

What We Talk About When We Talk About Affordable Housing:

A glossary for Ottawa housing stakeholders

The evolution of affordable housing policy has given rise to a complex landscape. This glossary maps this landscape through key measures of affordability and definitions from important legislative and policy documents. **By developing a shared vocabulary, it becomes easier to engage in constructive conversations about the state of affordable housing and to realize common aspirations for policy reform.**

Average Market Rent (AMR)

A measure generated by CMHC through its Rental Market Survey. AMR captures the average rent charged by private landlords for available units and is calculated for individual neighbourhoods or urban zones. AMR does not include in its measure secondary rentals in the condo market.

Below Market Rent (BMR)

A subsidy in which rents are not geared to income, but rather are fixed at a rate below the average market rent.

In Ottawa, affordable housing created through the Action Ottawa Program is defined as BMR, with average rents in a development fixed at a rate of 70% AMR.

City of Ottawa's Official Plan

The City's Official Plan defines affordable housing as either rental or owner-occupied housing for which a low or moderate-income household pays no more than 30% of gross annual income.

The Plan also sets an affordable housing development target of 25%.

Ownership housing is considered affordable if it is accessible to households at or below the 40th income percentile. Rental housing is considered affordable if it is accessible to households at or below the 30th income percentile.

Core and Deep Core Housing Need

If a household spends more than 30% of their gross income on shelter costs they are considered to be in core housing need. If they spend more than 50% of their income on shelter they are considered to be in deep or severe core housing need.

National Housing Co-Investment Fund

As part of the National Housing Strategy, the National Housing Co-Investment Fund provides loans and capital grants for mixed-income affordable housing development. Eligible developments must maintain at least 30% of units below 80% of the Median Market Rental rate as set out in the CMHC rental market survey.

Ottawa Housing Allowances

The City of Ottawa provides a housing allowance to very high needs individuals already on the centralized wait list. The allowance pays a flat, portable benefit of \$250, with \$50 for each additional family member.

The City also provides a subsidy of \$500 per month through the Home for Good program, which supports stable housing transitions in four priority areas (youth, indigenous people, people experiencing chronic homelessness, and people transitioning from provincial institutions).

Portable Housing Benefit

A housing subsidy that is provided directly to an eligible household. Because the benefit is associated with a household and not a particular housing unit, it is 'portable' – a household can apply the benefit to housing of their choice in the private market. The benefit can be designed to provide different levels of subsidy. A 'full gap coverage' benefit would subsidize the full cost of rent above 30% of household income. A 'partial gap coverage' benefit would subsidize some portion of this difference.

The Ontario Portable Housing Benefit (a limited benefit offered to 'special priority' cases on the centralized waitlist), subsidizes the affordability gap up to 80% AMR.

Provincial Policy Statement

The Ontario Provincial Policy Statement defines affordable ownership housing as either that for which carrying costs do not exceed 30% of gross annual income for low and moderate income households; or housing that costs no more than 90% of the regional market average.

Affordable rental housing is that for which rent does not exceed 30% of gross annual income for low and moderate income households; or for which rent is at or below the regional market average.

The Provincial Policy Statement sets the minimum affordability standard for new inclusionary zoning by-laws.

Rent Geared to Income (RGI)

A subsidy that is determined according to a tenant's income. A tenant will typically pay an amount equal to 30% of gross household income.

In the case of an individual receiving payments from Ontario Works or the Ontario Disability Support Program, rental payments are calculated according to specified shelter allowances.

Measures of Affordable Housing

