



Advocacy Centre for Tenants Ontario
Centre ontarien de défense des droits des locataires

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August 5, 2016

Standing Committee on Finance
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, Ontario K1A 0A6

Email: finapbc-cpb@parl.gc.ca

Dear Chair and Committee members,

Re: Affordable housing and a National Housing Strategy – economic priorities for the 2017 federal budget

“When affordable housing is in short supply, Canada’s whole economy suffers.”¹

I am writing on behalf of the Advocacy Centre for Tenants Ontario (ACTO) with respect to the important national issues of homelessness and the lack of affordable housing and the committee’s call for Canadians to share their priorities for the 2017 federal budget. ACTO is a community legal clinic, funded by Legal Aid Ontario, with a province-wide mandate. We work for the advancement of human rights and social justice in housing for low-income Ontarians through legal advice and representation, law reform, community organizing, and education and training.

ACTO was extremely pleased to see the federal Liberal Party follow through in the 2016 federal budget on its election campaign commitments to adopt a National Housing Strategy and to finance new affordable rental housing through the ambitious infrastructure investment program. We were also encouraged by the budget announcement that the federal government is working over the next two years on a permanent solution to the expiry of federal operating agreements which could put 365,000 low-income Canadian households at risk of economic eviction and possibly homelessness.

¹Federal 2016 budget, tabled in the Housing of Commons by Finance Minister Bill Morneau. March 22, 2016. Page 97.

While we welcomed the joint Ontario/Canada announcement made on June 21, 2016 of the doubling of the current funding under the Investment in Affordable Housing (IAH) initiative, we would like to point out that:

- The “affordable” rental housing being built under IAH guidelines is defined as having rents on average for a project at or below 80% of average CMHC market rent for the local community. These rents are not affordable to the vast majority of the 171,360 households on the waiting lists for RGI housing in our province. These are people such as minimum wage earners, social assistance recipients and seniors receiving basic pension benefits.
- The private sector has built about 30% of the “affordable” rental housing under the federal/provincial cost-shared programs since 2003/04 in Ontario. The problem is that IAH program guidelines only require affordability to be maintained for a minimum of 20 years, and not in perpetuity.
- In Ontario, there were only 1,694 new rental units were created with funding under IAH over the fiscal years 2011/12 to 2014/15. Based on future population growth in Ontario, it is estimated that there is an annual demand for purpose-built rental housing of about 10,000 units for the years 2009-2018.

ACTO recognizes that the federal government wants to get the social infrastructure funding out to the provinces, municipalities and territories as quickly as possible, hence the doubling of the funding under the current IAH agreements. However, going forward, ACTO recommends that the federal government renegotiate the housing funding agreements so that there are firm requirements for the number of new rental units being built annually and that affordability is defined as deeper than 80% of average CMHC market rents.

Once the consultations on the framework for a National Housing Strategy are concluded, ACTO recommends that this strategy should be rights-based and established in legislation, along with the allocation of adequate, stable, long-term funding.

Yours truly,

Advocacy Centre for Tenants Ontario

Per:



Mary Todorow
Research/Policy Analyst

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