

January 29, 2013

Mayor and City Council
City of London
300 Dufferin Avenue
London, ON N6A 4L9

Dear Mayor Fontana and City Councillors:

RE: 2013 City Draft Budget

Neighbourhood Legal Services is a poverty law clinic that assists low-income residents of London and Middlesex County with legal issues in the following areas:

1. Ontario Works ("OW")
2. Ontario Disability Support Program ("ODSP")
3. Canada Pension Plan Disability
4. Landlord/Tenant

Due to the nature of our work, we are regularly informed of the challenges and difficulties that low-income Londoners face, especially those individuals who are in receipt of OW and ODSP. Our clinic's mandate includes public legal education, law reform and advocacy. Through our advocacy work, we aim to ensure that the interests and concerns of low-income Londoners (those on social assistance, fixed incomes, working poor) are made known and are taken into consideration in public policy areas.

In addition to the above work, one of our clinic lawyers is Co-Chair of the London Community Advocates Network. The Network is comprised of numerous organizations serving 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 issues and policies affecting the vulnerable population that we serve. Due to our involvement with the Network, we are keenly aware of how difficult life has been for low-income Londoners since the 2008 financial crisis/recession and the subsequent and ongoing negative impact on the Ontario and London economies.

In light of the above, Neighbourhood Legal Services would like to make the following comments and share our main concerns with respect to the 2013 City of London Draft Budget.

Issue 1: Additional Municipal Funds Needed for Community Homelessness Prevention (CHIP) and Discretionary Assistance Ontario Works Program

- At recent Community Forums, City Staff noted that due to Provincial funding decisions, the City

will receive approximately 3 million dollars less in funding for homelessness initiatives [approximately 2 million of the 3 million dollar shortfall is due to the loss of the Community Start-Up and Maintenance Benefit that OW/ODSP recipients received]. In December of 2012, the Province made a late announcement concerning a one-time grant of additional homelessness transition funding for municipalities. This grant offsets, to some degree, the shortfall in funding for 2013.

- Many community agencies believe that due to the Provincial funding shortfall, there will be inadequate funding to meet the growing problem of preventing individuals/families from losing their housing or in assisting individuals/families who are homeless, finding or maintaining housing in 2013 and subsequent years.
- **We request that additional municipal funding be provided to CHIPI and discretionary assistance, as the funding for homelessness in 2013 is still less funding when compared to funding in 2012. Moreover, the Provincial transition funding is only for a 15-month period.**
- The reasons we are requesting additional municipal funds for CHIPI and discretionary assistance include:
 - The critical need for CHIPI programs and discretionary assistance will not decline in 2013 and for the foreseeable future. We applaud City staff's decision to implement a 3-month housing transition benefit that covers some of the lost Community Start-Up and Maintenance Benefit (CSUMB). We do note however, that due to current funding constraints, the transition benefit is a maximum of \$500.00 for singles/couples without children (approximately 60% of the former CSUMB of \$799.00) and \$1,000.00 for families with children (approximately 70% of the former CSUMB of \$1,500.00). Moreover, the transition benefit is not able to cover a number of important items that CSUMB previously covered, including furniture/household items and clothing. We would encourage the City to implement a long-term housing benefit that is similar to the 3-month transition benefit; with further funding however, the long-term housing transition program could provide additional amounts in benefits and to cover more essential items. If implemented, such a benefit will save the community funds and resources in the long-run: expensive shelters will not be needed as much, and homeless individuals will stand a better chance at avoiding emergency rooms and the criminal court system.
 - Due to Provincial uploading of OW/ODSP costs, the City will realize a *gain* of approximately 3 million dollars for 2013. Moreover, due to ongoing uploading of OW/ODSP costs in future years, the City will continue to save millions of dollars in its budget. It is our position that some or all of these savings ought to be reinvested in programs such as CHIPI/discretionary assistance to assist low-income Londoners in meeting their basic needs, particularly in these difficult financial times.
 - London CAREs and its \$750,000 budget is being re-allocated into the CHIPI program; however, no funding is following this re-allocation. It is our position that municipal funds should flow with the re-allocation of CAREs, as the CHIPI funding is already well below what is needed.

Issue 2: Cuts to Services to Achieve a 0% Property Tax Increase

- It is our position that the impact of the service/program cuts required to reach a 0% property tax increase is too severe.
- Service/program cuts would impact low-income Londoners to a greater extent than others,

especially when we consider the proposed cuts to:

- A. London and Middlesex Housing Authority
- B. London Transit Commission
- C. Specialized Transit Services
- D. Library Services
- E. Accessibility for Ontarians with Disabilities [AODA] program

A. London and Middlesex Housing Authority [LMHA]

In the draft report, the LMHA outlines the negative impact and the reasons *not* to proceed with the proposed cuts in order to get from a 6% increase in their budget to 0%. It is the position of Neighbourhood Legal Services that the negative impact of cuts as outlined by LHMA outweighs the advantages of achieving 0%.

B. London Transit Commission

The Commission has determined that in order to get to a 0% budget increase, their department would need to increase fares, reduce routes/schedules, or implement some combination of both measures. In our view, any of these three options would significantly and negatively impact low-income Londoners as they are more likely to rely on buses to get to and from work and to reach other important places in the community. The increases in fares would financially impact the tight budgets of low-income Londoners and the Commission notes that this would result in significantly less use of the system. (This is of course a vicious cycle, as it would spawn further service cuts due to lower revenues.) A reduction in bus routes/services would leave certain areas of the city with no, or very limited, bus services. Not only would this make it difficult for some individuals to get to and from work, but it also undermines the important goals of community inclusiveness and fairness. We believe the Commission should get the budget that it has requested and not be required to achieve 0%.

C. Special Transit Services

This system is currently not able to meet the demand for its services. A further decrease in funding would exacerbate an already dire situation. Those who require this service should not be further hindered in their ability to attend much-needed appointments and/or participate fully in the community.

D. Library Services

Once again, low-income Londoners are more likely to be negatively-impacted by the proposed cuts to library services. For example, the poor are less likely to own computers, and their children rely upon libraries to access computers to complete school assignments. Low-income families in London are more likely to use programs/services offered by the library than those families who can afford computers in the home and can put their children in programs that cost money. In its draft submission, the London Public Library outlines the downsides of the proposed cuts; again, it is our position that the downsides associated with those cuts outweigh the minimal proposed increase in property taxes.

E. Reduction in AODA Program

The rationale for reducing the funding for this program is that the Province may not require retrofitting of present infrastructure. The goal in this area should be to ensure that the disabled have the ability to

participate fully in the community. Even though the City may not face a fine or liability if it does not retrofit present infrastructure, these retrofits should nevertheless take place to ensure the disabled can participate fully in the community. Thus, it is the position of Neighbourhood Legal Services that funding should not be reduced in this area.

Issue 3: Affordable Housing – Capital Reserve Fund

Last year, we were disheartened by Council's last-minute decision to take 1 million dollars from the Affordable Housing Reserve Fund in order to reach a 0% increase. We have now learned that Council is considering a permanent cut to this reserve program. We implore the City not to implement this option. The Reserve Fund is critical to meeting the London Homelessness Plan, including the future ability to build much-needed affordable housing units. The lack of current affordable housing units is evidenced by the extensive waiting lists for rent-geared-to-income units.

Issue 4: Impact of the Property Tax Increase on Low-Income Londoners

It is our position that the proposed tax increase of approximately \$60.00 on a house assessed at \$202,000 would have a minimal impact on the large number of low-income Londoners, for the following reasons:

- Only a very small percentage of OW/ODSP clients own homes. The majority of OW/ODSP clients are tenants, as are many other low-income Londoners. A small increase in property taxes will not allow Landlords to raise rents above provincially-mandated guidelines for tenants.
- Many low-income Londoners own houses that are valued below \$202,000 and therefore, their increase will be less than \$59.00.
- The proposed cuts, as noted above, will affect services that low-income Londoners are more likely to use and thus, a small property tax increase is outweighed by not making the proposed cuts to these important services.


On behalf of Neighbourhood Legal Services,



Jeff Schlemmer, Director



Mike Laliberte, Staff Lawyer



Stephanie Dickson, Staff Lawyer

N.B. Our submission has been endorsed by Lucille Brennan (London Employment Help Centre).