



ONTARIO NON-PROFIT
HOUSING ASSOCIATION

The Honourable Rod Phillips
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, Ontario M7A 1Z1
submissions@ontario.ca

February 11, 2020

RE: ONPHA's Submission to Ontario's 2020 Budget Consultations

Dear Minister Phillips:

Thank you for the opportunity to provide input toward Ontario's 2020 budget. The Ontario Non-Profit Housing Association (ONPHA) represents over 700 landlords and property owners and provides affordable housing for nearly half a million Ontarians.

Housing allows workers to contribute to the economy so government can prioritize job creation and putting money in people's pockets. ONPHA is well-positioned to support the Province in reducing the deficit, maximizing existing investments and making life more affordable for taxpayers.

With these objectives in mind, ONPHA has six recommendations for government in developing the 2020 budget:

1) Support community housing sector sustainability and transformation

Nearly a third of Ontario's existing stock is at riskⁱ, with inconsistent resources and increasing complexity in managing community housing. Infrastructure repair is only 4% of the cost of replacementⁱⁱ and, with our sector's \$30 billion in built assetsⁱⁱⁱ, maintaining and expanding affordable housing offers a more effective way to leverage investments and reduce reliance on taxpayers.

2) Commit to an Urban and Rural Indigenous Housing Plan for Ontario

True reconciliation cannot happen while Indigenous peoples experience disproportionate levels of poverty, housing need^{iv} and homelessness^v. ONPHA's recent research shows Ontario requires 22,000 additional Indigenous owned and operated community housing units over the next decade to address gaps^{vi}. This investment would be recovered nearly twice over by lifetime savings associated



with housing families in need^{vii}. We estimate that this would add nearly \$3.8 billion to the provincial economy and create 95,000 jobs^{viii}.

3) Invest in an integrated approach to supportive housing

Evidence shows maintaining housing and supports pays for itself through savings in healthcare, correctional services and social assistance costs^{ix}. However, Ontario has only half the supportive units required for mental health and addictions alone^x. An integrated approach to supportive housing and funding streams that build on the cross-Ministerial review to address the needs of seniors and others requiring supports are equally urgent.

4) Prioritize non-profit development

ONPHA estimates that a minimum of 99,000 new affordable and supportive housing units are required to meet demand in the coming decade^{xi}. We urge the Province to work with municipalities to streamline development for community housing and to prioritize non-profit developers in the design of programs, incentives and the distribution of surplus lands for affordable housing. Prioritizing non-profits ensures public investment is used to protect affordability in perpetuity^{xii}.

5) Address shortages at the Landlord and Tenant Board (LTB)

LTB adjudicator shortages have created hearing backlogs and costly delays for landlords across the province. We urge the government to expedite hiring and to partner with ONPHA to provide training about community housing.

6) Reinvest housing dollars back into affordable housing

Ontario generates significant revenues through housing taxes and surplus property sales^{xiii}. These could be re-directed to further investment in affordable housing to ensure that system-wide savings to the taxpayer are accelerated and realized.

Thank you again for this opportunity to provide input. ONPHA is eager to continue working with you towards an Ontario where everyone has a safe and affordable place to call home.

Sincerely,

Marlene Coffey
CEO, ONPHA



ⁱ The Auditor General reported that Ontario was at risk of losing about 1/3 of its existing stock (83,000 of 285,000) See: Office of the Auditor General (2017). 2017 Annual Report, Chapter 3 (3.14). Accessed online January 17 2020 at: http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf

ⁱⁱ See: Re/Fact Consulting. (2012). Social housing end dates in Ontario: Assessing impacts and promoting good practices. Housing Services Corporation.

ⁱⁱⁱ 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 result in a significantly higher real value. See: Office of the Auditor General (2017). 2017 Annual Report, Chapter 3 (3.14). Accessed online January 17 2020 at: http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf

^{iv} CMHC estimates that 18.3% of Indigenous households in Canada are in core housing need, as compared to 12.4% of the non-Indigenous population.

^v Data shows that 1 in 15 Indigenous people in urban settings will experience homelessness as compared to 1 in 128 of the general population. See: Patrick, C. (2014). Aboriginal Homelessness in Canada: A Literature Review. *Homeless Hub Paper*, 6. (Toronto: Homeless Hub).

^{vi} ONPHA's recent work on an Urban and Rural Indigenous Housing Plan for Ontario has highlighted a shortfall of 22,000 subsidized Indigenous community housing units.

^{vii} ONPHA's modeling for an Urban and Rural Indigenous Housing Plan for Ontario estimates lifetime savings of providing housing to Indigenous householders in core housing need of \$14.3 billion across social and health services, correctional, education, and employment systems. This is compared to the \$7.3 billion required over 10 years to build the units.

^{viii} Evidence demonstrates that the development of one affordable units creates on average 2.5 new jobs and that residential construction supports Ontario's economy - each \$1M invested in residential housing creates 12 local jobs. Statistics of per person-years of employment per unit are drawn from: 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).

^{ix} Research has shown that every \$10 invested in housing and supports results in average savings that range from approximately \$3.50 to \$22 depending on individual support needs See: Goering, P. et al. (2014). National Final Report: Cross-site At Home/Chez Soi Project. Calgary AB: Mental Health Commission of Canada and Dutton, D.J. et al. (2018). Effect of provincial spending on social services and health care on health outcomes in Canada: an observational longitudinal study. *CMAJ Journal*, 190 (3), 66-71.

^x 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.

^{xi} Data modeling estimates that 69,000 new affordable rental homes in addition to 30,000 supportive housing units will be needed at minimum to meet demand in Ontario over the next decade. See: Ontario Non-Profit Housing Association, Co-operative Housing Federation of Canada (Ontario Region) (2018). An Affordable Housing Plan for Ontario, 17.

^{xii} While not-for-profits developed about 93% of Ontario's existing supply of below-market rentals between the 1960s and 1996, the last 25 years of affordable housing development programs have favoured private developers who can quickly provide "shovel-ready" projects. These projects are at higher risk of loss compared to projects led by mission-driven community housing providers. The 2017 Auditor-General's report found that strict requirements, burdensome application processes and inflexible funding models including high up-front capital requirements and a grant limit of \$150,000 per unit were discouraging non-profit housing investment and preventing the construction of affordable rentals in some areas of the province entirely. Service Managers reported only 1/3 of developers of affordable rentals were not-for-profits versus 2/3 private, which does not always translate into lasting investment in community housing stock. While non-profits can provide affordability benefits in perpetuity, nine out of 10 private developers converted their affordable buildings to condominiums or increased rents to market rates once their contract periods had expired. See: Office of the Auditor General (2017). 2017 Annual Report, Chapter 3 (3.14). Accessed online January 17 2020 at: http://www.auditor.on.ca/en/content/annualreports/arreports/en17/v1_314en17.pdf

^{xiii} Ontario's Land Transfer Tax was anticipated to generate nearly \$2.9 billion in 2019/2020.