

DATE: March 21, 2018

REPORT TITLE: **PEEL HOUSING AND HOMELESSNESS: NEEDS ASSESSMENT, TARGETS AND REVISED PLAN**

FROM: Janice Sheehy, Commissioner of Human Services
Janette Smith, Commissioner of Public Works

RECOMMENDATION

That the targets and revised plan contained in the report entitled, “Peel Housing and Homelessness: Needs Assessment, Targets and Revised Plan”, be endorsed;

And further, that the needs assessment and targets inform the Region of Peel’s 2018 Housing Strategy thereby fulfilling the requirements of the Growth Plan for the Greater Golden Horseshoe (2017);

And further, that a copy of the Peel Housing and Homelessness Plan (2018-2028): Home For All, be forwarded to the Ministry of Housing as the Service Manager’s updated Housing and Homelessness Plan for Peel for 2018-2028, as required by the *Housing Services Act, 2011*;

And further, that a copy of the subject report and plan be forwarded to the Cities of Brampton and Mississauga and the Town of Caledon, for their information.

REPORT HIGHLIGHTS

- Changes and persistent challenges within the housing system support the timing of a legislated requirement to develop a revised Housing Strategy consistent with the 2017 Growth Plan, and a review of the Peel Housing and Homelessness Plan (PHHP).
- Based on an assessment of need across the entire housing continuum, new Official Plan Affordable Housing Targets are proposed that aim to address housing needs associated with growth in the Region.
- A new PHHP 2018-2028 is presented that includes strategies and actions designed to create greater impact and better value.
- The new plan identifies the need to continue focusing resources on programs for low income households, but also identifies a role in supporting the market to meet the housing needs of middle income households, through various tools and incentives.
- The new plan includes five key strategies:
 - Transform the delivery of programming through creation of a new service model to work towards preventing homelessness, diverting people from shelters and matching people with the right services;
 - Increase the capacity for affordable housing development and reduce the costs of development;
 - Encourage the market to produce purpose built rental and affordable home ownership through a targeted program of tools and incentives;
 - Maintain existing social and affordable housing stock and leverage existing private stock to create more and varied affordable housing options; and,

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- Expand the supply of supportive housing and supports provided to existing tenants.
- Detailed actions are described in Appendix II and in the short-term, include presentation of an initiative on anti-human trafficking, a new approach to affordable housing development, a modest program of incentives and tools to support the development of affordable rental and home ownership housing and the draft housing Regional Official Plan Amendment, which will consider the 10-year Affordable Housing Targets and strategies.
- Subject to the endorsement of Regional Council today, separate reports on the various initiatives outlining detailed financial implications, will be brought forward requesting approval to proceed.

DISCUSSION

1. Background

As a result of the 2006 Growth Plan for the Greater Golden Horseshoe (Growth Plan), a Regional Housing Strategy was developed in 2010 which informed the creation of the 2014-2024 Peel Housing and Homelessness Plan. The 2017 Growth Plan defines additional requirements for the Region of Peel such as alignment with Provincial growth allocations, meeting density and intensification targets, development of a Housing Strategy, establishing targets for affordable home ownership and rental, and identifying land use planning and financial tools to support targets. There is also a requirement for the Housing Strategy to align with the housing and homelessness plans required under the *Housing Services Act, 2011*.

The Region of Peel is the Service Manager for the Housing and Homelessness system in Peel. As Service Manager, the Region is responsible for understanding the need for emergency, transitional and affordable housing within our community and developing a housing and homelessness plan to respond to those needs. Regional Council approved Peel's first Housing and Homelessness Plan in November 2013. The Region is mandated to update its housing and homelessness plan every 5 years.

Given the interconnectedness of the Housing Strategy required as part of the 2017 Growth Plan and the Peel Housing and Homelessness Plan, it is appropriate that they should be renewed together and in tandem. A common process was created to meet the requirements of both the 2017 Growth Plan and the *Housing Services Act, 2011*. The purpose of this report is to present the results of the needs assessment to Council, seek endorsement for the new Regional Official Plan Affordable Housing Targets, as well as the outcomes, strategies and actions for the new Peel Housing and Homelessness Plan.

2. Approach

In preparation for the updated plan, four initial tasks were undertaken: conducting a Housing Needs Assessment, developing outcomes and targets, identifying roles and responsibilities, and performing an analysis of land-use planning tools and financial incentives for affordable housing development. SHS Consulting was engaged to review relevant studies, analyze data from a variety of sources and conduct a series of workshops with community agencies, housing stakeholders, staff from the local municipalities and Region of Peel staff.

This work was designed to fulfill several legislative requirements. As noted above, it is a required input to develop a Housing Strategy as part of the 2017 Growth Plan. This work is

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also an input into the Peel 2041 Regional Official Plan Review and will inform a future Regional Official Plan Amendment to revise housing policies. The Needs Assessment is designed to fulfill the proposed Planning Act requirement to develop a municipal assessment report that is contained in the *Promoting Affordable Housing Act, 2016*, also known as Bill 7, which introduces enabling legislation for municipalities to enact Inclusionary Zoning official plan policies and by-laws, once regulations have been finalized.

The process also included reviews of planning documents from local municipalities including Making Room for the Middle: A Housing Strategy for Mississauga. The plan's findings and proposed actions informed the development of the Housing Needs Assessment and strategies in the revised Peel Housing and Homelessness Plan. Regional staff has also worked with the City of Brampton and the Town of Caledon on their current housing work that is underway.

3. Summary of Needs Assessment

The Housing Needs Assessment was completed for emergency, transitional, supportive and affordable market housing. The assessment was developed based on Census and other data inputs, research and analysis, and feedback from targeted consultation. Additional 2016 Census data is being obtained and will be incorporated into this work. The assessment confirmed growing levels of unmet need for emergency shelter, affordable housing for low and middle income households and for supportive housing.

Census data was analyzed using deciles (the population as divided into 10 equal parts) with low income households representing deciles one to three and middle income households representing deciles four to six. The largest gap exists for low-income households or households that earn \$57,421 per year or less. Seventy per cent (70%) of these households (just over 90,000 households in Peel) cannot secure housing that costs less than 30 per cent (30%) of their income. A relatively smaller gap exists for middle income households. Twenty-nine per cent (29%) of these households, defined as households that earn \$57,422 - \$103,345 per year, cannot secure housing that is affordable. The existing supply of supportive housing meets just 50 per cent (50%) of the demand for this housing type. Emergency shelters, which serve a smaller population, are often in overflow. A summary of the needs assessment is captured in Chart 1 below.

The needs assessment noted some gaps in emergency and transitional housing for several groups. It highlighted the needs of youth for emergency shelter and transitional housing as well as the family shelter functioning in overflow. Victims of Human Trafficking are also noted as a group whose needs are not currently being met.

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Chart 1 – Affordable Housing Needs Assessment Summary

	Emergency / Temporary Housing	Affordable Permanent Housing		
		Low Income (Households with earnings of \$57,421 or less)	Middle Income (Households with earnings of \$57,422 – 103,345)	Supportive
Who they are	Households / persons without permanent housing	129,054 households in 2016 (income deciles 1 – 3)	129,054* households in 2016 (income deciles 4 – 6) <i>*as figures represent 3 deciles they are the same for low income and middle income</i>	Households / persons with need for permanent supportive housing
What is the need	26.9% shelter use increase: <ul style="list-style-type: none"> Shelters at capacity Insufficient beds for Victims of Family Violence and no beds for Victims of Human Trafficking Lack of upfront diversion / prevention Lack of transitional support for Youth / Victims of Family Violence 	70% of households cannot find affordable housing: <ul style="list-style-type: none"> Larger households Multiple family households Couples with children / lone parents Immigrant households Youth households Seniors Persons living alone 2 or more unrelated people living together People with a disability 	29% of households cannot find affordable housing: <ul style="list-style-type: none"> Homeowners Larger households Couples with children Multiple family households Immigrant households 	50% of demand unmet: <ul style="list-style-type: none"> Mental Illness (4 times more people on waitlist than units) Physical disabilities Acquired brain Injury Intellectual disabilities Autism spectrum Frail health Substance abuse - addictions
Type of housing required	<ul style="list-style-type: none"> Safe, stable temporary housing to address immediate needs Quicker access to permanent housing Transitional units for youth and Victims of Family Violence 	<ul style="list-style-type: none"> Rental housing which costs \$1,259 or less per month* Home ownership no more than \$228,389** 1 and 2 bedroom units for smaller households 3+ bedroom units for larger households 	<ul style="list-style-type: none"> Rental housing which costs no more than \$2,584 per month* Home ownership which costs no more than \$411,047** Units with 3+ bedrooms for larger households 	<ul style="list-style-type: none"> Affordable supportive Housing units

* based on 30% of monthly estimated average household income (2016) for households within this earnings segment and other housing cost factors

** based on 30% of maximum expenditure on ownership housing for households within this earnings segment

4. Regional Official Plan Affordable Housing Targets

Findings from the Housing Needs Assessment point to the requirement to update the existing Annual Minimum New Housing Unit Targets in the Regional Official Plan. The proposed targets focus on addressing housing needs associated with future growth as outlined in the 2017 Growth Plan, and are the foundation for a planned Regional Official Plan Amendment. In terms of an upcoming process, the draft housing Regional Official Plan Amendment will be brought forward to Council for consideration as part of the 2041 Regional Official Plan Review, followed by formal and information consultation, prior to final Council adoption and Provincial approval. Once finalized, the targets will serve as a guide for implementing Provincial, Regional and municipal policies. Progress toward the targets requires participation and investment from the private sector, all levels of government and the non-profit housing sector. The targets are not, however, an attempt to capture the number of units necessary to address current need as reflected in the number of people staying in emergency shelters or on the Centralized Wait List, due to the limitations of using this data as a representation of true community need (i.e. duplication of names on multiple

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municipal waiting lists, applicants on the list who are already in receipt of housing subsidy, etc.).

The Region's growth management work is informed by Provincial direction, including the 2017 Growth Plan forecasts. This work forecasts that on average, approximately 7,500 residential units will be created each year. Of these, it is recommended that annually 2,000 units be affordable to households with annual incomes of less than \$103,345 (household incomes in the first six income deciles). The number of affordable units recommended is based on current data regarding the percentage of households experiencing housing affordability issues. Of the 2,000 units, it is further recommended that 1,000 units be targeted to middle-income households with incomes between \$57,422 and \$103,345 per year (deciles 4 - 6), with the remaining 1,000 units targeted to households with incomes of \$57,421 or less (deciles 1 - 3). These units can be further broken down annually to 30 shelter and transitional units, 200 supportive housing units and 770 affordable units (predominantly rental, with some home ownership). The targets, which are detailed by local municipality, can be found in Appendix I. The Region has recently established an annual program to measure and monitor new housing units in Peel against the targets contained in the Regional Official Plan. Results of this work were incorporated into the Regional Official Plan: Measuring and Monitoring Report received by Council at its February 8th meeting.

5. New Peel Housing and Homelessness Plan (2018-2028): Home for All

During the past term of Council, increasing affordable housing has been a priority. While progress has been made through policy changes, additional housing stock and rent supplements, expanded programming for the homeless population and the addition of 40 new temporary shelter beds for homeless youth, concerns about homelessness and the lack of affordable housing remain. There continues to be a growing gap between supply and demand for affordable housing as noted in the Housing Needs Assessment summary above. Some of the challenges in addressing the gap can be attributed to the following:

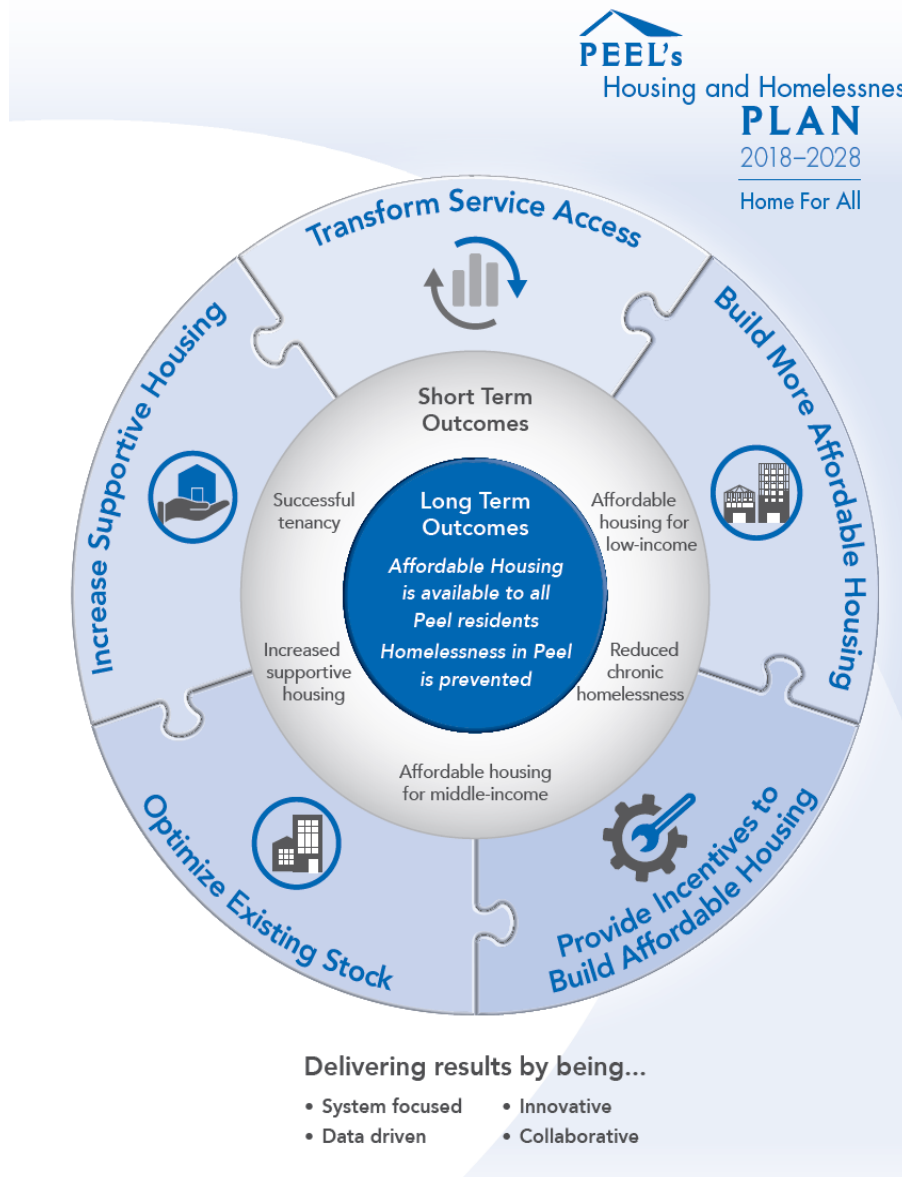
- Between 2011-2016, Peel's population grew by 6.5%.
- Between 2011-2016, the number of households living with low income grew by 8%.
- The residential rental vacancy rate fell to 1% in 2017, down from 1.4% in 2016 (compared to a healthy vacancy rate of 3%).
- Average market rent increased by 3% from \$1,175 in 2015 to \$1,211 in 2016.
- Average resale home price in Peel Region remained one of the highest at \$722,428, up 17.2 per cent from the previous year. Only 31% of new ownership housing stock created in Peel by the private market between 2011 to 2016 was affordable for middle and low income families.

Governments at all levels in Canada are recognizing and responding to these persistent and growing challenges. The Federal government released its National Housing Strategy in November 2017, signaling a renewed commitment to affordable housing. The Provincial government unveiled a number of policy initiatives (including the Long-Term Affordable Housing Strategy Update and the Fair Housing Plan) intended to slow rising house prices and give municipalities and Service Managers additional tools to support the development of affordable housing. This, along with the current work of the local municipalities in addressing affordable housing, has resulted in a timely opportunity to renew the PHHP.

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Supporting the Region of Peel Strategic Plan, the PHHP renewal provides a roadmap for the Region to address the growing challenges facing residents in having access to and maintaining affordable housing and avoiding homelessness.

The following provides an overview of the Plan and its strategies.



The PHHP identifies two long-term outcomes Peel should be striving towards:

- Affordable housing is available to all Peel residents; and
- Homelessness in Peel is prevented.

In addition, shorter term outcomes have been established to enable regular measurement and monitoring of results:

- Increased availability of affordable housing for low income families;
- Increased availability of affordable housing for middle income families;

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- Increased successful tenancies;
- Increased availability of supportive housing; and,
- Reduction in chronic homelessness.

Achieving the outcomes noted above will require a number of integrated strategies working in tandem to create a complete solution. These strategies have been designed to address immediate challenges within the housing system, and create greater positive impact for the residents of Peel (Appendix II includes some of the required actions to deliver on the strategies).

The strategies include:

A. Strategy 1 - Transform Service Access: *Transform the delivery of programming through the creation of a new service model to prevent homelessness, divert people from shelters and match people with the right service.*

The current service model focuses largely on the Centralized Wait List and determining eligibility. Transformation will focus on better assessing clients' needs and triaging those who are high priority with the right service in a timely manner regardless of wait list status.

This strategy focuses on improved housing outcomes and prevention by better assisting people who are at risk of homelessness to maintain their existing housing.

Developing and implementing a *Housing First* approach to serving people experiencing chronic homelessness will be critical to success, including the assessment, prioritization and targeting of services. Where program flexibility exists, such as rent supplement and housing allowances, the shift will be to one of greater emphasis on portability so the financial support follows the person and is not tied to the unit. Technology will be critical as this type of service coordination requires increased ability for various programs internal and external to the Region, to share information.

B. Strategy 2 - Build More Affordable Housing: *Increase capacity for affordable housing development and reduce costs of development.*

Key components of this strategy are as follows:

- Focusing on Regional/Peel Housing Corporation (PHC) land, and surplus land from other levels of government/non-profit organizations.
- Building the capacity and readiness within the non-profit sector to grow the affordable housing stock.
- Changing the model, approach and structure for housing development, learning from leading practices around the world.
- Introducing innovative financing and investment strategies.

The Region is making progress in the development of affordable housing; however significantly increasing the annual amount of affordable housing produced will require a new approach.

This includes strategies such as exploring the need for a Housing Development Corporation in Peel, focusing more development on PHC's land, starting with 7 priority

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sites (Appendix III) as identified by the PHC Board, and building the capacity of other non-profit housing providers to become active in the development of new affordable housing.

Harmonization with the local municipalities will be important to ensure that land use planning policies and processes support these goals.

C. Strategy 3 - *Incent Building Affordable Housing:* Encourage the market to produce purpose-built rental and affordable home ownership through a modest program of tools and incentives.

Increasing the amount of affordable housing developed annually must be supported by coordinated application of land use planning tools and incentives for private and non-profit organizations wanting to build new affordable units.

Coordinating land use planning tools will require collaboration with the local municipalities and engagement with developers to ensure the tools are appropriate to Peel's context. Financial incentives will need to be carefully targeted, so that the funding is focused on units that would not have otherwise been produced by the market. Full disclosure as to the cost of the incentives is necessary to understand the impact of foregoing property tax revenue or development charges, thereby enabling the calculation of an accurate return on investment.

D. Strategy 4 - *Optimize Existing Stock:* Maintaining existing social and affordable housing stock and leveraging existing private stock to create more and varied affordable housing options.

Because building new housing is expensive, maximizing opportunities to maintain social and affordable housing while increasing affordable units within existing private stock is essential to providing Peel residents with increased housing options. This includes exploring new approaches to second suites, home sharing, and co-housing. This represents a shift for Peel as these strategies are relatively new and challenge assumptions about community density and valuing independence.

It is critical for the Region to strengthen relationships with the non-profit and private sector. The Region, as Service Manager, cannot mandate that non-profit housing providers remain within the social housing system once operating agreements end. Further, many rent supplement and housing allowance programs rely on private landlords. Increased efforts will be required to appeal to existing and new landlords.

In addition, taking advantage of innovative programs such as home sharing and new approaches to second units is essential, but it will not happen if attitudes are not supportive. Skillful marketing of these programs will be required to bridge some of these concerns.

E. Strategy 5 - *Increase Supportive Housing:* Expand the supply of supportive housing and supports provided to existing tenants.

Supportive Housing is a critical intersection between affordable housing and the permanent supports needed to maintain housing and achieve a high quality of life for our

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most vulnerable residents. Many systems, including hospitals and the emergency shelter system, experience capacity issues because appropriate Supportive Housing is not available.

A coordinated approach needs to be taken with the Ministry of Health and the Local Health Integration Networks to ensure that capital funding can be aligned with support funding. Supportive Housing systems currently function in silos with each responding to its own funders' mandates. It is important to build on the initial coordination efforts that have already been undertaken to develop concrete commitments for the Local Health Integration Networks, community agencies and the Region to plan together.

6. Key Enablers

The PHHP's five strategies will be enabled through co-design and collaboration with local municipalities, the building industry, non-profit housing providers, community agencies and residents. The actions proposed require the shared commitment of all participants and a willingness to do things differently in order to make progress towards achieving the targets. Advocacy with the provincial and federal governments for flexibility in administering housing programs and increased funding is another critical enabler. Many of the current rules governing social housing are out of date and need to be simplified.

RISK IMPLICATIONS

There are a number of risks associated with the strategies described in this report. The Region cannot accomplish this work on its own. The province needs to continue to provide leadership by developing high level policy and providing long-term sustainable funding to Peel. The province is also primarily responsible for many areas that affect housing and homelessness including health care, mental health, childcare and the programming that addresses violence against women. These services should be engaged in local planning efforts. The federal government needs to play its part as well, by following up on the commitments made through the recently announced National Housing Strategy.

Partnerships with local municipalities are critical. Brampton, Caledon and Mississauga are taking important steps through the development of their affordable housing plans and strategies. Many strategies to increase the supply of affordable housing require changes at the local level supported by Regional policy. It is essential that efforts by the local municipalities and the Region are carefully coordinated to achieve successful outcomes.

Coordination is also required with community partners including for-profit housing developers, non-profit housing providers, social services agencies and community groups. Their knowledge, relationships and resources need to be effectively leveraged. Key risks are further summarized below.

a) Funding

Increasing the amount of affordable housing developed annually will require significant new funding from the Region and the federal and provincial governments. A lack of funding from any of these sources will result in a reduced ability to deliver on new affordable units.

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b) Housing Market

The needs assessment and targets are based on the best-available data that explains the characteristics of the housing market given today's micro and macro-economic context. However, there are several factors that can influence or change housing market characteristics, such as wages and consumer spending power, interest rates, supply and demand and other drivers that are beyond the Region's control.

c) Availability of Regional Land

One of the strategies to reduce the cost of affordable housing development is to build a significant portion of new units on land owned by the Region of Peel and the Peel Housing Corporation. If land is not made available for affordable housing development, it would need to be purchased and the cost of development would rise substantially.

d) Participation of Partners

The strategies in the PPHP are dependent on a wide variety of partners. Local municipalities are critical to the success of land-use planning tools and incentives for affordable housing development, non-profit housing providers are essential to ensuring the maintenance of existing stock, private landlords' participation will be required to grow the number of rent supplements used, and the Local Health Integration Networks are a vital link in planning for Supportive Housing. If any of these partners do not participate in the strategies, the ability to meet the targets will be compromised.

FINANCIAL IMPLICATIONS

The new Peel Housing and Homelessness Plan is a high level roadmap to achieve our housing and homelessness outcomes. It is anticipated that additional financial and staff resources will be required for successful implementation. Staff will return to Regional Council as required, with a full costing of the various initiatives, requesting approval to proceed.

NEXT STEPS

Pending Council approval of this report, Regional staff will develop a full implementation plan, a complete set of performance metrics and a structure for governing the work moving forward.

Separate reports will be brought forward to implement the key strategies, including the following:

- An Action Plan Towards Ending Youth Homelessness;
- An initiative on anti-human trafficking in Peel Region;
- A new model for clients accessing housing and homelessness services to better help clients avoid homelessness, achieve stable housing, or increase income;
- A new model/structure for housing development in Peel;
- A Housing Master Plan and financing strategy that outlines where emergency shelter, transitional, supportive and affordable housing development should occur over the next 10-years;
- The development of the Peel 2041 draft housing Regional Official Plan Amendment which will consider the 10-year Affordable Housing Targets and strategies, followed by a formal and informal consultation process;

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- A program of incentives and tools to support the development of affordable rental and ownership housing; and
- A new Partnership Framework for Social Housing Providers.

CONCLUSION

The Housing Needs Assessment identified significant gaps, especially with regard to the availability of affordable housing for households with low-incomes, emergency shelter, transitional housing and supportive housing. It also highlights a role in supporting the market to meet the housing needs of middle income households. These findings pointed to a clear requirement to update Regional Official Plan Housing Targets and policies, and confirmed the legislative requirement to review the Peel Housing and Homelessness Plan (PHHP).

The Affordable Housing Targets represent the needs of Peel's growing population over the next 10 years. Progress toward these targets will require funding and policy support from all levels of government as well as the development industry and the non-profit housing sector.

The new PHHP identifies five strategies to improve outcomes for people experiencing homelessness and to increase the availability of affordable housing.



Janice Sheehy, Commissioner of Human Services



Janette Smith, Commissioner of Public Works

Approved for Submission:



D. Swarc, Chief Administrative Officer

APPENDICES

- Appendix I - Housing Targets 2018-2028
- Appendix II - Home for All Strategies and Actions
- Appendix III - Peel Living Priority Sites for Redevelopment Consideration
- Appendix IV - Selected Peel Housing and Homelessness Plan Accomplishments

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For further information regarding this report, please contact Aileen Baird, Director, Housing Services, extension 1898, aileen.baird@peelregion.ca, or Arvin Prasad, Director, Integrated Planning, ext. 4251, arvin.prasad@peelregion.ca.

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