



January 30, 2015

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

Dear Minister Sousa:

RE: ONPHA's recommendations for the 2015 Ontario Budget

Over the past year, the Wynne Government has laid out a bold path for creating a fairer, more prosperous and sustainable Ontario. In its poverty reduction and mental health and addiction strategies, the government has identified the importance of safe, secure and affordable housing in the lives of Ontarians and the future of the province. We are heartened by this recognition, and are committed to working with the Province to reap the social, health and economic benefits that investment in Ontario's non-profit housing sector offers.

Ending homelessness, ensuring better outcomes for individuals and families, and containing costs will require the commitment and sacrifice of many stakeholders. Our 760 member organizations are key partners that will help the Province reach its goals. Every day, they serve more than 400,000 Ontarians in 220 communities. Their tenants are many of Ontario's most vulnerable and marginalized citizens – those living in or near poverty, fleeing violence, exiting homelessness, or living with developmental disabilities, mental illness, addiction or HIV / AIDS.

To date, the Province has taken several positive steps to strengthen the delivery of affordable housing, including the extension of the Federal-Provincial Investment in Affordable Housing Program and the call for greater collaboration between the Ministries of Municipal Affairs and Housing and Health and Long-Term Care. However, much work remains.



We believe there are several steps that the Province can undertake in the near and mid-terms to support Ontario's non-profit housing sector, improve the lives of more than half a million Ontarians, and meet its' own goals and objectives.

We encourage the Province to:

Preserve and maintain existing investments in housing

1. Give MCSS-administered housing providers a fair deal

In 1999, a handful of non-profit housing providers were transferred to the administration of the Ministry of Community and Social Services (MCSS). The Memorandum of Understanding (MOU) between the MCSS and the Ministry of Municipal Affairs and Housing called for annual cost factor increases to the budgets of MCSS-administered housing programs.

To date, the MCSS has followed the letter, but not the spirit of the MOU. It has applied an annual cost factor of one, effectively flat-lining these organizations' budgets. In real terms, their budgets have dropped by approximately 25 per cent since the transfer. This has had a direct impact on the state of repair and services offered by these housing organizations, who serve a range of vulnerable Ontarians including people living with developmental or intellectual disabilities, and women-led families.

We call upon the Province to increase the budgets of MCSS-administered housing providers in 2015 so that they reflect the real costs of doing business. We further recommend that the MCSS be directed to apply cost factor increases that reflect the rising costs of providing services and maintaining their housing.

2. Extend the life of Ontario's social housing stock

From the 1940s to the mid-1990s, successive federal, provincial and municipal governments invested the construction of Ontario's social housing stock. This investment, a vital form of community infrastructure, is now between 20 and 70 years old. Like roads, bridges, and culverts, Ontario's housing infrastructure requires investment.

The Toronto Community Housing Corporation (TCH) has identified that nearly \$2.6 billion in investment is needed over the next decade to ensure that its housing remains safe and viable for the tens of thousands of tenants they house. Unfortunately, TCH is not alone. Many of Ontario's social housing providers are facing mounting pressure to repair and revitalize existing housing stock or to reimagine it to meet the needs of 21st century communities.



In addition to advocating for an increased role for the federal government in housing, the Province can take a leadership role in the revitalization of Ontario's social housing sector. There is an estimated \$2 billion dollars in outstanding capital repairs facing the sector, an amount beyond what many municipalities can tackle on their own. In addition to a capital grant program, we recommend that the Province:

3. Guarantee loans for Ontario's non-profit housing sector

As not-for-profit organizations, most non-profit housing providers lack the debt-to-income ratio required by traditional lenders. Others, may only be able to service debt once after cost-saving improvements have been made to their properties. A credit backstop by the Province would make housing providers more attractive candidates for lending and help fuel reinvestment in the sector.

4. Expand the mandate of Infrastructure Ontario

Non-profit housing providers with the capacity to assume debt often borrow from Infrastructure Ontario (IO). However, IO policies do not allow housing providers to borrow funds for capital repair or retrofit unless new housing units are created.

In some communities, the vacancy rate for rental housing does not warrant the creation of new units. At the same time, existing rental housing units are aging and warrant rehabilitation or replacement to meet community needs. We recommend changing Infrastructure Ontario's lending policies to grant non-profit housing providers access to the funds they need to repair and replace the housing they operate.

5. Include social housing in the definition of infrastructure

Infrastructure investment is a proven strategy for stimulating economic growth and ensuring that communities have the foundation they need to thrive.

Right now, Bill 6, Infrastructure for Jobs and Prosperity Act, 2014 is before the House. If passed, this legislation will help guide infrastructure investment in the coming years. Given the wide recognition of social housing as a vital form of community infrastructure, we strongly recommend amending the definition of "infrastructure" in the Bill to include social housing. Doing so will ensure that municipalities are aware of the range of infrastructure investment options available to them.



Help build the capacity of Ontario's housing sector

6. Invest in the future of the sector by expanding ONPHA's Mentorship Program

The roots of the non-profit housing sector run deep in cities and towns across Ontario. Our member organizations are the product of thousands of volunteers' deep-seated commitment to ending poverty and homelessness in their community. They have played an important role in the province's community sector.

But our sector, like others, is complex. It is also facing a wave of retirements that will see decades of institutional knowledge lost. With the Province's support, ONPHA recently completed a three-year pilot project called the Mentorship Program. The Mentorship Program paired retired sector experts with new leaders and board of directors, to share their expertise and help ensure the seamless delivery of quality housing services.

Through the pilot, ONPHA's mentors invested hundreds of hours into 25 organizations, building their capacity and helping ensure their long-term viability. Our work received high praise from members and Consolidated Municipal Service Managers, who are responsible for administering much of the province's housing system. In the end, demand for the program outstripped the time and funding available. We ask the Province to support a five-year, \$600,000 extension of the Mentorship program, which will enable us support our members through future change and ensure that sector knowledge is retained.

Create new affordable housing opportunities for Ontarians

Housing costs in many Ontario communities are spiraling upwards, out of reach of low and moderate income earners and people living in poverty. Rising demand and limited new construction of purpose-built rental housing have conspired to drive-up shelter costs.

As a result, more Ontarians are turning to waiting lists for rent-geared-to-income assisted housing than ever before. At last count, more than 165,000 households, three per cent of the households in Ontario, were waiting nearly four years on social housing waiting lists for an appropriate, decent and, most importantly, affordable place to call "home".

In its 2014 Budget, the Province announced two initiatives to tackle the growing demand for affordable housing in Ontario – the five-year extension of the Federal-Provincial Investment in Affordable Housing Program and the creation of 1,000 spaces of supportive housing. Both commitments are laudable, however they fall far short of addressing the need.



We share the Province's desire to build Ontario up, but that can only take place when all of us have an affordable home, that's in good repair, and the right size for our household. Our research, *Big Problems need Bold Solutions*, indicates that the housing challenges facing Ontarians could be solved through an annual commitment of \$1.3 billion for 10 years.

We acknowledge that this solution may not be feasible in Ontario's current fiscal climate. However, we believe it is important to recognize the scale of the commitment necessary to ensure that every Ontarian has the opportunity to grow and realize their full potential.

Ending homelessness will require more than affordable housing

A door that locks and a roof overhead are the first step toward ending homelessness for the estimated 10,800 homeless people in Ontario. But, the work does not end there.

Every day, our members work with individuals and families who are exiting homelessness or living in poverty. A safe, secure and affordable home helps satisfy their immediate needs, but support is necessary to help them remain housed and build the life skills they need grow, learn, work and contribute to their community.

Non-profit housing providers were created to provide housing to low and moderate-income Ontarians, but in reality our members do much more. Right now we are in the midst of research that identifies the impact that this expanded support role is having on our member organizations. In cooperation with our members, the Ministry of Municipal Affairs and Housing and representatives from the Local Health Integration Networks, we are identifying the partnerships and strategies that are working to keep vulnerable Ontarians housed. Over the coming year, we will recommend the funding and creation of place-based supports in Ontario's social housing to ensure that vulnerable people living in social housing have the help they need to succeed.

Thank you for the opportunity to participate in Ontario's 2015 pre-Budget consultation process.

Sincerely,

Keith Hambly

President

ONTARIO NON-PROFIT HOUSING ASSOCIATION



cc.

Hon. Ted McMeekin, Minister of Municipal Affairs and Housing
Janet Hope, Assistant Deputy Minister (Housing), MMAH