



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

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January 17, 2018

Chair and Members  
Standing Committee on Finance and Economic Affairs  
c/o Eric Rennie, Committee Clerk – email: [erennie@ola.org](mailto:erennie@ola.org)  
Room 1405, Whitney Block, Queen's Park  
Toronto, ON M7A 1A2

Dear Chair and Committee members,

**Re: Affordable rental housing and the 2018 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. Provincial cost-matching of funds available under the National Housing Strategy**

On November 22, 2017, the federal government released its National Housing Strategy (NHS) – a \$40 billion plan to reduce homelessness and focused on improving the availability and quality of housing for the most vulnerable Canadians. Much of the funding and measures, such as the Canada Community Housing Initiative, the Federal Community Housing Initiative, the Canadian Housing Benefit and the renewed IAH partnership fund, depend on dollar-for-dollar cost-matching from the provinces and territories.

The Ontario Housing Minister issued a statement when the NHS was released, indicating that the provincial government was “pleased to have a federal partner on housing” and was “looking forward to working together to finalize the details of the National Housing Strategy.” ACTO understands that the federal, provincial and territorial governments will be negotiating bilateral agreements for the implementation of the NHS in the months ahead. ACTO urges the provincial government to announce that its intention is to access these federal funds through cost-sharing.

***As a demonstration of this cost-sharing commitment, we ask you to include the amount anticipated as the Ontario Government's NHS contribution in this fiscal year in the 2018 budget.***

**2. Ontario non-profit housing program – new build**

The NHS promises to create 100,000 new housing units and to repair up to 240,000 units of existing affordable and community housing. While this is very welcome news, these targets and associated funding commitments are spread Canada-wide and spending is phased in over 10 years. There are simply not enough federal dollars available under the NHS for Ontario to adequately address its affordable housing crisis.

Ontario needs to build at least 10,000 new rental units annually to meet the demand of a growing population. A majority of these new units should be non-profit and with rents geared to income for low-income tenants. However, we've seen an average of 4,731 rental completions annually over the period of 1990 to 2016 – less than half of what we need. Our province has the highest proportion of renter households in Canada paying over 30% of their income on housing. In 2016, there were 185,179 Ontario households on the waiting lists for rent-geared-to-income social housing units. The provincial government should build on the opportunity of the NHS. ***Allocations of additional provincial dollars must be provided for in the 2018 budget to produce the deeply affordable rental housing that is needed by the most financially disadvantaged members of our communities.***

The NHS also provides an opportunity for the provincial government to review the design of the affordable housing programs to ensure that they are meeting the needs of low-income Ontarians – those who are homeless, on social housing waiting lists, or paying more than 30% of their income on rent. We need a non-profit housing program under which rents are affordable to low-income Ontarians, allowing them to pay for other basic necessities such as food, transportation and clothing.

The recent Provincial Auditor's report examined social and affordable housing and concluded that not enough is being done to encourage development by non-for-profits. The Auditor highlighted on pages 731 and 732 of her report that having not-for-profits construct new rentals was beneficial because:

1. Not-for-profits' objectives are to contribute to the community – by either not earning profits and gains, or re-investing profits and gains to building new units. The affordability benefits they provide can continue in perpetuity.
2. Not-for-profits can provide the affordable rentals in a more cost-effective manner than private developers because they do not have an incentive to mark up prices to make a profit.

***ACTO asks the Ontario government to ensure that all new affordable housing developed with public funds is owned and managed solely by the non-profit sector so that rental and co-op housing developed with public funds remains affordable over the long-term.***

### **3. Repair and maintenance of existing social housing stock**

Municipalities simply do not have enough money to carry out sorely needed major repairs and upgrades to the aging social housing stock which they administer. Most of this social housing portfolio was built between 1945 and 1990. The replacement cost of existing social housing is estimated at \$40 billion and the capital repair deficit is well over \$2.6 billion. Tenants bear the brunt of disrepair in the social housing sector through compromised health, safety and security because of leaks, infestations, out-of-service elevators, and broken entry-doors. Apart from diminishing their quality of life, these problems create pressures in health-care and social service spending.

The Ontario government must take steps to address this funding shortfall and work with non-profit housing providers to fix these problems. ***The 2018 Budget must put into place new funding that ensures the good repair and maintenance of the valuable public asset that is our social housing portfolio.***

#### 4. Increase the shelter allowance under the Ontario Works (OW) and Ontario Disability Support (ODSP) programs prior to implementation of Standard Flat Rate

ACTO supports the recommendations in the *Income Security: Roadmap for Change* report for the transformation of the social assistance rate structure into a Standard Flat Rate that combines the basic needs and the shelter allowance. However, current shelter allowance rates do not begin to meet the housing needs of low-income people and have not done so for many years (see the attached graphs for a comparison of rent to shelter allowance from 1994-2017). The impact of the inadequacy of the shelter allowance was clearly recognized in the Roadmap report. The stark fact is that 96% of OW beneficiaries are tenants, yet only 13% of these renters live in subsidized housing. The vast majority (87%) of OW beneficiaries live in the private rental market. A large majority of ODSP beneficiaries (68%) also live in the private rental market.

The Roadmap report recommends a 10% increase to OW and a 5% increase to ODSP this fiscal year. The report also says that this increase is not enough. A move to a Flat Rate will not have sufficient impact without a separate, significant increase to that rate by hiking the shelter allowance component so it will more closely reflect the real costs of renting for social assistance recipients. ***The 2018 Budget must include provision for social assistance rates that combine basic needs and the shelter allowance at significantly increased rates.***

Thank you for your consideration of our submission.

Yours very truly,  
**Advocacy Centre for Tenants Ontario**  
per:



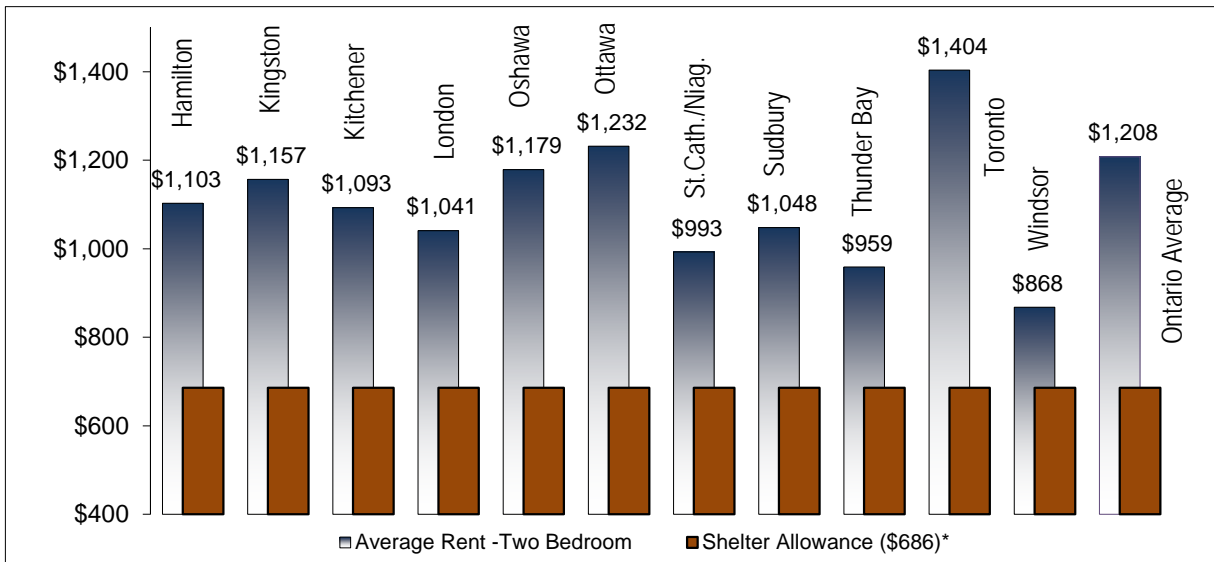
Kenneth Hale,  
Director of Advocacy and Legal Services

Attachments

cc: Hon. Peter Milczyn, Minister of Housing

## 2017 update

|                 | Average Rent -Two Bedroom | Shelter Allowance (\$686)* |
|-----------------|---------------------------|----------------------------|
| Hamilton        | 1,103                     | 686                        |
| Kingston        | 1,157                     | 686                        |
| Kitchener       | 1,093                     | 686                        |
| London          | 1,041                     | 686                        |
| Oshawa          | 1,179                     | 686                        |
| Ottawa          | 1,232                     | 686                        |
| St.Cath./Niag.  | 993                       | 686                        |
| Sudbury         | 1,048                     | 686                        |
| Thunder Bay     | 959                       | 686                        |
| Toronto         | 1,404                     | 686                        |
| Windsor         | 868                       | 686                        |
| Ontario Average | 1,208                     | 686                        |



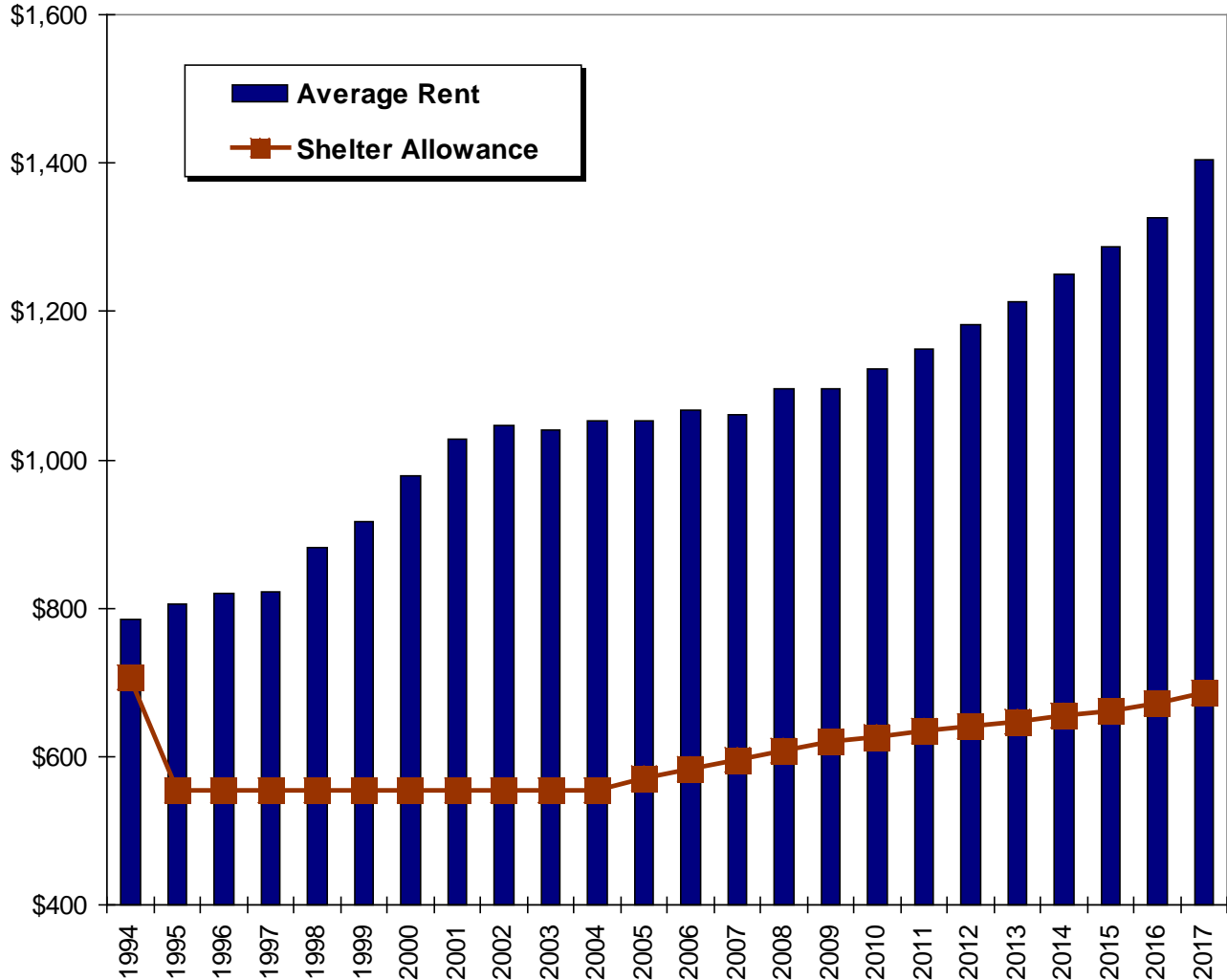
Average Rents vs Shelter Allowances in Ontario, 2017  
 Ontario Works - Female Lone Parent, 2 children under 18 years of age

Source: CMHC Fall 2017 Rental Market Survey; Ministry of Community and Social Services

\*OW maximum shelter allowance increased by 2.0% effective September 30, 2017, rising to \$686 from \$672.

## Comparison of Rent to Shelter Allowance Toronto CMA, 1994-2017

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



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

**2017**  
**Average rent: \$1,404**  
**Shelter allowance: \$686\***  
**Dollar gap: \$718**

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 2.0% effective September 30, 2017, rising from \$672 to \$686