



**A Wellesley Institute webinar with Senator Art Eggleton:
*It's time to bring Canadians in from the margins***

A closer look at housing and homelessness issues in Canada
as discussed in the December 2009 report

***In from the Margins: A Call to Action on Poverty,
Housing, and Homelessness***

Issued by:

The Standing Senate Committee on Social Affairs, Science and Technology

The Honorable Art Eggleton P.C., Chair
The Honorable Hugh Segal, Deputy Chair

Sponsored by the Wellesley Institute
Toronto, ON
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The Wellesley Institute advances urban health through rigorous research, pragmatic policy solutions, social innovation, and community action.

Agenda:

- Introduction by Michael Shapcott, Wellesley Institute
- Welcome by Rick Blickstead, Wellesley Institute
- *In from the Margins* Conversation with Senator Art Eggleton
- What Happens Next?
 1. Parliament: Where is the Report Now?
 2. Community: What Can We Do Next?
- Questions and comments

We have seen homelessness and poverty become increasingly worse as Canada has become increasingly richer.

Bruce Porter, Centre for Equality Rights in Accommodation

The Webinar's Goals

- ✓ To disseminate the Senate report and its recommendations.
- ✓ To promote the Wellesley Institute and its collaboration with other similar organizations and groups interested in alleviating urban poverty in Canada.
- ✓ To highlight the most crucial findings and recommendations pertaining to *housing* and *homelessness* issues in Canada.
- ✓ To allow Senator Art Eggleton the opportunity to discuss and comment on these findings and recommendations.
- ✓ To allow the webinar's participants to receive further information on these findings and recommendations.
- ✓ To discuss the methods in which these recommendations can translate into action and eventual positive outcome.
- ✓ To highlight the potential problems that might arise in the process of implementing these recommendations.
- ✓ To set the building block for an ongoing engagement of local communities. The goal of this initiative is:

to identify local issues and priorities

to create opportunities for sharing of information and collaboration between communities

to advance further interest in housing, homelessness and poverty-related issues in general, by inviting our partners and other interested groups to submit their reports on the actions undertaken to pursue further some of the recommendations outlined in this report.

Introductory question to Senator Eggleton: *Your Senate report is targeted at ‘people whose lives are marginalized by poverty, housing challenges and even homelessness’. During the course of your work, you held more than 35 hearings and five roundtables, and did site visits to 20 agencies in nine cities. Over the past year, Canada has been gripped by a recession and, no matter how you measure it, this has had pretty devastating impact and made an already difficult situation even worse. Based on your work with the Senate subcommittee, how well would you say that our national social systems are helping people cope with poverty, housing insecurity and related concerns?*

Two overall findings:

- Even when all the programs are working, when individuals get all the possible income and social supports, the resulting income too often maintains people in poverty, rather than allowing them to fully participate in the economic and social lives of their communities
- At their worst, existing policies and programs trap people in poverty, creating unintended perverse effects that make it virtually impossible for too many people to escape reliance on income security programs or even to leave homeless shelters.

Follow-up question: *In today’s webinar, we want to focus on housing and homelessness, which is only one component of your overall report. At 283 pages and with 74 recommendations, you cover a great deal of social policy terrain: from income and poverty, including employment insurance; to training and education; health; reforms to our tax system; plus housing and homelessness. You also target specific groups, such as Aboriginal people and newcomers; and you call for a ‘rights-based approach’ to these issues. Why such a sweeping approach?*

- Poverty is caused by a combination of personal situations and more systemic factors, and it’s in the interaction of these two that we can both understand poverty in all its dimensions and also assess the best policy responses.
- Poverty may be short-term, and sometimes it can be inter-generational. People living in poverty can become isolated, and then further excluded from opportunities and activities that the rest of us take for granted.
- Economic and social struggles with respect to income and housing are not random. Some particular groups among us are far more likely to find themselves in poverty.

Follow-up question: *In a recent newspaper column written by Senator Hugh Segal and yourself, you have argued that we cannot afford to not to take action. Everywhere these days we are being told that budgets are tight, federal dollars are scarce? What you do mean by saying that “poverty costs us all”?*

- Poverty expands health-care costs and policing burdens, and diminishes educational outcomes. This in turn depresses productivity, economic expansion and social progress, all of which takes place at huge cost to taxpayers, and the robust potential of our economy.

- Our committee's recommendations are not about spending more but spending smarter. They are about reallocating and using current expenditures more efficiently. For example, instead of spending taxpayers' money on dealing with homelessness by providing institutional care that can be in the range of \$100,000 per person a year, why not reinvest that money and provide supportive affordable housing which would cost at the high end \$25,000 per person a year? That is a dramatic savings and a more effective way to deal with homelessness.
- We need to break the cycle of poverty in Canada, and to lift its devastating burden once and for all. We owe it to the millions of Canadians struggling in a life of poverty. And we owe it to our Canadian cities as their health and vibrancy is integral to the prosperity of Canada.

Question: *Let's zero in on one component – an important component – of your report, which is housing and homelessness. What are some of your key observations?*

III. Housing and homelessness at a glance

Those vulnerable to poverty, such as Aboriginal people, single mothers, immigrants, refugees and people with disabilities bear the brunt of the effects of inadequate housing, which impacts their education and health outcomes.

Molly McCracken, Manitoba Board Member, Canadian Centre for Policy Alternatives

- Affordable housing—a “policy orphan” avoided by both the federal government and the building industry due to low profit margins.
- Aboriginal people remain, generally speaking, the least affordably housed of all Canadians. Single parents (usually women), people with disabilities, and immigrants are most affected by inadequate housing conditions and homelessness.
- In 2005, 13, 5% of urban Canadians were unable to afford adequate and suitable shelter. In 2001, 36% of immigrants were in a similar situation, compared to 13% non-immigrants.
- Roughly speaking, there are close to 150,000 homeless people in Canada, carrying a national cost between \$4,5 to \$6 billion per year. This cost consists but does not limit to construction, health care and criminal justice costs.
- Dealing with the consequences of homelessness costs Canadians twice as much as what would cost to preventing it.
- Income poverty is a key contributor to housing affordability problems and homelessness.
- Employment no longer guarantees being able to afford shelter, as an increasing amount of Canadians, known as the working poor, are working part-time jobs yielding insufficient income for a decent living.

Persons who have been homeless carry within them a certain philosophy of life which makes them apprehensive about ownership.

Jerzy Kosinski, Novelist

Question: *In your report, you identify some promising trends in national housing policy, starting with the Affordable Housing Initiative, which was launched in 2001 with the Affordable Housing Framework Agreement between the federal government, and all the provinces and territories. How has this program changed over time, and what are some of the challenges in administering this program?*

Follow-up question: *The federal government announced a five-year extension of the Affordable Housing Initiative in September of 2008; and it also announced two-years of additional affordable housing dollars in the federal budget of January of 2009. Affordable housing developers need much more certainty in order to commit to long-term development projects. Should AHI be made a permanent part of federal spending, with a predictable annual budget that affordable housing developers can rely on from one year to the next?*

IV. Promising trends

1. [Affordable Housing Initiative \(AHI\)](#)

About: Under AHI, announced in 2001, the federal government, in collaboration with provinces and territories, sponsors the development of rental housing and its renovation. In 2001, these contributions did not exceed \$25,000 per-unit. In 2003, these contributions were raised to \$75,000 per unit, targeting low-income people. Provincial and territorial governments, under this initiative, were asked to match the federal sponsorship with their own spending. The Budget for 2009 allocated significant funding for the construction of affordable housing targeting seniors and persons with disabilities.

This year (2009), approximately 2,500 low-income residents in Toronto will get a new lease on life with the opening of 1,000 new affordable homes, made possible through federal investments from the affordable housing program.

Sean Gadon, City of Toronto

Problem: AHI, although proven to be effective, remains subject to volatility. There is no long-term commitment, on the federal level, to support AHI.

Solution: The Committee recommends continuing the support of the Affordable Housing Initiative

The Committee recommends that the federal government provide sustained and adequate funding through the Affordable Housing Initiative to increase the supply of affordable housing.

Recommendation 37

Question: *You have also identified the federal Residential Rehabilitation Assistance Program, or RRAP, as another promising initiative. RRAP provides dollars through several initiatives to help repair run-down housing. The program assists about 20,000 households every year, yet Statistics Canada reports that more than three million Canadian households live in housing that is below standards and in need of repair. You recommend that RRAP become a permanent program, and that the federal government increase its budget allocation.*

2. Residential Rehabilitation Assistance Program (RRAP)

About: RRAP is an important contributor to the maintenance of both privately owned and rental accommodation across Canada. This program improves conditions in privately owned older properties. Homeowners with a total household income below the Income Threshold set by CMHC can apply. Their homes must be at least five years old, value below a certain amount and require major repairs in one of the following areas: heating, electrical, structural, plumbing and/or fire safety.

Problem: this program requires renewal every few years. It needs to be secure rather than be subject to potential non-renewal.

Solution: Extending the Residential Rehabilitation Assistant Program as a permanent program.

The Committee recommends that the federal government extend the Residential Rehabilitation Assistance Program as a permanent program, increase the budget allocations for this program, and amend eligibility requirements to take into account differential costs for repairs in different communities across Canada, and projects converting housing units for affordable rental accommodation.

Recommendation 42

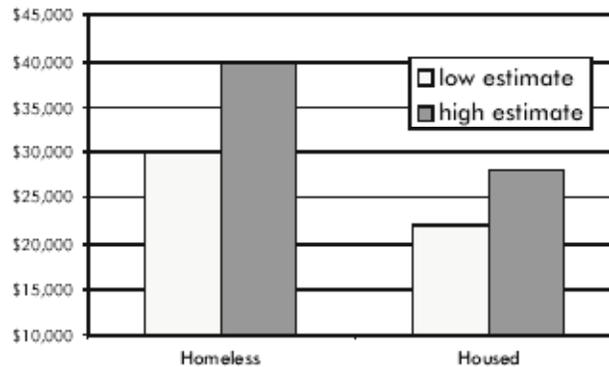
Question: *The federal government launched the national homelessness strategy in 1999 and it is widely viewed as a very successful federal initiative that builds from the community up. In the 61 communities that receive homelessness funding, local groups develop local action plans, which are then supported by the federal government. Tell us why you have recommended that the national homelessness initiative be expanded?*

3. National Homelessness Initiative/Homelessness Partnering Strategy

About: community-based program which depends on communities to determine and launch their own projects aiming to tackle regional homelessness. The committee has found that 10 year plans to build housing for the homeless, developed with support from the government and the local institutions, provide sufficient amount of time for the development of these housing facilities.

...It costs \$48,000 a year to leave someone on the street. It costs \$28,000 a year to house them. That argument has been around for a long time. It does not seem to make any difference.
Kim Kerr, Executive Director, Downtown Eastside Residents Association

Cost of homelessness versus cost of housing¹



Problem: the program faces funding problems.

Solutions: Continuing and Expanding the National Homeless Initiative

The Committee recommends that federal funding focused on homelessness be sustained until a combined strategy on housing and homelessness is developed to guide federal investment.

Recommendation 45

¹ Margaret Eberle, et. al., *Homelessness: causes & effects - The Costs of Homelessness in British Columbia*, Volume 3, BC Ministry of Housing, 2001, p. 2. <http://www.housing.gov.bc.ca/housing/docs/Vol3.pdf>.

The Committee recommends that the Homelessness Partnering Strategy be expanded to play a greater coordinating role within the federal government, engaging all departments and agencies with a mandate that includes housing and homelessness, especially for those groups over-represented among those in need.

Recommendation 47

“10 year Plans in Building Housing for the Homeless”

The Committee recommends that the federal government provide financial incentives to encourage communities already supported through the Homelessness Partnering Strategy to use a 10-year time horizon in adjusting and renewing their community plans.

Recommendation 48

Question: *You mention some other promising initiatives, including the federal housing trust funds that were created by the federal government in 2006 following the decision by Parliament in 2005 to allocate \$1.6 billion for affordable housing investments. How well did the federal affordable housing trust funds work? Are there better ways to structure affordable housing trust funds?*

4. Housing Trust Funds

About: The Federal Government transfer money to a trustee (often an independent financial institution) who provides these funds to provincial and territorial governments attempting to short-term housing related issues. In 2006, three housing trusts were created for affordable housing in general (\$800 million), for Northern housing (\$300 million), and for Aboriginal housing (\$300 million).

Problem: the beneficiaries of these trusts (provinces and territories) are not fully evaluated. Often, they are not held accountable for the money received. Additionally, there is no long-term commitment, on the federal level, to support and extend this program.

Those programs [housing trust funds programs] are not necessarily being evaluated. There is no requirement to evaluate them. The accountability framework is not back to the federal government, it is to their own constituents.

Sharon Chisholm, Canadian Housing and Renewal Association

The Committee recommends extension and expansion of these programs.

Question: *Unaffordable housing is cited by housing experts as the single biggest housing problem in Canada. Statistics Canada says that three million households are paying more than 30% of their income on housing – which is the commonly accepted threshold for unaffordable housing. Canada Mortgage and Housing Corporation says that half of these households – or about 1.5 million households – are in ‘core housing need’ and at substantial risk of homelessness. Housing allowances – which are a housing subsidy that covers the gap between what a low-income household can afford to pay, and the real cost of their housing – are one way to address unaffordable housing. In your report, you support the use of housing allowances.*

5. Housing Allowances

About: Housing allowances are subsidies paid to either the tenants or the landlords, which go towards rent payment. Rent subsidies paid to tenants are more effective than those paid to landlords in making housing affordable in the short term.

Problem: Increasing the housing allowances might lead to the increase in rent fees.

The Committee recommends that the federal government:

...supports the use of rent supplements to provide faster access to affordable housing and recommends that the federal government, with provincial housing authorities, private landlords’ associations and non-profit housing providers, assess the impact of portable housing allowances on rents.

Recommendation 43

Question: *Since 1999, the federal government has promised through its Surplus Federal Real Property for Homelessness Initiative that it will make surplus federal lands available for affordable housing. How effective has this promising practice been?*

6: Land Costs

The land costs are too high to encourage the launching of social housing projects on a large scale.

- The federal government's Surplus Federal Real Property for Homelessness Initiative (SFRPHI) provides surplus federal lands to organizations building social housing. The Canada Lands Company is highly involved in the redevelopment of federal lands. Often, however, its involvement has proven to be lengthy and bureaucratic.

Solution: Clarifying the Mandate of Canada Lands Corporation

The Committee recommends that the federal government clarify the mandate of Canada Lands Corporation to favour use of surplus federal lands for development of affordable housing and to expedite planning processes to facilitate this use.

Recommendation 39

Question: *We're used to thinking of affordable housing as mainly a spending issue – that is, we think that the most effective responses necessarily include federal funding delivered through a variety of initiatives. In your report, you also mention a role for tax policy in the development of affordable housing.*

7: Taxation Policy

The current taxation policy, in respect to social housing development, does not encourage the launching of social housing projects on a large scale.

Solution: Rewarding those involved in the affordable housing development via tax breaks

The Committee recommends that the federal government issue a White Paper on tax measures to support construction of rental housing in general and affordable rental housing in particular, including the donation of funds, lands or buildings for low income housing provision.

Recommendation 38

Any tax measures should include:

“provisions to ensure that some at least of the following are true: (a) the subsidies will attract investors in addition to those currently in the business; (b) the subsidies will not be largely inframarginal (i.e. given to investors for behavior which would occur anyway); (c) they will not be too expensive per housing unit produced in terms of tax revenue lost (that is, in terms of tax expenditure); and (d) they will be targeted, at least in the case of some changes.”²

² Marion Steeles, “Comments on housing proposals in the Senate Report, Poverty, Housing and Homelessness: Issues and Options.” Submission to SAST, 26 June 2009, p. 6.

Question: *Even though Aboriginal people make up only a tiny fraction of the overall population of Canada, they bear a huge burden in terms of poverty, housing insecurity and homelessness. In your report, you identify the federal government's Urban Aboriginal Strategy as a promising platform for greater investment in the housing and poverty crisis facing urban Aboriginal people.*

8. Urban Aboriginal Strategy

About: The Urban Aboriginal Strategy was introduced by the federal government in 1998 to tackle, in collaboration with various stakeholders, the socioeconomic needs faced by the urban Aboriginal community. Thus far, it has proven to be, arguably, rather successful in helping the Aboriginal peoples improve life and job skills, integrate and attain a better socioeconomic wellbeing. In 2007, for example, the federal government made a five-year \$68, 5 million commitment to perpetuate this program's vision and goals.

The Committee recommends that the federal government to:

Use the Urban Aboriginal Strategy as a platform for greater investment and collaboration in addressing the poverty and housing problems facing urban Aboriginal peoples.

Recommendation 66

Provide on-going subsidies to off-reserve, non-profit Aboriginal housing providers for new and existing units to ensure increased supply of affordable housing.

Recommendation 65

Require an Aboriginal working group to identify priorities for urban Aboriginal people and designated funding for this purpose within all federal funding to communities to address housing and homelessness.

Recommendation 68

Question: *Many housing experts, both inside and outside Canada, have noted that Canada is the only major country in the world without a comprehensive national housing plan. There are plenty of ‘bits and pieces’ – programs here and there at the federal, provincial and municipal levels, and many of them are doing good work in their particular areas. Why do we need to have a coherent national approach? Why not just leave it to municipalities to fend for themselves?*

V. Problem That Needs to be Addressed

Lack of Coherency in the Housing and Homelessness Policy

Canada does not yet have a coherent, national approach to the housing and homelessness policy. The current programs undertaken by the federal government are insufficient, inadequate and deprived of any long-term commitment to meet the housing needs of Canadians.

- Key long-term operating federal non-profit housing programs are soon to be expiring, with no long-term commitment to secure funding for similar programs. (e.g. mortgage subsidies) The renewal of these agreements is uncertain, an uncertainty which would affect the most the urban Aboriginal community.
- There is no “long-term thinking” in respect to an ample, coherent federal policy approach to housing policy, primarily due to the federal government’s current short-term programs that limit heavily the capacity of the government, not-for-profit agencies and their private-sector partners to build the units predicted at the time of the funding announcements.
- In the 1960s and 1970s the Federal Government provided a significant amount of funding to social housing programs. These responsibilities, with few exceptions listed above, were transferred to provinces in the 1990s.

Solution: Embracing a more comprehensive approach to housing and homelessness policy, with a special focus on the needs of urban Aboriginal peoples by developing a national housing and homelessness strategy.

The Committee recommends that the federal government, in collaboration with provincial governments, representatives of municipal governments, First Nation organizations, and other housing providers, develop a national housing and homelessness strategy to include:

priorities established by and for each provincial and territory with respect to meeting existing needs for affordable and secure housing;

a 10-year commitment of funds from the federal government, to include similar commitments from provincial and territorial governments that will receive these funds;

annual reporting on how the money is being spent, with particular attention to the number of people housed who could not afford to secure housing in the private market;

a specific focus, with targets and funding commitments, with respect to meeting the needs for affordable housing for urban Aboriginal peoples; simpler, more integrated application process for funds, cutting across programs related to housing funded at the federal level;

the integration of the Homelessness Partnering Initiative, with an expanded mandate and budget to support combined local housing and homelessness plans and the initiatives identified in them; and a thorough evaluation at the end of the 10-year period to assess achievements and continuing gaps.

Recommendation 44

Question: *In from the Margins* was tabled in the Senate in December, but has not yet received a formal vote. Prime Minister Stephen Harper has prorogued – suspended – Parliament, including the Senate, until early March. How has that affected the timetable for your report? Is there a danger that your report could be lost in the political developments on Parliament Hill?

- Once Parliament resumes (in early March), a debate will be scheduled for the report. There will be an opportunity for Senators to make speeches. In the tradition of the Senate, ample time is allowed for Senators to express their views.
- A vote will be scheduled in due course on the full report and its recommendations. Assuming the report is adopted, then the rules of Parliament require that the federal government must make a formal response within 150 days. They aren't required to accept every recommendation, but the Parliamentary process ensures that the report will have to be given serious consideration. The report is a good opportunity for groups that are engaged in housing and homelessness work across Canada to call on the federal government to take comprehensive and long-term action on these critical issues.
- In politics, anything is possible, but it is not likely that the Senate – even if five additional Conservative Senators are appointed – will shift substantially. There will still be a majority of Liberal and Independent Senators, and there is already support from Conservative Senators for the report. The Deputy Chair of the Senate Cities Subcommittee is a Conservative, Senator Hugh Segal, and there were other Conservative Senators who participated in the work of the subcommittee in creating this report.

Next steps: At this point, we will outline the Wellesley Institute's proposal to engage groups across the country in a process that uses the *In from the Margins* report as a way of:

1. Identifying and giving a priority to key local poverty, housing and homelessness issues;
2. Identifying and sharing information on local initiatives that are making a positive difference;
3. Identifying gaps where local needs are not being met; and,
4. Sharing this information across the country through a new on-line initiative.

And then, questions and answers.