

March 29, 2018

ONPHA's Response to the 2018 Provincial Budget

On March 28, 2018, the Ontario government tabled their 2018 Budget: [A Plan for Care and Opportunity](#). In what will stand as the final budget ahead of the upcoming provincial election, the Liberals have proposed billions of dollars in new spending aimed at increasing affordability and opportunities across the province.

Overall, ONPHA believes that this Budget contains several positive initiatives for the community housing sector and for low-income Ontarians more broadly. Read on for the top five things that community housing providers should know about Budget 2018:

1) Cost-matching National Housing Strategy Investments:

Several of the initiatives introduced in the recently announced National Housing Strategy (NHS) rely on a cost-matching agreement between the federal and provincial governments so ONPHA was looking to see if these details this would be revealed in the Budget. Specific cost-sharing agreements have not yet been reached, but the Budget does formally confirm that the current provincial government intends to fully cost-match the initiatives identified in the NHS.

When detailing key expenditure changes since 2017, the 2018 Budget shows a modest annual increase of \$100 million in 2019-2020 and 2020-2021 which reflects Ontario's projected cost-matching amounts for the Federal-Provincial/Territorial Housing Partnership and the Canada Housing Benefit. These funds will kick in after the current Investment in Affordable Housing concludes in 2019.

The NHS also includes an initiative to maintain baseline funding for formerly federal housing programs and we understand the provincial government will be entering into an agreement for the provincial cost-matching requirements for this. While this is positive, we do have some concerns.

As the below table from the 2018 Budget shows, federal transfers for social housing have been steadily declining over the past years:



TABLE 3.24 Revenue
(\$ Millions)

	2015-16	Actual 2016-17	Interim 2017-18	Plan 2018-19
Government of Canada	91,818	94,346	99,353	103,581
Canada Health Transfer	13,089	13,910	14,359	14,934
Canada Social Transfer	4,984	5,146	5,314	5,486
Equalization	2,363	2,304	1,424	963
Infrastructure Programs	146	732	1,533	1,703
Labour Market Programs	927	965	969	998
Social Housing	455	441	412	386
Other Federal Payments	893	761	1,020	1,235
Direct Transfers to Broader Public-Sector Organizations	284	285	297	301

Since the initiative to maintain social housing funding is not set to start until 2019, the federal and provincial governments are negotiating cost sharing agreements based on 2019 funding levels. We had hoped the Ontario government would invest in maintaining funding for programs that have already reached the end of operating agreements or those that would reach the end of operating agreements ahead of this date, but they do not appear to have made this commitment within Budget 2018.

We understand negotiations on the cost-sharing agreement between Ontario and the federal government are ongoing and may be concluded soon. ONPHA will update members as any new information emerges.

2) Increasing Supports for Vulnerable Ontarians:

Within our [pre-budget advocacy](#), ONPHA called on the provincial government to undertake initiatives related to housing and other supports for some of Ontario's most vulnerable populations. We are pleased to see that the Province has committed to doing so in several areas:

Mental Health and Addictions

As announced leading up to the Budget, the government has proposed new investment of \$2.1 billion towards mental health and addictions services over the next four years. This would bring the total four year mental health investment up to \$17 billion, and funds would be allocated to initiatives including publically funded psychotherapy, combatting the opioid crisis, and supporting priority populations.

In terms of dedicated supportive housing, \$425 million of the new investment confirmed in the Budget is intended to provide 2,475 additional supportive housing units for people with complex mental health needs



over the next four years. Of this number, 525 would be newly built high need units. Although this number falls short of the [recommendations](#) put forth by the Mental Health and Addictions Leadership Advisory Council, it is a significant investment and ONPHA is pleased that the government continues to recognize the need for supportive housing.

Seniors

Supports and services for seniors were another major focus of the 2018 Budget. Proposed initiatives include increasing personal support workers in underserved communities, supporting individuals to live independently through a new Seniors Health Home Program, and improving care for up to 14,000 people newly diagnosed with dementia. Perhaps most significantly, the government has also proposed a new investment of \$650 million towards homecare over the next three years which would result in 2.8 billion more hours of personal support, 284,000 more nursing visits, and 58,000 more therapy visits across the province.

We know there are a rapidly increasing number of individuals living in non-profit housing, as well as in the private sector, that are struggling with challenges related to aging. The investments proposed in Budget 2018 would go a long way to support people to continue living independently in the communities they have helped build as they grow older.

Developmental Disabilities

Starting in 2018, the government is proposing investing an additional \$1.8 billion over three years to expand services for people living with developmental disabilities. Within this, two key housing initiatives were identified. First, the government has committed to supporting more than 800 people who are inappropriately housed in hospitals, shelters or correctional facilities in moving to safe and suitable homes within their communities. Second, the Budget identifies the need to encourage innovative housing solutions that will allow individuals with developmental disabilities to live at home longer. We know that many of ONPHA's members are already engaging in innovative approaches in this area, and we are eager to explore how we can work with and support members and the Ministry of Community and Social Services to further these goals.

ONPHA was also pleased to see a commitment for funding increases to over 350 community-based agencies in this sector, and we will be watching for further details related to this.



3) Increasing Supports and Supportive Housing for Aboriginal Populations:

The Indigenous Supportive Housing Program is administered by Aboriginal peoples for those in need of housing assistance and supports. ONPHA was pleased to see that Budget 2018 has allocated an additional \$4.5 million to this program over the next year, which would build an additional 30 units of supportive housing (beyond what has already been committed through this program). These specific units will support mothers and families travelling from First Nation communities for prenatal and postnatal care.

We were also pleased to see commitments towards new, culturally appropriate health and mental-health initiatives for Aboriginal peoples, as well as the announcement of an Urban Indigenous Action Plan that will guide public and broader public sectors as they work with Aboriginal communities to develop policies and programs impacting peoples living in urban areas. ONPHA will be eager to learn more about how this Action Plan could connect with Ontario's forthcoming Indigenous Housing Strategy which our Urban Aboriginal Housing Advisory Committee co-chairs and other housing provider members have been advising the Province on.

4) Housing Specific Initiatives and Pilots:

There were several other housing specific initiatives and pilot projects identified in the budget.

ONPHA extends a big congratulations to member organization Mainstay Housing who will receive funding through a Social Impact Bond Pilot project to improve housing stability of chronically homeless individuals living with mental illness.

We also share in the excitement of sector partners at the Cooperative Housing Federation and Habitat for Humanity who have been allocated funding of \$3 million and \$5.8 million respectively for the purpose of encouraging new co-op and affordable home ownership development.

Additionally, it is worth mentioning that up to five Public Health Units will receive combined one-time funding of \$1 million for initiatives promoting mental health, including assistance for those who are under housed and living in rural and remote regions. This is as a direct result of this initiative being one of the five most voted on ideas through Ontario's "Budget Talks" public consultation process, highlighting that housing is widely recognized as one of the most important priorities across the province.



5) Reforming Social Assistance:

The government also committed to a multi-year strategy on social assistance reform guided by recommendations put forth in the recent Income Security Working Group's [report](#). Through a proposed \$2.3 billion investment over three years, the province intends to increase social assistance rates by 3% each year, and reduce complex rules and reporting requirements. Other notable aspects of the proposed reform would include increasing the amount of employment income that can be earned without impacting benefits, and moving towards a standard, flat-rate for all social assistance recipients that would not require them to report housing cost details. This last point could be especially significant for housing providers as it potentially signals an intent to move away from the current social assistance rent scales that are tied to the shelter component of social assistance.

Other notable developments and investments:

Building on announcements that were made in the days and weeks leading up to it, the Budget also includes several other initiatives that, if passed, could be impactful for low- to moderate-income Ontarians or non-profit housing providers. Some of the most significant examples include:

- Up to \$25 million over five years for tools and supports to help municipalities improve asset planning capacity which could be beneficial for any municipally owned housing infrastructure (including Local Housing Corporations) and which ONPHA [recently advocated](#) for
- A commitment to make thousands of prescription drugs free to everyone over the age of 65 beginning in 2019
- A \$2.2 billion investment over three years to expand childcare subsidies and make childcare free for preschool aged children starting in 2020
- A new Drug and Dental Program that will reimburse up to 80 per cent of drugs and dental expenses each year for those without benefits or who are not covered by other programs

Looking ahead

With the release of this Budget, the Liberals have set the stage for the 2018 provincial election. Over the coming days and weeks we can expect to see strong reactions and campaign promises emerge from the other political parties as we gear up to head to the polls in June.

ONPHA will provide more information about initiatives introduced in the 2018 Budget and about the upcoming provincial election as we can. Stay tuned.