

London Community Advocates Network

Re: 2020-2023 City Draft Budget

The London Community Advocates Network is comprised of numerous organizations serving recipients of Ontario Works and Ontario Disability benefits as well as other low income Londoners. We meet as a group on a quarterly basis with staff from both program areas to provide input regarding local issues and policies affecting the vulnerable populations that we serve. The network agencies are keenly aware of the difficulties low-income Londoners face and thus the London Community Advocates Network would like to provide input into the City's four year budget as the budget does greatly impact the quality of life for the clients they serve.

We understand that with provincial downloading, there is an increased pressure on municipalities to manage vital services and programs with more financial constraints. For example, we understand that in the administration of Ontario Works alone, the following cuts from the province need to be taken into account for the year 2019/2020:

- End of Addiction Services Initiative (ASI) funding July 31, 2019;
- Transfer of 100% provincially covered client ERE costs from the ASI program to 50/50 cost share;
- Increase of LTC monthly bus pass prices from \$81 to \$95 per month is forecasted to create an \$800,000 increase to support recipients with transportation costs;
- Increased costs as a result of new employment program outcome targets set by the province, or face a financial penalty if these target goes unmet;
- 0% funding increase for two years; and,
- The pending relocation of employment services from OW to Employment Ontario, and little clarity as to OW's role within that new framework.

Despite the financial constraints, we implore City Council to take needed action in a number of critical areas in the four year budget cycle.

Affordable Housing

London is in the midst of an affordable housing crisis. This crisis is causing significant problems for low-income individuals/families and our community. We have a significant homelessness problem as there is a serious lack of affordable housing options for homeless individuals as well as those facing/on the verge of homelessness. The City recently hosted a Housing Stability Week which

highlighted the need for affordable and subsidized housing in our community. While the event helped raise community awareness of the need for solutions to the housing crisis, additional housing supplements would go a long way in getting people housed immediately.

Vacancy rates are extremely low, especially for rental units that can be described as adequate and affordable. The ability for those on Ontario Works and ODSP to find a bachelor unit is almost non-existent when the amount they get for all shelter costs (OW single \$379.00, ODSP \$497.00) is so far below what is currently available in the private market. With the 2020 rent increase guideline set at 2.2%, the highest increase since 2013, and no scheduled increase for social assistance rates, this problem is only going to worsen.

Fewer affordable housing units are available as a result of other ongoing pressures within London. We are aware that some private investors are purchasing affordable housing units, renovating them, and then requesting higher rents. We are also aware of units being converted and then rented out as AirBnBs, rather than as a long-term tenancy. Not only does this lower the availability of affordable housing, it also drives market rent higher.

The Federal government recently announced a \$130M investment into affordable housing units in downtown London. While this announcement to create 110 affordable housing units is welcomed, most of these units will not be affordable for London's most impoverished. We also understand that these 110 units will be single bedroom units and as such, will not be a feasible option for low-income families.

Other reports to the City have noted the need for a large financial investment to maintain the current subsidized housing units (RGI units) owned by the city. Council is aware of the long waiting list for those requesting social housing. In November 2019, the waiting list for RGI units stood at 5 300, which is nearly double the same statistic from 2014. We are falling further and further behind as on average, just 37 subsidised units per year have been constructed (rent below \$650), and few of these housed families.

The time for Council to act on housing issues is now. The 2020-2023 budget should prioritize housing to alleviate the housing crisis our community is facing. We as a community should not let another four years go by without taking action to solve the housing problem. Action is desperately needed and the budget before Council includes six plans in the area of housing, with three of them being

prioritized. We submit that all six be prioritized and included in the finalized four year budget. These six plans are necessary to maintain our current affordable housing stock and increase the number of affordable housing unit stock.

That being said, some of the business plans raise concerns among some advocates. For example:

Business Case 2 – Affordable Housing Community Improvement Plan

- Amount loaned to developers/individuals not sufficient enough to create affordable units.
- While viewed as affordable, the units being created are not affordable for most low income Londoners, especially those on OW/ODSP and the working poor. Affordable units should be defined as 30th percentile and 60th percentile. Affordable housing should not be defined as a unit that is offered just below market rent.

Business Case 6 – Coordinated Informed Response

- Some view this as just moving homeless people from one area of the city to another.
- Help/information regarding housing is offered, but not much can be done when there are no permanent and/or supportive housing options available to these individuals.
- Some of these funds should be used to enforce current property standards to address substandard housing conditions
- This plan could be more beneficial if more housing supplements were part of B.10 business case. More housing supplements was noted as a priority in the London For All recommendations. We submit that if you want to consider this an investment in housing, at least half the budget for this business plan should be targeted towards housing supplements.

The Community Advocates Network submits that the four year budget include funds for many more housing supplements. The supplements would assist those on OW/ODSP a better opportunity to find some type of permanent and affordable housing. Advocates previously recommended, for example, that housing supplements be provided to individuals tied to group homes that are regulated, which could be incentive for individuals to create group homes that meet City's bylaw standards.

Other housing business plans that are not prioritized by City staff should be prioritized in the view of some advocates. For example:

Business Case 18 – LMHC Co-Investment with CMHC

- Pros:
 - Maintain/renovate much needed RGI units. In 2018, 172 RGI units sat vacant because they were in need of significant repairs and were unlivable as a result.
 - Low cost of CMHC loans are a good investment for City. These loans should not be viewed as real debt as they are forgivable when housing is maintained as affordable to those whose income is 30% of the average median income. If these units are maintained as RGI units, the loans are forgivable. This does not allow for building market rent units on our public housing lands.
 - Townhouse properties should only be considered for building family units. None of the housing plans address the need for family housing. London has an extremely high child poverty rate and there is nothing in the plan that address the need of poor children in our community who are living in overcrowded and substandard housing.
 - Overlap with environmental goal (less greenhouse gas)

Other Affordable Housing Issues

In community consultations regarding the 5 year housing plan, many agencies, especially those that build or intend to build affordable housing units, recommend that the HDC process to get projects up and running be simplified and streamlined. Council needs to review the affordable housing targets and get back on track to supporting building real affordable housing in London; supporting not hindering!

It was also noted that the homeownership reserve fund was hidden within the budget by its combination with several other reserve funds. We request that this fund be separated and that this program be re-implemented.

Conclusion – Housing

At the very minimum, the four-year budget should at least maintain the current London RGI housing stock, support building RGI units with willing partners, *and* provide more housing supplements until more affordable housing units are made available.

Transportation – LTC

In addition to the critical housing issues before council, we submit that the issues of bus transportation be prioritized.

The current pilot projects of transit subsidies (e.g. children under 12 riding free) being provided have been, in our view, a success. The subsidies have been well utilized, and have provided much needed assistance to low income Londoners. Ridership has increased, which will ultimately result in future sales as riders age out of the free pass. We again note these subsidies were London For All recommendations. We implore that Business Case 15 be adopted by Council in the budget process and that these pilot subsidies become permanent.

In addition to the above, we ask that the LTC budget be adequate to maintain expansion of bussing to industrial zones, allowing employment opportunities for low income Londoners. This expansion of bus routes was a London For All recommendation as well.

Poverty Reduction

It appears the budget documents do not contain specific poverty reduction plans beyond the housing business plans and the transit business plans. This is unfortunate as reports continue to note that poverty levels in London remain unacceptably high.

We understand that the London For All implementation funding is ending. Although there has been great success in the implementation of many London For All recommendations, much more work is required in the area of poverty reduction. The City needs to make a commitment to prioritize poverty reduction measures.

In the area of poverty reduction, the budget process and documents provided to the public can be viewed as flawed. For example, we do not know the following:

- How much funds are directly allocated to the Housing Stability Bank? London For All Recommendations noted that this program should be expanded. Advocates believe this program's policies need to be expanded to assist individuals more and to cover more items (e.g. moving expenses, furniture needs, more grants than loans). The budget documents do not show the funds provided/used for this program.

- How much funds are provided to Ontario Works Discretionary Funds? Again, this program helps OW/ODSP/other low income individuals with needed items. Advocates note this program can be improved to provide expanded coverage. Again, the budget documents do not contain information to show what the funding/use of funding has been used to date.
- What is the funding for current Poverty Reduction Programs like the Child and Youth Network and Circles and Bridges Out of Poverty? Are these programs of adequate value or should these funds be used in other systemic poverty reduction measures? For example, continuing to pursue social procurement policies and community benefit agreements.

In conclusion, we ask that the issues of low income Londoners be taken fully into account when the four year budget is being considered.