

A Housing Benefit for Ontario: One Housing Solution for a Poverty Reduction Strategy

*A proposal submitted to the Province of Ontario
by a coalition of industry and community organizations:
Federation of Rental Housing Providers of Ontario
Ontario Non-Profit Housing Association
Greater Toronto Apartments Association
Daily Bread Food Bank
Metcalf Charitable Foundation
Atkinson Charitable Foundation*

A coalition of industry and community organizations has submitted a proposal to the Government of Ontario to implement a housing benefit. The new benefit will help low-income working age renters with high shelter-to-income burdens in communities across Ontario, particularly in the Ottawa and Greater Toronto Areas where rents are higher. The proposal would add a necessary affordable housing component to Ontario's highly anticipated Poverty Reduction Strategy.

Unlike other provinces, the only permanent housing benefit provided in Ontario is paid exclusively to social assistance recipients. The working poor do not get any on-going help to cover the cost of their housing. This acts as a barrier to employment, making the transition from social assistance to the labour market very difficult.

The housing benefit we envision pays 75% of the costs of rent from a floor amount to the median cost of housing. The benefit starts to fall and gradually reduces to zero as income rises. It responds to variations in costs across the province. It is estimated that almost 66,000 families and 129,000 individuals would receive an average benefit of \$1,236 a year.

By helping to defray the high cost of housing for all low-income working age adults they would retain housing that they might otherwise lose. The benefit would also help provide new work incentives by paying benefits outside of the social assistance system in the same way as the successful Ontario Child Benefit. The annual cost of the program is estimated to be \$240 million.

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