

February 10, 2022

The Honourable Peter Bethlenfalvy
Minister of Finance
Government of Ontario
By email to: submissions@ontario.ca



Dear Minister Bethlenfalvy,

Re: 2022 Budget Consultations

Thank you for the opportunity to make this submission to Ontario's Budget Consultations.

The Toronto Alliance to End Homelessness (TAEH) is a coalition working on solutions to prevent and end homelessness in Toronto. TAEH has over 100 participants/partners, including supportive housing providers. With sufficient will and resources, homelessness can be 'rare, brief, and non-recurring' for all people at risk.

Solutions to homelessness require action by all levels of government and the community-based sector. Your government, through the Ministry of Health, plays a major role by funding key mental health and addiction services and supportive housing. The 2022 budget is an opportunity to continue implementing the Ministry of Health's *Roadmap to Wellness* mental health framework by enhancing services for this population. Also at risk are people with developmental disabilities, and women facing domestic violence.

Homelessness has greatly worsened through two years of COVID-19. The pandemic has disrupted people's lives, reduced affordable rental housing, and complicated the work of mental health workers. Persons with urgent needs waiting for Intensive Case Management rose from 280 to 701 (March 2020 – January 2022); over 120 high priority cases were added to Developmental Services Ontario's housing and supports waitlist in Toronto. Many people with disabilities, including mental health issues, have been infected in emergency shelters or in low-cost shared housing. The City and community agencies, with Ontario co-funding, have moved hundreds to more socially distanced settings in leased hotels etc., and created modular housing. The challenge this year is to house and support more people in private apartments or rooms who would otherwise become homeless again. Supportive housing has a successful track record in housing people who have experienced chronic homelessness.

Committed to Ending Homelessness

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To meet these needs, we urge you to include to the following six priorities in the 2022 Ontario budget:

- ***Fund support services and rent supplement in new affordable housing that is now being developed.*** Community-based agencies have been working urgently with the City of Toronto and Canada Mortgage and Housing Corp. to create some 2,000 permanent affordable housing units by 2022, via rapid modular construction, conversion projects, and approval of shovel-ready development.
 - People experiencing chronic homelessness or living with mental illness, addictions, developmental or other disabilities require very low rents (e.g., ODSP \$497 level or lower), plus support workers. The Ontario government has a vital role to play in funding rent subsidies and supports.
 - Because this housing is receiving land, capital funding and tax exemptions from other governments, provincial rent supplement in this housing will be less costly than in private rental and escalate less.
1. ***Sustain existing supportive housing via increased rent supplement and a market-based formula.***
 - Supportive housing providers are experiencing large financial pressures in existing programs, from a widening gap between soaring market rents and limited Ministry of Health rent supplement funding that is not keeping pace with real costs.
 - Existing funding levels support fewer units and clients in this context. Providers are less able to afford private rental units when a new client replaces a departing tenant. Some are running deficits.
 - Sustaining these essential programs requires extra rent supplement funding to catch up to several years of rent increases, and a new market-based annual rent supplement indexing formula.
 2. ***Sustain mental health services, emergency shelters, VAW shelters, and supportive housing through competitive salaries.***
 - Community-based providers struggle with unfilled positions, staff turnover and related issues that your government is grappling with across the labour market. Workers interact daily with clients whose health status and living conditions create high risk of COVID-19 transmission. Amid rising numbers of clients to support, providers are finding it challenging to attract and retain qualified staff.
 - These workers are paid much less than government employees or most health or education workers. Providers have not received funding for cost-of-living increases for several years and face further constraints under the *Protecting a Sustainable Public Sector for Future Generations Act* ('Bill 124').
 - Provincial budget decisions are needed, to fund services at levels that will enable providers to treat employees more equitably and be competitive in the labour market.

3. *Provide portable rent subsidies, to house people who are experiencing homelessness, people being discharged from institutions, and to free up units in supportive housing.*

- We commend your government for co-funding the new Canada-Ontario Housing Benefit (COHB). People experiencing homelessness are a major priority group receiving COHB In Toronto. But portable rent subsidies remain very limited compared (per-capita) to provinces such as BC, Saskatchewan, or Manitoba, or to the USA.
- More housing benefits (allowances) or other portable rent subsidies are needed, to serve three main types of needs of people experiencing homelessness or living with mental health or addiction issues.
 - a) Portable rent subsidies are a vital tool to help people to move into housing from emergency shelters, Violence against Women shelters, or the streets. These subsidies bridge the big gap between market rents and what these very-low-income clients can afford. More subsidies mean more people housed.
 - b) Portable rent subsidies also enable supportive housing tenants who are ready to move onto live independently in affordable private rental apartments. This frees up units and creates ‘flow’ in supportive housing (consistent with Auditor General recommendations), and helps providers allocate housing and support resources efficiently.
 - c) Portable rent subsidies are a key tool to prevent discharge into homelessness from hospitals and provincial detention centres. People at risk are often discharged with little or no income or family resources. Portable subsidies enable community-based providers to help people obtain housing.

4. *Expand the MCCSS Youth In Transition Worker funding to help end youth homelessness.*

- Preventing youth homelessness has big benefits in well-being, and in future system costs. One-third of people experiencing homelessness in Toronto were first homeless as children or youth.
- Rising needs require funding for more workers to help youth move from homelessness to housing.

5. *Support implementation of the Toronto Supportive Housing Growth Plan*

- TAEH has prepared a Toronto Supportive Housing Growth Plan (TSHGP), in collaboration with other organizations. This is an evidence-informed ten-year strategy to expand the supportive housing system in Toronto, to meet serious mental health needs and end chronic homelessness.
- Success in the strategy will depend on contributions from all levels of government and community-based sources: for coordination and planning; and for capital, rent supplement and support funding.
- Implementing this strategy is important as well in meeting the needs of under-served communities, including Indigenous communities, Black and other racialized groups, and distinct needs of women.
- In the short term, there is an opportunity for modest Government of Ontario funding to support areas of work such as hospital and detention discharge planning and data infrastructure for local Coordinated Access Systems. We are currently working actively with the City of Toronto as well.

- We have discussed the TSHGP with officials in provincial ministries and look forward to identifying ways in which your government can support action to move the strategy toward implementation.

The six priorities we are urging in this letter are consistent with several steps to date and potential 2022 actions and priorities in your government's online 2022 Budget consultation survey, in particular:

- #1 Building on the government's pandemic responses in terms of supports and investments to protect Ontario's health care system, through additional steps in these priority areas:
 - Further investments in the health and long-term care sector workforce;
 - Additional investments in health and long-term care infrastructure; and
 - Additional funding for addictions and mental health supports.
- #5 Directing more government support toward priorities including:
 - Housing affordability; and
 - Mental health and addiction support services.
- #7 Government actions to invest in workers, through:
 - Creating incentives for employers to rehire and expand their workforce.

Thank you for considering our submission.

Yours truly,



Kira Heineck
Executive Director, TAEH

cc: Hon. Steve Clark, Minister of Municipal Affairs and Housing