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Written Submission to City Budget 2023

Introduction

The Evidence around Food Insecurity and Poverty in Toronto

No one should go hungry or face barriers to accessing food. Yet, Toronto saw a record two million visits to foodbanks last year. With rapidly expanding demand for food access, quarter over quarter, things are not okay in our city.

Our annual *Who's Hungry* report reveals that food bank clients have a median annual income of \$12,732, down \$540, from \$13,272 in 2021. Further, one in three (33%) clients reported employment as a primary source of income, double last year's rate (16%), indicating that having a job is no longer sufficient to protect against experiences of food insecurity.

Nearly all (87%) of food bank clients live in unaffordable housing. High housing costs absorb most of food bank clients' household incomes. Food banks act as a stop gap in their household budgets because after paying the high cost of housing/utilities, clients had a median of \$8.01 left per person per day to cover other costs, including food, transportation and medical needs. If a client was to take two trips on the TTC, heading to work and back home, they would be left with \$1.51 per day. Inadequate incomes and the rising cost-of-living are driving food insecurity and food bank use in Toronto.

Ninety-three percent of clients are trapped in deep poverty, with incomes which are 75% or less than Canada's official poverty line, the line which governments have set as the amount needed to buy basics necessities. In Toronto, in 2020, the line for deep poverty was set as \$18,540 p.a.

Nearly half of food bank clients also reported a disability or health condition that is expected to last more than a year, while more than 1 in 3 food bank clients relied on social assistance. Children comprise 30% of those who feed, and the portion of seniors who are food bank clients has risen from one in ten to one in six. Food bank clients were also five times more likely than the general population to report that they do not have people in their life to count on in times of need. Food banks serve as a last resort for many.

As the City of Toronto develops its 2023 budget, it is critical that poverty reduction be at the core of economic recovery efforts to prevent further crises. This is the time to invest in our communities.

With this evidence-base, we urge City Council to consider the following recommendations in the adoption of the 2023 municipal budget.



Recommendations

1. On the Poverty Reduction Strategy (PRS)

The City's [Poverty Reduction Strategy \(PRS\)](#) focuses on six key areas for action and investment: housing stability, service access, transit equity, food access, quality jobs and livable incomes, and systemic change. At just under \$4 million (including just over \$3 million from City revenues), it is one of the lowest levels of new investment since the launch of the strategy in 2015.

Given the heightened crisis for low-income residents in Toronto — struggling with the high cost of living, rising rents, homelessness, and food inflation — we encourage the city to increase investments in the poverty reduction strategy, particularly in the following areas below.

A. Increase Investments in the Eviction Prevention in the Community (EPIC) Program

With a growing housing affordability crisis in Toronto, it remains one of the city's priorities for Budget 2023. In 2022, landlords have been allowed to raise rents with the provincially-set guideline of 1.2%. In 2023, the maximum has been set at no more than 2.5%, unless they apply for an Above Guideline Increase (AGI) demonstrating why this is needed.

AGIs allow landlords to transfer costs of renovations, increased property taxes, or security services on to tenants and can result in up to an additional 3% rent increase for three successive years. AGIs have been on the rise in Toronto in recent years, and these kinds of rent increases exacerbate the affordability crisis and increase the likelihood that low-income renters will be forced out of their homes and neighbourhoods, as the units become more unaffordable or as bad players force tenant turnovers. Evictions also disproportionately burden marginalized populations, particularly those with low incomes, Indigenous Peoples, and Black and other racialized people.

While the move to render the city's Rent Bank permanently grant-based as of June 2022 is most welcome, the one million dollar increase in the EPIC program is grossly insufficient to address the unprecedented risk of evictions. The consequences of evictions will be faced by the city in increased homelessness and shelter use, which are facing their own budget pressures in an inflationary environment, as many shelters and frontline positions are being cut. Investing upstream in the City's eviction prevention programs is critical to building community resilience.

B. On Fully Implementing the Fair Pass Transit Discount Program Expansion, Phase III

Transit in our city is critical and costly. In our annual *Who's Hungry* report, our research shows that after paying for housing and utilities cost, food bank clients have on average \$8.01 per day to pay for meals, medication, and other essentials. A two-way transit ride at current prices would leave food bank clients with an average of \$1.51 per day. This is impossible for anyone to survive on.

This year, our survey found that *more than one-third (39%) of food bank clients would walk if they had an appointment outside their neighbourhood*. The cost of transit is already taking too big a bite out of people's budgets. In a city of this size, affordable and reliable transit is necessary to ensure that all communities can access the services and supports they need.

We are encouraged to see the city begin eligibility for the Fair Pass Transit Discount Program based on low-income criteria, rather than participation in specific income assistance programs, but the proposed \$2m for Phase 3A of the Fair Pass Transit Discount Program is not sufficient on its own to make transit affordable for those who need it.

While Phase 3A expansion is slated to include 50,000 low-income residents, it is only expected to benefit around 10,000 low-income residents; whereas full implementation of Phase 3 would ensure that approximately 200,000 more Torontonians would be eligible for the Fair Pass. Fully expanding Phase 3 of the Fair Pass Program to all low-income city residents, already behind schedule, must proceed without delay.

C. Additional Feedback on Gender Equity Strategy and Reconciliation Action Plan

At a time like this, where poverty is rising, and more people are experiencing it, we need accountability. However, a strategy without adequate funding to execute it creates no accountability. When strategies are disconnected from the budget process, they merely become theoretical exercises.

In 2019, City Council directed staff to develop a Gender Equity Unit and a Gender Equity Strategy to address intersectional gender inequities in City of Toronto programs, service delivery, outcomes, and workforce initiatives. While considerable work has been undertaken to develop the strategy, City Council has yet to adopt the strategy. The City budget process and budget documents do not appear to make any reference to the Gender Equity Strategy as a priority to bring to Council in 2023. It's long past time to move the strategy forward. Additional resources will be needed to carry out this work, as the Gender Equity Unit is severely under-resourced, with just two staff members.

In 2022, City Council unanimously adopted the City of Toronto's first-ever Reconciliation Action Plan. While the 2023 City budget documents make reference to the Reconciliation Action Plan and related work in specific divisions, it is unclear whether the overall budget includes the resources that are needed to implement the action plan, and how the City is assessing whether the resources are sufficient for meaningful action consistent with its commitments. While City staff develop an annual briefing note describing the new and enhanced investments included in the budget to support the Poverty Reduction Strategy, none exists for the Reconciliation Action Plan. The plan should be fully funded and a central aspect of all budget discussions.

2. Reverse the Fare Increases and Service Cuts on the Toronto Transit Commission (TTC)

Recognizing the Mayor's leadership on expanding access to transit with free ridership for those 12 and under, and the rollout of the Fair Pass Transit Discount Program, we are disheartened to see fares increase by 10 cents in tandem with service cuts.

Food bank clients, according to our *Who's Hungry* report, have an average of \$8.01 per person per day after paying for housing and utilities costs, to pay for meals, medication, transportation, clothing and other basic necessities. A two-way transit ride at existing prices currently leaves food bank clients with an average of \$1.51 per day. A two-way transit ride at the new proposed prices would leave food bank clients with an average of \$1.31 per day, further eroding what little income they have.

Unfortunately, with ridership not yet restored to pre-pandemic levels, and a funding model that is heavily reliant on user fees (fares), the funding gap will continue to grow unless investments by all orders of government are made, including the massive backlog of State of Good Repairs (SOGR).

Further, service cuts will drive riders away from the TTC, as less frequent service will only harm riders. As noted in the [TTC CEO's Monthly Report for January 2023](#), there was yet another drop in customer satisfaction and the percentage of TTC riders who would say they're proud of the transit system. At 59%, the "Pride in TTC" score looks like it could be setting records. Raising fares and cutting service will only aggravate this and drive riders away from the TTC.

3. Increase and Index Investments in the Community Partnership and Investment Program (CPIP) to Inflation

Community-based nonprofit agencies, including nonprofits supported by the City's Community Partnership and Investment Program (CPIP), play a critical role in supporting people living in poverty. The City provides annual funding of \$25 million to support the delivery of community services by nonprofit organizations across the city. For several years, the City has included a cost-of-living increase, recognizing the impact of inflation on the cost of delivering community services. In the 2023 budget, however, there is not an inflationary increase for CPIP.

So, in fact, the funding freeze, when inflation at 6.8%, is effectively a funding cut for community service organizations at a time when service demand is high, and costs are steeply rising for non-profits. The pandemic has placed incredible demand for services on non-profits, and there's no sign of it slowing down. Non-profits can't afford to cover this funding cut and at a time of increasing demands for services, now is the time for the City to increase its support to the sector. Yet their role in creating community, reducing isolation, and providing critical supports is growing in these times.

What the City is effectively doing is relying on individual heroes to stem the growing tide of need. As volunteers and underpaid staff fall away, the city is losing vital social infrastructure which stems the need for additional policing.



About the Daily Bread Food Bank

Daily Bread Food Bank is a member-based organization whose mission is to collaborate with all to eliminate food insecurity and advocate for solutions to end poverty. As Canada's largest food bank, Daily Bread runs innovative programs to support individuals living on low incomes and experiencing food insecurity by distributing fresh and shelf-stable food and fresh-cooked meals to 132 member agencies and 200 meal programs across Toronto. Daily Bread also publishes the influential Who's Hungry report – an annual survey that provides data and analysis about food insecurity and poverty in Toronto to all levels of government and sector stakeholders.

The Daily Bread Food Bank welcomes the opportunity to provide input to the City of Toronto's Budget Committee and to provide recommendations to City Council as part of the 2023 budget consultation process with these written comments.

We wish to express our sincere thanks to the Mayor, City Council, City staff, and the Emergency Operations Centre, for their unwavering commitment to food access during these difficult times. This support was instrumental in enabling us to meet community need and demonstrated what can be done when commitment and collaboration guide our actions. We look forward to continued cooperation.

While recognizing the difficult inflationary pressures and fiscal constraints the City of Toronto is facing, we encourage City Council to consider bolder investments to address growing inequities in our city aggravated by the pandemic, particularly in the Poverty Reduction Strategy (PRS), the Toronto Transit Commission (TTC), and the Community Partnership and Investment Program (CPIP).

Thank you for considering our submission. For more information, please contact:

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