



10 Trinity Square, Toronto, Ontario M5G 1B1 · T: 416-795-5402 · www.mfateh.ca · E: coordinator@mfateh.ca

## **Ontario 2010 Pre-Budget Consultations Submission to the Standing Committee on Finance and Economic Affairs**

### **Who we are**

The MultiFaith Alliance to End Homelessness is made up of members of a broad spectrum of faith groups and organizations in the Toronto area. Our goal is for every individual and family to have adequate, secure, safe and affordable housing. The values we hold in common – compassion and care for those in need, respect and dignity for all in our society – compel us to advocate for homeless people and families living in deplorable conditions in this relatively wealthy Province.

We are asking the Government of Ontario to responsibly promote economic recovery by including affordable housing investments in its 2010 budget. Faith-based organizations have historically made, and continue to make, very significant contributions to under-housed people with service programs and small housing developments. The fact remains that only governments have sufficient resources to deal with housing deficits on the scale that is required.

### **Key housing recommendations**

- Make an initial financial commitment to new rental housing supply in advance of the affordable housing strategy expected this spring
- Introduce a housing benefit for people on social or disability assistance, and the working poor that addresses the housing affordability gap
- Expand funding for supportive housing and support services to assist homeless people, frail seniors, victims of abuse and people with mental illness, addictions and physical disabilities to find and keep adequate housing
- Deliver quickly on the 2009 budget commitments for social housing repairs and housing for seniors and disabled people

- Reverse operating cuts and cuts to the affordable housing program of the Ministry of Municipal Affairs and Housing (MAH)

### **Investment in housing is basic**

Housing is a basic need, as essential to a productive life as health or education. Yet government investments in health and education have increased greatly over the years while investment in housing has declined. Why? Is it because we are unable to imagine homelessness as happening to us or people that we know? The reality is that homelessness for many is as close as a lost job, abusive partner or the onset of mental illness.

Last year we commended your Government on its poverty reduction initiative in the midst of the economic recession. Your action demonstrated your understanding of the negative social and economic implications of poverty. The resulting poverty reduction legislation commits to a 25% reduction in poverty over a five-year period. While there are many facets to poverty, there is a clear consensus among poverty researchers and anti-poverty advocates that investment in affordable housing is essential to meeting the legislated goal.

After paying for housing, most poor people can't afford enough nutritious food, medical supplements, dental care, good child care, or transportation for job training and job search. The security and environment of good affordable housing provide the necessary base for individuals and families to connect with community resources and government programs and to begin improving their lives and the future prospects of their children.

### **Funding situation, funding record**

The 2009 Ontario budget matched federal funding to provide \$704 million over two years for repair of 50,000 run-down social housing units and \$545 million for construction of 4,500 new homes for seniors and people with disabilities. We welcomed this new spending. We understand however that there are significant delays in getting projects actually started. The Auditor-General's 2009 report said that the Government lacks "established and dedicated staff resources ... monitoring the success of its funding programs in achieving their desired impact". Since funding ends in March of 2011 we urge expedited action on these commitments.

While the 2009 investment is commendable, the Government remains well short of fulfilling its commitments since being elected in 2003. At that time it promised 26,600 units of affordable and supportive housing. With less than two years left in

its second mandate, the MAH web-site tells us that 10,023 units of affordable and supportive housing are occupied with another 3,031 units under construction.

Considering the huge needs for housing it is also disheartening to learn that the operating budget for MAH over the past four years was cut by \$222.4 million. The biggest cuts at the MAH in 2009, \$38.9 million, were in the affordable housing program.

### **Costs of inaction**

Homelessness and over-crowded, substandard housing are very costly to the Ontario government and Ontario taxpayers as well as to those suffering from these situations. Surveys of homeless people in Toronto show that they die prematurely and have more serious illnesses. They are major users of ambulance, hospital emergency and other medical services. Residents in run-down, unsafe housing tend to have poorer health outcomes.

Under-housed people incur major costs for shelters, police services, social services, mental health services, and social assistance. Various studies have compared the average costs of shelter beds, jail cells and hospital beds with the costs of accommodation in social housing and found that providing housing is in fact a bargain compared with the costly alternatives, even when supportive services are included with the housing. This means that the Government can ultimately save on expenditures for shelters, social assistance, police, and medical services by increasing investment in housing. We heartily agree with the recent Senate report *In From the Margins* that recommends spending smarter: instead of spending \$100,000 a year on institutional care for a homeless person, spend \$25,000 on affordable, supportive housing.

### **Housing Deficits**

Government programs in recent years have been short-term, uncoordinated and half-hearted. The crisis continues and deepens in the present economic recession. Housing costs continue to rise even as middle-range incomes are stalled and the numbers of low-income households increase. The affordability of available housing supply is a serious issue for low-income families and individuals. Only about one third of the housing created in Toronto by housing programs in recent years is affordable to poor households: those on social assistance or disability assistance or those working for minimum wage.

Before the current recession 137,000 households were on municipal housing waiting lists in the Province. The Auditor-General's 2009 report finds that the average income of those on waiting lists is only about one half of the average income needed to afford the new homes being created. A street count estimated

there are about 5,000 homeless people in Toronto while “hidden homeless” and poorly-housed people number in the tens of thousands. Shelters and food banks are seeing increased use.

### **Housing in economic recovery**

Investment in housing as an economic stimulus in the current period of recovery makes particularly good sense. It's widely recognized that housing construction has a 2x multiplier effect for bringing economic benefits to local communities. Every home built creates jobs for construction workers, developers and suppliers of building materials. The low- and moderate-income families and individuals housed spend all available income on local goods and services and in some cases increase the tax base.

The importance of a sufficient supply of affordable housing to urban economic health in general is voiced by municipalities, business leaders and economists. Toronto's 10-year HOT plan states that “affordable housing is a key factor in the City's economic success. It helps to create jobs and to attract and retain skilled workers and business investment”. A TD Bank economist agrees that finding solutions to the problem of affordable housing is smart economic policy. Toronto's housing crisis is hurting its economy as well as undercutting productivity and competitiveness, according to the Toronto Board of Trade.

We recognize that the Government has difficult choices to make with a \$24.7 billion deficit. We caution against the mistakes made coming out of the recession of the early 90s, namely, cutting back on programs and services and cutting taxes in the following “good” years of economic growth. These cuts combined meant that low- and moderate-income families largely missed out in the recovery. The widening gap among income groups is a major threat to future economic and social health in Ontario cities. Low-income Ontarians must not be left behind as the Ontario economy gradually recovers.

### **Housing investment must start in 2010**

The MultiFaith Alliance to End Homelessness welcomed the 2009 affordable housing strategy consultations held by MAH. Our members offered their views on effective solutions to the housing crisis. We look forward to the draft policy to be presented this spring. At the same time we urge most strongly that the government not wait for a final housing policy but instead begin this year to make new investments as well as deliver quickly on 2009 funding commitments. Bold action will give some relief and hope to homeless families and individuals and to those struggling with unaffordable, sub-standard, and overcrowded housing. Compassion and fairness alone, with the bonus of lasting economic stimulus, demand Government action now.