

The Honourable Steve Clark
Minister of Municipal Affairs and Housing
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March 16, 2021

Subject: Broad policy responses and supports needed to maintain occupancies and preserve affordability

Dear Minister Clark,

In the midst of a global health crisis and economic shift, we have seen the critical need for affordable, sustainable housing and supports as essential services that maintain the health and wellbeing of our communities. As a group of housing organizations representing over 600,000 households across the province, we understand the need for government to provide solutions for Ontarians in need of housing and shelter, and for community groups to help identify and implement those solutions in partnership with government.

The connection between housing, health and the economy has never been clearer. While we had hoped housing would be a central focus of the 2020 Budget, we recognize opportunities in the upcoming 2021 Budget for the Province to invest in housing as a central pillar of socioeconomic recovery planning.

While the funding made available for the community housing sector through the Social Services Relief Fund (SSRF) is appreciated, more support is needed to meet the sector's rapidly increasing costs. In some cases, providers have not received any funding at all. The majority of SSRF funding has been directed to much needed emergency shelters and homelessness support systems; however, without sufficient funding for community housing and other forms of affordable housing, the pressure on emergency shelters and homelessness support systems will only grow.

Moreover, while the 2021 rent increase freeze may provide some much-needed short-term relief for tenants, it will not comprehensively address the pressing challenges of accumulating rental arrears and pending evictions, potentially leading to an increase in homelessness levels, nor will it alleviate the significant revenue shortfalls many community housing providers and private landlords are experiencing as a result of arrears and increased operational costs.

As Ontario navigates the second wave of the COVID-19 pandemic (and prepares for the possibility of a third wave), it is critical that households across the housing continuum

continue to receive ongoing, sustainable supports to ensure our communities are protected for the long-term. To maintain occupancies and preserve affordability, broad policy solutions built on community experience and expertise are needed.

Echoing many of our organizations' ongoing advocacy positions and recent pre-budget submissions, we strongly recommend that the government:

1. Implement a targeted arrears management program and/or rental relief for low-income households, prioritizing high-risk, marginalized households, to mitigate cascading impacts of rental arrears, and prevent evictions and an increase in homelessness

Rental arrears continue to accumulate at unprecedented and unmanageable levels across the non-profit and private rental markets, disproportionately impacting low-income households. A targeted arrears management program and/or rental relief is needed to preserve tenancies and mitigate the need for much more costly emergency shelter and homelessness services.

This program should reflect tenant income levels and capacity to pay and involve government absorbing a portion of the arrears and/or rental payments to minimize the negative impacts on both tenants and landlords.

A variety of rent relief models have already been implemented across the country, demonstrating early success reaching households in need quickly, preventing significant arrears and requiring minimal administration. We recommend the government strongly consider the Federation of Rental Housing Providers of Ontario (FRPO) proposed [Ontario Rental Assistance Program](#), which would provide flexible support for tenants with a wide range of housing needs, with the goal of preserving tenancies for the long-term.

2. Provide immediate stabilization funding to community housing providers and municipalities to address the current crisis and future waves of the pandemic

Community housing providers are facing significant revenue loss related to extraordinary costs, including cumulative rental arrears, unintended impacts from the rent increase freeze, increased costs from unit vacancies, personal protective equipment, higher utility use, increased staffing, cleaning and security, backlogs of maintenance and repair work, increased insurance premiums and office retrofits. Given the not-for profit nature of community housing and the financial challenges facing service managers during the pandemic, the loss of income due to the rent freeze for both market and rent-g geared-to-income (RGI) tenants will also exacerbate revenue shortfalls and potentially jeopardize service levels across the sector.

The community housing sector and municipalities need immediate financial support to mitigate the impacts of COVID-19 in the short and medium term to ensure sector sustainability.

3. Protect the existing supply of community housing to avoid further losses and preserve affordability

Ontario needs to ensure that existing community housing is maintained in a state of good repair and remains affordable for individuals and families with low/limited-incomes (and increasingly those with medium incomes, as well). To accomplish this, we are calling for greater provincial funding for renewal and rehabilitation of existing housing stock, which would also provide an opportunity to undertake accessibility retrofits and improve energy efficiency, all while creating jobs and helping to lower operating costs in the future.

The Province must also work closely with the sector to protect the long-term viability of existing provincial housing providers as their mortgages and operating agreements come to an end and ensure ongoing, sustainable support for providers. For many providers, the end of mortgage presents an opportunity to address renewal and rehabilitation of the existing stock without new provincial funding if the framework created by the province is effective.

4. Prioritize investment in the community housing sector to meet the growing housing needs across the province and preserve affordability for future generations

In order to increase the overall supply of community housing, we are calling on the Province to increase support for new community housing through an expanded toolkit of programs and policy options designed to increase access to capital, increase funding and ensure greater amounts of surplus land are available to the community housing sector.

We urge the Province to use the [Affordable Housing Plan for Ontario](#) developed by the Ontario Non-Profit Housing Association (ONPHA) and the Cooperative Housing Federation of Canada (CHF) as a roadmap for recovery in the community housing sector. In addition, we call on the Province to invest in an integrated supportive housing strategy for Ontario, and to partner with the Indigenous community housing sector to resource ONPHA's [Urban and Rural Indigenous Housing Plan for Ontario](#) to meet diverse housing needs across the province.

Despite its availability and potential, private sector financing is not always well matched to the realities of community and affordable housing. The [Housing Investment Corporation](#) (HIC), which raises financing from private capital markets, is a welcome

value-added addition to the housing sector for affordable renewal and growth. Providing occasional assistance for these projects (e.g., through grants or low-cost loans) is worth exploring.

With adequate, affordable housing that meets individual and community needs, people have better health outcomes, higher propensities to spend and rely less on other costly public sectors such as healthcare, justice, shelter and social assistance.

5. Incentivize and invest funding in the development of purpose-built rentals and affordable home ownership options in urban, rural and remote areas to ensure appropriate housing mix that meets local needs

The financial stability of jurisdictions across the province is severely undermined without a balanced mix and adequate supply of housing options. In addition to urban areas, rural and remote communities are in urgent need of affordable housing. Without significant economies of scale, many rural and remote regions struggle to maximize investments and build the diversity of housing needed to ensure affordability.

We call on the Province to build on the current Housing Supply Action Plan and incentivize and invest in the development of purpose-built rentals and affordable home ownership options across the province, including targeted investment for both urban and rural and remote areas.

6. Ensure consistency and efficiency at the Landlord and Tenant Board (LTB) to address delays and prevent inconsistent outcomes

We are pleased to see the LTB begin to address the significant backlog of pending applications by appointing new adjudicators and expanding technological capacity for hearings. However, we understand that significant delays are still expected, and that the welcome addition of new adjudicators is leading to inconsistent interpretations and outcomes.

We urge the Province to prioritize training for new adjudicators, including education around the purpose, contexts and challenges related to community housing. ONPHA, CHF and FRPO would welcome the opportunity to support the Province in offering this training.

Thank you for taking the time to review our letter. Our organizations look forward to continuing to engage with your government to develop long-term, sustainable solutions for the housing system and ensure communities are supported equitably as the centrepiece of socioeconomic recovery planning.



Sincerely,

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