



**Submission to**  
**Ontario's Poverty Reduction Strategy**  
**Renewal Consultation**

**October 2013**



## **Introduction**

It has been five years since Ontario launched its first Poverty Reduction Strategy in 2008. As the Province develops its 2014-2018 Poverty Reduction Strategy, it is seeking public input on priorities and policy options with which to shape the Strategy. This submission contains ONPHA's input.

## **About ONPHA**

The Ontario Non-Profit Housing Association (ONPHA) represents 770 non-profit housing providers in 220 communities across Ontario. ONPHA members operate more than 160,000 non-profit housing units and provide housing for approximately 400,000 people such as seniors, low-income families with children, Aboriginal people, the working poor, victims of violence and abuse, people living with developmental disabilities, mental illness, HIV/AIDS or addictions and the formerly homeless/hard-to-house.

## **ONPHA's Recommendations:**

- 1. A central goal of the next Poverty Reduction Strategy should be ensuring a sufficient supply of adequate, secure, affordable housing.***

Housing opens doors. Affordable housing plays a vital role in the success of every Ontario community. It helps low-income Ontarians be healthier, better educated and enables them to find and maintain employment. It's an investment that saves money, reduces poverty, creates jobs, and helps to ensure the long-term success and prosperity of our province.

The first Poverty Reduction Strategy focused on reducing child poverty. Housing is the largest expense of low-income households. It has the capacity to drive households into poverty if it is too expensive, or to help them exit poverty if it is adequate, secure and affordable. Affordable housing is an area of special priority and urgency for low-income families. Children who have safe and affordable housing are healthier and do better at school.

The expenditures required to ensure a sufficient supply of adequate, secure, affordable housing for Ontarians should be viewed as investments, not as costs.

- 2. Affordability challenges continue***

Households that spend upwards of 30 or 50 per cent of their gross income on housing costs face challenges meeting their basic needs. High housing costs increase poverty. Data released from the 2011 National Household Survey (NHS) in September confirm that affordability challenges for Ontario renters have not subsided since the 2006 Census:



- The percentage of tenants paying more than 30 per cent of their gross income on rent was essentially stable from 2006 to 2011, declining slightly from 44 to 42 per cent.
- The percentage of tenants paying more than 50 per cent of their gross income on rent remained at 20 per cent, indicating a persistent, serious affordability problem.

Most tenants with affordability problems had annual incomes under \$30,000, at which few market rental options are affordable. Modest new government investments in new affordable housing over the past decade have not been sufficient to improve the overall affordability picture for Ontarians.

### 3. *Subsidized housing makes a difference*

Affordability problems are much more common for renters in the private market than for renters living in subsidized housing. For renters with annual incomes less than \$30,000:

- 40 per cent of subsidized renters pay over 30 per cent of income on housing costs, compared to 91 per cent of renters in the private market.
- 17 per cent of subsidized renters pay over 50 per cent of income on housing, compared to 51 per cent of renters in the private market.

Subsidized housing has a measurable impact, reducing poverty by reducing housing costs.

### 4. *Addressing poverty with a housing focus*

Addressing poverty through housing requires investment in both people and place.

#### a. People

##### i. A housing benefit

A housing benefit contingent on local housing costs should be implemented for low income households. ONPHA supports such a benefit in partnership with organizations including the Federation of Rental Housing Providers of Ontario and the Daily Bread Food Bank.

##### ii. Financial literacy and asset-building

ONPHA has studied the United States Department of Housing and Urban Development's Family Self-Sufficiency (FSS) program. In this program, participants not only gain skills and knowledge to improve their financial situation, they are also able to build financial assets to help reduce their reliance on government assistance and break the cycle of poverty. ONPHA recommends that the Province fund a set of FSS-type pilot projects within Ontario's non-profit housing communities to find new ways to reduce poverty.



iii. Support for social housing tenants

There are many social housing tenants with unmet support needs. Without support, such tenants, who are often ageing or experiencing mental health and addictions challenges, are at risk of losing their housing and descending into homelessness. Part of poverty reduction is ensuring that vulnerable people don't slip through the cracks. A province-wide approach to delivering support services in social housing is required. There are currently several initiatives at the local level that have yielded measurable gains.

iv. Social Assistance Review

ONPHA recommends that next steps in the reform process be focused on *Brighter Prospects* recommendations that increase social assistance incomes, allow recipients to keep more of what they earn, and help recipients find success in the labour market. Care should be taken to ensure that undue labour market requirements are not placed on individuals with disabilities. Reform should not lower the income of any recipient. Improved social assistance incomes will enhance resources available to tackle high housing costs.

v. Ensuring basic standards for low-wage workers

Low-wage workers should be confident that they will be treated in a manner consistent with Ontario labour and wage standards. Studies show that many earn less than they should due to employer non-compliance. Ontario should step-up enforcement for a fair labour market. Ontario similarly requires an increased minimum wage tied to a regular escalator, to ensure that work pays. No full time worker in Ontario should live in poverty. Improved wages will enhance resources available to tackle high housing costs.

**b. Place**

i. Increasing affordable housing supply initiatives

While the Province has made modest investments in new affordable housing since 2003, contributing to the addition of roughly 1,500 units per year, this has not been sufficient to meet housing need and reduce poverty. Ontario's service managers have been tasked with creating 10-year housing and homelessness plans, and have actively engaged in the process. Now they require sustained funding to put their plans into action and tackle the roots of poverty. Service managers need a long-term predictable source of senior government financing. As a first step, Ontario should match and ideally exceed planned federal investments under the Investment in Affordable Housing extension announced in the federal budget. The goal should be



developing a greater number of housing units with longer and deeper affordability commitments.

ii. Preserving existing social housing

Much of Ontario's social housing is in need of repair and lacks sufficient capital reserves to meet repair need. People who live in poor housing that is in disrepair are ill-equipped to meet and hopefully surmount the challenges posed by poverty. If social housing is lost to poor repair, the cost of replacement given today's construction and tenant displacement costs will be enormous. Ontario should expand use of its financial credit clout to help refinance projects and extend their useful life.

5. *In closing*

Ontario's next Poverty Reduction Strategy should tackle the single largest cost facing low income households – their housing. Households that pay more than 30 or 50 per cent of their income in rent face impossible choices between essentials like food, medicine, and transportation. Adequate, secure, affordable housing directly reduces poverty and provides households with the foundational tools they need to improve their lives.

ONPHA would be pleased to continue discussions about how to bring a renewed focus on housing affordability to fruition to reduce poverty in Ontario.