



November 15, 2023

Ontario Legislature

Standing Committee on Heritage, Infrastructure and Cultural Policy

Submission re Bill 134, Affordable Homes and Good Jobs Act

To Whom It May Concern,

The Federation of South Toronto Residents' Associations (FoSTRA) is a federation that currently represents 25 residents' associations (RAs) in the five downtown Toronto wards; Wards 4, 9, 10, 11 and 13 which encompass hundreds of thousands of Toronto's residents.

FoSTRA submits the following comments and recommendations on the issue of affordable homes in Ontario.

Executive Summary

FoSTRA supports the direction to define affordable rent based on a percentage of household income. However, FoSTRA is deeply concerned that a definition of affordable rent tied solely to the 60th percentile of gross annual incomes in a municipality would actually make rents dangerously unaffordable for many Toronto residents. Further considerations of how to determine affordable rents as a function of income are crucial.

FoSTRA recommends a two-tiered approach to rental affordability in the interests of equity and inclusivity:

- 1) Mainstream Affordable Housing: Defined as 30% of the 50th percentile of household income, accommodating the median income earner and ensuring broader applicability of the term "affordable."

2) Deeply Affordable Housing: A second tier dedicated to those at or below the 30th percentile of income. For these households, a rent-geared-to-income program that stipulates housing costs at 30% of household income would be more appropriate and humane.

In addition, FoSTRA recommends a reserve fund mandate for the maintenance of affordable housing as a prudent addition to ensure the longevity and quality of housing stock.

Context

The current proposed legislation, as it stands, does not sufficiently encompass the lower income brackets. In Toronto, where the 60th percentile of income approximates \$92,000 annually, the definition of "affordable" at 30% of this income does not serve low to moderate-income households, effectively excluding a significant portion of our community. For those at the 30th percentile, dedicating 30% of 60th percentile income to housing costs would consume over 85% of their total income, a stark indication of the inadequacy of the current model.

The City of Toronto's current definition of affordable rent, based on 30% of household incomes between the 30th and 60th percentiles, is more humane but still requires careful re-evaluation. Specifically, while the upper limit may appear generous, the 30th percentile threshold seems markedly inadequate. No family should allocate more than 50% of their income towards housing; therefore, a more equitable formula would be 30% of the average household income or the 50th percentile. This would better reflect the median economic realities faced by the residents of the City of Toronto.

Recommendations

To address these concerns, FoSTRA proposes a two-tiered approach to affordability:

1) Mainstream Affordable Housing: Defined as 30% of the 50th percentile of household income, accommodating the median income earner and ensuring broader applicability of the term "affordable."

2) Deeply Affordable Housing: A second tier dedicated to those at or below the 30th percentile of income. For these households, a rent-geared-to-income program that stipulates housing costs at 30% of household income would be more appropriate and humane.

This tiered approach would not only align with the principles of equity and inclusivity but would also ensure that the spectrum of income levels within the city is addressed in a manner that is both fair and practical. It is imperative that the forthcoming Affordable Housing Bulletin reflects these nuances to enable municipalities to implement solutions that are congruent with the lived experiences of all residents.

Moreover, the importance of a sustainable funding model to support the development and maintenance of affordable housing cannot be understated. The potential exemption of development charges for housing that meets the newly proposed criteria necessitate the introduction of alternative financial mechanisms. A reserve fund mandate for the maintenance of affordable housing would be a prudent addition to ensure the longevity and quality of housing stock.

In Conclusion

The province is strongly urged to revisit the affordability definition to include a dual-tiered income-based approach, ensuring that housing affordability measures are more than a one-size-fits-all solution but are tailored to meet the diverse needs of our city's population.

Thank you for your attention to these critical matters.

Sincerely

A handwritten signature in blue ink, appearing to read 'R. Green'.

Rick Green
Chair

Cc Walied Khogali Ali/FoSTRA