



ONPHA
Ontario
Non-Profit Housing
Association

January 25, 2016

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

Dear Minister Sousa:

RE: ONPHA's recommendations for the 2016 Ontario Budget

Ontario is facing an affordable housing crisis. Tens of thousands of Ontarians are struggling with high shelter costs and sacrificing other basic needs, like clothing and food, to make ends meet. More than 168,000 households are waiting for rent-gear-to-income housing in Ontario. Many people will wait as long as 10 years. And, despite periods of prosperity and a rising population, very little affordable rental housing has been built in Ontario in the last 20 years.

Ontarians and their communities are facing a housing squeeze and local governments are struggling to meet the growing demand for housing assistance. The time for Provincial action is now.

Every day, staff and volunteers from ONPHA's more than 700 member organizations witness firsthand the benefits of affordable housing. As landlords, our members house more than 400,000 people in 220 communities, including some of Ontario's most vulnerable and marginalized citizens – those living in or near poverty, fleeing violence, transitioning out of homelessness, or living with developmental disabilities, mental illness, addiction, or HIV/AIDS.



New affordable housing is needed to reduce waiting lists and prevent homelessness.

We encourage the Province to:

1. Match federal funding for housing that may flow from the 2016 Federal Budget.
2. Prioritize non-profit ownership and operation of new rental housing, which will ensure the homes built remain affordable for the long-term.
3. Demonstrate its commitment to ending homelessness and reducing poverty by leveraging its surplus land to build housing, removing one of the largest financial barriers to affordable housing development.
4. Make funding available to address the capital repair backlog facing the social housing sector. Across Ontario, non-profit and co-operative housing providers face an estimated \$2.6 billion in outstanding capital repairs. We urge the Province leverage its financial resources and future federal partnerships to support the sustainability of these crucial community assets. The non-profit housing sector needs guaranteed, multi-year funding for strategic investment in capital repair, rehabilitation, and renovation, if it is help the Province meet its poverty reduction goals.

Its commitment to end chronic homelessness demonstrates that the Wynne Government recognizes the importance of an affordable home. But this commitment alone is not enough to help the thousands of families struggling to pay their rent and raise their families. They need the Province to make affordable housing a top priority in the 2016 Budget.

While the Province waits on action by the federal government and the release of its updated long-term affordable housing strategy, we encourage the provincial government to take the following steps to strengthen Ontario's non-profit housing sector.



5. Fund dedicated support services in social housing communities

Our members house many individuals who are struggling to maintain their tenancy. Some are wrestling with mental health and addictions challenges, while others are becoming frailer as they age. In order for these tenants to be healthy and maintain independence, funding for permanent, accessible support services is required.

We recommend the creation of a program to fund support services in non-profit housing communities. Developed by the Ministry of Health and Long-Term Care (MOHLTC) and the Ministry of Municipal Affairs and Housing (MMAH), the program would help the many vulnerable tenants who live in social housing to live independently and with dignity in their community. Through a combination of service hubs, which are a recognized best practice for delivering cost-effective and accessible services, and visiting support services, such a program would help curtail healthcare spending and ensure that vulnerable tenants, such as the formerly homeless and frail seniors, can remain housed in the community.

More information on these recommendations is available in ONPHA's recent release, *Strengthening Social Housing Communities: Helping Vulnerable Tenants Maintain Successful Tenancies*.

6. Increase investment in supportive housing

Even with well-funded, community-based service hubs and visiting supports, some tenants require a higher level of assistance to live in the community. These people are best served in supportive housing, which is a cost-effective option for housing individuals who are at higher risk of homelessness or hospitalization. The Province recognized the important role of supportive housing last year, when it promised to create an additional 1,000 supportive housing spaces. While this commitment is welcomed, it does not meet the growing demand for supportive housing.



Supportive housing is most effective when people are able to access the right level of support at the right time. Due to the cyclical nature of mental illness and addiction, the need for support will vary over a person's lifetime. Wait times for supportive housing can be as long as seven years and, knowing this, many tenants are reluctant to move out of supportive housing.

They are reluctant because they are not confident that the affordable home and support services that they currently have will be available again if they need it in the future. An adequate supply of support services and affordable housing would enable tenants to move into housing that meets their needs at a given time because they have confidence that options will be available if they need them. Currently, inadequate supply of support services and supportive housing is resulting in the inefficient use of healthcare resources.

The need for supportive housing will only increase as our population ages and as more seniors struggle with dementia and declining physical health. Without significant investment in the supportive housing sector, many Ontarians will not be able to continue to live independently. The growing number of seniors who need assistance will place increased pressure on the demand for long-term care – which is much costlier than supportive housing.

7. Help housing providers implement new safety requirements

Recent amendments to the *Fire Protection and Prevention Act* have had a serious detrimental impact on supportive housing providers that house seniors and adults with physical disabilities. In 2014, the provincial government introduced a new definition of a “care occupancy,” and new requirements for buildings with such occupancies. These requirements, including new smoke alarm and sprinkler systems, emergency lighting, and increased on-site staffing, are a significant cost for organizations that are already struggling with aging buildings and insufficient capital reserves.

The Ontario Government has previously recognized the prohibitive costs associated with retrofitting existing buildings, including houses and apartment



buildings. In the implementation of the *Accessibility for Ontarians with Disabilities Act*, the Province required that only new buildings or those undergoing significant renovation be compliant with the regulations, effectively “grandfathering in” existing buildings.

This time, however, the Ontario Government has implemented new requirements that impose significant additional costs without financial assistance to implement the changes. ONPHA members want to continue to fulfill their mandates and provide housing for tenants with disabilities and age-related mobility challenges however, without financial assistance to implement the required capital and staffing changes, they may not be able to continue to house existing tenants or future high-need tenants. This will result in poorer outcomes for Ontarians with disabilities and frail seniors, who may be forced to live without the support they need. In many cases, long-term care is the only other service that can meet the needs of these tenants, increasing healthcare costs and waiting lists.

We recommend the creation of a capital program to provide financial assistance to meet the renovation and retrofit costs of bringing properties deemed to contain care occupancies into compliance. Such a program would also clarify which provincial ministry is responsible for supporting the sector’s compliance with new care occupancy requirements.

8. Ensure the on-going viability of supportive and Aboriginal housing providers with expiring operating agreements

Across Ontario, many urban Aboriginal and supportive housing providers are reaching the end of their federal operating agreements. In 2015 alone, funding ended for approximately 1,900 urban Aboriginal housing units across Canada. The end of a housing provider’s agreement coincides with the end of their mortgage for a given site, but many providers do not receive adequate rental revenue to operate without new sources of funding.



The need for additional funding is, in large part, due to the populations that these organizations serve. Aboriginal people and people living with mental health challenges are much more likely to live in poverty than the general population. Strategies such as increasing rental revenues by increasing the number of market rent tenants in their buildings will not work for supportive and Aboriginal housing providers if they are to stay true to their mandate.

With this in mind, we ask the Ontario Government to show leadership by creating a rent supplement and capital repair program that will support these housing providers and their tenants after their operating agreements end. Doing so will help to ensure that these vital homes remain part of the province's affordable housing stock, which is more cost effective than replacing them, and affordable and in good repair for the people who need them.

9. Increase the budget for MCSS-administered housing providers at a fair rate

Many Ontarians rely on the housing provided by organizations that are administered by the Ministry of Community and Social Services (MCSS). These include people living with developmental and intellectual disabilities and female-led, single parent families. The future viability of these organizations, however, is at risk.

In the Memorandum of Understanding between MCSS and MMAH, MCSS committed to applying annual cost factor increases to housing providers' budgets to keep pace with inflation. Doing so would ensure that these organizations have the funding they need to operate their buildings and keep them in good repair. Since the transfer, however, MCSS has applied an annual cost factor of "1" to housing providers' budgets, effectively holding their budgets constant. In real terms, the budgets for MCSS-administered providers have decreased by more than 25 per cent since the transfer, directly affecting the ability of providers to maintain their properties and provide services to their tenants.



To rectify this inequality, we ask MCSS immediately implement annual cost-factor increases that accurately reflect inflation and providers' rising operating costs. We also request that MCSS provide capital grant funding to compensate providers for 15 years of deferred maintenance and upkeep due to insufficient funding.

Thank you for the opportunity to participate in Ontario's 2016 pre-Budget consultation process.

Sincerely,

Meg McCallum

President

ONTARIO NON-PROFIT HOUSING ASSOCIATION

Cc. Hon. Ted McMeekin, Minister of Municipal Affairs and Housing

Janet Hope, Assistant Deputy Minister (Housing), MMAH