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Lifting Ontarians out of poverty.

Mennonite Central Committee Ontario Submission to 2023 Ontario Pre-Budget Consultation

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Lifting Ontarians out of poverty.

Summary of recommendations

Housing First: Making sure everyone has a home.

Bring back rent control on vacant units and newly built rental units.

Increase investments in social housing

Create a Provincial Non-Profit Acquisition Fund

Grant Ontario municipalities the right of first refusal on properties for sale

Income Security: Making sure everyone has enough to get by

Index Ontario Works (and the Guaranteed Income for Ontario Seniors [GAINS]) rates to inflation.

Combine the basic needs and housing allowance portions of the Ontario Works and ODSP benefit into a unified benefit.

Close the gap between social assistance incomes and the poverty line, using all available tools such as OW and ODSP rates, refundable tax credits, more robust rent supports.

Living Wage: Making sure paid work helps you get ahead

Continue increasing the minimum wage above the rate of inflation to close the gap between the minimum wage and living wage rates.

Make paid sick days permanent.

Health Care: Making sure people's health needs are met

Deliver dental care, vision care, pharmacare and mental health care through the Ontario Health Insurance Plan.

Public Transit: Making sure people can get around affordably

Provide operating grants for public transit with the aim to cut transit fares in half (or more) and continue to invest in building more (and more frequent) municipal and intercity public transit.

Introduction

For more than a century, Mennonite Central Committee has worked to promote relief, development and peace in many places around the world. In addition to international work, MCC also has many projects right here in Ontario. We have helped many churches and community groups to sponsor refugees and help them successfully settle in Ontario. We have worked to build respectful relationships between Indigenous and non-Indigenous people. We work at restorative justice focused on respecting, repairing and rebuilding relationship. And MCCO walks alongside people living in poverty and who have experienced homelessness.

In 2009, the Ontario legislature passed the Poverty Reduction Act¹. This ground-breaking legislation passed unanimously. The Act requires the Government to table a poverty reduction plan, with targets and timelines every five years. The focus of the current plan is to increase the percentage of social assistance recipients who exit social assistance for paid work². Laudable as that target is, we believe it is too small a goal and that Ontario can do more to reduce poverty.

This budget submission reflects issues that touch participants in many of MCC Ontario's programs. It offers practical steps for a poverty reduction strategy that focuses on lifting Ontarian's out of poverty.

Housing First: Making sure everyone has a home.

The Region of Waterloo, where MCC Ontario has its main office in Kitchener, has been in the news recently for a significant legal ruling preventing municipalities from removing encampments.³ While the

¹ [Poverty reduction in Ontario | ontario.ca](https://www.ontario.ca/government/poverty-reduction-act)

² [Building a Strong Foundation for Success: Reducing Poverty in Ontario \(2020-2025\) | ontario.ca](https://www.ontario.ca/government/building-a-strong-foundation-for-success-reducing-poverty-in-ontario-2020-2025)

³ [Court ruling blocking Kitchener, Ont., encampment eviction could affect cases across Canada, say legal experts | CBC News](https://www.cbc.com/news/canada-politics/court-ruling-blocking-kitchener-ont-encampment-eviction-could-affect-cases-across-canada-say-legal-experts-1.6444444)

ruling's emphasis on people's rights to a home is positive, it is disturbing that for a high number of Ontarians “home” has become a tent.

Ontarians are facing a housing affordability crisis. Rapidly rising housing costs are not just impacting the cost of home ownership. Fewer and fewer Ontarians can afford to pay skyrocketing rents. Ontario’s almost forty-year experiment with weak rent controls has created a housing and homelessness crisis. There may have been more apartments built in the past few years – getting more shovels in the ground. But fewer and fewer people can afford rent and are being made homeless – putting more tent-pegs in the ground. We recognize that the Government has increased funding for municipal homeless shelters. But shelters are not the answer to homelessness. Homes that people can afford to live in are.

Ontario's weak policy on rent controls has spawned the growth of real estate investors whose aim is to extract profits from their investments⁴. The lack of rent control on vacant units sends a clear signal from the Government that the rental market is a lucrative place for real estate investors. It also provides a powerful incentive for landlords to evict long-term tenants in order to raise rents. The Government also needs to recognize that rental units are homes for the people who live in them and provide the accountability and controls that protects the housing needs of renters.

Headlines from the local newspaper tell the story:

A ‘landlord market’ is keeping rents high in Waterloo Region, says realtor⁵

Landlord doubles rent for Syrian refugees using exemption that allows for unlimited increases⁶

⁴ [Housing is both a human right and a profitable asset, and that's the problem \(theconversation.com\)](https://www.theconversation.com/housing-is-both-a-human-right-and-a-profitable-asset-and-thats-the-problem/2017/05/11)

⁵ [A ‘landlord market’ keeping rents high in region: realtor | TheRecord.com](https://www.therecord.com/news/local/a-landlord-market-keeping-rents-high-in-region-realtor-1.1111111)

⁶ [Landlord doubles rent for Syrian refugees using exemption that allows for unlimited increases | TheRecord.com](https://www.therecord.com/news/local/landlord-doubles-rent-for-syrian-refugees-using-exemption-that-allows-for-unlimited-increases-1.1111111)

Rental prices nearly double at Kitchener building after takeover⁷

The Government needs to bring back some form of rent control on vacant units to help people find affordable rental housing and stem the flow of people into homelessness. **And rent control must apply to newly built rental units.**

MCCO also urges the Government to increase investments in social housing – non-profit, municipal and co-op – whose focus is on providing housing rather than making the greatest profits from real estate investments.

In a recent report examining the dire housing situation in Canada, ScotiaBank Economist, Rebecca Young, documents the stark realities, particularly those facing people with low incomes.⁸ In an interview with TVO Today, Young emphasizes the important role of social housing providers – non-profits, co-op housing and municipal housing providers – and calls for a doubling of the supply of social housing. She says this does not only mean building new supply but also converting existing buildings in social housing.⁹

Ontario should create a Provincial Non-Profit Acquisition Fund like what the Ontario Non-Profit Housing Association has recommended at the Federal level¹⁰ and as British Columbia has done with its new \$500 million Rental Protection Fund¹¹. There are several organizations already working to purchase

⁷ [Rental prices nearly double at Kitchener building after takeover | TheRecord.com](#)

⁸ [Canadian Housing Affordability Hurts | Post \(scotiabank.com\)](#)

⁹ [‘The numbers aren’t adding up’: An Ontario economist on the urgent need for social housing | TVO Today](#)

¹⁰ [2022 Federal Pre-Budget Submission \(onpha.on.ca\)](#)

¹¹ [New fund will protect thousands of renters in B.C. | BC Gov News](#)

and maintain affordable housing in Ontario communities such as Waterloo¹² and Toronto.¹³ A Provincial Non-Profit Acquisition Fund would help expand this type of initiative and Ontario's stock of affordable housing.

Grant Ontario municipalities the right of first refusal on properties for sale as the Government of Quebec has done. In addition to the Non-Profit Acquisition Fund, provincial regulations granting municipalities first right of refusal on properties coming for sale would be another valuable tool to help preserve and potentially expand Ontario's supply of affordable housing. The City of Montreal has used that legislated power to turn properties for sale into social housing.¹⁴

Income Security: Making sure everyone has enough to get by

The latest report on *Welfare Incomes in Canada*¹⁵ from the Maytree Foundation reveals that people relying on Ontario Works and Ontario Disability Support Program have incomes far below Ontario's poverty line – the Market Basket Measure. What is worse, when people become homeless because they cannot afford to pay the rent, the OW or ODSP benefits are *reduced*, as people no longer qualify for the housing allowance portion of OW and ODSP. This must be fixed.

Most of Ontario's tax and transfer system is already indexed to inflation. And the Government now indexes ODSP rates and the minimum wage to inflation.

¹² [Union Co-operative \(unionsd.coop\)](http://unionsd.coop)

¹³ [PARKDALE NEIGHBOURHOOD LAND TRUST – Held. Together. \(pnlt.ca\)](http://pnlt.ca)

¹⁴ [City of Montreal to exercise right of first refusal to turn properties for sale into social housing | CBC News](http://www.cbc.com/news/canada/montreal-1.4848484)

¹⁵ [Welfare in Canada, 2021 \(maytree.com\)](http://maytree.com)

But two other key parts of Ontario's income security system have not been indexed for decades -- Ontario Works (OW) and the Ontario Guaranteed Annual Income System payments for seniors (GAINS), whose benefit level and income eligibility thresholds have been frozen since 1986.

This has meant that while the majority of Ontarians receive inflation protection of their income through the tax system, the most economically vulnerable Ontarians have not.

The Government's plan for social assistance renewal identifies why people turn to Ontario Works.

They may have experienced family violence, illness or an accident, be facing physical or mental health challenges, or find themselves homeless, or at risk of losing their home or accommodations¹⁶.

Income supports that are not indexed to inflation result in a cut to the real incomes of people relying on them. The Government has chosen to leave OW rates frozen year after year and effectively cut the real incomes of those who are most vulnerable every year through inflation. This practice needs to be fixed.

The 2023 Provincial Budget must index Ontario Works (and the Guaranteed Income for Ontario Seniors [GAINS]) rates to inflation.

We also recommend that the Government combine the basic needs and housing allowance portions of the Ontario Works and ODSP benefit into a unified benefit. That change would put an end to the needless bureaucratic – and intrusive – reporting of housing costs each month. And it would offer some hope for people who become homeless to save money for a new place to live.

¹⁶ [Recovery & Renewal: Ontario's Vision for Social Assistance Transformation | ontario.ca](#)

The Government also needs to use all tools available – OW and ODSP rates, refundable tax credits, more robust rent supports **to close the gap between social assistance incomes and the poverty line.**

Living Wage: Making sure paid work helps you get ahead

We commend the Government on recent increases to the minimum wage and that the minimum wage is indexed to inflation. If paid work is to be a path out of poverty, wages must be high enough to lift a person working full-time earn a livable income. At \$15.50 an hour, the Provincial minimum wage is still substantially below actual Living Wage rates in communities across Ontario¹⁷. **MCCO calls on the Government to continue increasing the minimum wage above the rate of inflation to close the gap between the minimum wage and living wage rates.**

The COVID pandemic made clear the need for paid sick days as a public health imperative and to protect incomes of all workers. **The Government should make paid sick days permanent.**

Health Care: Making sure people's health needs are met

Minister of Labour, Monte McNaughton, launched a study into portable health benefits for workers not covered by employer benefit plans. In launching the study, the Government website stated¹⁸:

While many health services are covered under the Ontario Health Insurance Plan (OHIP), there are some that are not covered for most Ontario workers, including:

- telemedicine services
- professional wellness services
- prescription drugs
- dental services
- eye exams and prescription glasses
- many mental health services

¹⁷ [Rates - Ontario Living Wage Network](#)

¹⁸ [Consultation: Portable benefits program | ontario.ca](#)

It is promising that the Federal Government has begun rolling out a national dental benefit program and continues to explore creating a national pharmacare program.

Premier Ford has asserted that Ontarians should pay for the health services with their OHIP card and not their credit card. For good reason. OHIP is an effective, efficient and equitable way to deliver health insurance coverage.

We recommend that Ontario deliver dental care, vision care, pharmacare and mental health care, which are essential parts of our health care system, through the Ontario Health Insurance Plan.

Public Transit: Making sure people can get around affordably

Transitioning from private gas and diesel vehicles is key to reducing green house gas emissions. But there are many people who are not able to afford their own electric vehicle (EV). Converting all private vehicles into EVs will require a huge number of resources.¹⁹ We need to invest in forms of transportation that reduce the need for private vehicles: walking, cycling and public transit. That transition requires public investment to make using public transit easier and less expensive for riders. Provincial operating subsidies to cut transit fares in half (or more) plus the investments to expand public transit infrastructure – both rail and bus -- are crucial. This can achieve the dual goal of making life more affordable for ordinary Ontarians and cutting greenhouse gas emissions.

Many of MCCO's program participants live with low incomes. For them public transit is their main means of getting around. But with limited incomes, rising transit fares create a real barrier to mobility and social inclusion.

¹⁹ [Véhicules électriques : une pénurie de matières premières « imminente », selon une étude | Radio-Canada.ca](#)

MCCO recommends that Government provide operating grants for public transit with the aim to cut transit fares in half (or more) and continue to invest in building more (and more frequent) municipal and intercity public transit.