Canada Mortgage and Housing Corporation (CMHC) defines a household in core housing need whose house is considered **unsuitable, inadequate or unaffordable** and whose income levels do not allow them to afford alternative suitable and adequate housing in their community. CMHC Data, 2019.
2. Rental Housing Index 2018 : <http://rentalhousingindex.ca/en/#intro>

40%

CANADIAN RENTERS SPEND MORE THAN 30% OF THEIR INCOME ON RENT AND UTILITIES(2).

18%

CANADIAN RENTERS SPEND MORE THAN 50% OF THEIR INCOME ON RENT AND UTILITIES(2).

WHAT DO ACORN MEMBERS WANT?

ACORN members want federal money to target the right people! Any federal money being allocated to developing "affordable housing" must meet these conditions:

1. **All public money supporting the creation of "affordable housing" must support tenants who are in core housing need.**
 - Most people in core housing need have an income below \$30,000/year.
 - 18% of all Canadian households have income below \$30,000. Hence, their monthly rent at 1/3 of income should not exceed **\$750/month**.

2. **Affordability period needs to be kept for perpetuity.**

An affordability period of 21 years does not support low-to-moderate income people in the medium and long term. In fact, it is a bad public investment. The housing crisis is not a short-term crisis! **Developments that get support under federal government programs must be required to guarantee that the affordable housing is kept affordable for perpetuity.**

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