

Advisory Committee Meeting – November 22, 2021

Council-In-Committee – December 14, 2021

Subject: Request for Affordable Housing Alternate Average Market Rent (AAMR)
Report Number: HSS 21-26
Division: Health and Social Services
Department: Haldimand Norfolk Social Services and Housing
Purpose: For Decision

Executive Summary:

As shareholders, Haldimand and Norfolk Council's approved a shareholders agreement that allowed the Haldimand Norfolk Housing Corporation (HNHC) to pursue a broader range of affordable housing opportunities than previously. Through the Regeneration and Strategic Asset Management Planning process, the Haldimand Norfolk Housing Corporation (HNHC) brought forward a request to the Social Services & Housing department to request an Alternate Average Market Rent (AAMR) for affordable housing in support of two proposed new housing projects. This request, if approved by Council would then be submitted to the Ministry of Municipal Affairs and Housing for consideration and approval. The HNHC commissioned a study from Haerko Inc., the consultants who were retained for the regeneration and strategic asset management plans, to support their request. The study is attached to this staff report.

The purpose of this staff report is to present the AAMR study to Council with analysis of potential impacts, both positive and potentially negative, of implementing the AAMR as recommended by the consultant and to seek Council direction on whether to submit this request to the Ministry of Municipal Affairs and Housing for their approval.

Discussion:

The housing continuum includes three different types of rental housing based on the rent levels paid by the tenant: social or rent-geared-to-income (RGI) housing, affordable housing and market rent housing.

RGI Housing is non-profit rental housing that the municipality administers through the Social Services and Housing department and supports through annual operating subsidies. This is rental housing that was transferred from the Province to the municipalities in 2001. Applicants for RGI housing must apply through the centralized waiting list and must meet the eligibility criteria as set out in the provincial *Housing*

Services Act (HSA). The amount of rent that is paid by the tenant is calculated using the *HSA* formula (usually 30% of their gross monthly income) and tenants receiving Ontario Works or Ontario Disability Benefits pay a set amount of rent each month based on the provincial rent and utility scales set out in the *HSA* for social assistance recipients. Generally speaking those individuals and families requiring RGI housing have the deepest core affordability need.

According to Canada Mortgage and Housing, affordable housing generally means a housing unit that can be owned or rented by a household with shelter costs (rent or mortgage, utilities, etc.) that are less than 30 per cent of its gross income. For affordable housing that has received capital and/or operating funding from a government funding program, this level is 80% of the average market rent. Each year the Ministry provides the Social Services & Housing Department with the average market rents per unit size as determined by the Canada Mortgage and Housing Corporation and the 80% level of the average market rent (AMR). The 80% of AMR is the maximum rent that an affordable housing landlord can charge if they are connected to the Social Services and Housing Department through a funding contribution agreement (e.g. Investment in Affordable Housing, Social Infrastructure Fund, Home for Good, National Co-Investment Fund). With increasing housing costs there is increased need for affordable housing for individuals, seniors and others with moderate income levels.

Market rent is rental housing where the level of rent paid by the tenant is set by the landlord and based on what the market can bear and any stipulations set out in the *Residential Tenancies Act*. Market rent landlords are not governed by the *Housing Services Act* as they don't receive funding for capital or operating expenses from a level of government. If a landlord has a building that is mixed income (some affordable units and some market units), historically, the provincial funding that has been available has only been able to be allocated to the construction of the affordable units that would be subject to the 80% AMR rent levels for the affordable units. Private market rental units are not within the scope of the Social Services & Housing department except to broadly encourage the development of rental housing in general. In general as housing costs have increased this has resulted in more demand for rental housing which in turn has resulted in increases in rental costs. Given market conditions investments are being made to upgrade the modest rental units by landlords to be able to offer the units at a higher cost with the result that the overall inventory of moderately priced rental accommodation is getting smaller.

This report applies only to affordable housing and the associated rent levels.

Currently, each year the Social Services & Housing Department receives a communication from the Ministry with the market rent levels per unit size as determined by Canada Mortgage and Housing and the 80% AMR levels to be used as the affordable rents. The maximum allowable affordable rent is the highest level of rent that can be paid by a tenant living in affordable housing and is used as a criteria for grant funding from senior levels of government. It is recognized that the current AMR's as provided by the Ministry do not reflect the actual market rents being charged in the

Counties. The HNHC has proposed alternative affordable rent levels to reflect 80% of the current market conditions.

The following chart provides a comparison of the 2021 affordable rents (based on 2020 data) provided to the Consolidate Municipal Services Manager by the Ministry of Municipal Affairs and Housing (80% AMR) and the requested Alternate Average Market Rents (AAMR).

Unit Size	Alternate Average Market Rent	80% AAMR	Difference between 80% AAMR and 80% AMR
Bachelor	\$965	\$772	+ \$306
1 Bedroom	\$1,312	\$1,049	+ \$442
2 Bedroom	\$1,639	\$1,311	+ \$689
3 Bedroom	\$1,808	\$1,446	+ \$652
4 Bedroom	\$2,225	\$1,780	+ \$924

As is noted above, one of the reasons for the request for AAMR's is that the current AMR's as provided by the Ministry do not reflect the actual market rents being charged in the Counties. Connected to this, the concern is that developers are not able to build viable affordable housing without significant capital and/or operating subsidies from levels of government if they are not able to obtain adequate revenues from tenant rents. Staff acknowledge that the market level rents are substantially higher than what is currently used to calculate affordable rent levels.

The Social Services & Housing Department requested information from other communities about the use of AAMR's through the Ontario Municipal Social Services Association, the provincial organization that represents the 47 CMSM's and DSSAB's in the province. Three responses were received from the following municipalities: York, Halton and Durham Regions. All three CMSM's indicated they use AAMR's for programs such as affordable housing development, housing allowances and rent supplements. All three indicated that they use municipally funded housing benefit programs to support households who require a deeper level of affordability. Through a media article, Staff are also aware that Stratford has also recently approved AAMR's.

Further, the HNHC has created business cases for new mixed income developments as part of their Regeneration Master Plan, the first two being the proposed developments for Dunnville and Simcoe. Land has been gifted to the HNHC for both of these developments – by the private land owner for Simcoe and by Haldimand County for Dunnville. Haldimand County has also committed substantial financial support for the proposed Dunnville development. The financial components of the business cases and the viability of these two projects are contingent upon approval of the AAMR's.

It is also important to acknowledge that the cost of housing both for home ownership and rental has been and continues to be very high and that the cost of housing is not

affordable for community members whose income is government assistance or who have employment income that is at or close to minimum wage.

In setting AAMR's, Staff want to try to avoid unintended, negative consequences such as creating increased affordability challenges for some of our more vulnerable community members and potentially not addressing homelessness or the risk of homelessness. The following is an assessment of the pros and implications of the request:

Pros:

- The proposed rent levels will help to facilitate the two proposed HNHC projects which will address part of the need in the community in terms of providing housing that is affordable to households of moderate income such as couples who have more than one seniors' pension or who have more than one source of employment income and individuals who are making more of a living wage which has been estimated to be \$17-\$18 per hour in Haldimand and Norfolk; While these additional units will not address the deepest core housing need what it will do is target a different sector in need of housing – those who do not necessarily meet the eligibility requirements to be placed on the central waiting list, yet they cannot afford market rent or home ownership.
- The AAMR may make it more financially feasible for other potential affordable housing providers to pursue initiatives as more funding will be able to be accessed from tenants; It may also allow more moderate income housing units to be provided overall.
- Changing the AAMR will not impact the number of RGI units in both Counties which serve the deepest need. The number of RGI units in the Haldimand and Norfolk housing portfolio remains constant at this time. Therefore there is not a reduction in RGI units, meaning the same number of units are available for those with deeper affordability needs going forward.

Potential Implications:

- It will not reduce or divert the number of people on the central waiting list which represents those with the greatest affordability challenges. While theoretically the existing AMR levels would allow some people on the waiting list to access housing if it was built at existing AMR rent levels, the new AAMR will produce units that will be beyond the capability of all of those on the waiting list. It is acknowledged however, that to achieve existing AMR levels significant subsidies well beyond the municipal capability would be required. Furthermore, there is no ability to 'top up' the gap by using rent supplement funding received from senior levels of government as the existing demand exceeds this capacity. Essentially while the new AAMR will help those of moderate income it will not help those with the greatest need in the community.

- Periodically affordable housing funding programs are announced and administered by the County. Past practice has been as part of proposal calls to prioritize projects that meet the deepest need. The existing AMR encourages the production of housing that is capable of meeting more affordable housing need than the proposed AAMR.

The issue of housing affordability covers a broad spectrum of need. Historically the County has focused on trying to assist those with the deepest need by administering programs designed to address that segment. Unfortunately the need far exceeds the availability of housing and funding. More recently, as housing costs have escalated in recent years other segments of society are also experiencing challenges with finding affordable and suitable housing. The approval of the AAMR will help address the affordability issues for households of moderate income but will not necessarily help those with the greatest core needs. The purpose of this report is to provide Council with the information and analysis related to the request for AAMR's and to seek Council's direction to approve or not approve. If Council direction is to approve the request for AAMR's, then Staff will prepare and submit the request to the Ministry of Municipal Affairs and Housing for their approval.

Financial Services Comments:

Norfolk

Staff agree with comments provided by Haldimand Financial Services staff below.

The Housing Corporation's budget is funded largely through rent revenue and municipal subsidy. By increasing rent revenue through the proposed AAMR, it is anticipated the municipal subsidy would decrease, or that the funds would be held in reserve. These funds could then be used to offset anticipated increases in municipal subsidy from the asset strategies as detailed in the HNHC's Regeneration Master Plan (presented within Council report HSS 21-12).

Haldimand

From strictly a financial perspective, an AAMR may reduce the required financial support from the respective municipalities for any existing or new Affordable Housing units. However, if the AAMR is unattainable for a larger portion of the sector in need of housing, it could lead to increased financial pressures on the municipality to provide alternative affordable housing options within the County. It is expected that this would happen rarely, if ever, since the vulnerable that are currently living in the community are presumably either living in RGI housing or living in market housing. If living in RGI housing, AAMR will not impact them. If living in market housing and more privately developed affordable housing is built based on AAMR, they will qualify and they will pay less rent. If they do not qualify they would remain on the RGI list. Therefore, an AAMR may enable more interest in private housing development and less financial support at the municipal level, while filling in gaps in the housing continuum.

Specifically for Haldimand, the business case for the proposed new build by the HNHC in Dunnville is predicated on an AAMR to make the building financially sustainable/revenue neutral. If the status quo (AMR) remains, the loss in annual revenues needs to be offset from other revenue sources and it is not intended to be funded by increased Haldimand County contributions, which may put the project in jeopardy.

Interdepartmental Implications:

Norfolk

Haldimand

The housing spectrum is made up of a variety of different levels of need across the population from homeless to market rate property ownership. The current RGI system is intended to meet the needs of those with the deepest affordability requirements. The system is based on a central wait list which allows individuals and families from across Ontario to select any waitlist they wish to be included on, without discrimination based on not being a local resident. This process demonstrates that subsidized housing has traditionally been a matter addressed at the federal and provincial levels, even though the municipal level administers the prescribed programs. This further demonstrates that the national housing crisis is beyond a municipalities ability to address and resolve fully, and always has been.

Affordable housing is not a prescribed program with a central waitlist. This type of program allows each County to independently address those in need of affordable housing specifically at the local level, if desired, without impacting those in RGI housing.

Despite the fact that the RGI central waitlist is provincially based and not necessarily municipally focused in regard to accessing the list, in 2020 there were 409 people/families on the waitlist who are considered eligible for RGI housing – so a higher subsidy level. However, there were 3,000 people/families in Haldimand and Norfolk who were spending more than 30% of income on housing and therefore, in need of affordable housing. This is a significantly higher number than the waitlist. Therefore, although those on the waitlist have a need for higher subsidy levels, it appears there is a significantly higher number of people who are still in need of affordable housing to some degree – most who presumably do not meet the eligibility requirements for RGI housing. Moving to an AAMR would allow a focus on this segment of the population and getting them into housing they can afford, which in turns provides them with more disposable income for other priorities and economic return within the community. It does not impact the wait list and those currently eligible for RGI housing.

Haldimand staff have reviewed the report, met with the Service Manager representative and consulted with the Haldimand-Norfolk Housing Corporation related to this matter. Haldimand staff has different concerns with remaining at status quo. The concern is by

remaining at AMR, it significantly limits the feasibility of affordable housing development, and possibly even mixed housing developments because it does not factor in a realistic market rate in today's society. If private development of affordable housing is not feasible, then it is unlikely to happen without significant pressure for municipal financial contributions. If affordable housing development does not occur, no one on the housing spectrum benefits. This is an opportunity to address a segment of local individuals/families in need of affordable housing rather than remaining status quo and not seeing any significant improvements at all. As mentioned above, this report does not impact RGI housing. Therefore, Haldimand County staff recommend the AAMR model.

Consultation(s):

HNHC would like to point out the following benefits of AAMR:

- **Increases Federal Funding of New Developments**

For CMHC's Co-Investment program which funds both New Developments and Repair & Renewal of existing housing stock, the amount of funding provided is directly tied towards achieving deeper affordability targets. With AAMR's being used in place of MMR's, more units in any given development would meet deeper affordability targets and thus giving higher scoring and therefore greater funding.

- **Reduces Municipal Capital Subsidy for New Developments**

With AAMR's being higher than MMR's, the rental revenues within the developments will be able to generate higher Net Operating Income (NOI) without the need for any additional subsidy. The increased NOI, in the case of new developments, will result in an increased ability to take on debt. This ability to afford more debt will directly reduce the upfront capital contribution needed from the county to fully fund the development.

- **Reduces the Number of Households Paying >30% of income on rent**

Currently, there are approximately 409 households on the waiting list and 3,000 households paying >30% of income on rent in the Haldimand Norfolk service area. For those households on the waiting list and the 3,000 households paying >30% of income on market rent, the development of affordable housing will decrease the financial pressure on those households.

- **Enables the Development of Mixed-Income Communities**

Historically, housing programs often segregated households by income level due to the nature of the housing programs. The proposed affordable housing communities are designed to be mixed-income and thus inclusive communities. The new developments will have rent structures that range from RGI to market. Mixed-income communities are one of the core pillars of housing modernization that are rapidly gaining acceptance and therefore growing across Canada.

Strategic Plan Linkage:

This report aligns with the 2019-2022 Council Strategic Priority "Focus on Service".

Explanation:

The Social Services & Housing Department, as the Consolidated Municipal Services Manager for housing and homelessness is responsible for recommending programs, services and policies that support as many community members as possible to access affordable housing and prevent homelessness.

Conclusion:

As part of the Regeneration Master Plan process, and the development of the associated business cases for new affordable housing development, the HNHC commissioned a study for Alternate Average Market Rents. Staff are presenting this request with analysis of the potential outcomes and opportunities and seek Council direction regarding approval.

Recommendation(s) of Health and Social Services Advisory Committee: As presented in Staff Report # HSS 21-26.

Recommendation(s):

THAT Report, HSS 21-26, Request for Affordable Housing Alternate Average Market Rent (AAMR), be received as information;

AND THAT Council approve the request for AAMR as presented in this staff report.

Attachment(s):

AAMR Study Completed by Haerko Inc.

Submitted By:

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AAMR Study Completed by Haerko Inc.



Alternative Average Market Rent

**Haldimand Norfolk Housing
Corporation**

Agenda:

- 3 Definitions
- 4-9 How Does AAMR Affect the Community?
- 10-11 Issues with MMR
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- 17 Recommendation



Definitions

Median Market Rent (MMR)

The result of CMHC's annual Rental Market Survey, this represents the median of all rents currently being paid. This universe will range from long tenanted rent-controlled units to newly rented market units. Senior levels of government, in particular CMHC, utilize this benchmark for scoring on funding applications.

Alternate Average Market Rent (AAMR)

The Ministry of Municipal Affairs and Housing (MMAH) allows for the Service Manager (SM) to submit a Local Market Rent Survey and Business Case to be considered in approving AAMR's. Particularly CMHC will alternatively rely on these approved AAMR's instead of the MMR's in their funding applications.

How does AAMR Affect The Community?

RGI Units

Establishing an AAMR for the service area has no affect on households living in an RGI unit. RGI unit rents are established and controlled by the Housing Services Act and cannot be changed.

Households on the Waitlist

Households on the waitlist are eligible to live in RGI units, thus if they are placed in RGI units, their rents will not have increased. With the approval of an AAMR for the service area, they will have a greater opportunity to find affordable units. Without the approval of an AAMR, their options are limited to either RGI units with a long waitlist (up to 8 years) or market units which they cannot afford.

How does AAMR Affect The Community?



Rent Geared to Income

Takes households from the
waitlist

AAMR
Takes
households
that are
paying > 30%
of Income on
Housing (ex.
in SA = 3,000
households

How Does AAMR Affect The Community?

Portable Housing Units/Allowances

Establishing an AAMR for the service area will not affect households using a portable housing allowance. Households using a portable housing allowance pay affordable rents (80% of market rents) with the 20% difference paid by the allowance.

Households Facing Housing Affordability Issues

Households who pay more than 30% of their pre-tax income will have a greater opportunity to find affordable units with the approval of AAMR. Without the approval of an AAMR, their options are mainly limited to market units, which they cannot afford, while also not eligible for RGI units.

How Does AAMR Affect The Community?

Households Facing Deep Housing Affordability Issues

Households who pay more than 50% of their pre-tax income will have a greater opportunity to find affordable units with the approval of AAMR. Without the approval of an AAMR, their options are limited to either RGI units with a long waitlist (up to 8 years) or market units, which they cannot afford.

Community Housing Organizations

Providers such as HNHC, Dunnville Non-Profit Housing Corp. will be able to obtain federal and provincial funding and have access to a greater range of funds with the approval of an AAMR, which can be used to maintain existing units and for new housing units.

How Does AAMR Affect The Community?

Private Community Organizations and Developers

Easier access to obtain federal and provincial funding and a greater range of funds with the approval of an AAMR for new housing units. Currently affordable rents are below RGI rents and are not economically feasible.



How Does AAMR Affect The Community?

Service Manager / Haldimand and Norfolk County

With the approval of an AAMR, they will be able to obtain federal and provincial funding and a greater range of funds, foster an environment that allows community housing organizations and developers to create more affordable housing options for more residents, while not affecting households housed in RGI units.

Financially, funds garnered from federal and provincial sources will lower the cost to maintain existing RGI units and build new units.

Issues With MMR

Over-representing Older Stock in Small Communities

With smaller communities not experiencing the rental unit growth experienced in larger communities, the data is skewed to older rent controlled units bringing down the MMR.

Poor Data Quality in Small Communities

CMHC labels the reliability of their survey data, expressing this quality in an A – D grade. Haldimand and Norfolk's survey data isn't as high scoring as other municipalities with Norfolk's Bachelor data receiving a "C" and Haldimand's not scoring at all.

Issues With MMR

Materially Trailing Relative to Large Municipalities

As an example, Norfolk's 1Bed MMR is \$700 while Toronto Central's is \$1,650. The important comparison between these is that the cost to build in Toronto vs. Norfolk is the same aside from land costs. When the Local Housing Corporations (LHC's) are competing for funding to build, the smaller communities become handicapped in their applications without the AAMR's.

Below RGI Affordability Benchmark

With most senior levels of government requiring 80% of MMR or less to achieve affordable rents, this puts extreme downwards pressures on affordable rents in Haldimand and Norfolk. In the case of Norfolk, a 1Bed 80% MMR would be need to charge no more than \$560. This creates a situation where RGI tenants could be paying more in rent than an affordable unit tenants not waitlist eligible.

Prior to AAMR Study

Rent Matrix Comparison

	Norfolk County				
	Housing Income Limits	Max HILs Rent	CMHC 80% MMR	Observed Market Rent	Assumed Market Rent
Bachelor	24,500	613	440	800	900
1 Bed	31,000	775	560	1,200	1,000
2 Bed	38,000	950	592	1,600	1,400
3 Bed	43,500	1,088			1,800
4 Bed	54,000	1,350			2,000
5 Bed	54,000	1,350			2,200

Comparison - AAMR Study

	Norfolk County			Recommended AAMR - Service Area	
Bedroom Type	Housing Income Limits	Max HILS Rent	CMHC 80% MMR	80% of Recommended AAMR	Recommended AAMR
Bachelor	\$24,500	\$613	\$440	\$772	\$965
1 Bedroom	\$31,000	\$775	\$560	\$1,049	\$1,312
2 Bedroom	\$38,000	\$950	\$592	\$1,311	\$1,639
3 Bedroom	\$43,500	\$1,088	N/A	\$1,446	\$1,808
4 Bedroom	\$54,000	\$1,350	N/A	\$1,780	\$2,225

Comparison - AAMR Study

	Haldimand County			Recommended AAMR - Service Area	
Bedroom Type	Housing Income Limits	Max HILS Rent	CMHC 80% MMR	80% of Recommended AAMR	Recommended AAMR
Bachelor	\$24,500	\$613	N/A	\$772	\$965
1 Bedroom	\$31,000	\$775	\$600	\$1,049	\$1,312
2 Bedroom	\$38,000	\$950	\$611	\$1,311	\$1,639
3 Bedroom	\$43,500	\$1,088	\$660	\$1,446	\$1,808
4 Bedroom	\$54,000	\$1,350	N/A	\$1,780	\$2,225

Benefits of AAMR

Higher Scoring on Funding Applications

For CMHC's Co-Investment program which funds both New Developments and Repair & Renewal of existing housing stock, the amount of funding provided is directly tied towards achieving deeper affordability targets. With AAMR's being used in place of MMR's, more units in any given development would meet deeper affordability targets and thus giving higher scoring.

		Answer	Weighted Score	Percentage score
Affordability			150	100%
What percentage of units are at rental costs less than 80% of median market rent?	→	5. Above 50% of units at rental cost of less than 80% of Median Market Rent	75	
For units that are designated as affordable, what is the average rental amount?	→	5. Designated affordable units, on average, are below 50% of the Median Market Rent	75	
		1. Designated affordable units, on average, are at or above 80% of the Median Market Rent 2. Designated affordable units, on average, are within 70 - 79% of the Median Market Rent 3. Designated affordable units, on average, are within 60 - 69% of the Median Market Rent 4. Designated affordable units, on average, are within 50 - 59% of the Median Market Rent 5. Designated affordable units, on average, are below 50% of the Median Market Rent		

Benefits of AAMR

Higher Operating Cash Flows

With AAMR's being higher than MMR's, the rental revenues within the developments will be able to generate higher Net Operating Income's (NOI) without the need for any additional subsidy. This increased NOI can result in a more sustainable and self-funded development.

Less Municipal Funding Required

The increased NOI, in the case of new developments, will result in an increased ability to take-on debt. This ability to afford more debt will directly reduce the upfront contribution needed from the county to fully fund the development.

Recommendation

It is strongly recommended that the Service Manager prepare a business plan for submission to the Ministry of Municipal Affairs and Housing (MMAH)

This will allow HNHC to:

1. Access more upper-level government funding
2. Reduce the contribution required from Haldimand and Norfolk counties
3. Provide more financially sustainable developments
4. Repair and renew existing assets

thank you!



Alternative Average Market Rent

Haldimand Norfolk Housing Corporation

Health and Social Services



Business Case Submission
Alternate Average Market Rent (AAMR) effective January 1, 2021
Program Maximum Rent for:

Rental Housing Capital Component, Rent Supplement/Housing Allowance and CMHC National Housing Strategy Programs
Haldimand and Norfolk County

1. Purpose of this Submission

The purpose of this submission is to request the approval of the Ministry of Municipal Affairs & Housing (MMAH) to allow Health and Social Services Haldimand and Norfolk to implement Alternate Average Market Rents (AAMR) and to continue to use the same AAMR for programs that require an annual maximum market rent commencing January 1, 2021. The request to harmonize the AAMR's for programs that require an annual maximum market rent would apply to:

- a) All Rental Housing Capital Programs
- b) All CMHC programs under the National Housing Strategy (e.g., Co-investment New Construction and Renewal and Repair, etc.)
- c) All Rent Supplement/Housing Allowance Programs; and
- d) Any subsequently delivered programs funded by a senior level of government where an Average Market Rent (AMR) must be established.

2. Reasons for the Request

Health and Social Services Haldimand and Norfolk requires AAMR's for the following reasons:

- a) To harmonize rents and ensure consistency and equality between and across all programs in the Haldimand and Norfolk County service area.
- b) Recognition that the Fall 2020 CMHC AMR data to be used in 2021 does not capture or reflect current actual market rent amounts and quickly changing trends in Haldimand and Norfolk Counties.
- c) To continue to achieve depth of affordability measurements for projects built under Rental Housing Capital Component Programs or Programs under the CMHC National Housing Strategy by using more accurate market rents.
- d) Rent Supplement and Housing Allowance Programs:
 - To accurately reflect the quickly changing and fluid dynamics of the Haldimand and Norfolk County rental market with respect to vacancy de-controlled rent amounts.
 - To prevent the need to only access lower rent units of inferior quality and standards and ensure continued access to quality, affordable housing in the Haldimand and Norfolk County region.

a) General

Table 1 Total Population of Buildings Surveyed

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit. It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Table 1 Need for Haldimand and Norfolk County AAMR

		UNIT TYPE				
		Bachelor	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Haldimand County	2021 CMHC CMA AMR from Fall 2020 Survey	**	748	807	**	**
	2021 Survey AMR	1040	1336	1388	1823	2246
Norfolk County	2021 CMHC CMA AMR from Fall 2020 Survey	**	765	779	**	**
	2021 Survey AMR	915	1291	1858	1783	2150

** Data suppressed to protect confidentiality or data not statistically reliable. (CMHC Portal Notes)

4. **Framework and Proposed AAMR's for Haldimand and Norfolk County**

To achieve a fair and reasonable approach in establishing AAMR's for all programs required to implement a maximum rent feature and ensure successful and sustainable delivery of the respective programs, the following framework was adopted to establish the 2021 AAMR's.

Haerko Inc. conducted an in-depth market survey of primary and secondary market rental units throughout Haldimand and Norfolk County. This was done primarily through digital research and utilized various resources such as rental listing websites, realtor websites, and property management companies. Secondly, contact was made to multiple apartment buildings and property management companies to contribute additional market data.

Haerko Inc. staff that completed the survey indicated that data for bachelor units was the most difficult to obtain with a limited number of bachelor vacancies being posted, as well as four+ bedroom units in Norfolk County.

The combined AMR in both Table 2 was achieved through the average of the total number of surveyed units from both Haldimand and Norfolk County.

5. **Request for MMAH Approval**

Health and Social Services Haldimand and Norfolk requests MMAH approval to adopt the AAMR amounts provided in Table 2 for all programs that require a maximum market rent amount effective January 1, 2021:

Table 2 Haldimand and Norfolk County Proposed 2021 AAMR

	UNIT TYPE				
	Bachelor	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
County of Haldimand	1040	1336	1388	1823	2246
County of Norfolk	915	1291	1858	1783	2150
Combined and Recommended AAMR	<u>965</u>	<u>1312</u>	<u>1639</u>	<u>1808</u>	<u>2225</u>
Note: All figures are rounded to the nearest whole number.					

6. **Proposed 2021 Haldimand and Norfolk County AAMR's Impact on Tenants**

a) **Rent Supplement and Housing Allowance Programs**

The proposed AAMR's will create the opportunity for expanded choices in securing quality, affordable housing in a tight rental market. Conversely, the proposed AAMR's will assist in avoiding situations where an applicant has little to no alternative but to secure sub-standard housing. Health and Social Services Haldimand and Norfolk has appropriately utilized rent supplements and housing allowances to stabilize populations that meet Ministry preferred priority target groups (e.g., survivors of

domestic violence and human trafficking, chronically homeless, Indigenous, and youth). A positive impact for applicants and tenants under Rent Supplement and Housing Allowance programs is anticipated with the enhanced support they will receive under the Housing First and Homelessness programs. Rent Supplements and Housing Allowances are fully funded by provincial funding received by the Social Services and Housing Department and are only available as funding permits. All programs are currently operating at full capacity with waiting lists.

b) Rental Housing Capital Programs and CMHC Programs Under the National Housing Strategy

There is no impact on existing tenants occupying units built/renovated under Rental Housing Capital Programs and the CMHC programs under the National Housing Strategy. In addition, adopting the proposed AMMR's will provide a more accurate measurement of the Depth of Affordability for projects funded under these programs. Furthermore, this increased revenue will improve the viability of projects which have the potential to result in the construction of more affordable housing and/or increase the amount of federal funding for qualifying projects.

7. Contact Information

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