



ONTARIO NON-PROFIT
HOUSING ASSOCIATION

Deputy Prime Minister and Minister of Finance
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

February 19, 2021

Subject: ONPHA's Submission to the 2021 Federal Pre-Budget Consultations

Dear Deputy Prime Minister Freeland,

Thank you for the opportunity to provide recommendations to the pre-budget consultations in advance of the 2021 federal budget. We look forward to continuing to work with all levels of government, non-profit, and private sector partners to kick-start socioeconomic recovery and build a greener, more competitive, more innovative, more inclusive, more resilient Canada.

Founded over 30 years ago, the Ontario Non-Profit Housing Association (ONPHA) is a member funded and directed association that represents over 730 non-profit landlords and local housing corporations throughout the province. The community housing sector provides safe, affordable, and stable housing for half a million low- and moderate-income Ontarians with built assets close to \$30 billion¹.

In the midst of an unprecedented global crisis with intersecting health, social, and economic impacts, the connection between housing, health, and the economy remains paramount. To build back better, investment in social infrastructure, like housing and direct community supports, is critical to ensuring short, mid, and long-term socioeconomic recovery. It will release the immediate economic pressure valve, create jobs and construction projects to kick-start economic growth, and protect public investment in healthcare, justice, and social systems.

The disproportionate impacts of COVID-19 on marginalized communities have compounded with pre-existing affordability challenges. This has been especially evident among Indigenous, Black, and other racialized communities, 2SLGBTQQIA+ people, low/limited-income people, people experiencing homelessness, people with disabilities, women, and seniors. The health of our communities and their residents is directly impacted by the accessibility and quality of housing. The impacts we see today will continue to be compounded if we do not act quickly with innovative, long-term, sustainable approaches to housing.



Following ONPHA's [submission](#) to the Standing Committee on Finance in advance of the 2021 Budget, we call on your government to prioritize investments and policies that strengthen our social infrastructure, through the following policy changes based on community experience and expertise:

- 1. Provide immediate stabilization funding to community housing providers to address the current crisis and future waves of the pandemic**
- 2. Expand emergency income assistance to include rent relief and/or arrears management for unemployed and low-earning tenants**
- 3. Increase funding through the National Housing Strategy to protect and increase the supply of community housing to preserve affordability and meet growing needs**
- 4. Commit to an urban, rural, and northern Indigenous housing strategy in partnership with Indigenous peoples**
- 5. Invest in an integrated approach to supportive housing to meet diverse housing needs and help end chronic homelessness**

ONPHA and our members are eager to work with the government, key stakeholders, and sector partners to develop and implement innovative solutions that ensure an equitable, sustainable housing system. The following pages contain details of our recommendations for the 2021 federal budget.

- 1. Provide immediate stabilization funding to community housing providers to address the current crisis and future waves of the pandemic**

Community housing providers are facing revenue loss from rental arrears, unintended impacts from Ontario's rent increase freeze, increased costs from unit vacancies, personal protective equipment, higher utility use, increased staffing, cleaning and security, backlogs of maintenance and repair work, increased insurance premiums, and office retrofits. These extraordinary costs will continue destabilizing the community housing sector beyond the immediate crisis, with some providers beginning to redirect funding from capital reserves to support immediate operational challengesⁱⁱ.

Meanwhile, low-income and other marginalized households already facing affordability challenges have been disproportionately impacted by pandemic-related job and income lossⁱⁱⁱ, leading to unprecedented and unmanageable levels of rental arrears^{iv}. At the same time, municipalities are also facing extraordinary costs, with some considering significant reductions to essential services (including childcare, transit, and homelessness services) and delays to critical capital projects (including affordable and supportive housing initiatives)^v.

ONPHA and our members have been extremely pleased with the breadth of federal supports available to community organizations throughout the pandemic, including the Emergency Community Support Fund, increases to Reaching Home funding, and eligibility for non-profit organizations through many of the emergency business supports. We also commend the



government's engagement with provincial and territorial partners through the Safe Restart Agreement.

However, with growing and diverse needs across the country, direct investment in housing has never been more necessary as the first line of defense against COVID-19. Echoing ONPHA's [recommendations](#) to the Ontario government's pre-budget consultations, we call on the federal government to provide immediate and ongoing stabilization funding for the community housing sector to address the current crisis and ensure long-term sustainability and growth, with investment targeted for community-identified needs.

2. Expand emergency income assistance to include rent relief and/or arrears management for unemployed and low-earning tenants

Across Canada, nearly half of renters had less than one month's worth of savings^{vi} prior to the pandemic. In Ontario, 45% of tenant households spend 30% or more of their total income on shelter (the highest rate across the country)^{vii}. To realize the National Housing Strategy's goal of ensuring every person in Canada has an affordable home that meets their needs by 2030, housing affordability must remain a top priority for recovery planning.

ONPHA and our members were pleased to see the government introduce several accessible emergency income supports at the start of the pandemic, as well as the Canada-Ontario Housing Benefit (COHB). We are extremely supportive of the populations identified as first priority for COHB support, including survivors of domestic violence and human trafficking, persons experiencing or at-risk of homelessness, Indigenous persons, seniors, and people with disabilities.

However, as we grapple with the second wave of COVID-19 (and prepare for the possibility of a third wave), it is critical that individuals and families remain housed. We call on the government to work in partnership with the Ontario government to increase access to the COHB and expand emergency income assistance to include rent relief and/or arrears management for unemployed and low-earning tenants, prioritizing high-risk, marginalized households. This could include expansion of CMHC's new Temporary Rental Assistance program (currently restricted to community housing providers with former federally administered funding agreements), to meet the needs of low-income tenants across the housing system (in both non-profit and private markets).

Targeted support for rental assistance and/or arrears management will preserve tenancies and prevent increased homelessness (especially among marginalized communities), reducing reliance on much more costly emergency shelter and homelessness services. In addition, it will ensure the resilience of the broad housing sector, stabilizing landlords otherwise absorbing arrears costs (which is particularly unsustainable for non-profit providers, as identified in Recommendation #1).



3. Increase funding through the National Housing Strategy to protect and increase the supply of community housing to preserve affordability and meet growing needs

Before the COVID-19 crisis, nearly 750,000 households were in core housing need^{viii} and over 185,000 on waiting lists for subsidized housing in Ontario alone^{ix}. In light of the disproportionate impacts of COVID-19 on low/limited-income households, these needs are expected to grow significantly.

By investing in the growth and sustainability of community housing, the government can deliver both short and long-term gains as part of Canada's socioeconomic recovery. With adequate, affordable housing, people have better health outcomes, higher propensities to spend, and rely less on other costly public sectors such as healthcare, justice, shelter, and social assistance.

Moreover, every investment in community housing ensures public dollars are used efficiently: every \$10 invested in housing and related supports can save up to \$20 in provincial systems like healthcare, criminal justice, and social assistance^x. What's more, building one affordable housing unit creates up to two-and-a-half new jobs^{xi}, putting money into the hands of small-business owners and creating local, skilled trades jobs. It also provides opportunities to conduct accessibility and energy efficiency retrofits, lowering future operating costs while building green, inclusive, resilient communities.

ONPHA and the Cooperative Housing Federation of Canada's (CHF) [Affordable Housing Plan for Ontario](#) shows the need to build at least 99,000 new affordable rental and supportive housing units and repair 260,000 community housing units in Ontario alone by 2028. We have seen the success of projects funded through National Housing Strategy (NHS) programs like the Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) provide sustainability, growth, repair, and renewal along the housing continuum. By increasing investment in these programs in partnership with the provincial government, the federal government can ensure an appropriate mix of affordable and adequate housing is built and maintained to meet growing community needs.

However, other high-demand NHS programs, such as the National Housing Co-investment Fund, have presented significant barriers for community housing providers. While we understand that improvements have been made to the application process and design, providers continue to face challenges related to financial restrictions, administrative burdens, and prohibitive construction requirements. We have also heard directly from members approved for Co-Investment funding that long timelines for disbursement are impacting projects on the ground.

While a welcome investment, new funding through the Rapid Housing Initiative (RHI) has posed similar challenges for community housing providers, particularly related to meeting short application and development timelines, as well as limited overall funding available to providers.



We call on the government to reform the National Housing Co-Investment fund to increase funding, create flexible guidelines, and ensure application processes and funding disbursements occur in a timely manner. In light of recent commitments to increase rapid housing investments^{xii}, we also strongly recommend that the government commit to a second round of RHI funding, ensuring adequate support and funding for providers to achieve a state of readiness and grow affordable housing options, including through increased opportunities for community-based acquisitions strategies.

4. Commit to an urban, rural, and northern Indigenous housing strategy in partnership with Indigenous peoples

The COVID-19 crisis has illuminated the severe gaps in access to basic necessities for marginalized populations, particularly around healthcare, housing, and justice. While Indigenous communities living on-reserve face mounting challenges related to safe drinking water, overcrowding, infrastructure, and access to essential supplies and supports, Indigenous peoples living in urban areas are eight times more likely to experience homelessness than the general population^{xiii}, subjecting them to many of the same challenges as communities on-reserve.

While housing on-reserve is in severe need of repair and new construction, there is an equally pressing need for investment in the often overlooked and vastly growing need for Indigenous housing in urban, rural, and northern areas. Moreover, while the NHS has rightly identified the need for distinctions-based strategies for First Nations, Inuit, and Métis communities, there remains a considerable gap in meeting the needs of the nearly 80% (85% in Ontario)^{xiv} of Indigenous households living off-reserve in the absence of a fourth strategy for urban, rural, and northern Indigenous communities.

ONPHA and our members were pleased to see the government's commitment^{xv} to develop a dedicated urban Indigenous housing strategy, however, the NHS has yet to follow suit with specific funding for off-reserve Indigenous populations.

ONPHA's [Urban and Rural Indigenous Housing Plan for Ontario](#) identifies the need for at least 22,000 subsidized Indigenous-owned and operated units over the next 10 years to meet the growing housing needs of off-reserve Indigenous populations in Ontario alone. The initial \$7.3 billion investment can save \$14.3 billion in system efficiencies, through cost savings in social services, healthcare, shelter services, justice and foster care, while significantly boosting Indigenous personal incomes through improved employment and education outcomes. Moreover, the construction program will create 95,000 year-jobs in the construction sector and other industries, while adding \$3.8 billion to the economy through construction multipliers.

As part of a national strategy for urban, rural, and northern Indigenous housing in support of the CHRA Indigenous Caucus "[For Indigenous, By Indigenous](#)" plan, an Urban and Rural Indigenous Housing Plan for Ontario is a critical step on the path toward reconciliation. As ONPHA continues working closely with Indigenous, provincial, and sector partners in the resourcing and implementation of this crucial plan, we strongly encourage the federal



government to commit to sustainable investment in off-reserve Indigenous housing to help mitigate the disproportionate impacts of housing affordability, poverty, and COVID-19 on Indigenous communities.

Work is underway to develop a community-led implementation strategy to action on ONPHA's Urban and Rural Indigenous Housing Plan for Ontario, which requires sustainable resourcing from partners at all levels. Investment in this approach is critical to help meet one of the government's key commitments of supporting progress along the path to reconciliation. Additional information related to this recommendation is available in ONPHA's recent [submission](#) to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA) to their study on urban, rural, and northern Indigenous housing.

5. Invest in an integrated approach to supportive housing to meet diverse housing needs and help end chronic homelessness

Currently, Ontario has less than half of the supportive housing units required for mental health and addictions alone, not including persons with other disabilities nor the growing needs related to COVID-19. Waitlists range up to seven years and a minimum of 30,000 new supportive housing units are required to meet this need^{xvi}. Beyond supporting individuals, consumer choice and community integration would help end chronic homelessness and achieve major cost savings across health, justice, social services, and shelter systems.

ONPHA strongly supports the NHS's bold goal to reduce chronic homelessness by 50% over the next 10 years; however, the NHS currently lacks specific provisions for supportive housing, which is critical to ending chronic homelessness.

As one of ONPHA's key strategic priorities, we will be engaging broadly with key stakeholders from the supportive housing, health, homelessness, social services, and other related sectors to develop an integrated supportive housing plan for Ontario. We call on the federal government to work closely with ONPHA, the province, and our sector partners on the plan's implementation and commit to adequate, sustainable funding.

Thank you for taking the time to review our submission. ONPHA looks forward to ongoing engagement to develop sustainable, equitable community solutions to support Canada's socioeconomic recovery by opening more doors through housing.

Sincerely,

Marlene Coffey, MA, MAES, MCIP, RPP
Chief Executive Officer



ⁱ The total value of social housing units in Ontario is estimated at \$30 billion, however this does not include all assets in the community housing sector, including land, which would likely result in a significantly higher real value for the sector. See: Office of the Auditor General. (2017). 2017 annual report, Chapter 3 (3.14). Available at: http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf

ⁱⁱ ONPHA members have continued to share this feedback over the course of the pandemic through support requests, surveys, and virtual engagement activities.

ⁱⁱⁱ Statistics Canada. (2020). COVID-19 in Canada: A six-month update on social and economic impacts. Available at: <https://www150.statcan.gc.ca/n1/pub/11-631-x/11-631-x2020003-eng.htm>

^{iv} Canada Mortgage and Housing Corporation. (2021). 2020 rental market report. Available at: <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2021/2020-rental-market-report>

^v Financial Accountability Office of Ontario. (2020). Ontario municipal finances: An overview of municipal budgets and an estimate of the financial impact of the COVID-19 pandemic. Available at: <https://www.fao-on.org/en/Blog/Publications/municipal-finances-2020>

^{vi} Canadian Centre for Policy Alternatives. (2020). The rent is due soon: Financial insecurity and COVID-19. Available at: <https://www.policyalternatives.ca/publications/reports/rent-due-soon>

^{vii} Statistics Canada. (2016). 2016 census of population, Catalogue no. 98-400-X2016225. Available at: <https://www150.statcan.gc.ca/n1/en/catalogue/98-400-X2016225>

^{viii} Statistics Canada (2017). Core housing need, 2016 Census. Available at: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/chn-biml/index-eng.cfm>

^{ix} Office of the Auditor General. (2017). 2017 annual report, Chapter 3 (3.14). Available at: http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf

^x Gaetz et al (2014). The state of homelessness in Canada. Available at: <https://www.homelesshub.ca/SOHC2014>

^{xi} Per person-years of employment. These residential construction jobs are overwhelmingly local: most are in the area where the unit is built and the rest are usually within Ontario. See: CMHC (2000). Economic Impacts of Residential Construction Research Highlight, “Socio-Economic Series, Issue 69.” (Ottawa: CMHC); Dunning, W (2012). Economic and Fiscal Impacts of Residential Construction – 2012, (Ottawa: CHBA); National Association of Home Builders (2009). The Local Impact of Home Building in a Typical Metro Area: Income, Jobs and Taxes Generated (Washington DC: NAHB). Additionally, housing providers contract-out ongoing maintenance and capital work to the private sector which puts money into the hands of small business owners and creates jobs for the skilled trades.

^{xii} Office of the Prime Minister. (2021). Minister of families, children and social development supplementary mandate letter. Available at: <https://pm.gc.ca/en/mandate-letters/2021/01/15/minister-families-children-and-social-development-supplementary-mandate>

^{xiii} Belanger, Y., Awosoga, O., Weasel Head, G. (2013). Homelessness, urban Aboriginal people, and the need for a national enumeration. Available at: <https://www.homelesshub.ca/resource/homelessness-urban-aboriginal-people-and-need-national-enumeration>

^{xiv} Statistics Canada. (2017). Aboriginal peoples in Canada: Key results from the 2016 Census. Available at: <https://www150.statcan.gc.ca/n1/daily-quotidien/171025/dq171025a-eng.htm>

^{xv} Office of the Prime Minister. (2019). Minister of families, children and social development mandate letter. Available at: <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-families-children-and-social-development-mandate-letter>

^{xvi} Ontario’s Mental Health and Addictions Leadership Advisory Council has recommended that 30,000 supportive housing units be added over the next 10 years. This call has been supported and endorsed by many leading mental health organizations as the minimum requirement.