



STAFF REPORT ACTION REQUIRED

Affordable Homeownership Client Survey: Next Steps

Date:	May 11, 2012
To:	Affordable Housing Committee
From:	Director, Affordable Housing Office
Wards:	All
Reference Number:	AFS 15545 - Results of the City's First Affordable Homeownership Client Survey

SUMMARY

Government initiatives that enable low- and moderate-income people to become home owners are successful and should continue, according to a client satisfaction survey of Torontonians who received down payment assistance to help buy their home.

The first-of-its-kind survey was conducted by the City's Affordable Housing Office in the fall of 2011. Some 236 new homeowners from 15 Toronto wards completed the 31-question survey both online or by phone – a 40 per cent completion rate. The resulting report, *Making Homeownership Happen – Success through Partnerships*, was released March 12, 2012 by Councillor Ana Bailão (Ward 18 Davenport), Chair of the Affordable Housing Committee, and provides valuable information to help the City and its non-profit partners better deliver home ownership assistance. The study and related news release are attached to this report.

Through funding programs and agreements with the federal and provincial governments the City works in partnership with local non-profit groups to support their affordable home ownership developments. Support for new affordable ownership housing is a priority of the *Housing Opportunities Toronto Affordable Housing Action Plan 2010-2020*. The results of the survey will inform future updates of the Action Plan, as required under the Provincial Housing Services Act, 2011. The survey results will also inform the City's Official Plan review, currently under way.

The survey was distributed to people who purchased homes developed by the following six non-profit organizations: Habitat for Humanity Toronto, Home Ownership Alternatives Non-Profit Corporation, Toronto Artscape, the Miziwe Biik Aboriginal Development Corporation, the Women's Religious Project, and Toronto Community Housing.

RECOMMENDATIONS

The Director, Affordable Housing Office recommends that:

1. Council request the Chair of the Affordable Housing Committee to forward the *Making Homeownership Happen – Success through Partnerships* survey report to the Provincial Minister of Municipal Affairs and Housing and the Federal Minister Responsible for the Canada Mortgage and Housing Corporation.
2. Council request City Planning staff responsible for the Official Plan Review to consider the findings of the *Making Homeownership Happen* survey to inform their review and recommendations concerning future affordable home ownership policies.
3. Council request the Director, Affordable Housing Office, to consider the findings of *Making Homeownership Happen* survey in the future update of *Housing Opportunities Toronto Affordable Housing Action Plan 2010-2020*, as required under the Provincial Housing Services Act, 2011.
4. Council formally thank the organizations involved in the delivery of new affordable ownership housing whose efforts have given Toronto residents the chance to own their own home.

Financial Impact

There are no financial implications resulting from the adoption of this report.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity Statement

Affordable home ownership initiatives provide better and more equitable access to home ownership for disadvantaged and lower-income segments of Toronto's population. Enhancing ownership opportunities for Toronto families, social housing tenants and social housing waiting list households improves their economic and social well-being, as well as that of the City as a whole. These households include seniors, often on fixed-incomes, single parent families, people with disabilities, recent immigrants and racial minorities. The City monitors the impact of these initiatives by tracking the number of families, social housing and waiting list households that are housed, as well as by gathering information from home buyers on the quality of their purchase experience.

DECISION HISTORY

On February 6 and 7, 2012, City Council adopted EX15.2 *Investments in Affordable Housing: Proposed Program Allocations for New Federal/Provincial Funding*, as amended, which authorized the General Manager, Shelter, Support and Housing Administration and the Director, Affordable Housing Office to enter into agreements with the Ministry of Municipal Affairs and Housing, other City divisions including Toronto Employment and Social Services, community agencies, private entities and/or individuals to deliver \$103 million in federal/provincial funding under the Investment in Affordable Housing program (IAH). \$6.6 million of this funding was approved under the program's Affordable Homeownership Component, with \$3.3 million of that allocated to Toronto Community Housing.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=5077>

Council at its meeting of May 11 and 12, 2010, adopted Clause EX43.26, *Standardizing City Support for New Assisted Ownership Housing Opportunities*, which laid the foundations for the City's assisted-ownership policy and funding program, the Home Ownership Assistance Program (HOAP). \$2 million in Development Charges funds were allocated to the program annually.

<http://www.toronto.ca/legdocs/mmis/2010/ex/reports/2010-04-19-ex43-cr.htm>

On August 25, 26 and 27, 2010 City Council adopted EX46.18 *Home Ownership Assistance Program Recommendations for 395 New Homes from Request for Expressions of Interest No. 9155-10-7150* which allocated funding under the City's Home Ownership Assistance Program to 395 new homes to be developed by the non-profit affordable ownership sector.

<http://www.toronto.ca/legdocs/mmis/2010/cc/decisions/2010-08-25-cc52-dd.htm>

On July 6-8, 2010 City Council adopted EX45.47 *Creating Homeownership Opportunities for Social Housing Residents* to promote home ownership opportunities for social housing tenants and households on the social housing waiting list by working with the City's community partners on the delivery of affordable ownership programs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.EX45.47>

ISSUE BACKGROUND

Home ownership is a widely-accepted way to build equity and ensure good quality housing, yet it is out of reach for many Toronto households. The City's support for affordable homeownership has primarily focused on the administration of federal-provincial down payment assistance loans to qualified home buyers.

The City began delivering home ownership assistance loans under the federal - provincial Affordable Housing Program – Homeownership Component (AHP) in 2008. This program was recently renewed as the Investment in Affordable Housing program (IAH).

In February 2012, Council approved the use of \$6.6 million for new affordable ownership down payment loans over the next three years under the IAH.

In addition, in 2010 City Council created a self-financing loan program to assist non-profit housing proponents to pay City development fees and charges and provide down payment assistance loans to qualified purchasers. The Home Ownership Assistance Program (HOAP) is funded from development charge revenues paid by the private residential development sector.

Between September and November, 2011 the City of Toronto's Affordable Housing Office conducted a first-of-its-kind client satisfaction survey of Toronto households who received down payment assistance from the City and its non-profit community partners to buy their home.

The study, *Making Homeownership Happen – Success through Partnerships* (attached to this report), examines the impact of the affordable ownership loan funding delivered by the non-profit housing providers who work with the Affordable Housing Office. The survey also asked how well the City and its non-profit partners have supported low- and moderate-income individuals through the homeownership process.

COMMENTS

The *Making Homeownership Happen* affordable ownership survey was completed by 236 respondents, for a 40 per cent completion rate. Some 215 respondents received down payment loans from federal, provincial or municipal programs. Respondents generally reflect Toronto's population in age and occupation, but have more moderate household incomes.

Almost three-quarters of respondents said they would not have been able to buy a home without the financial support of the community organizations and government programs, revealing how crucial additional funding is if low- and moderate-income rental households are to succeed in owning their own home. This support has allowed low- and moderate-income people to begin building equity. It has also freed up homes in the private rental market, thereby relaxing the vacancy rate, and in social housing, making homes available for those on the waiting list.

The survey results indicate that the stability and housing quality attained through home ownership generate broad positive impacts. Some 70 per cent said their financial stability had improved or was expected to improve. The move from rental to ownership also improved a variety of quality-of-life measures: personal privacy, feelings of safety, physical health, ability to work from home, and children's performance in school.

Key Respondent Information:

Average amount of government assistance	\$17,600
Average income of buyers	\$43,600
Average price of homes purchased	\$250,000
Range of assistance received	\$1,000 - \$50,000
Respondents who were on the social housing waiting list or were Toronto Community Housing (TCH) tenants before purchasing a home	14 per cent
Earned less than \$30,000 a year	12 per cent
Earned between \$30,000 and \$70,000	64 per cent

The *Making Homeownership Happen* survey would not have been possible without the Toronto Urban Fellows Program. The survey's author and project manager, Adam Popper, was made available to the Affordable Housing Office through the Urban Fellows Program.

Conclusion:

Government initiatives that enable low- and moderate-income people to become home owners are successful and should continue.

The results from the *Making Homeownership Happen – Success through Partnerships* survey provide valuable information to assist the City and its non-profit partners to better deliver home ownership assistance to Torontonians. One needed improvement that the survey revealed is that many buyers feel they could use more support throughout the purchase and financing process. Future administration agreements between the City and its program delivery partners will strengthen obligations to clients regarding access to home ownership education and plain-language information materials.

The City will also continue to promote and support home ownership for social housing residents and those on the social housing waiting list to reduce the length of the list and free up social housing units.

The City will incorporate the findings of the survey into future updates of the *Housing Opportunities Toronto Affordable Housing Action Plan 2010-2020*. The survey results will also help inform the City's current Official Plan review of home ownership policies.

CONTACT

Erik Hunter, Policy Development Officer
Affordable Housing Office
Phone: 416-397-4251
Fax: 416-392-4219
Email: ehunter@toronto.ca

SIGNATURE

Sean Gadon
Director Affordable Housing Office

ATTACHMENTS

- 1) News Release: Government support key to low-income homeowner success: survey
- 2) Making Homeownership Happen – Success Through Partnerships, An Affordable Homeownership Client Survey, March 12, 2012

March 12, 2012

Government support key to low-income homeowner success: survey

Government funding is essential if low and moderate income rental households are to succeed in owning their own home, according to *Making Homeownership Happen – Success through Partnerships*, a first-of-its-kind survey conducted by the City of Toronto's Affordable Housing Office.

Almost three-quarters of respondents said they would not have been able to buy a home without financial support from governments, according to the *Making Homeownership Happen – Success through Partnerships*.

Almost four-fifths of those surveyed are satisfied with the transition to owning from renting. Some 70 per cent said their financial stability had improved or was expected to improve.

"It's clear from these results that homeownership for low - and moderate - income households is a success story," said Councillor Ana Bailão (Ward 18 Davenport), Chair of the Affordable Housing Committee. "This is government funding well spent. It allows low-income people to begin building equity and frees up affordable rental homes for those on the waiting list."

Some 14 per cent of those surveyed had been on the social housing waiting list or were Toronto Community Housing Corporation (TCHC) tenants before becoming homeowners. About 12 per cent earned less than \$30,000 a year and 64 per cent earned between \$30,000 and \$70,000.

Some 236 people filled out surveys – a 40 per cent completion rate. The surveys were distributed by six organizations which work to provide affordable homeownership: Habitat for Humanity Toronto; Home Ownership Alternatives Non-Profit Corporation; the Women's Religious Project; Artscape; Miziwe Biik and TCH. The 31-question survey was conducted between September and November, 2011.

Toronto is Canada's largest city and sixth largest government, and home to a diverse population of about 2.7 million people. Toronto's government is dedicated to delivering customer service excellence, creating a transparent and accountable government, reducing the size and cost of government and building a transportation city. For information on non-emergency City services and programs, Toronto residents, businesses and visitors can dial 311, 24 hours a day, 7 days a week.

Media contact: Gil Hardy, Affordable Housing Office, 416-397-4701, ghardy@toronto.ca