

Needed: A Housing Benefit for Ontario Fact Sheet

As part of its **Poverty Reduction Strategy**, the Ontario Government has committed to developing a **Long-term Affordable Housing Strategy**. Public consultation is underway in 2009. Part of the solution is to build more affordable housing. Another part of the solution is to make existing rental housing more affordable for tenants. This is why many groups are calling for the Ontario government to develop a “Housing Benefit”.

Why a Housing Benefit?

“Poverty means deciding whether to pay rent or buy food for your kids.”

-Client with 3 children

“I have never lived like this before. Worked all my life. Lost job one year ago. Living on \$40 a week – welfare cut me off.”

-Client who has been visiting a food bank for 6 months

What is a Housing Benefit?

- The Housing Benefit is a proposed new monthly housing allowance paid to all low-income Ontarians based on their rent and income
- It would pay an average of \$119 per month for families with children, \$96 per month for singles and childless couples
- Would include all low-income people, both those on social assistance and those who are working but low income.
- Paid out as a monthly cheque and applied for through the income tax form (like child benefits or GST credit)

Housing Benefit design

- Would be available to all low income Ontarians who spend more than 30% of their income on rent. Would vary to reflect rent differences in communities across Ontario.
- Monthly benefit would pay 75% of the difference between actual rent paid, and 30% of your income.
- NO clawbacks for social assistance recipients
- Will not lead to inflation of rents as benefit is paid directly to the tenant. Landlords will not know what the tenant is receiving

What Issues Will a Housing Benefit Address?

Housing Affordability:

- Growing gap between incomes and rents, especially in high cost communities. 1 in 5 Ontario tenant households spend more than 50% of their income on housing
- Currently 129,000 households on social housing waiting lists in Ontario.
- We need a variety of solutions to housing challenges: fixing up & building new social housing; a housing benefit; and improving supports and tenant protection.

Social Assistance:

- Welfare is divided into a basic needs allowance and shelter allowance
- Current shelter allowance is low and not well-targeted. The “one size fits all” does not account for housing cost variations in communities
- Increases in the shelter allowance component have been low.
- Only those receiving social assistance receive shelter allowance. Working poor and homeless often can't access benefits

A Housing Benefit would be an important tool during the recession

- Improves housing affordability for many households at a time when people are losing jobs, being moved to part time, or are retraining
- May prevent some people from having to spend assets to qualify for welfare
- Extends assistance to the working poor
- Puts money in the pockets of people on social assistance, which is spent in the local economy

Two examples:

Steve is single and receiving Ontario Works. He has no current earnings. His total income (including GST credit) is \$575 per month including a shelter allowance of \$349. All he can afford to rent on that amount is a room in a rooming house with 20 other people. He has no privacy, and only gets to use the kitchen stove at random hours. Steve would receive an additional \$113 per month for his housing benefit, on top of his social assistance income.

Monica is working full time at the local grocery store and is earning minimum wage. With a total monthly income of \$2,062, she is finding it difficult to pay her \$800/month rent and afford food for her two children on a regular basis. With the new housing benefit, she would see an increase in income of \$136 per month.

What Can YOU do to support the call for a Housing Benefit?

- Talk about it at housing consultation meetings now underway.
- See www.stableandaffordable.com for meeting dates & locations across Ontario.
- Answer the Ontario government's questionnaire on housing at www.mah.gov.on.ca and call for a new Ontario Housing Benefit.
- Email your MPP expressing support for a Housing Benefit.

For more information:

Daily Bread Food Bank, www.dailybread.ca

Metcalf Foundation, www.metcalffoundation.com