

February 11, 2021

BY EMAIL TO submissions@ontario.ca

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

Dear Minister Bethlenfalvy,

Re: Spring 2021 Budget Consultations

I am writing on behalf of the Advocacy Centre for Tenants Ontario (ACTO), a community legal clinic funded by Legal Aid Ontario to provide legal services to low-income tenants across Ontario on issues that affect their ability to provide and maintain decent homes for themselves and their families.

Since the release of the 2020 Budget in November, the second wave of the pandemic has seen unprecedented growth in COVID-19 cases and death, with a disproportionate impact on low-income and vulnerable Ontarians. We ask that you use the upcoming budget to provide necessary supports for low-income Ontarians and make secure housing for everyone in Ontario a cornerstone of your government's response to the ongoing COVID-19 crisis. There can be no real recovery without government investment in the population most affected by the pandemic. The existence of an unallocated contingency fund of \$6.4 billion of funds from the federal government or the \$4 billion in the province's COVID -19 contingency fund presents opportunities for these investments.

We offer the following recommendations:

Prioritize funding for households and local governments to make sure housing and related service needs are met, especially for vulnerable populations including Black, Indigenous and people of colour.

Housing is a key social determinant of health. This has become even more evident during the ongoing COVID-19 pandemic. Adequate and affordable housing and emergency shelters are of critical importance given the necessity of physical distancing in keeping people safe. Vulnerable populations experience higher levels of housing insecurity and unaffordability, and have now been disproportionately affected by the pandemic COVID-19. Evidence shows that areas with a higher percentage of people with lower income levels and people from racialized groups had higher rates of COVID-19 infection and COVID-19 hospitalization. Similarly,

employment and income losses have been higher in sectors of the economy employing lower income workers as well as racialized and vulnerable groups. The disproportionate impacts of COVID-19 on racialized, Indigenous and vulnerable populations have deepened already-existing inequalities across the province.

The second wave of the pandemic has worsened the situation for many low-income and vulnerable Ontarians. Employment numbers have not recovered, with job losses being most acute in industries such as food, hospitality, and retail that tend to employ lower-income workers. Federal emergency benefits are ending for many recipients. Essential workers who remain employed have had to face COVID-19 outbreaks, which are taking place in workplaces where newcomers and racialized workers are overrepresented.

Vulnerable households across Ontario are facing loss of jobs and income as a result of the pandemic crisis. We urge the government to invest in much-needed housing and support programs such as rent relief and eviction prevention to prevent housing insecurity and instability that will worsen the impact of the pandemic.

Introduce a new Rent Relief Program

An increasing number of renter households find themselves unable to fully pay their monthly rents and have fallen into arrears. Other tenants have paid their rent by taking on large debts, often times at high interest rates, in order to keep a roof over their heads. The Landlord and Tenant Board (LTB) has resumed eviction hearings, while the current moratorium only applies to the enforcement of eviction orders.

Housing stability is critical to combat the spread of COVID-19 and renters who faced income losses during the pandemic should not be in danger of losing their homes or forced into deep levels of debt. We ask the government to introduce a rent relief program that is tenant centric, providing direct financial supports to tenant households. This program should be easily accessible to all households in need to pay off their rent arrears or debts. The program could consist of a mix of grants and loans available to households according to income levels.

Ontario has experienced two eviction moratoriums and on both occasions they were successful in reducing COVID-19 cases. However, we have also experienced that once moratoriums are lifted cases rise again. Eviction moratoriums that are not tied to a rent relief program only delays the impact of the virus. We expect that without a rent relief program COVID-19 cases will increase once enforcement resumes causing thousands of tenants to be displaced across the province looking for housing which, except for the Toronto downtown condo market, continues to remain unaffordable.

Paid Sick Days - Enable workers to stay home to protect their health and that of others without fearing income or job loss.

Lack of paid sick days means that workers making low to moderate incomes must choose between going to work sick or losing much-needed income by staying home to recover. In a province where almost half of renter households pay unaffordable rents, it is an unfortunate reality that many workers cannot afford to stay home when feeling unwell. When employees go to work sick they take longer to recover and they increase the risk of COVID-19 outbreaks, putting themselves and others at risk. This is counterproductive to efforts to reduce the spread of infections.

Workers need to have the ability to stay home while sick without the fear of losing income or their jobs. Access to employer-funded sick days means that workers can safely get tested and stay home to recover as needed. We ask the government to legislate 7 permanent employer-paid sick days, and an additional 14 employer-paid sick days during public health emergencies.

Continue to provide funds in the budget for affordable housing to enable Ontario to meet all its commitments in the Federal-Provincial bilateral agreement on housing and allocate additional provincial funds beyond these commitments.

The announcement in 2019 that Ontario was providing direct support to Ontarians in housing need by cost-matching federal funds available under the National Housing Strategy was welcome and provided necessary help to a segment of Ontario's low-income population. However, more supports are needed as the pandemic crisis has revealed the vast extent of hidden homelessness and dangerous overcrowding in many of our communities.

In order to meet the commitments in the agreement to "increase housing supply, improve housing conditions and to support the community housing sector", a longer-term view must be taken. Public investment in meeting the housing needs of vulnerable Ontarians through this agreement and through unilateral investment in building and repairing community housing must be significantly increased above and beyond short-term measures to get us through this crisis.

Ensure that new affordable housing developed with public funds remains affordable over the long-term and provides value to the taxpayer by prioritizing projects that are owned and managed by the non-profit community housing sector.

We remind you again that the Provincial Auditor's 2017 report concluded that giving tax dollars to private developers to provide time-limited affordability in housing they built and owned was not providing good value and more should be done to encourage development by non-profit organizations. The benefits of non-profit construction and ownership noted by the Auditor included:

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.

We urge you to follow this advice in allocating funds for affordable housing development. We ask that you continue to support the community housing sector as represented by the Ontario Non-profit Housing Association and the Co-operative Housing Federation of Canada (Ontario Region).

Improve the safety and security of social assistance recipients by enhancing their ability to meet the rising cost of housing through increased rates and improved program design of social assistance programs.

A large majority of Ontario Works and Ontario Disability Support Program recipients live in the private rental market. The shelter allowance portion of social assistance continues to fall dramatically short of the actual cost of housing and so money needed to meet other basic needs must be used to cover the rent. But we have not heard of any commitment to address this recognized shortcoming. The 2021 budget must contain measures that increase assistance and make these programs more fair and accessible.

There should also be no claw backs for CERB recipients as this claw back is negatively impacting those who already living in extreme poverty. The claw back is also resulting in the Ministry of Community and Social Services underspending its social assistance funds at a time when they need it the most.

Make meaningful reforms to the Landlord and Tenant Board (LTB) hearings

Ontarians have voiced their concerns to their local legal clinics regarding multiple aspects of the LTB operations during COVID-19 and the impact on access to justice. The LTB cannot assume that all parties have equal access to technology necessary to participate meaningfully in remote hearings. Current hearing formats do not accommodate low-income tenants who, for reasons of poverty or disability, cannot participate in electronic hearings. Hearings have often been chaotic, with parties unable to access hearings for 30 minutes or more, calls dropped, etc. If virtual hearings are to continue, the LTB needs to review its current procedures and provide appropriate supports and accommodations.

Build a centralized data system for housing indicators in Ontario.

Progress on housing outcomes is often stymied by significant data gaps on critical topics such as formal and informal evictions, stock of affordable rental units, and rent levels. We need a centralized system that collects disaggregated data and uses data to identify and support communities most affected by housing needs. In order to develop this data system, Ontario could access support from the Innovation and Research fund of the National Housing Strategy.

Restore funding to Legal Aid Ontario to ensure access to justice for low-income Ontarians.

The budget for 2019 included a massive reduction of Ontario's contribution to Legal Aid Ontario. The province has not yet recovered from this short-sighted decision by the former Minister of Finance and the former Attorney General. The 2021 budget provides an opportunity to put legal aid services back on a strong financial footing. The budget of Legal Aid Ontario should be restored to at least its pre-2019 level to ensure that low-income people across Ontario will have the legal help they need to address the new challenges our province faces.

Ensuring that everyone has a safe and secure home is a critical step to a thriving economy and a bright future. We ask you to use the budget process to move us closer to that worthy goal.

Thank you for your consideration of our submission.

Yours very truly,

Advocacy Centre for Tenants Ontario

per:



Douglas Kwan

Director of Advocacy and Legal Services

c.c. Honourable Steve Clark, Minister of Municipal Affairs and Housing

Deepak Anand MPP for Mississauga – Malton

Kaleed Rasheed MPP for Mississauga East – Cooksville

Natalia Kusendova MPP for Mississauga – Centre

Nina Tangri MPP for Mississauga – Streetsville

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