



FAITH COMMUNITIES IN
ACTION AGAINST POVERTY

2024 Pre-Budget Consultations - Material Submission

To the Standing Committee on Finance and Economic Affairs

Submitted by: The Interfaith Social Assistance Reform Coalition

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Date of submission: February 1st, 2024

Introduction

For more than three decades the Interfaith Social Assistance Reform Coalition (ISARC) has participated in Government consultations on social assistance, affordable housing, and budgets, among other issues. Our involvement in these consultations stems from the role our member faith communities play in serving people on the margins. People relying on social assistance or low-wage work and struggling to find or maintain housing, people who cannot afford to buy groceries.

Summary of Recommendations

Income Security

- Raise Ontario Works rates by \$200 a month and index to inflation.
- Increase the Ontario Works earning exemption.
- Remove the artificial separation of social assistance benefits into basic needs and housing benefits and provide the maximum basic needs and housing allowance portions of Ontario Works and ODSP benefits as a single, combined benefit.

Housing Security

- Restore rent control on vacant units and new apartment buildings.
- Increase rent support for low-income households.
- Restore tools for municipalities to preserve and create new affordable housing.

- Create an affordable rental housing acquisition fund.
- Curb real estate speculation and generate revenue for affordable housing.
- Protect tenants' right to security of tenure in the face of renovictions.
- Rein in Short-term Rentals.

Paid Work

- Raise the minimum wage to the level of living wage rates.
- Require 10 paid sick days per year on a permanent basis.
- Minimum hours of work and advance scheduling.
- Equal pay for equal work.
- Grant full worker rights to gig workers.
- Remove barriers to the right to join unions and to secure decent collective agreements.
- Withdraw its appeal on Bill 124 ruling.

Long Term Care

- There needs to be an appeal process put in place prior to moving the person out of Hospitals with the burden of proof on the hospital that the person's care meets Government's commitment that residents should get the best care at the right place.

- Increase hours of care available to persons needing and preferring home care at least to the level that would match the cost of care in long term care homes.
- Grant home care employees the same pay equity and collective bargaining rights as exist for employees in long term care homes.
- Apply the targets in Section 8 and 9 of the *Fixing Long Term Care Act* to each individual home.
- Establish similar targets to those in Sections 8 & 9 of the *Fixing Long Term Care Act*, for staff responsible for maintaining long term care home sanitation.
- Take steps to ensure that the Ministry Directive with respect to the PSW wage enhancement is properly complied with.
- Mandate the public reporting by each home of their actual quarterly staffing levels.
- Reinstate annual comprehensive surprise inspections for all homes.
- Grant to representatives of residents and front line staff the same inspection accompaniment and appeal rights as are found in the Occupational Health and Safety Act.
- Make Whistleblower protections effective.
- Establish a reasonable timeline for the conversion of services to “not for profit” and municipal organizations that are now provided by “for profit” corporations and bar the granting of any new licenses or home care contracts to “for profit” companies.

Income Security

In past pre-budget consultations, ISARC recommended that the Government index Ontario Disability Support Program (ODSP) and Ontario Works (OW) rates to inflation. In addition, ISARC called on the Government to implement a plan to raise ODSP and OW incomes above the Poverty Threshold (the Market Basket Measure).

The Government's decision to increase ODSP rates by 5% on September 1, 2022 and index ODSP rates to inflation beginning in July 2023 are positive steps. Even with these changes ODSP rates leave people with disabilities living in deep poverty. But stabilizing the rates through indexation and making additional increases are moves in the right direction.

Inflation robs people of real income. That is why most parts of Ontario's tax and transfer system are indexed to inflation.

The basic personal exemption is indexed as are the tax rate thresholds. *Ontarians with the highest incomes benefit from indexing of each of those thresholds.*

Some Ontario tax credits are also indexed. These include the Ontario Child Benefit and the Trillium Benefit.

Ontario's minimum wage is also now indexed to inflation.

ODSP rates and the Guaranteed Annual Income System for seniors to inflation are now both indexed to inflation.

Increase Ontario Works rates by \$200 a month.

Ontario Works have been frozen since 2018. The lack of indexation means the real income of single adults relying on Ontario Works is \$200 a month lower than it was in 2018, far below Ontario's deep poverty threshold.¹ Deep poverty is a barrier to finding and keeping employment.

Index OW rates to inflation

ISARC urges the Government to index OW rates in the same way that core ODSP rates, the Ontario Child Benefit, the GAINS, the Trillium Benefit and the income tax thresholds are all indexed to inflation.

Combine basic needs and housing allowance into a single benefit

The shelter allowance portion of Ontario Works and ODSP is so low that few social assistance recipients are able to secure housing at the levels of the shelter allowance; and not receiving the shelter allowance makes it difficult if not impossible for unhoused people to put together the deposits they need to access housing.

ISARC calls on the Government of Ontario to **remove the artificial separation of social assistance benefits into basic needs and housing benefits and provide the maximum basic**

¹"Channeling the 1995 welfare cuts: Even if we agreed with them, rates would now be more than \$200 a month higher." Open Policy Ontario; Welfare in Canada, 2022.
https://maytree.com/wp-content/uploads/Welfare_in_Canada_2022.pdf.

needs and housing allowance portions of Ontario Works and ODSP benefits as a single, combined benefit.

Increase OW and ODSP incomes to the Market Basket Measure (MBM)

The Government should implement a plan to raise social assistance incomes above the Market Basket Measure of Poverty through a combination of **increases to social assistance rates above inflation and increasing the Sales Tax Credit and the Property Tax Credit. The Government should also look at converting the Basic Personal Exemption into a refundable tax credit.** In its current form as a non-refundable tax credit, the Basic Personal Exemption benefits all taxpayers except the poorest Ontarians.

Ensure ODSP recipients keep the full Canada Disability Benefit

The Federal Government's newly-proposed *Canada Disability Benefit* holds the potential to improve the lives of Ontarians with disabilities. ISARC urges the Government of Ontario to ensure that ODSP recipients keep the full amount of the CDB, when it is implemented, and that ODSP payments or benefits are not reduced.

Housing

One of the key drivers of inflation currently is housing cost. Ontario's housing policy is a primary driver of rising rental housing costs.

Ontario is in the midst of a housing affordability crisis. Not only are mortgage costs extremely high, rents have reached levels that have put many Ontarians at risk of homelessness. Indeed, the housing affordability crisis has fueled a growing homelessness crisis across Ontario. It is not enough to build new rental units. As it is, more existing affordable rental units are being lost due to both vacancy decontrol and to demolition to build new, more expensive rental units.²

Conventional wisdom holds that rent control limits the development of new rental units. A Canada Mortgage and Housing Corporation (CMHC) study of rent control, however, could not find evidence that rental construction is linked to rent control.³ The recent, rapid decline in housing starts provides further evidence that it is not rent control which influences new apartment construction. Rather, interest rates and construction costs are key drivers. The decision of the Federal and Ontario Governments to eliminate HST on new rental housing construction should contribute to reducing the cost of new construction.

Restore rent control on vacant units and new apartment buildings

Ontario's experiment with weakened rent control has contributed to the housing and homelessness crisis. Vacancy decontrol is a powerful incentive for landlords to evict tenants in order to increase rents. Rather than increasing the stock of affordable housing, Ontario's policy of vacancy decontrol has spawned a growing real estate investment industry focused on

²Pomeroy, Steve. "Updating analysis on erosion of lower rent stock from 2021 census." CECH, October, 2022. <https://chec-ccl.ca/wp-content/uploads/2022/10/Updated-Analysis-on-Housing-Erosion-from-2021-Census-Steve-Pomeroy.pdf>.

³CMHC. "The Impact of Rent Control on Housing Affordability." CMHC, December 11, 2020. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/research-reports/housing-needs/research-insight-impact-rent-control-housing-affordability>.

maximizing profits on existing rental apartments.⁴ The lack of rent control on vacant units and new apartments undermines the effectiveness of rent supplement programs in helping Ontarians in need of core housing. ISARC calls on the Government to **amend the Residential Tenancies Act to control rent increases on vacant rental units and remove the Residential Tenancies Act exemption on rent controls on housing built since 2018.**

Increase rent support for low-income households

The Ontario-Canada Housing Benefit has the potential to help many households at risk of homelessness. But the program needs to be expanded to be more effective. ISARC urges the Government of Ontario to **work with the Federal Government to expand the reach of the Ontario-Canada Housing Benefit through the Canadian Alliance to End Homelessness' proposed Homelessness Prevention and Housing Benefit.**⁵

Restore tools for municipalities to create preserve and create new affordable housing

In our submission to hearings on Bill 23 – *More Homes Built Faster Act, 2022*, we pointed to several problems with the legislation.⁶

⁴August, Martine. "The financialization of Canadian multi-family rental housing: From trailer to tower, Journal of Urban Affairs." Journal of Urban Affairs, February 28, 2020.

<http://www.waterlooregion.org/sites/default/files/August2020.pdf>.

⁵ Pomery, Steve. Responding to a new wave of homelessness: Proposal For a Homelessness Prevention & Housing Benefit." Canadian Alliance to End Homelessness, January, 2023.

<https://caeh.ca/wp-content/uploads/Homelessness-Prevention-and-Housing-Benefit-Policy-Whitepaper-CAEH.pdf>.

⁶ ISARC. "Bill 23 - More Homes Built Faster Act, 2022." November 17, 2022.

<https://isarc.ca/wp-content/uploads/2022/11/ISARC-Response-to-Bill-23-111722.pdf>.

Though developers stand to get hundreds of millions of public dollars in incentives and tax cuts under Bill 23, nothing in the legislation requires developers to create affordable units (80% of market rent is still deeply unaffordable) or to pass on savings to the renter or homebuyer.

Although current municipal rental replacement provisions ensure that, when an apartment building is redeveloped, existing rental units are replaced at affordable levels, Bill 23 allows the Minister to cancel those provisions.

In spite of evidence from studies across North America that has demonstrated that Inclusionary Zoning has the potential to be an effective tool in creating more affordable rental housing, with up to 20-30% being financially viable, Bill 23 reduces and restricts Inclusionary Zoning to 5%.

While reducing or eliminating development charges for developers of affordable units would be a welcome assistance to creating low-cost housing, the elimination of development charges for market units undermines the very funding source which creates new affordable units and supports other housing affordability programs.

Despite the fact that brownfield sites already have municipal servicing and are usually close to urban centres with existing transit networks, the Bill is silent about brownfields and offers no support for this housing potential.

ISARC reiterates our recommendations in that submission:

1. Link incentives directly to the provision of affordable housing.
2. Protect existing rental replacement rules.

3. Protect and enhance inclusionary zoning by maintaining existing inclusionary zoning requirements and setting a minimum standard of 15% of new residential units affordable for a period of 99 years.
4. Ensure that incentives do not simply transfer costs for municipal infrastructure from developers to property tax-payers.
5. Invest financial and regulatory resources to accelerate the development of brownfield sites across Ontario.

Create an affordable rental housing acquisition fund

Recent research has identified the need to more than double the supply of deeply-affordable non-market housing.^{7,8} That need cannot be met quickly enough through new construction alone. The work of the Ontario and federal governments to preserve existing non-profit and cooperative housing is critical in preserving existing non-market housing.⁹ Acquiring older private apartment buildings to convert to non-profit housing will both preserve naturally occurring affordable rental units and increase the supply of non-market housing.

Ontario should follow the example of British Columbia and Quebec by creating a housing acquisition fund and giving municipal governments the right of refusal when private buildings

⁷ Young, Rebekah. "Canadian Housing Affordability Hurts." Scotiabank, January 18, 2023. <https://www.scotiabank.com/ca/en/about/economics/economics-publications/post.other-publications.insights-vie-ws.social-housing--january-18--2023-.html>.

⁸ Whitzman, Carolyn. "A million new non-market homes in 10 years: That should be the goal." Policy Options, November 21, 2023. <https://policyoptions.irpp.org/magazines/november-2023/a-million-non-market-homes/>.

⁹ Municipal Affairs and Housing. "Ontario Supporting Community Housing Modernization." Ontario Newsroom, January 18, 2024.

<https://news.ontario.ca/en/release/1004082/ontario-supporting-community-housing-modernization>.

are offered for sale. These tools will help municipalities and non-profit housing providers increase the supply of affordable, non-market housing.

Curb real estate speculation and generate revenue for affordable housing

ISARC recommends that the Government **increase taxes on real estate speculation – even for domestic investors – and on vacant properties, with those funds allotted to not for profit groups who wish to build affordable rental housing where the rents will be less than the 30% of the average industrial wage in Ontario.**

Developers who build and then sell units over \$2,000,000 should be subject to a hefty tax for each such unit unless it builds an affordable unit that rents for less than the 30% of the average industrial wage in Ontario. Those funds should be allotted to not for profit groups who wish to build affordable rental housing where the rents will be less than the 30% of the average industrial wage in Ontario.

Buyers of homes for a price above \$2,000,000 should be subject to substantial excise land transfer tax on top of the existing tax. Those funds should also be allotted to not for profit groups who wish to build affordable rental housing where the rents will be less than the 30% of the average industrial wage in Ontario.

Protect tenants' right to security of tenure in the face of renovations

The government must better protect the rights of tenants in existing rental housing across Ontario. Measures to protect tenant rights include,

- increased compensation for tenants due to eviction for the demolition or renovation of their homes,
- increased notice periods for tenants due to eviction for the demolition or renovation of their homes, and
- an effective right of first refusal policy to return to the renovated or new apartment at similar rent prior to eviction.

Eviction for occupation by the landlord or a purchaser should be subject to a higher standard of proof, one which balances the needs of the tenant and the other party.

In addition, bad faith applications must be treated as serious violations of the law. For an application that is found to be in bad faith, greater fines and other remedies, including mandatory re-possession, should be applied.

Rein in Short-term Rentals

Even as Ontario strives to build new long-term rental housing, we are losing units to the short-term rental market. The number of short-term rental units in Ontario increased from 52,422 in October 2022 to 66,268 in October 2023 – a 26.4% increase year over year.¹⁰

¹⁰ "Short-Term Vacation Rental Statistics, October 2023."
<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fdata.ontario.ca%2Fdataset%2F163f1573-528a>

Ontario cannot solve the housing affordability crisis unless it curbs the conversion of long-term housing into short-term vacation units such as *AirBnBs*. Groups like *Fairbnb* have called for provinces to set up short-term rental registries and allow municipalities access to collected data, limit short-term rentals to principal residences, and hold platforms like *AirBnB* accountable for the properties they advertise.

Paid Work

If work is to be a pathway out of poverty all jobs need to pay a living wage. Workers also need access to paid sick days, fair scheduling, and the right to join unions.

The Government has raised the minimum wage and indexed it to inflation. Given the major increase in CPI we urge you as an interim step to implement immediately the new minimum wage based upon the 2022 increase in CPI. However at the current \$16.55 hourly rate, the provincial minimum wage falls far below the living wage rate in every community across Ontario. ISARC calls on the Government of Ontario to **make additional increases to the minimum wage to bring it in line with living wage rates in Ontario.**

We welcome the initial step of providing a 3 day entitlement for paid sick leave. That step however is highly inadequate. The leave is only paid if there is designated infectious disease or a quarantine. Moreover the leave when not paid is also limited to 3 days annually. The pandemic highlighted the importance of paid sick days for public health and the security of workers. The

-49e8-bfdd-a11298f82e03%2Fresource%2F3d317c80-4dd7-43f2-b918-5b497e43515a%2Fdownload%2Fmcs-short-term-rentals-en-oct-23.xlsx&wdOrigin=BROWSELINK.

Ontario Superior Court of Justice has ruled that Section 7 of the Charter does protect residents from the inadequacies of public policy. In this case there is the risk that workers who are ill and without access to paid sick leave will attend at work risking the health of fellow workers and clients. ISARC reiterates our call for the legislation to **require employers to provide employees with 10 paid sick days per year on a permanent basis, with an additional 14 paid sick days during public health emergencies.**

Decent working conditions also require adequate hours of work. ISARC recommends that the Government **require employers to provide a minimum number of hours per week for each position and give employees adequate advance notice of work schedules.**

We acknowledge the initiative of the Government exploring portable benefits for workers who don't already receive them from their Employer and the Government's recognition that equal pay for equal work is essential. The Employer should be required to fund the cost of the portable benefits program so as not to constitute a subsidy to such employers who then receive a competitive advantage in relation to other employers who are providing benefits. One gap in pay equity is the denial of access to Proxy Pay equity for employees in Retirement homes and Home Care. ISARC calls on the Government to **require employers to pay part-time, temporary and casual workers the same rate as their permanent, full-time employees doing the same work.**

Workers have the right to bargain collectively for fair wages and working conditions. The Government should **make it easier for workers to join a union.** ISARC supports the call for the Government to adopt legislation that will ensure workers have the right to join unions for

example by signing a union membership card and allow workers to form unions across franchises and subcontractors. Furthermore the government should reverse the amendments it made governing access to first contract arbitration when collective bargaining has not been successful within a reasonable period of time. Access to worker lists for the purpose of certification applications should be no more restrictive than access to voters' lists for potential candidates seeking election to public office.

The Ontario Superior Court has recently struck down Bill 124 on the grounds that it interferes with the constitutional right of freedom of association, namely freedom to engage in collective bargaining. The Government has filed a notice of appeal. ISARC calls on the Government to **withdraw its appeal on Bill 124 ruling.**

Grant full worker rights to gig workers

Businesses have found new ways of exploiting the persons who are doing the work that create the revenues for the firm. They structure the operation so they can label these persons as independent contractors as opposed to workers. A major way to do this is by allowing the gig worker to unilaterally indicate when they wish to work even though the business does not guarantee that work will be available at that time. The law should be amended to designate all persons supplying goods and services to be treated as workers unless the business is able to satisfy the Ontario Labour Relations Board that the gig worker is truly an independent contractor with bargaining power to meaningfully negotiate the terms of their contract with the

business and including the right of the gig worker to delegate the performance of the work to another person.

Long Term Care

- We applaud the Government's statement that residents should get the best care at the right place.
 - However, that policy is not being properly administered. ISARC calls on the Government to **put an appeal process in place prior to moving the person out of hospitals with the burden of proof on the hospital that the person's care meets the above commitment.**
 - As well, many seniors wish to age at home. It is not surprising that some seniors are fearful of seeking admittance to a long term care home. Unfortunately provincial practice severely rations the availability of home care. ISARC calls on the Government to **increase hours of care available to persons needing and preferring home care at least to the level that would match the cost of care in long term care homes.**
- One reason that there is rationing of home care is that there are insufficient health care employees willing to work in this sector. A major reason for this reluctance is the abysmal pay and working conditions that exist. ISARC calls on the Government to **grant home care employees the same pay equity and collective bargaining rights as**

employees in long term care homes, including access to “successor rights” when the home care contract is transferred from one operator to another.

- We acknowledge that the Government in 2021 enacted the *Fixing Long Term Care Act* including the intention to raise staffing levels in frontline nursing and personal care and to program staffing. The progression to 4 hours of frontline nursing and personal care and the increase in activation levels in the *Fixing Long Term Care Act* apply only province wide. What this means is that some homes (usually ones owned or operated by “for profit” companies) can continue to have staffing levels below the target because other homes (usually ones operated by municipalities or “not for profits”) have staffing levels in excess of the target, as has been documented in numerous government responses to Freedom of Information Requests and responses to questions raised in Estimates Committee hearings.¹¹
- ISARC calls on the Government to **apply the targets in Section 8 and 9 of the *Fixing Long Term Care Act* to each individual home**. In any event the Act requires the Minister under Sections 10(1) & (3) to publicly report on the degree to which the provincial targets as of March 31, 2022 and March 31, 2023 have been reached along with the data to substantiate the conclusion. The law should contain parallel obligations in relation to the reports required by March 31, 2024 and March 31, 2025.

¹¹ Block, Sheila and Dhunna, Simran. “What does it cost to care?” Canadian Centre for Policy Alternatives, June, 2020.
https://policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2020/06/Improving%20care%20in%20Ontario%20LTC%20facilities_final.pdf.

- COVID has taught us the importance of laundry and housekeeping staff in preventing the spread of infectious diseases. We welcome your acknowledgement that Homes are expected to remain focused on infection prevention and control. In order for this to be undertaken effectively there have to be sufficient staffing complements. ISARC calls on the Government to **establish similar targets to those found in Sections 8 and 9 of the *Fixing Long Term Care Act* for front line nursing and personal care and for programming staffing.** In the regulations at Section 83, there is a minimum food service worker staffing requirement based on the number of meals served. Formulas for laundry and housekeeping staffing levels could be based upon the number of pounds of laundry, the number of beds to be changed, and the square footage of spaces needing to be cleaned.
- Family members deserve to know what the staffing levels are when making a decision on which home to seek admission to for their relative. ISARC calls on the Government to **mandate the public release by each home of the quarterly staffing levels reports they file with the Ministry within one week of such filing.**
- We acknowledge the Government has assisted some health care employers to attract and retain PSWs through the granting of a \$3 wage enhancement and applaud the government for making it permanent and for requiring it to be rolled into the base rate no later than April 21, 2022. Many Long Term Care Operators have not properly rolled in that enhancement. **What steps will the government take to ensure their Directive is properly complied with?**

- We applaud the Government's investing to hire more inspectors and to commit to having annual inspections at all homes. The best way to assess compliance with resident protections is through inspections where the operator cannot artificially demonstrate good practices. ISARC calls on the Government to **reinstate annual comprehensive surprise inspections for all homes.**
- *The Occupational Health and Safety Act* recognizes that inspectors shouldn't be totally dependent on the information the employer is willing to provide, and that staff have a direct interest in ensuring health and safety rules are adhered to. The same is true in the operation of long term care homes. ISARC calls on the Government to **grant to representatives of residents and front line staff the same inspection accompaniment and appeal rights as are found in the Occupational Health and Safety Act.**
- We expect staff to report instances of abuse and neglect yet we do not ensure that they are effectively protected from retaliation. ISARC calls on the Government to **make Whistleblower protections effective.**
- Government data demonstrates that "for profit operators have poorer levels of care and during COVID had higher instances of outbreaks and more deaths. ISARC calls on the Government to **establish a reasonable timeline for the conversion of services to "not for profit" and municipal organizations that are now provided by "for profit" corporations and bar the granting of any new licenses or home care contracts to "for profit" companies.**

Appendix

ISARC Values

Human Dignity. The right of all people and their communities to be treated with justice, love, compassion, and respect, and their responsibility to treat others likewise.

Mutual Responsibility. The obligation of communities to care and share with their people, ensuring that basic needs are met.

Social Equity. The right of all people to adequate access to basic resources, to full participation in the life and decision-making of their communities.

Economic Equity. The right of all people and communities to adequate access to the resources necessary for full lives, including access to worthwhile work, fair employment considerations, and our communal responsibilities to use such resources responsibly.

Fiscal Fairness. The right of all people, communities, and institutions to fair fiscal treatment and the responsibility of all to contribute fairly for the well-being of all.

Ecological Sustainability. The obligation of communities to practice responsible stewardship of the earth and its environment, so that creation might be preserved for generations to come.