

Ten things you should know about housing and homelessness

“Housing is a necessity of life. Yet, after ten years of economic expansion, one in five households in Canada is still unable to afford acceptable shelter – a strikingly high number, especially in view of the country’s ranking well atop the United Nations human-development survey. What’s more, the lack of affordable housing is a problem confronting communities right across the nation – from large urban centres to smaller, less-populated areas. As such, it is steadily gaining recognition as one of Canada’s most pressing public-policy issues.”

TD Economics, Affordable Housing in Canada, 2003

“Responsibility for social housing has been devoluted from the federal government to the provincial and territorial governments, who in turn shift administration and management to regional and municipal agencies. And while the proportion of needy families is increasing, the deficit-minded Federal government only maintains its financial commitments to existing projects with no new funds presently available. Market solutions are being promoted by both the public and private sectors through a wide range of activities. The result is no single housing policy, but a patchwork of provincial and local initiatives. . . . However, it is only in Canada that the national government has, except for CMHC loans, withdrawn from the social housing field. The rush to get out of the responsibility for managing existing projects and building new, low-income housing has taken advocates by surprise. It was never imagined that a system that had taken 50 years to build-up could be dismantled so rapidly. Social housing policy in Canada now consists of a checker-board of 12 provincial and territorial policies, and innumerable local policies. It is truly post-modern.”

– Prof. Jeanne M. Wolfe¹

TEN things you should know about housing and homelessness in Canada

Everyone in Canada has the right to a safe, secure, adequate and affordable home. The federal government is obliged in international law to ensure people have a home.

That, in short form, is the international right to adequate housing as set out in numerous treaties and other legal instruments, including the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child, the Convention on Elimination of All Forms of Discrimination against Women, and the International Convention on the Elimination of All Forms of Racial Discrimination².

In the fall of 2007, as Canada welcomes Miloon Kothari, the United Nation’s Special Rapporteur on the Right to Adequate Housing, for a fact-finding mission, the issues are deep:

- Canada’s private economy is booming, yet **one-in-five Canadian families are living in poverty**, with Aboriginal people, women and recent immigrants bearing the heaviest burden.
- Canadians are divided along housing lines: **Tenant household incomes are falling, even as rents rise faster than inflation** – creating a nation-wide affordability squeeze. Owner

¹ Wolfe, Jeanne M., “Canadian Housing Policy in the Nineties”, *Housing Studies*, Vol. 13, No. 1, January 1998.

² For extensive information on the international right to adequate housing, see the “toolkit” of the Habitat International Coalition’s Housing and Land Rights Network at <http://toolkit.hlrn.org/>, and the “housing rights programme” at UN Habitat at <http://www.unhabitat.org/categories.asp?catid=282>.

household incomes are increasing, but rapidly rising house prices are pricing even middle-income households out of the market.

- Over the last decade, **less than one in every 100 new homes built in Canada was truly affordable** – creating a nation-wide supply squeeze. As our population increases, the need for new affordable homes also rises, but the number of new units remains desperately low.
- **Government housing and social spending was cut in the 1980s and 1990s**, which helped generate multi-billion federal surpluses, including big surpluses at Canada’s national housing agency, but these surpluses have not been reinvested in new affordable homes.
- **The United Nations called housing and homelessness a “national emergency”** during its most recent review of Canada’s compliance with international housing laws. Canada is falling short of its partners in the Organization of Economic Co-operation and Development. Our social housing sector is smaller than most other developed countries.
- In September of 2005, federal, provincial and territorial housing ministers promised that they were “accelerating work” on a Canadian housing framework. The ministers haven’t met since then, and **no housing framework has been released**.
- **Canada has a record of housing success**. National housing programs in the 1970s, 1980s, and 1990s, funding more than half a million good quality, affordable co-operative and non-profit homes that continue to provide good homes to millions of women, men and children. All of those programs have been cancelled.

ONE Canada’s population is growing, raising the need for new affordable homes

Over the past two decades, Canada’s overall population has grown from 26.4 million in 1987 to 33 million in 2007 – at an average annual increase of slightly more than 326,000 people³. Average household size has been declining slightly in recent years in Canada to about 2.8 persons per household⁴, which means that Canada needs at least 116,500 new homes annually to meet the needs of the growing population.

The largest, and fastest growing, component of population increase is immigration. In the two decades from 1986 to 2006, the annual number of immigrants to Canada grew from 152,000 to 238,000⁵. Future population projections, including those from Canada’s biggest province of Ontario, predict that as the natural birth rate continues to decline, virtually the entire increase in population will come from immigration⁶. Recent cohorts of immigrants are arriving in Canada poorer than resident Canadians, and remain poorer for longer⁷.

³ Source: Statistics Canada, 1987 to 2007

⁴ Source: Statistics Canada, 2005

⁵ Source: Statistics Canada, 1986 to 2006

⁶ See, for instance, Ontario Ministry of Finance Population Projections, 2007

⁷ See, for instance, Garnett Picot, Feng Hou and Simon Coulombe, *Chronic Low Income And Low-Income Dynamics Among Recent Immigrants*, Statistics Canada, 2007

Most immigrants are settling in Canada's three largest metropolitan regions (Toronto, Montreal and Vancouver), and the influx of poorer immigrant populations is contributing to growing poverty and income inequality in metropolitan communities across the country⁸. Growing poverty among recent immigrants, most of whom come from non-European countries (mainly Africa and Asia), is a key component of the racialization of poverty in Canada. Statistics Canada reports that 59% of poor families in Toronto (Canada's largest city) are from racialized communities⁹. Growing poverty among recent immigrants adds to the urgent need for more affordable homes across Canada.

About one million people living in Canada are identified as Aboriginal. Almost half live in urban areas, one-fifth live in rural areas and the remaining group (slightly more than one-quarter) live on reserves¹⁰. Of that group, about 600,000 are First Nations, 300,000 are Metis, 45,000 are Inuit and the remainder has multiple Aboriginal identities. There is a big income gap between non-Aboriginal and Aboriginal men: In 2001, the median total income for non-Aboriginal men was \$36,756, while Aboriginal men earned 40% less at \$21,268¹¹. Aboriginal women fare even worse: the median total income for non-Aboriginal women is \$23,792, while Aboriginal women earned \$15,883.

TWO Our private economy is booming, but the public share is shrinking

Canada's Gross Domestic Product was slightly more than \$1.4 trillion in 2006 – a big increase from the half a trillion dollars twenty years ago¹². The robust private economy has been picking up steam since a slight economic slowdown in the early 1990s. In each of the past ten years, the annual growth in the GDP has been about \$58 billion.

The benefits of the booming economy have not been shared equally among all sectors. Corporate profits have grown considerably in recent years, from \$160 billion in 1999 to \$250 billion in 2005, but the percentage of corporate profits paid to income tax has dropped from 25% in 1999 to 21% in 2005¹³.

The public share of the economy has been shrinking. Federal spending as a percentage of the GDP dropped from 20% in 1991 to just over 13% in 2007¹⁴. A critical subset is the amount of social spending (for health, education, housing and related initiatives) as a percentage of GDP. Ranked against other developed countries, Canada fares poorly. A 15-country survey in 2005 placed Canada close to the bottom of Organization of Economic Co-operation and Development countries at 23.3% of GDP¹⁵. The United States ranked higher, at 24.5%¹⁶.

⁸ Andrew Heicz, *Ten Things You Should Know About Canadian Metropolitan Areas*, Statistics Canada, 2007

⁹ For more information, see <http://www.colourofpoverty.ca/>

¹⁰ Source: Statistics Canada, 2001 Census of Canada

¹¹ Source: Statistics Canada, Social and Aboriginal Statistics Division, 2001

¹² Source: Statistics Canada, 2006

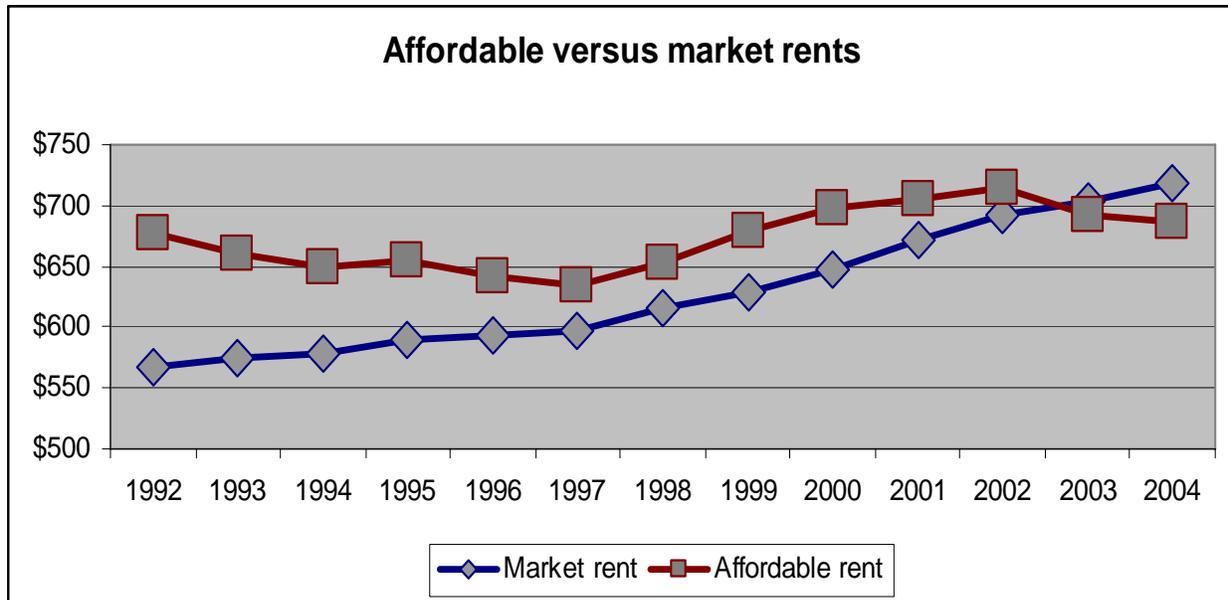
¹³ Source: Statistics Canada, 1999 to 2005

¹⁴ Government of Canada, Budget 2007

¹⁵ Note: The OECD social spending numbers include federal, provincial and other governmental spending, so the social spending percentage is higher than the total federal spending reported previously.

¹⁶ Source: OECD 2005, based on statistics for the year 2001

THREE Poverty is growing across Canada, creating a severe affordability squeeze



The costs of shelter (and other necessities, such as food, medicine, energy, transportation and clothing) are increasing even as the incomes for low, moderate and even middle-income Canadians have been stagnant or declining – creating a severe affordability squeeze.

About 2.8 million families – about one-in-every-five Canadian families – are living in poverty¹⁷. Poverty is deep throughout Canada, it is persistent, and income inequality is growing in Canada’s metropolitan regions (where most of the population lives)¹⁸. The average low-income gap – the difference between poverty incomes and the poverty line – is estimated at \$8,300 for each low income family¹⁹.

As Canada’s economy has boomed, the richest Canadians have seen their share of overall income increase. The richest 5% of Canadians take more than 25% of total income – more than the total income of the bottom 60% (low, moderate and middle-income individuals)²⁰. Women, racialized minorities and Aboriginal people are over-represented among the poor²¹. In percentage terms, there are 14% more women living in poverty than men²². As noted above, the statistics for racialized minorities show a similar disproportionate burden. A higher

¹⁷ Source: Statistics Canada, 2005

¹⁸ Andrew Heicz, *Ten Things You Should Know About Canadian Metropolitan Areas*, Statistics Canada, 2007

¹⁹ Source: Statistics Canada, 2005

²⁰ Brian Murphy, Paul Roberts, and Michael Wolfson, *A Profile of High Income Canadians, 1982 to 2004*, Statistics Canada, 2007

²¹ See, for instance, Punam Khosla, *If Women of Colour Counted in Toronto*, Community Social Planning Council of Toronto, 2003; and also, www.colourofpoverty.ca

²² Source: Statistics Canada, 2005

percentage of Aboriginal people, both on and off-reserve, live in poverty than the rest of the population²³.

Poverty and income inequality is driven by sluggish market incomes for many occupations. Incomes for those in social science, education, government service, religion, art, culture, recreation, sport, sales and service clerks, trades, transport and equipment operators, and primary industry have all been stagnant or declined over the past 15 years²⁴.

About 1.7 million of the poorest Canadian households are forced to rely on government-mandated income assistance programs offered by the provincial and territorial governments. In its latest review of welfare incomes, the National Council on Welfare (a citizen's advisory body to the federal government) reports that welfare incomes have continued to decline in most parts of the country (even though housing and other costs are rising rapidly) and that half the provinces in country (Ontario, Manitoba, Saskatchewan, Alberta and British Columbia) reported their lowest welfare incomes ever during the year 2005. Welfare incomes are consistently below the poverty line – and are less than half the poverty line in more than half the welfare categories. For instance, in Ontario, a couple with two children has seen their welfare income drop from \$28,000 in 1992 to \$19,000 in 2005; while in Alberta, a single person with a disability has seen their welfare income drop from \$8,726 in 1992 to \$7,851 in 2005²⁵.

Canadians are divided along housing lines: Most of the two-thirds of Canadians own their house and are wealthier; and most of the one-third who rent are poorer. Household incomes for owners are roughly double those of tenants, and household wealth for owners are more than 72 times greater than renters²⁶. The gap is growing wider. Real median household income for owners, adjusted for inflation, has grown from \$51,400 in 1990 to \$53,700 in 2004; meanwhile, renter household income for that same period fell from \$28,900 to \$27,500²⁷.

Even though renter household incomes have fallen, rents in most parts of Canada have risen in recent years, often much faster than inflation. The average private market rents in Canada have increased by 27% over the past decade from \$593 in 1996 to \$755 in 2006²⁸. Using the median income figure noted above, half the renter households in Canada can only afford a rent of up to \$687.50. This housing affordability gap is much wider in the bigger municipalities with high rents and low incomes.

Tenants cover the difference between what they can afford to pay and the rent charged by landlords by cutting back on other necessary purchases (food, medicine, energy, transportation, clothing). The number of Canadians forced to rely on hand-outs from food banks has grown from 378,000 people in 1989 to 753,458 in 2006²⁹.

A growing number of tenant households are unable to bridge the gap and face eviction. There are no comprehensive national statistics on evictions, but in Ontario, almost 67,000 households

²³ Source: Statistics Canada, 2007

²⁴ Source: Statistics Canada, 1980 to 2005

²⁵ All data in this paragraph: National Council of Welfare, *Welfare Incomes 2006*

²⁶ J. David Hulchanski, *A Tale of Two Canadas*, University of Toronto Centre for Urban and Community Studies, 2001

²⁷ Source: Canada Mortgage and Housing Corporation, 2006

²⁸ Source: Canada Mortgage and Housing Corporation, 2007

²⁹ Canadian Association of Food Banks, *HungerCount 2006*

faced eviction³⁰ in 2006 – more than 260 households every working day of the year. A City of Toronto study found that one-third of households that are evicted end up in shelters, another one-third become part of the “hidden homeless” and find short-term shelter with family or friends and the remainder are able to find other accommodation³¹. Projecting the Ontario statistics to the national level, as many as 174,000 households may face eviction annually. The patchwork of rent regulation, tenant protection and eviction protection legislation and programs across Canada (at the provincial level) is thin and inconsistent. Although many hundreds of thousands of people lose their homes annually through economic evictions, there is no national or provincial re-housing strategy in place.

There are no reliable counts of the number of homeless people in Canada. Housing advocates estimate that one quarter of a million Canadians experience homelessness annually³². Street counts have been conducted in a number of cities and, while the methodology has raised questions, comparisons over time show a massive increase. The 2006 homeless count in Edmonton found a 20% increase in the numbers over two years. For every homeless person in a shelter bed, the Edmonton count identified two people sleeping rough (no shelter)³³.

About 1.5 million Canadian households are officially classed as in “core housing need”; that is, they are living in homes that are unaffordable, over-crowded or sub-standard (or a combination of the three)³⁴. That’s up from the 1.3 million households in core housing need a decade earlier. Two-thirds of those households are renters, and about one-third are owners. In percentage terms, one out of every four renter households in Canada is in core housing need; while less than 7% of all owner households face housing insecurity.

Average market rents have grown faster than inflation from \$568 in 1992 to \$755 in 2006. Increasing rents at the same time that incomes are stagnant or declining – this is the affordability squeeze that has trapped renter households across Canada. In the past two years, the affordable rent for the country’s renter households has dipped below market rents – leaving more than half of Canada’s tenants unable to afford private market rents.

See the chart: *Affordable rents versus market rents*, above.

While some upper-income tenants were able to move into home ownership in the 1990s, the rapidly increasing cost of ownership housing is pushing it out of reach of even middle-income renter households.

A standard two-storey home now costs \$340,341 and requires a qualifying income of \$82,000 and a down payment of \$85,000 (ownership costs are much higher in Vancouver, Toronto and other high-growth parts of Canada)³⁵.

Even a modest condominium apartment costs \$210,474 and requires a qualifying income of \$50,692 and a down payment of \$53,000 – which puts this most basic form of ownership housing below the actual incomes of more than half of all Canadian households.

³⁰ Source: Ontario Landlord and Tenant Board, 2006

³¹ Linda Lapointe, *An Analysis of Evictions in the City of Toronto*, City of Toronto, 2004

³² Cathy Crowe, *Dying For A Home*, Between the Lines, 2007

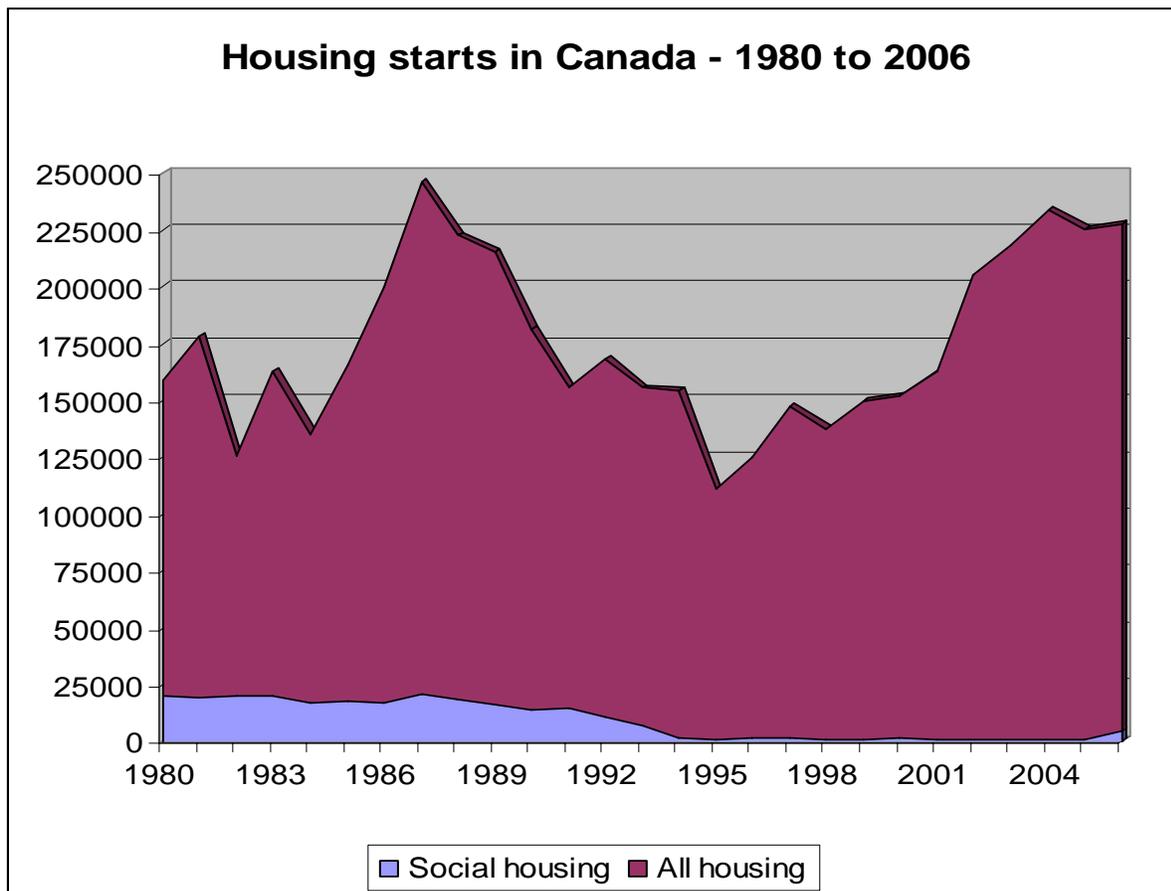
³³ Edmonton Joint Planning Committee On Housing, *Homeless Count 2006*

³⁴ Source: Canada Mortgage and Housing Corporation, 2001

³⁵ Source for ownership affordability numbers: RBC Economics, *Housing Affordability*, September 2007

FOUR Few new affordable homes are being built, creating a desperate supply shortage

Canada has slightly more than 12.5 million dwellings, with 630,000 (5%) subsidized under various federal programs³⁶. The percentage of social housing in Canada is among the lowest of our partners in the developed world. In Netherlands, 40% of all housing is social housing; 22% in the United Kingdom and Sweden; 14% in Germany, France and Ireland; 10% in Finland; and, 6% in Australia. Only United States, with 2% of its overall housing stock in social housing, has a lower percentage than Canada³⁷.



In the last few years, residential construction has been booming in Canada – more than 200,000 new homes in 2002 and rising to an extremely strong 227,395 new homes in 2006³⁸. However, most of those new homes are in the ownership market, and – as noted earlier – market costs have been rising dramatically in recent years. The number of new housing starts in 2005 was significantly higher than in 1990 (there was a drop-off in the mid-1990s before the recent revival), but the mix was very different. In 1990, about one-quarter of all housing starts were in

³⁶ Sources: Statistics Canada, Canada Mortgage and Housing Corporation, 2006

³⁷ Source: J. David Hulchanski, University of Toronto Centre for Urban and Community Studies, 2005

³⁸ Source: Canada Mortgage and Housing Corporation, 2006

the rental sector. By 2005, less than 10% were in the rental sector (which provides most of the housing for low and moderate-income Canadians).

Canada Mortgage and Housing Corporation's rental vacancy rate – which measures vacancies in the so-called primary rental market (purpose-built rental housing) – has been falling since 1993, and has been below the critically-low 3% market since the year 2000³⁹. While there has been some new rental construction in recent years, demolition and conversion of existing units has been outpacing construction starts, resulting in shrinking supply. From 2006 to the spring of 2007, Canada had a net loss of almost 2,000 in its stock of 1.8 million rental units⁴⁰.

Canada used to have a national housing program to fund the construction of hundreds of thousands of good quality, affordable non-profit, co-operative, on-reserve Aboriginal housing and urban/rural native housing. In the early 1980s before the start of federal funding cuts, more than 20,000 affordable homes were built each year. After new funding for federal social housing was cancelled in 1993, the number of new affordable homes funded annually dropped to about 1,000 and has remained at that level until 2006, when it edged up slightly as the new funding patchwork delivered new units⁴¹. See the chart: *Housing starts in Canada, 1980 to 2006*.

In the decade starting in 1980, an annual average of 11 out of every 100 new homes in Canada were affordable (social); over the past decade, the annual average has slipped to less than one new affordable home for every one hundred new homes built.

FIVE Housing programs have been slashed as a matter of deliberate government policy

There has been a steady erosion of housing policy, funding, programs and regulation over the past two decades in Canada under successive federal governments. As the affordable housing crisis and homelessness disaster has grown worse, there has been an emerging patchwork of national, provincial / territorial and local programs, but no overall housing strategy.

Canada is the only major nation in the world without a comprehensive and properly-funded national housing strategy. The federal government elected in January of 2006 has said that it wants to further cut, download or commercialize some of the remaining housing initiatives.

- **Federal funding cuts:** The election of a federal government in 1984 led to a series of cuts to housing funding and programs, starting with a \$217.8 million cuts to housing development and rehabilitation funds in November of 1984. Over the next ten years, the total cuts amounted to \$1.8 billion⁴².
- **New funding cancelled:** In 1993, the federal government cancelled funding for new co-op and non-profit housing and capped the total spent on the existing national social housing portfolio at \$2 billion annually⁴³.

³⁹ Source: Canada Mortgage and Housing Corporation, 2006

⁴⁰ Source: Canada Mortgage and Housing Corporation, 2007

⁴¹ Source: Canada Mortgage and Housing Corporation, 2006

⁴² Carter, Tom, "Canadian Housing Policy: Is the Glass Half Empty or Half Full?", research article for the Canadian Housing and Renewal Association, April 2000.

⁴³ Carter, op cit.

- **Housing promises shelved:** In late 1993, a new government was elected. The incoming government had promised, while in opposition, to restore funding for a new national housing program, but it failed to act on those promises⁴⁴.
- **Federal housing downloaded:** The federal government, in its 1996 federal budget, announced plans to download the existing federal housing programs to the provinces and territories⁴⁵. This decision ended decades-long federal role in housing development. It also locked into place a 30-year decline in federal housing funding – dropping from \$1.7 billion to zero by the third decade of the 21st century.⁴⁶
- **Further erosion of role of CMHC through commercialization:** The 1996 budget further eroded the role of Canada Mortgage and Housing Corporation (the federal housing agency) by commercializing part of CMHC’s mortgage insurance portfolio. The handover of this portfolio to the private sector was started in 1998 with the introduction of amendments to the *National Housing Act*. Advocates warned that this would erode the ability of the federal government’s housing agency to support new affordable housing.

Provincial and territorial governments cut housing program and spending in the 1990s. The most dramatic cuts – in dollars and in numbers of units – came in the country’s biggest province, Ontario. The election of a new government in 1995 led within weeks to a decision to cancel all new affordable housing spending plus the cancellation of 17,000 units of affordable that had been approved for development.

In September of 1995, the Ontario government cut the shelter allowance paid to social assistance recipients (the funding was supposed to pay for the cost of housing) by 21.6%. In 1998, Ontario downloaded housing to municipalities (including the federal housing that had been downloaded to the province). Other provinces – including British Columbia and Alberta – also cut spending and programs. Only Quebec maintained a relatively strong social housing program, although even in Quebec, the need outpaced the new supply.

SIX Multi-billion federal surpluses are growing, including housing surpluses

Massive spending cuts (especially in social spending, such as housing, health and education) at the federal level, combined with strong tax revenues, have led to growing financial surpluses. The federal government had a surplus of \$4.5 billion in 1998 and that grew to \$11.1 billion in 2007⁴⁷ (even after massive tax cuts in recent years, including \$100 billion in tax cuts over five years in 2001⁴⁸, that mainly benefited wealthier individuals and profitable corporations).

⁴⁴ For details on the Liberal promises, see Paul Martin and Joe Fontana, “Finding Room: Housing Solutions for the Future”, Liberal Task Force on Housing, April 1990.

⁴⁵ “Budget 1996”, *Budget Plan Including Supplementary Information and Notices of Ways and Means Motions*, Department of Finance, Canada, March 6, 1996.

⁴⁶ Connelly Consulting, “Findings on the Big Picture”, presentation to the Canadian Housing and Renewal Association, June 11, 2003.

⁴⁷ Source: Statistics Canada, 2007

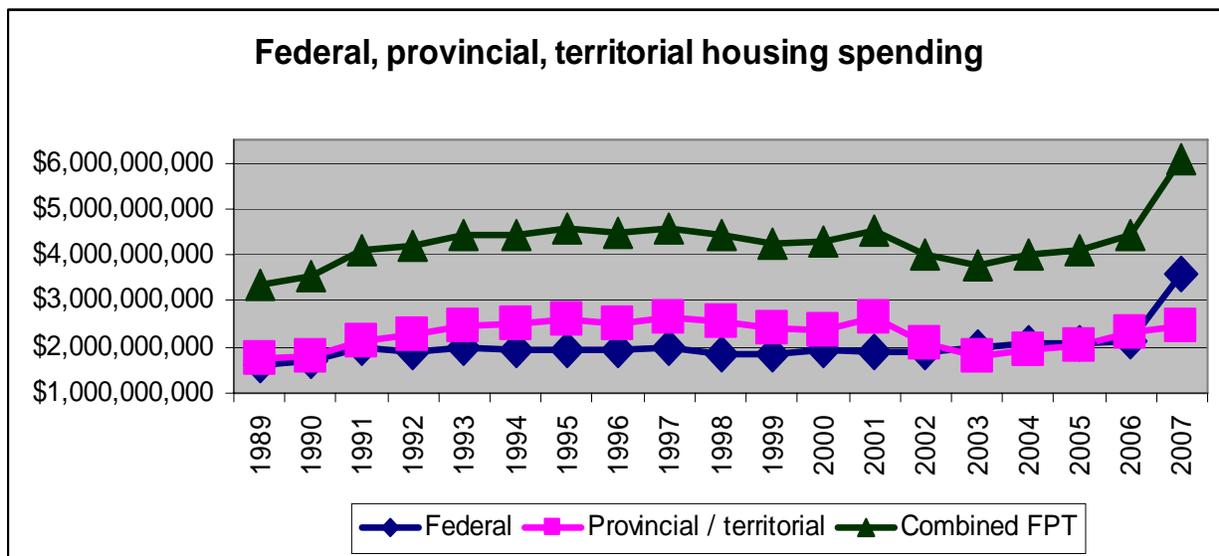
⁴⁸ Source: Government of Canada Finance Department, 2001

The minority Parliament of 2005 authorized \$1.6 billion of the federal surplus to affordable housing over two years, and the federal government allocated \$1.4 billion of that in 2006. The remaining \$200 million authorized by Parliament has not yet been allocated.

Despite the massive annual surpluses, federal housing spending has remained flat-lined at about \$2 billion annually for more than a decade, even as the number of households in core housing need has increased and inflation has eroded the buying power of the dollar. As noted earlier, federal housing spending is due to drop sharply in the coming years as the federal government “steps out” of its funding commitments to the half a million affordable homes built over the past three decades.

The federal decision to cancel new spending on affordable housing, and the decision in 1996 to commercialize Canada’s national housing agency, Canada Mortgage and Housing Corporation, through changes to the *National Housing Act* passed that year, have been a financial boon for the corporation. CMHC’s net income (surplus of income after expenses) will grow from \$667 million in 2003 to a projected \$1.3 billion in 2011⁴⁹. Retained earnings for CMHC are projected to grow from \$2.26 billion in 2003 to \$5.3 billion in 2011.

SEVEN The emerging patchwork of funding and programs falls short of the need



The growing housing crisis and homelessness disaster, along with effective advocacy, has led to an emerging patchwork of funding and programs at the federal level. Key initiatives include⁵⁰:

⁴⁹ Canada Mortgage and Housing Corporation, Annual Report 2006

⁵⁰ Information on the key federal initiatives comes from federal announcements and budgets.

- **Supporting Community Partnerships Initiative and federal homelessness strategy:** Announced in December, 1999, this federal program covers temporary shelter and services for the homeless. The program was initially funded for three years, then renewed in 2003 for another three years. In November of 2005, SCPI was renewed for one year to March 31, 2007. In late 2006, the federal government announced a two-year extension. The program originally covered only nine communities, and then was extended to 10. The program currently funds initiatives in 61 communities, but most of the country (smaller communities, remote, rural and Northern areas) do not get SCPI funding. The funding has been frozen at the same level since 1999, even with inflation and a growth in the number of communities that are drawing money.
- **Residential Rehabilitation Assistance Program:** The federal housing rehabilitation program has been funded, to a greater or lesser extent, for decades. In December of 1999, funding was increased to allow rehab funding for homeless projects (such as renovating abandoned buildings). RRAP was renewed in 2003 and then again in 2005 for one year. Like SCPI, RRAP was renewed in 2006 for two years.
- **Federal Surplus Real Lands for Homelessness Program** (December 1999): A small program to allow the acquisition of former federal properties for housing.
- **Affordable Housing Framework Agreement:** The federal government, plus the 10 provinces and three territories, signed the Affordable Housing Framework Agreement in November 2001. Under this agreement, the federal government agreed to pay \$680 million over five years for new affordable housing, and the provinces and territories were supposed to match the federal dollars. The federal government added another \$320 million in 2003 for a total federal contribution of \$1 billion. However, the program has been painfully slow to roll-out. As of December 2005 (the end of the fourth year of a five-year program), the federal government had allocated \$526 million – or only slightly more than half its contribution.
- **NDP budget bill (June 2005):** During the minority federal Parliament of 2005, the opposition New Democratic Party sponsored a budget bill that, among other items, authorized \$1.6 billion over two years for new affordable housing. This represented the single biggest new allocation in more than a decade. However, the Liberal government was unable to allocate the funding, and was defeated at the polls in January of 2006 before the NDP housing dollars could be committed to particular projects. The new Conservative government, in its 2006 budget, allocated \$1.4 billion of the \$1.6 billion to three housing trust funds: \$800 million to be divided among the provinces, \$300 million for the three northern territories and \$300 million for off-reserve Aboriginal housing.

The large funding increase in the past year thanks to the 2005 budget bill demonstrates that new funding makes a difference. However, the new funding is short-term.

Provincial-territorial housing cuts have been on top of the federal cuts over the years. The provinces and territories were spending a combined \$2.6 billion on housing in 1995 (the year

before the federal government announced its plan to downsize housing programs), and were spending \$2.3 billion a decade later in 2006⁵¹.

EIGHT Jurisdictional squabbling on housing has stalled action in Canada's federal state

The United Nations, in its most recent periodic review of Canada's compliance with its obligations under the International Covenant on Economic, Social and Cultural Rights, noted – as its first principal area of concern – the jurisdictional confusion between federal, provincial and territorial governments in Canada's federal state⁵². Housing has been a political ping-pong match in recent years, with funding cuts and downloading adding to disagreements about which level of government should take responsibility.

Canada's founding document, *The British North America Act of 1867* (now called *The Constitution Act 1867*, with the *Charter of Rights and Freedoms*), doesn't mention housing. This is not surprising, since Canada in the middle of the 19th century was primarily a rural nation. For most Canadians, housing was a personal matter – if they wanted a home, they would chop down some trees and build one. The 1867 constitution assigned “property and civil rights in the province” to provincial jurisdiction, which includes ownership and use of land. It is this power that gives provinces the responsibility for rent regulation and tenant protection matters. However, while housing includes property issues, it also has significantly wider social and economic concerns. Section 91 of the Constitution assigns the residual power (the responsibility “for all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces”) to the federal government.

The Charter of Rights and Freedoms was added in 1982 and while it doesn't mention housing, s6 guarantees mobility rights, s7 the right to life and s15 equality rights. In international law, the right to housing is closely linked to these other rights.

The *Charlottetown Accord* of 1992 – a political agreement between the federal and provincial governments – named “housing” and assigned it to “exclusive provincial jurisdiction”. However, this accord was rejected by voters in a national referendum and never enacted. In reality, many of Canada's most important housing initiatives over the past six decades have been cost-shared federal and provincial programs.

The federal government – with the support of the provinces, and sometimes with provincial cost-sharing – has had a strong role in housing since the creation of the Central Mortgage and Housing Corporation (now Canada Mortgage and Housing Corporation) in 1946. The federal role continued to grow over the next 40 years.

Despite the rejection by voters of the Charlottetown Accord, Canada has had constitutional change by stealth in recent years. The federal funding cuts and downloading in the 1980s and 1990s was part of a plan to assign housing to provincial / territorial responsibility. Even the

⁵¹ Source: Statistics Canada CANSIM, 2007

⁵² Committee on Economic, Social and Cultural Rights, Concluding observations – Canada, 2006, paragraph 11(a)

emerging patchwork of funding and programs over the past seven years has mostly assigned the lead role for housing to provinces and territories.

The provinces and territories, even with the funding and program cuts in the 1990s, has said that they want to take on the constitutional responsibility for housing. At the last federal-provincial-territorial housing ministers' meeting in September of 2005, the provinces and territories asserted what has become known as the White Point Principles (named after the luxury resort where the ministers met). The five key principles:

1. "Provinces and territories have responsibility for the design and delivery of housing policy and programs within their own jurisdictions in order to address their own specific needs and priorities. This responsibility is particularly pertinent where housing interfaces with broader provincial and territorial responsibility in health, social services, justice and education.
2. "The provinces and territories respect the special relationship and fiduciary responsibility that Canada has with First Nations, Métis, and Inuit people.
3. "The provinces and territories recognize the federal government's role in housing such as mortgage insurance, lending programs and taxation. In addition, the federal government has a pivotal role in research and knowledge transfer, promoting innovation and new technologies.
4. "The federal government will consider each province and territory as its primary delivery partner on any new and existing federal housing funding, through future bilateral agreements.
5. "The federal government will provide each province and territory the opportunity to participate in cost-sharing or delivery, or both, through bilateral agreements. If a province or territory chooses not to participate, the bilateral agreement will be used to set the delivery parameters, irrespective of the delivery mechanism, in order to respect the provincial and territorial policy framework and provide consistency in the delivery of the initiative with the approach provided in this document."⁵³

The following day, the federal government joined with the provinces and territories, to issue a communique noting that "there is a need for more housing support for the homeless, supported and transitional housing, affordable housing, assisted home ownership, and market housing" and stating: "Ministers have strengthened their partnership and are accelerating work on a Canadian Housing Framework in consideration of the approach adopted by PT Ministers and the discussion held by FPT Ministers today."⁵⁴ Over the past two years, the housing ministers have failed to even meet, let alone make any progress towards the Canadian housing framework that they promised in 2005.

NINE Canada's housing efforts fall short of international law and standards

In its most recent review of Canada's compliance with the International Covenant on Economic, Social and Cultural Rights in May of 2006, the United Nations' Committee on Economic, Social

⁵³ Communique of provincial and territorial housing ministers, September 22, 2005. See Appendix 1.

⁵⁴ Communique of federal, provincial and territorial housing ministers, September 23, 2005

and Cultural Rights named homelessness and housing insecurity as a “national emergency”⁵⁵. It noted that women, Aboriginal people and people who are poor bear the greatest burden, and called for the federal government to take up its obligations in international law. See Appendix 2.

The UN committee noted that, with ongoing questions in Canada of constitutional jurisdiction regarding housing, there is a special responsibility that “the federal Government take concrete steps to ensure that provinces and territories are made aware of the State party’s legal obligations under the Covenant, that the Covenant rights should be enforceable within provinces and territories through legislation or policy measures, and that independent and appropriate monitoring and adjudication mechanisms be established in this regard”⁵⁶.

The UN committee noted that income assistance in Canada – everything from employment insurance to social assistance – fall short of the mark. It called for specific action to deal with forced evictions, such as the actions by governments and private property owners to forcibly remove people from homeless encampments. One key observation:

“The Committee urges the State party to implement a national strategy for the reduction of homelessness that includes measurable goals and timetables, consultation and collaboration with affected communities, complaints procedures, and transparent accountability mechanisms, in keeping with Covenant standards.”⁵⁷

The 2006 review is consistent with other judgments by the United Nations and other international authorities over the past decade, which have been critical of Canada and called on it to meet its obligations in international law.

TEN Canada has a long history of housing successes, but lacks a specific plan, funding and targets

Canada has a long history of housing successes – supportive, non-profit, co-operative and other forms of housing to meet a variety of needs. Resident-owned and managed housing co-ops were nominated by the federal government as a “global best practice” in 1996 – the same year that that very same federal government announced plans to download its housing programs (including co-ops) to provincial and territorial administration. Housing co-ops mobilized and after a three-year campaign, were able to convince the federal government to reverse its decision. While the federal government reserved its decision on the downloading of co-op programs, it has failed to provide funding for any new housing co-operatives. The rest of the federal housing stock was downloaded.

A variety of innovative housing projects have been created to meet diverse needs: The Older Women’s Network Housing Co-operative in downtown Toronto’s St. Lawrence Neighbourhood (older women); the Portland Hotel in Vancouver’s Downtown East Side (“hardest-to-house” people); Carew Lodge in St. John’s, Newfoundland (women leaving prison); Gignul Non-Profit

⁵⁵ Committee on Economic, Social and Cultural Rights, Concluding observations – Canada, 2006, paragraph 62

⁵⁶ Committee on Economic, Social and Cultural Rights, Concluding observations – Canada, 2006, paragraph 31

⁵⁷ Committee on Economic, Social and Cultural Rights, Concluding observations – Canada, 2006, paragraph 62

Housing in Ottawa (off-reserve Aboriginal housing); Residence de L'Academie in Le Plateau Mont-Royal / Montreal (people at risk of homelessness); to name just a few.

Canada's affordable housing crisis is not due to a lack of imaginative and successful ideas, or a lack of commitment on the part of the affordable housing sector. The problem has been a sharp cut in funding, programs and legislation to ensure that all Canadians are able to secure good quality, affordable and secure housing.

When governments cut housing funding and programs in the 1980s and 1990s, politicians hoped that the private sector would pick up the slack. New construction by private sector developers have been booming in recent years, but the cost is out of reach for low, moderate and increasingly middle-income Canadians. Canada's robust private economy has also been booming in recent years, even as poverty has also been increasing.

Federal, provincial and territorial housing ministers promised a comprehensive "Canadian housing framework" two years ago, but have failed to deliver.

There are a growing number of municipal and community housing plans – such as the Wellesley Institute's *Blueprint to End Homelessness in Toronto*⁵⁸ – which set out practical and effective strategies for more affordable housing. These plans rely on a reinvestment by government.

With Canada's booming private economy and large federal surpluses, there has been a growing call for a reinvestment in new truly affordable homes. Private markets have not been able to supply new affordable homes, even as those markets generate a record number of new homes.

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Appendix 1 : Communique from Provincial-Territorial Meeting of Ministers responsible for Housing White Point, Nova Scotia -September 22, 2005

AN APPROACH TO GUIDE HOUSING IN CANADA BY PROVINCIAL AND TERRITORIAL (P/T) MINISTERS RESPONSIBLE FOR HOUSING

INTRODUCTION

Housing is a basic necessity of life. Stable, affordable and good quality housing contributes to positive outcomes for individuals, families and communities. Housing influences many aspects of life: individual health and well being, educational achievement, social connections, labour market attachment, and community identity. From a broader economic perspective, the housing sector provides employment, creates investment opportunities, and stimulates and supports economic activity.

THE VISION

A new balanced approach to housing is a tool to promote economic and social independence, personal accountability, and meaningful individual choice. This vision for housing encourages active measures, in the form of a range of housing services and supports, in addition to housing supply. This is required to meet basic human needs while developing individual resources and capabilities to achieve positive longer-term outcomes such as self-reliance for individuals and families. The vision promotes healthy people, stronger neighbourhoods, a green environment, and safety, quality, and affordability in housing markets.

We all share responsibility for good housing outcomes. Federal, provincial, and territorial governments have a shared commitment in ensuring that their citizens have a decent and secure place to live, and, thereby, can access and contribute to the social and economic life of communities. The Ministers acknowledge that addressing housing needs is a daily and a long-term challenge that requires a sustained commitment from all stakeholders to make real and lasting progress. Furthermore, the Ministers recognize the particular need to involve and work with communities in making sustainable progress.

THE PRINCIPLES

Federal, provincial, and territorial governments believe that the implementation of the vision and principles will achieve sustainable and significant improvement in the housing conditions of our most vulnerable citizens. Federal, provincial and territorial governments recognize that initiatives that respond to identified and demonstrated needs, and that are built on the best evidence of what works, produce the best desired outcomes. Achieving success requires cooperation and respect for each other's roles and responsibilities, and a clear understanding of funding relationships.

Federal, provincial, and territorial governments agree that the following principles should be used to guide the federal, provincial and territorial governments, in achieving bilateral agreements for future housing initiatives.

GENERAL PRINCIPLES

Roles and Responsibilities

Provinces and territories have responsibility for the design and delivery of housing policy and programs within their own jurisdictions in order to address their own specific needs and priorities. This responsibility is particularly pertinent where housing interfaces with broader provincial and territorial responsibility in health, social services, justice and education.

The provinces and territories respect the special relationship and fiduciary responsibility that Canada has with First Nations, Métis, and Inuit people.

The provinces and territories recognize the federal government's role in housing such as mortgage insurance, lending programs and taxation. In addition, the federal government has a pivotal role in research and knowledge transfer, promoting innovation and new technologies.

The federal government will consider each province and territory as its primary delivery partner on any new and existing federal housing funding, through future bilateral agreements.

The federal government will provide each province and territory the opportunity to participate in cost-sharing or delivery, or both, through bilateral agreements. If a province or territory chooses not to participate, the bilateral agreement will be used to set the delivery parameters, irrespective of the delivery mechanism, in order to respect the provincial and territorial policy framework and provide consistency in the delivery of the initiative with the approach provided in this document.

Positive Outcomes

- *Housing initiatives need to support and increase self-reliance in housing and support the development of individual and community capacity .*
- *Federal, provincial, and territorial governments have a shared commitment in ensuring their citizens have a decent and secure place to live, and that housing markets function effectively.*

People Focused

- *A continuum of program responses is required to successfully respond to the differing needs of households across their life courses . This comprehensive continuum of program responses consists of, among other things, housing supply and related shelter services, affordability, financing, mortgage insurance, repair, and environmental and housing regulations.*

- Provincial and territorial governments require *flexibility in housing programs and policies* which take into account regional, community and individual needs and priorities.
- *All Canadians should have fair and equitable access to housing programs.*
- Federal, provincial, and territorial governments recognize that *one of the highest areas of need and challenge is in providing adequate housing for Aboriginal people.* It is through collaboration among governments and Aboriginal people that housing improvements for Aboriginal people living off-reserve are possible.

Engaging in Effective and Responsive Practices

- *Partnerships among federal, provincial and territorial governments, community groups, Aboriginal organizations, residents and the private sector will strengthen housing conditions in Canada.*
- *Housing is an essential component of the social and economic well being of individuals and for the development of sustainable communities. Consideration of the broader impact of housing on people will maximize the impacts of housing investments and positive outcomes .*

Funding

- Federal, provincial, and territorial governments are committed to adequately housing their citizens as well as renewing their commitment to publicly funded support for housing.
- *Adequate, predictable and sustainable federal funding to Provinces and Territories* is required for housing initiatives to produce long-term positive outcomes, notably for the households in need. Federal funding must recognize the state of housing and special needs of jurisdictions.
- Federal funding should be provided directly to provinces and territories. New Federal initiatives should not require provinces and territories to cost-match or cost-share. The federal funding should respect provincial and territorial jurisdictions and priorities, be flexible to respond to their specific needs and situations, and be agreed upon within bilateral agreements between the federal government and each concerned province or territory. Federal funding will occur within the context of bilateral agreements to ensure consistency within provincial and territorial policy and fiscal frameworks.
- *The federal government will recognize programs, directly funded by the provinces and territories, as cost-sharing contributions to federal housing initiatives* where there is provincial and territorial cost-sharing in these federal housing initiatives.
- A provincial or territorial government, that has programming that already meets the objectives of a federal housing initiative, would be able to reinvest the federal funds not required for that initiative in another housing program, with mutually agreed upon objectives or a housing program that is consistent with the vision and principles provided in this document.

Consultation

- Provinces and Territories should be involved in decisions related to federal funding allocations for housing and related programs.

Accountability

- *Governments recognize the importance of accountability and the need to report to their respective citizens on housing initiatives* . This means ensuring fairness and transparency in the delivery of housing programs and services and informing their citizens about how housing programs and services are performing.

Other Matters

- Federal, provincial, and territorial governments agree on the need to *recognize contributions made by governments and by other partners* to housing solutions, through proactive and effective communications with the public.
- Nothing in this document shall be construed to derogate from the respective governments' jurisdictions.

**Appendix 2 – Communique from Federal-Provincial-Territorial
Meeting of Ministers responsible for Housing
White Point, Nova Scotia - September 23, 2005**

**FEDERAL-PROVINCIAL-TERRITORIAL MINISTERS RESPONSIBLE FOR
HOUSING LIVERPOOL, NOVA SCOTIA - SEPTEMBER 23, 2005**

Federal, Provincial and Territorial Ministers agreed today to work together to address the housing needs of all Canadians, and those of Aboriginal peoples, including First Nations, Métis, and Inuit people.

We've heard from Canadians, and what they've told us is that there is a need for more housing support for the homeless, supported and transitional housing, affordable housing, assisted home ownership, and market housing. Working together, Federal, Provincial and Territorial Ministers are committed to addressing these pressing needs.

Provincial and Territorial Ministers identified a wide range of priorities in their communities and the need for a flexible, sustainable, and long term approach to housing.

Ministers have strengthened their partnership and are accelerating work on a Canadian Housing Framework in consideration of the approach adopted by PT Ministers and the discussion held by FPT Ministers today.

Minister Fontana has also agreed to start bilateral discussions with PT Ministers on their priorities for housing initiatives within the parameters of Bill C-48.

British Columbia has accepted the role of provincial co-chair of the Federal, Provincial, Territorial meetings of ministers of housing.

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