

## Episode 25 - Affordable housing - part 2 with Dan Driedger

Advocacy actions:

1. [Say Yes to Fair Rents! - Advocacy Centre for Tenants Ontario - ACTO](#)
2. [Take Action: More Urgency on Housing Affordability - The National Housing Accord: A Multi-Sector Approach to Ending Canada's Rental Housing Crisis](#)

[Provincial and federal governments waive HST on development of purpose-built rental housing - CBC](#)

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**Dan** One of the things that is always striking around the affordable housing conversation is when you're chatting with somebody and they go, "I didn't realize how much of a problem it was until X." They'll have been reading about it in the paper, hearing about it in the news, but until they actually had somebody, a neighbour or a relative or somebody who was looking for it and they had to walk that struggle with them, that's when they really get it and they go, "Oh, this is a big problem," and then they want to get involved. So my encouragement for people would be to get involved before it strikes home. By the time it does, it's too late.

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**VO:** Welcome to UNDERCURRENTS, my name is Ken Ogasawara. I'm part of the Communications team at Mennonite Central Committee in Ontario. This podcast is just one way of telling all the amazing stories coming out of our community of program participants, staff, partners and others. Undercurrents is brought to you in part by Kindred Credit Union. Kindred's purpose is cooperative banking that connects values and faith with finances, inspiring peaceful, just, and prosperous communities. Safe and affordable housing is a key part of a prosperous community and Kindred has created innovative products, like the Affordable Housing GIC which supports loans to providers of long-term, permanent affordable housing. This episode is part two on affordable housing.

**Dan:** So in a nutshell, Beyond Housing, we're a nonprofit charity and we provide affordable housing to people who need it.

**VO:** This is Dan Driedger, Executive Director of Beyond Housing, a non-profit housing provider based in Waterloo Region. Dan used to work here at MCC before he decided he wanted to mix in more drywalling and electrical into his schedule.

**Dan:** We don't focus on any particular demographic, so we have seniors, we have family units, a whole mix. We have apartment buildings, we got semi-detached units, so it's everything. There's unaffordability at all levels of income, and the majority of our tenants would have incomes below the low income cutoff line, so below the poverty line, and so that's where we focus our energy and our efforts.

**Ken:** What is that number by the way?

**Dan:** Off the top of my head, for a single person, I think it's around \$26,000 or so right now. In general, it would be people who can live independently, happen to have low income through a variety of paths in life and need some help to try and make ends meet so they're not using their entire household budget for rent and nothing left over for food or anything else.

**VO:** In the last episode, we heard from my colleague, Greg deGroot-Maggetti, who broke down where we are in the housing crisis, how we got here, and what needs to be done about it. One major turning point from the mid 90s that Greg outlined, was when the federal government stopped funding the creation of purpose-built affordable housing, and instead hoped the private sector would fill in the gap. To incentivise for-profit builders to invest in affordable housing, the federal government gave a generous tax break on profits from rental housing. But instead of creating a boom in new rental housing, Real Estate Investment Trusts, known as REITs, realized it was more profitable and easier to buy up existing affordable rental units and systematically increase the rent. And so that's exactly what they've been doing, for the last 30 years. This means that not only is there not enough affordable housing being built, but what affordable housing units DO exist, have been disappearing as well. In Waterloo Region, we're losing 4x as many affordable housing units every year as there are being built.

**Dan:** It's like a boat that's taking on water and you can't bail fast enough, and so you've got all these older apartment buildings in downtown Kitchener, for example that's really valuable real estate, and so a three-story walkout that might've been serving somebody we had one tenant, he'd been living in something like that for 18 years. It gets purchased by a developer out of Toronto, they can't evict that person or put their rents up unless they're doing major renovations. So they'll go in, they'll do a major renovation on it. That person has to leave because of the renovation, and then because they have this renovated unit, then they can turn around and rent it to somebody new for this \$1,900 or \$2000 a month, whatever they can get. So that's kind of a renoviction. They get evicted because of a renovation and they get thrown essentially to the wolves on the open market and they can't find anything to replace what they had been living in.

One of the solutions, there's not a single solution, but one of the solutions is that there has to be a way to find this older stock and somehow keep it at an affordable level, and the private sector's not going to do that because that's not what they're supposed to do right? It's not their job to provide affordable housing. That's not their mandate.

**Ken:** What is the mandate?

**Dan:** Well, for a private sector guy?

**Ken:** Make as much money as possible.

**Dan:** To make money right? I mean, everyone has different reasons for why they might do it, and some are more generous than others, but ultimately, you can't build new and rent at an affordable rent. The numbers don't work. Even if you wanted to, you couldn't without government support.

**VO:** In the previous episode, we learned that the federal and provincial governments recently made an effort to do just that, by eliminating the HST on the development of new purpose-built rental housings such as apartments, student housing and senior residences built specifically for long-term rental accommodation. But it will take a long time to catch up to the backlog of renters in need of affordable housing.

**Dan:** Now Beyond Housing got started back in the early 2000s. The community waiting list on housing was around 3000 households and it was around, but it stayed static at that level up until around 2017. And then in 2017, as the real estate market really took off, what happened is that people who were used to be able to save up enough money to move out and buy their own home could no longer afford to do so, and so they didn't move out, which then put a lot of back pressure on the real estate rental market. And so now that waiting list for the community housing waiting list is up around 7,600 households. So it's more than double.

**VO:** Clearly the crisis is urgent, and just as clearly, private investment in housing has not solved the problem - it has, in many real ways, made the problem worse by making housing into a commodity instead of a home. Dan and many other non-profit housing providers are chomping at the bit to build more affordable housing but are hamstrung by one thing: funding.

**Dan:** So our challenge as a nonprofit, a registered charity is we can only do so much if we rely to that extent on donations to fund stuff.

**VO:** There is some money coming from the federal government through the Canada Mortgage and Housing Corporation, or CMHC, but it's not nearly enough.

**Dan:** So we have to supplement any grants that we get from them with donations, but we just can't sustain that, not if we want to tackle the problem. It's a bigger problem than we can handle with private donations, so the government has to get reengaged.

**Ken:** Right.

**Dan:** Simple as that.

**VO:** Dan later sent me a breakdown of funding sources for two buildings Beyond Housing had finished the last couple years. I don't want to get into too much number crunching, but what was clear to me was that Dan had to raise millions of dollars in private donations to gather enough money to complete the buildings which created 76 units of affordable housing. Dan noted how much quicker and easier it would be to move quickly on more projects if they **didn't** have to fundraise - in other words, if the federal government opened the tap to housing dollars a little wider. He wrote, "If we had access to funds that didn't require us to fundraise, I could start a 48-unit Phase-2 building by spring, and another 16 unit townhouse this fall. Bigger projects that aren't shovel ready but where we have access to land and could move quickly if we had money likely total another 186 units, and that doesn't include the longer-range plans of a number of churches that would like to partner with us."

**Dan:** Kind of a side challenge for us, I guess, is that in addition to providing affordable housing, as our new name Beyond Housing suggests, we try to do more than just provide low rent. So we've got a community support worker, we have a community nurse that kind of walks with our tenants to provide additional support to help them build community and do better where they're living. A private landlord is not going to be able to do that, so baking the budget for that into our original budget is also a bit of a challenge, but we think it's pretty important to do because if you just house people without some of those additional supports, even if they are generally able to live independently, they've probably had a life journey that caused them to be in a position where they needed affordable housing that would benefit from additional supports.

**VO:** A quick reminder of what the definition of what “affordable” is. According to the Canada Mortgage and Housing Corporation (or CMHC) housing is considered affordable if it does not take up more than 30% of your gross income. [So if you make minimum wage, or about 31,000/year, your rent should not be more than \$775/month. If you make 50,000/year, your rent shouldn't be more than \$1250. But as Greg pointed out in the last episode, the average vacant rent on a ONE bedroom apartment in Waterloo Region (and it's the same number across Canada) is close to \$2000/month which means you need to be making \$75,000/year to be able to afford this. I asked Dan how much his affordable units are going for.

**Dan** Our housing starts at an amount that's set to the ODSP, the Ontario Disability Support Programme Shelter Allowance. So if somebody is on ODSP, right now their shelter allowance would be \$522 a month, and so we have rents that are set such that they could actually afford it, living on ODSP.

**Lucas:** My name is Lucas Wienhoven and I'm 34-years-old. My main work is at The Raw Carrot. All the people that work at The Raw Carrot are on ODSP, so we're all kind of like things haven't worked out as well in other jobs.

**VO:** You may remember Lucas from episode 19 called “Soup” - he shared part of this story on his experience working for The Raw Carrot, a social enterprise that has a Kitchener site run by MCC. The Raw Carrot was specifically created to be a place where folks with disabilities can find meaningful work cooking delicious, artisan soups which are sold in grocery stores and through MCC's thrift shops in Ontario.

**Lucas:** I'm a food service worker, so I do mostly things around the kitchen with food prep and working in the kitchen. And I also volunteer at the working centre at Merida's Kitchen, which is similar, it's a volunteer job.

**VO:** Lucas has struggled with severe anxiety and depression since he was a child and has been on ODSP since 2009. He is now on medication and in his words, “doing better.” A big part of that has been the meaningful work and community he's found at the Raw Carrot.

**Lucas:** And so it's like you're in the community of people that are kind of similar to you and that helps. Everybody wants to work, just people working together and there's a sense of harmony and camaraderie. Yeah and it's very good.

**VO:** In December, Lucas moved out of his parents home into an apartment on his own for the first time. This was a big change for him. And just to clarify, the apartment building Lucas moved into was not built by Beyond Housing.

**Lucas:** I've lived here for more than a month now, so I have sort of a basic idea of living here and taking care of it and stuff. I feel like right now there's still a lot of little things I'm doing that are new for me.

**VO:** But how did Lucas get this apartment? Remember, Dan mentioned that the wait list for subsidized housing is over 7,000 families deep.

**Lucas:** Back in 2013 I had a support worker that worked with me, I would say about a weekly basis. And one of the things he suggested to me was to put my name on the list for subsidized housing. You'd probably be waiting 5 - 6 years possibly to get a place. It actually took 10 years because, kind of like the old saying, the squeaky wheel gets the grease, I was just sort of waiting to hear from them. And they didn't know I was maybe really serious about moving out until more recently, the last couple of years or so.

**VO:** TEN YEARS. Granted, Lucas could ride that out because, as he said, he wasn't in a rush and he had the supportive home of his parents to stay at, but not everybody has that. Lucas' rent at his new place is geared to his income so that he is not paying more than 30% of his gross income, which includes ODSP payments and a top-up pay cheque for his work at The Raw Carrot which is around \$300 a month. In a follow-up call I had with Lucas' mother, Dagmar, she mentioned that there were no fewer than three separate organizations, working independently, that were part of setting up the apartment for Lucas. The scarcity of subsidized housing notwithstanding, the complexity of the process can be very confusing without an advocate to help you. Having said that, Dagmar was also effusive in her praise of the staff at the social services supporting Lucas - from ODSP, to housing, she is deeply grateful for their support. Lucas for his part is philosophical about the long wait and is happy with his new place.

**Lucas:** It seems to be worth it because I have a really nice place now and if I had gone earlier, I might not have gotten as nice a place. It's a one bedroom apartment. It's nice to have it on one of the corners of the building here on the top floor, the fourth floor. You don't have to deal with as much noise from other people or worry about bothering people if you're playing music or something in that area. I would say living alone, from what I can tell anyway, is the obvious con would be you're not in close proximity to anybody while you're here, kind of thing. But I would say a positive would be the independence aspect and the development aspect, and so it balances out a little bit there. I don't think it's good long-term to be living alone, but for now I think it makes sense.

**Dan:** I mean, every tenant has a story, and it is interesting when you listen to them to see one of the people I talked to the other day was in a wheelchair, so she desperately needed an accessible unit, and that was because of some health issues. I think there had been a fall and some things like that, something that just life was going fine, and then all of a sudden an incident happens and she's on a different path. Somebody else was, their marriage broke down, and so what they thought was going to be their nest egg to go forward in a stable lifestyle, it fell apart for them.

Some people have had challenges their entire lives. We had a young woman last year and we actually interviewed her at our annual meeting, and it was interesting because she had gone through a number of bad relationships, I would say, and had bounced around a little bit from that sort of thing, and she finally was able to get stable housing as opposed to couch-surfing. And because she had that stable housing, then she could go out and get a job, and because she could go out and get a job, suddenly in her own words, we changed the direction of her life and it was because she didn't have to worry about housing anymore. She could come home and she could go, "Oh, this is mine. I now have my own place." And that just provided the foundation, to use a housing term, for her to do more.

**Dan:** It's important for me to hear those stories because I can get pretty focused on the technical aspects of what we're doing, trying to raise enough money to do it, worrying about the building committee, all the pieces, making sure the mortgages are paid properly and all those sorts of things. And it can get kind

of easy sometimes to forget that ultimately the housing that we're doing is just a tool to help people who need a bit of a hand.

**Ken:** And again, it goes back to the idea that housing is a basic human right, how can one live without it.

**Dan:** You can't, if you don't have housing, everything else falls apart, everything.

**VO:** The housing crisis is complex and systemic. In our two-part series on affordable housing, we covered public vs private sector investments in housing, rent control, supportive housing wait lists, short-term rentals - and there's still so much more to it.

At MCC, we are not experts on housing and don't work directly in housing, but what we can do is direct you to a few policy-level advocacy actions. My colleague Greg deGroot-Maggetti shared two petitions: one from Advocacy Centre for Tenants Ontario (or ACTO) calling for our provincial government to reinstate rent control, and another from the National Housing Accord to our federal government, to invest more in purpose-built rental housing. Check those out in the show notes, it will take a few seconds to sign them.

I want to thank Dan Driedger from Beyond Housing for sharing his experience and work in building affordable housing. And thanks to Lucas from the Raw Carrot for sharing more of his story with us - and congratulations on your apartment! Thanks to Christen Kong for her editing support; sound mix by Francois Goudreault, theme music by Brian MacMillan and art work by Jesse Bergen. A big thanks as always to our friends at Kindred Credit Union for their continued support of Undercurrents, as well as being a financial institution that actually cares about these important issues. Thank you for listening - please share, rate and review wherever you listen. My name is Ken Ogasawara. Have a great rest of your day.