

January 27, 2016

London City Council  
300 Dufferin Avenue  
London, ON N6A 4L9

**Re: City of London Draft Budget for 2016 and subsequent years**

Dear Members of Council

Neighbourhood Legal Services is a poverty law clinic assisting low income individuals/families who reside in London and Middlesex County with legal issues in the following areas:

- Ontario Works (“OW”)
- Ontario Disability Support Program (“ODSP”)
- Canada Pension Plan Disability
- Landlord/Tenant
- Employment Law
- Criminal Injuries Compensation

Due to the nature of our work, we are regularly made aware of the challenges and difficulties that low income individuals/families encounter. Part of the clinic’s mandate is law reform, and ensuring that the interests and concerns of low income Londoners/Middlesex County residents [those on social assistance, fixed-income, working poor] are made known and are taken into consideration in the area of public policy.

Founded in 1989, by a group of sole-support parents, LIFE\*SPIN has grown to become one of London's leading champions of those struggling to provide for their families in poverty, with more than 5000 families assisted each year. LIFE\*SPIN invites the citizens we serve to take an active part in helping create sustainable supports that help each other to get back on their feet and create hopeful futures for their families. These supports include:

- assisting with Housing applications
- completion of forms for ODSP, CPP Disability, CPP OAS/GIS, etc
- obtaining medical records to support successful disability applications
- e-filing personal income taxes for low-income Londoners (year-round)
- providing vouchers for Sleep Country, Mission Store and Health Access Vouchers
- Free Store that provides free clothing, houseware, linens, and other housing items
- “Large Item Donor Registry” matching donors of furniture/appliances directly to clients
- 10 units of permanent affordable housing (currently housing 16 people)
- “Living Room” ~ a thriving community space that serves as an access point for healthy food, wellness, education, children’s programs, youth programs, neighbourhood arts and culture, and social change
- and information and referrals to funded programs that meet special service needs

LIFE\*SPIN has operated the housing initiative as a Community Economic Development initiative since 2000, utilizing business means to create sustainable benefits to our community. LIFE\*SPIN recognizes that poverty is a result of systemic injustice in our society and works towards a fairer and more equitable structure that may alter the future of many lives, particularly those struggling to survive in poverty.

Neighbourhood Legal Services and LIFE\*SPIN co-chair the London Community Advocates Network. The London Community Advocates Network is comprised of approximately 50 community agencies who assist recipients of OW and ODSP benefits. We meet as a group on a quarterly basis with staff from both program areas to provide input regarding local and provincial issues and policies affecting the vulnerable population that we serve. Due to our involvement with the London Community Advocates Network, we are keenly aware of how difficult it has been for low-income Londoners to meet their basic needs and the shortfalls/gaps in current programs such as the Discretionary Benefits program and the Housing Stability Bank.

The September 2015 Child and Youth Network report entitled, "Poverty Trends in London," portrays a "stark" picture of poverty in London. The report noted that there has been a substantial rise in the number of people living in poverty in London, including the number of children living in poverty in the last decade. The percentage of people living in poverty in London is higher than the Ontario rate. In 2014, it was noted that the number of people on social assistance [Ontario Works/Ontario Disability] was 36,931. It appears these numbers have not declined since 2014 and the draft budget foresees a slight increase in the OW caseload over the next few years, despite some improvement in the local economy in 2015. In addition to those on social assistance, you have approximately 11,000 adults classified as working poor, seniors living in poverty, and those trying to survive on benefits such as WSIB, EI, and CPPD. More than 50,000 Londoners are living below the poverty line.

In light of the above, Neighbourhood Legal Services and LIFE\*SPIN would like to make the following comments and share our main concerns with respect to the City of London Draft Budget for 2016 and subsequent years.

### **1. Poverty Reduction Strategy Fund**

We are envisioning that the Mayor's Poverty Panel will make recommendations that are in line with the recently completed City of Toronto long-term poverty reduction plan. The Toronto City Council adopted the plan, which had a number of recommendations in the areas of housing stability [i.e., provide more housing allowances, develop more integrated housing stabilization programs, increase investments in repairs to existing social housing, and strengthen the enforcement of minimum standards], transit [i.e., make transit more affordable for low income residents and evaluate a fare geared to income transit subsidy], service access [i.e., expand dental care for low income adults], food access, quality jobs and livable income. Community leaders and activists in Toronto recently noted that, "Toronto's 2016 operating budget must include at least \$75 million for poverty reduction to ensure City Council's quest to create prosperity for all residents takes off with determination and good will" [Toronto Star, December

19, 2015]. It is submitted that, like Toronto, London will need to set aside adequate budget resources in their 2016 and subsequent budgets for poverty reduction recommendations to be implemented.

However, the draft base budget does not contain any mention of additional funds for poverty reduction strategies/recommendations. For example, it appears that no additional funds are allocated in upcoming budgets for discretionary assistance or initiatives for homelessness programs, including the Housing Stability Bank. In fact, the base budget appears to lessen the number of housing provider subsidies starting in 2018 (page 129).

A meaningful Poverty Reduction Strategy must set goals, create mechanisms to monitor progress, and improve coordination of the government and non-governmental organizations involved in the multiple routes to poverty reduction – from training and literacy programs to long-term affordable housing and reformed social assistance.

The additional investment case scenarios contain three components that can be classified as poverty reduction measures, however they do not comprise the elements of a sustainable strategy to utilize the money gained from the provincial uploading of some social assistance programs:

- Case 14 – Additional Funds for Bridges out of Poverty/Circles Program
- Case 15 – Mental Health/ Addiction Strategy
- Case 16 – Additional Housing Supplements

We support these initiatives and encourage Council to pass/accept these additional investments and/or allow funds to come from reserve funds as part of the final budget that is passed. However, we submit much more has to be in the budget in the area of poverty reduction, due to the extent of poverty in our community. The case scenarios we support, will only assist a small number of those living in poverty. For example, case scenario 14 may only benefit approximately 30 individuals/families per year.

We would like to see a poverty reduction fund be established to assist the recommendations of the Mayor's Poverty Panel. It is difficult to identify at this point how large the fund should be as the Panel's recommendations are to be brought forward at the end of March 2016. We submit a large fund is required as per the Toronto model. The sources of funds for a poverty reduction plan could come from a number of sources including:

- Recently announced Community Reserve Fund [25% of budget surplus]. The parameters of this reserve fund should include the ability to use these funds on identified poverty measures.
- Funds from the Social Services Reserve Fund
- The budget outlines that the City is and will continue to save millions of dollars in the area of social assistance, due to uploading of costs to the province. We are requesting that council direct these savings to be reserved and re-invested into the poverty reduction recommendations as further savings are unlikely.

## **2. Additional Funds for Discretionary Assistance/Housing Stability Bank Needed**

The current programs are not able to meet the demand and there are gaps in the current programs. For example, some of the huge issues in London are:

- Extremely limited dental care for low income adults
- Furniture and moving costs for exceptional circumstances (i.e. bed bugs & mold remediation)
- Defunding the program that provided help for moving costs, when housing is secured
- Defunding the program that was previously assisted tenants to purchase used furniture
- Defunding of Health Access Group Program that distributed vouchers for Non-prescription drug store items. It was defunded by the City of London last year and is essential for items such as children's Tylenol, lice shampoo, etc.
- Approximately 100 people/families a week being evicted at the Landlord Tenant Board in London. This creates a huge demand for the Housing Stability Bank [assistance for rent arrears, first/last month's rent, utility cut off avoidance]. Over time, the program has restricted what it can offer (i.e. no longer offers assistance for moving costs) and it has devolved into more of a loan program than a grant program

## **3. Transit Subsidy**

The proposed budget maintains and slightly increases the transit subsidy that covers the visually impaired and seniors. The increase is likely due to the increase in the senior population.

We would like to see the current subsidy program be replaced by a fare geared to income transit subsidy. A recent working group on this issue noted a modest geared to income transit subsidy would cost substantially more than the current program.

## **4. Housing**

A good home is the best way to prevent and end homelessness. The most humane and cost-effective response is to ensure good quality, safe, healthy and affordable housing for everyone. We have question and concerns in the area of housing in relation to the draft budget:

- Transitional or temporary non-profit housing with on-site supports that is owned and operated by community based non -profit corporations governed by a boards of directors. Does Case-study #16, under Homeless Prevention, meet the increase for new temporary units/beds that may be created over the next 5 years?
- Permanent affordable housing ~ non-profit housing that is owned and operated by community based non -profit corporations governed by a boards of directors. The Social Housing budget includes managing service contracts with 64 social housing providers. Is there a provision for managing additional units resulting from HDC efforts to build new affordable housing units?
- Rent Supplements/Rent Subsidies ~ as noted above, we support Case Study #16, which would increase the number of specialized housing supports, however this increase may not create a higher number of units being made available. The Social and Health Services budget (page

129) notes they will be reduced in 2018/2019 to mitigate decreased funding: breaking the rule of common honesty, in 'giving with one hand and taking with the other', will not solve the problems of homelessness or lack of affordable housing.

Income makes it challenging to low-income earners and folks receiving social assistance to obtain adequate housing in the private rental market. A recent Rental Market Report by CMHC, released in the Fall 2015, shows the average market rent for a one-bedroom unit in London was \$787, yet an individual in receipt of Ontario Works receives a paltry \$376 for shelter costs, that must cover rent and all amenities, such as heat, hydro, parking, and hot water.

The number of subsidies must not be decreased, indeed the growing poverty and lack of indexing of income assistance shows the rent supplements and subsidies must be increased, in the social housing budget and to meet the Housing First objectives of the Homeless Prevention initiative presented in Case Study #16. To cut subsidies from one disenfranchised population and assign them to another one, will not generate more housing at the end of the game.

The Affordable Housing initiatives are also being transferred out of the budget for Social Housing. Under the Social Housing Budget there is a line item related to Affordable Housing, however it does not relate to the Housing Development Corporation, rather only staff oversight.

The budget for social housing appears to be devolving all efforts, with the exception of administration of contracts with owners of affordable housing; the not-for-profits corporations that have their own legislated Boards and Financial reporting requirements. Is Case-Study #21 intended to replace the above initiatives being transferred out of the Social Housing initiatives?

### **Affordable Housing**

The Affordable Housing Reserve Fund needs to be utilized for construction of new affordable housing.

Other funding and resources for Affordable Housing must include:

- Public investment into creating affordable housing through allocation of resources, including land, inclusionary zoning support, and financial incentives, for the construction of affordable housing stock.
- Ontario Renovates provides financial assistance in the form of forgivable loans to make essential home repairs and/or grants to increase homeowners' accessibility. The City of London did not offer this program in 2015.
- Homeownership Program offered interest free loans to assist with down payments and closing costs for households earning less than \$55,000 for homes costings no more than \$145,000 (in 2012). Home Ownership Program also helps to free up valuable rental units and encourage builders to develop affordable housing options in London. Last year's budget (page 547) reserved \$298,000 for this program, however this program was not offered in 2015.

Administration requested that council reassign the 2015 capital funds for the Ontario Renovates and Home Ownership programs, toward the existing New Rental program, citing an inability to manage the administrative work required to determine eligibility, get quotes, work with partners, and deliver the programs. We are requesting that the diverted funding for these capital programs be replaced in the 2016 budget and maintained for subsequent years. The reassignment of this funding had untold impacts on the service targets, which includes the growing population of seniors who require accessibility upgrades to remain in their homes.

#### 4. Community Grants

Currently, the community grants funding is meant to align with the Strategic Plan for the City of London.

By ensuring that the mandate for community grants includes the poverty reduction strategy, a number of the goals of the Strategic Plan for the City of London could be better met, including: a diverse, inclusive and welcoming community; caring and compassionate services, and; a healthy, safe, and accessible city.

Thank you for your anticipated review of the issues raised in this letter.

Yours truly,



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