



Advocacy Centre for Tenants Ontario
Centre ontarien de défense des droits des locataires

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February 10, 2017

The Honourable Charles Sousa
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, ON M7A 1Z1

Send by email to: submissions@ontario.ca

Dear Minister,

Re: Affordable housing and the 2017 Pre-Budget Consultations

The Advocacy Centre for Tenants Ontario (ACTO) is a community legal clinic, funded by Legal Aid Ontario, with a province-wide mandate. We work for the advancement of human rights and social justice in housing for low-income Ontarians through legal advice and representation, law reform, community organizing, and public legal education. Below are our recommendations for your consideration in the above-mentioned consultations.

1. Adequate funding for truly affordable housing

It is expected that the federal government will be releasing its National Housing Strategy (NHS) following the introduction of its 2017 budget within the next two months. The provincial government should take the opportunity presented by the implementation of the NHS to work with the federal government to ensure that truly affordable housing is provided for the most financially disadvantaged members of our communities.

Currently, the Investment in Affordable Housing (IAH) program, under which the province is cost-matching federal funds, requires rents to be charged that are, on average, at or below 80% of CMHC market rents in the local community. These rents are largely beyond the financial means of people who are homeless or are on the social housing waiting list.

We need an affordable housing program with adequate funding under which rents are geared to the income of the tenants, allowing them to pay for other basic necessities such as food, transportation and clothing. However, if the current below 80% of average market rent requirements continue under the IAH program, there must be a commitment in the budget to an additional funding stream that would make these rents affordable to these people on an ongoing basis.

Also, private, for-profit landlords own 35% of the rental housing built with funding from the federal-provincial cost-shared programs (see attached chart). This means over a third of the

units built to date will not be permanent public infrastructure with affordable rents over the long-term, despite the significant investment of public dollars.

ACTO recommends that all new affordable rental housing developed with public funds should be owned and managed solely by the non-profit sector, and the rental housing developed with public funds should remain affordable over the long-term (currently, projects approved under the Rental Housing component must remain affordable only for a minimum period of 20 years).

In Ontario, there was an average of 3,264 rental completions annually over the years 1995 to 2015. This is less than half of what we need which is estimated – based on population growth – to be about 10,000 units for the years 2009-2018.

The Ontario long-term affordable housing strategy released in November 2010 stated that:

“The future of housing depends on adequate, sustained funding, which is why a long-term commitment is needed from the federal government. Current funding is either short-term or declining. This limits the ability of housing providers to plan long-term and fully participate in capital projects that build more affordable housing.”

In the 2016 federal budget, funding was doubled for the Canada-Ontario Investment in Affordable Housing (IAH) Agreement. The Ontario government should show leadership by investing additional provincial funds to ensure a stable social housing supply program that can produce at least 10,000 units per year, depending on sector capacity.

2. Increase the shelter allowance under the Ontario Works (OW) and Ontario Disability Support (ODSP) programs


The Ontario government's commitment to the reform of social assistance has not yet resulted in significant action to relieve poverty. Such an outcome can only be accomplished through a significant infusion of funds.

You have received detailed recommendations from the Income Security Advocacy Centre (ISAC) for a \$1 billion investment by the provincial government in social assistance in the upcoming 2017 budget, of which \$700 million should be spent on a 10% increase in basic needs and shelter allowance rates, with the remaining \$300 million spent on making positive rule changes. ACTO fully supports these recommendations from ISAC.

The shelter allowance component of social assistance falls far short of the actual cost of housing for tenants in Ontario, forcing many to choose between paying the rent or paying for food, clothing, transportation and other basic necessities. The stark fact is that 96% of OW beneficiaries are tenants, yet only 13% of these renters live in subsidized housing. Attached are graphs with a comparison of rent to shelter allowance from 1994-2016. In some areas such as Toronto, OW recipients are facing a monthly affordability gap in the hundreds of dollars. The \$1 billion investment in the social assistance system will help to reduce that gap.

Thank you for your consideration of our submission.

Yours very truly,
Advocacy Centre for Tenants Ontario
per:

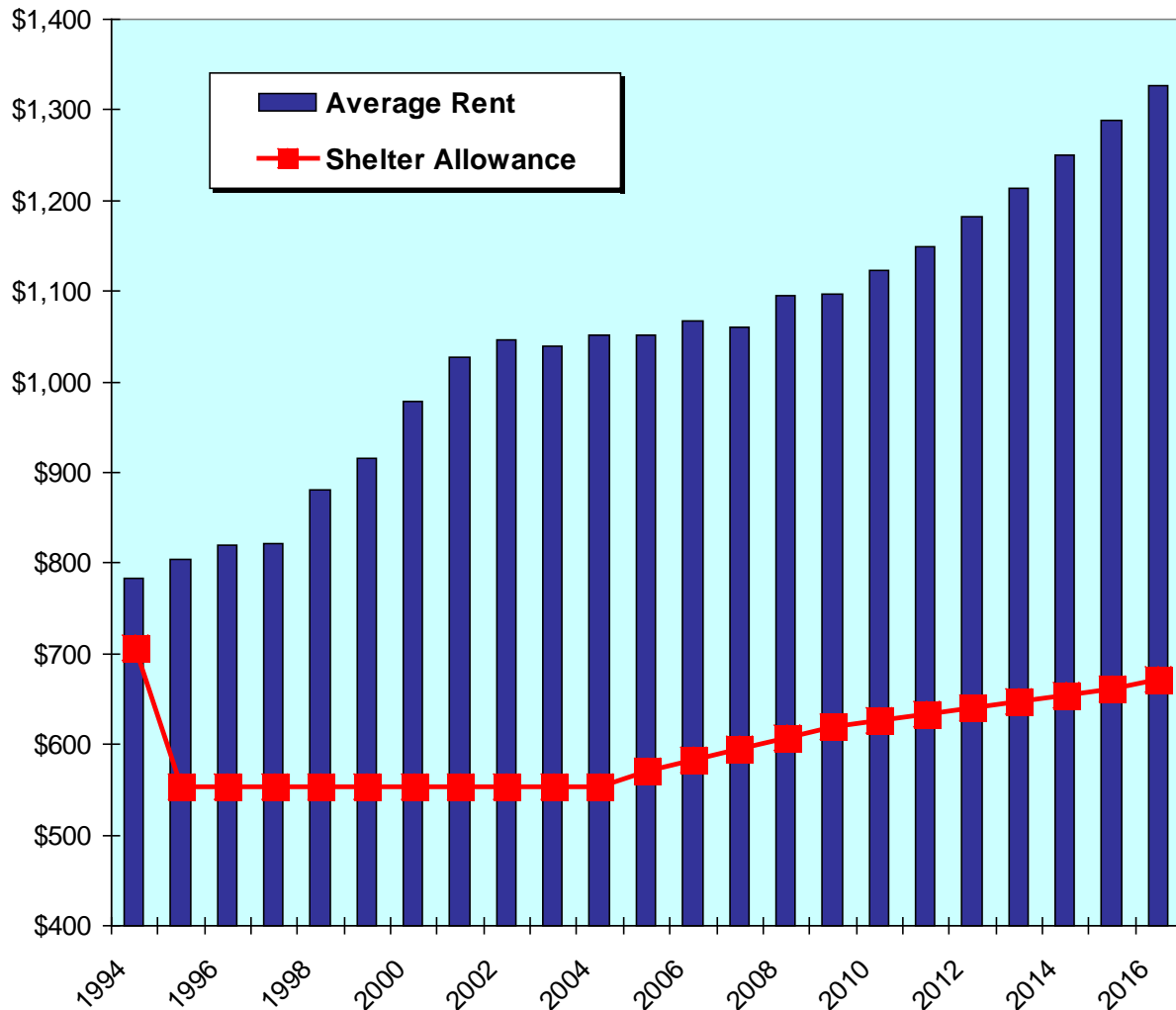
A handwritten signature in black ink, appearing to read 'KH', written in a cursive style.

Kenneth Hale,
Director of Advocacy and Legal Services

Attachments

Comparison of Rent to Shelter Allowance Toronto CMA, 1994-2016

Ontario Works - Single parent + 2 Children, 2 Bedroom Apartment



1994
Average rent: \$784
Shelter allowance: \$707
Dollar gap: \$ 77

2016
Average rent: \$1,327
Shelter allowance: \$672*
Dollar gap: \$655

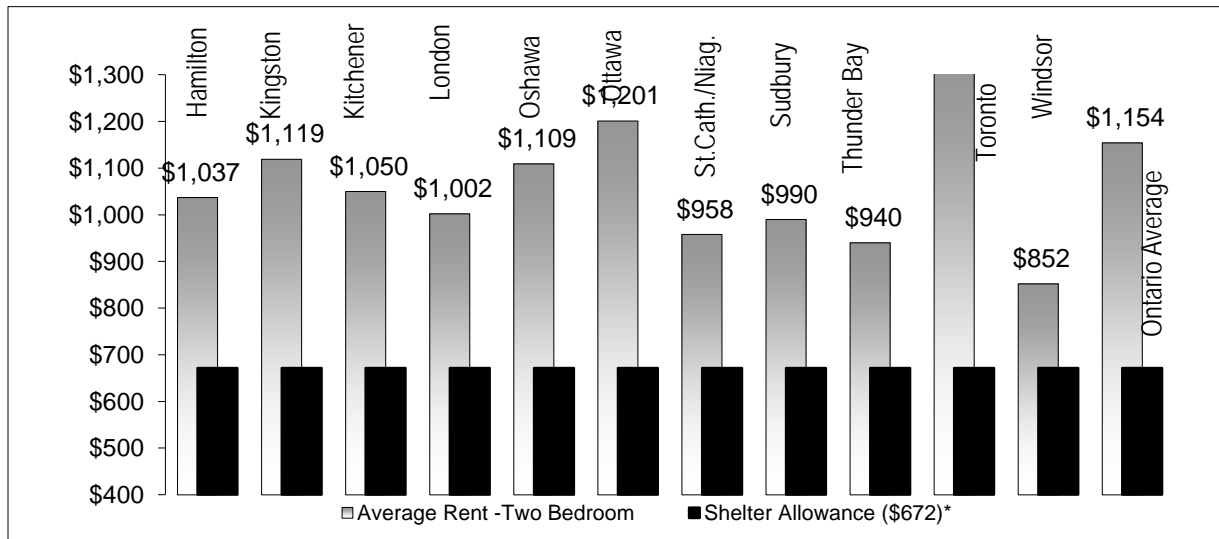
Sources:

Canada Mortgage and Housing Corporation, Fall Rental Market Survey Reports
 Ontario Ministry of Community and Social Services

* OW maximum shelter allowance for single parent (with two children under 18 years of age) increased by 1.5% effective September 30, 2016, rising from \$662 to \$672

2016 update

	Average Rent -Two Bedroom	Shelter Allowance (\$672)*
Hamilton	1,037	672
Kingston	1,119	672
Kitchener	1,050	672
London	1,002	672
Oshawa	1,109	672
Ottawa	1,201	672
St.Cath./Niag.	958	672
Sudbury	990	672
Thunder Bay	940	672
Toronto	1,327	672
Windsor	852	672
Ontario Average	1,154	672



Average Rents vs Shelter Allowances in Ontario, 2016
 Ontario Works - Female Lone Parent, 2 children under 18 years of age

Source: CMHC Fall 2016 Rental Market Survey; Ministry of Community and Social Services

*OW maximum shelter allowance increased by 1.5% effective September 30, 2016, rising to \$672 from \$662.