

THE STATE OF
HOMELESSNESS
in
CANADA
2014



The State of Homelessness in Canada 2014

Stephen Gaetz, Tanya Gulliver, & Tim Richter

Editor: Allyson Marsolais

Homeless Hub Paper #5



ISBN: 978-1-77221-001-9

©2014 The Homeless Hub Press.

The author's rights re this report are protected with a Creative Commons license that allows users to quote from, link to, copy, transmit and distribute for non-commercial purposes, provided they attribute it to the authors and to the report. The license does not allow users to alter, transform, or build upon the report. More details about this Creative Commons license can be viewed at <http://creativecommons.org/licenses/by-nc-nd/2.5/ca/>



How to cite this document:

Stephen Gaetz, Tanya Gulliver, & Tim Richter (2014): *The State of Homelessness in Canada: 2014*. Toronto: The Homeless Hub Press.

The Homeless Hub (www.homelesshub.ca) is a web-based research library and resource centre, supported by the Canadian Homelessness Research Network.

The Homeless Hub Paper Series is a Canadian Observatory on Homelessness initiative to highlight the work of top Canadian researchers on homelessness. The goal of the Paper Series is to take homelessness research and relevant policy findings to new audiences. Reports in this Paper Series constitute secondary research, involving summary, collation and/or synthesis of existing research. For more information visit www.homelesshub.ca.

Content

Executive summary	3
<hr/>	
1 Introduction	10
<hr/>	
2 Addressing Homelessness in Canada – The Year in Review	13
2.1 Introduction	13
2.2 Community progress on reducing homelessness	16
2.3 Addressing youth homelessness	17
2.4 Research and data	18
<hr/>	
3 The Lack of Affordable Housing in Canada – Ottawa, We Have a Problem	22
3.1 What do we mean by affordable housing?	22
3.2 A short history of federal government support for affordable housing in Canada	24
3.3 The affordable housing supply in Canada: how are we doing today?	31
3.4 Conclusion	36
<hr/>	
4 Homelessness & the Lack of Affordable Housing. What is the Link?	37
4.1 Setting the stage: understanding homelessness in Canada	38
4.2 The number of people experiencing homelessness in Canada	41
4.3 At-risk of homelessness: the precariously housed	42
4.4 Where does housing fit into our response to homelessness?	45
4.5 Conclusion	49
<hr/>	
5 Investing in Affordable Housing to Help End Homelessness	50
<hr/>	
6 Conclusion: We Can End Homelessness in Canada	63
6.1 Summary costs of proposals	63
6.2 Outcomes of investment	64
6.3 Can we afford this?	65
<hr/>	
Glossary	67
References	69

Executive Summary

“Homelessness may not be only a housing problem, but it is always a housing problem; housing is necessary, although sometimes not sufficient, to solve the problem of homelessness” (Dolbeare, 1996:34).

Canada is nearing an important crossroads in our response to homelessness. Since homelessness emerged as a significant problem – in fact, as a crisis – in the 1990s, with the withdrawal of the federal government’s investment in affordable housing, communities have struggled to respond. Declining wages (even minimum wage has not kept up with inflation in any jurisdiction in Canada), reduced benefit levels—including pensions and social assistance – and a shrinking supply of affordable housing have placed more and more Canadians at risk of homelessness. For a small, but significant group of Canadians facing physical and mental health challenges, the lack of housing and supports is driving increases in homelessness. Prevention measures – such as ‘rent banks’ and ‘energy banks’ that are designed to help people maintain their housing – are not adequate in stemming the flow to homelessness. The result has been an explosion in homelessness as a visible and seemingly ever present problem.

Over the past 10 years we have learned much about what to do to end homelessness – the need to shift from a focus on managing the problem (through an over-reliance on emergency services and supports) to a strategy that emphasizes prevention and, for those who do become homeless, to move them quickly into housing with necessary supports. The success of the At Home/Chez Soi project demonstrates that with housing and the right supports, chronically homeless people can become and remain housed. While there are still areas that need work – we need more robust solutions for youth homelessness, women fleeing violence and Aboriginal homelessness – we are figuring out solutions on the intervention side.

The one missing piece of the puzzle, however, is affordable housing. The decline in availability of low cost housing (and in particular, rental housing) affects many Canadians – young people setting out on their own, single parents, people working for low wages and the elderly. It also contributes to the homelessness problem in a significant way.

The State of Homelessness in Canada 2014 sets the course for ending homelessness in Canada. We know quite well what factors have contributed to the dramatic increase in homelessness over the past 25 years. Since we know what the problem is, we can propose the solution.

The making of a crisis

The rise of modern mass homelessness in Canada can be traced directly back to the withdrawal of the Federal government's investment in affordable housing and pan-Canadian cuts to welfare beginning in the 1980s. In 1982, all levels of government combined funded 20,450 new social housing units annually. By 1995, the number dropped to around 1,000, with numbers slowly climbing to 4,393 annually by 2006. Over the past 25 years, while Canada's population increased by almost 30%, annual national investment in housing has decreased dramatically, by over 46%. In 1989, Canadians contributed, through taxation, an average of \$115 per person¹ to federal housing investments. By 2013, that figure had dropped to just over \$60 per person (in 2013 dollars²).

There are 544,000 social housing units receiving some form of federal housing subsidy, most of them co-op, non-profit and other forms of social housing from 1973 to 1993. Currently funded by operating agreements between the federal and provincial/territorial governments (administered through Canada Mortgage and Housing Corporation – CMHC), more than two-thirds (365,000) are low-income households paying on a rent-geared-to-income (RGI) basis. Current spending from federal operating agreements, which continues to decline annually, is approximately \$1.7 billion;³ this represents a reduction in spending of almost one-third from the 1990s (Londerville & Steele, 2014; CMHC, nd. D; CHRA, 2014). These operating agreements are set to expire over the next 20 years, putting 365,000 Canadian households at risk.

Overall, federal housing investments have been declining over the past two decades in line with the shrinking housing programs. There have been some significant new investments in recent years (\$1 billion for new affordable housing in 2010, \$1.4 billion for new affordable housing in 2006, \$2 billion for new housing and homelessness investments in the federal stimulus budget of 2009), but they have been time-limited. Federal housing investments continued their downward slide after a temporary uptick from these time-limited measures.

1. Population figures are drawn from <https://www.quandl.com/c/canada/canada-population-data> and are based on a 34,754,312 total population in 2013.
2. The Bank of Canada inflation calculator (based on the CPI) has been used throughout this report to convert to 2013 dollars.
3. Determining the exact number has been challenging for both operating agreements and total government spending on housing and homelessness. CMHC uses \$1.7 billion, CHRA uses \$1.6 billion and Londerville and Steele (citing Treasury Board) use \$1.8 billion (rounded from \$1.75 billion). For the purposes of this report we will be using \$1.7 billion as the current spending on operating agreements representing the average of the three numbers.

OVER THE PAST 25 YEARS...



↑ CANADA'S POPULATION INCREASED
BY ALMOST 30%



↓ ANNUAL NATIONAL INVESTMENT
IN HOUSING HAS DECREASED
BY OVER 46%



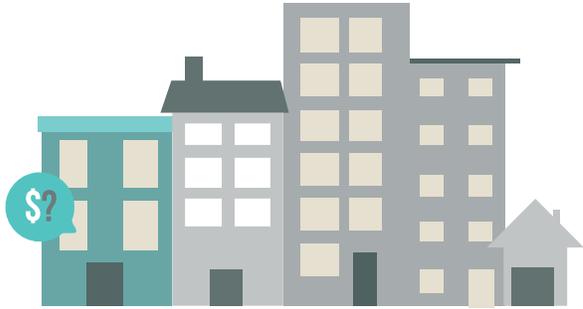
↓ FEDERAL SPENDING ON LOW-INCOME
HOUSING (PER CAPITA) DROPPED
\$115* TO \$60

*figure adjusted for inflation

NEARLY 1 IN 5

HOUSEHOLDS EXPERIENCE EXTREME HOUSING AFFORDABILITY PROBLEMS

meaning that they have low incomes and are spending more than 50% of their income on rent



1982	1995	2006
20,450	~1,000	4,393
new social housing units annually	new social housing units annually	new social housing units annually

IN THE LAST 20 YEARS
100,000 HOUSING UNITS HAVE NOT BEEN BUILT
 because of the cancellation of funding programs for affordable housing.

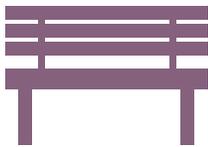
To put these numbers in perspective, consider that today 18% of all Canadian renter households (an estimated 733,275 households) experience extreme housing affordability problems, meaning that they have low incomes and are paying more than 50% of their income on rent, putting them at risk of homelessness.

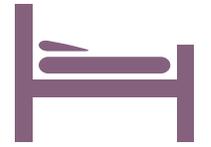
Moreover, homelessness, which emerged as an incredibly visible problem in the 1990s, continues to affect many individuals and families. We now estimate that over 235,000 different Canadians will experience homelessness in a year, with over 35,000 Canadians homeless on any given night. Outside of a few communities that have made real progress in reducing the numbers of people experiencing homelessness, we cannot say that major improvements have been made.

 **35,000** CANADIANS ARE HOMELESS ON A GIVEN NIGHT

 **13,000 - 33,000** ARE CHRONICALLY OR EPISODICALLY HOMELESS

OVER
235,000
 CANADIANS EXPERIENCE HOMELESSNESS IN A YEAR


5,000
 UNSHELTERED


180,000
 STAYING IN EMERGENCY SHELTERS


50,000
 PROVISIONALLY ACCOMMODATED

The unmaking of a crisis: what needs to be done

An adequate supply of safe, affordable and appropriate housing is a prerequisite to truly ending homelessness in the long term. This includes ensuring that people who are chronically and episodically homeless are prioritized and that systems are in place to enable such persons to receive housing and supports through Housing First programs. In a tight housing market, implementing a Housing First agenda becomes that much more challenging. It is also important to address the supply of affordable housing, in order to broaden access for other priority populations, including women fleeing violence, Aboriginal Peoples, families, seniors and youth, for instance.

In a tight housing market, implementing a Housing First agenda becomes that much more challenging.

Ultimately, addressing Canada's housing crisis comes down to money, which then begs the question about our national priorities.

Canadian homeowners enjoy over \$8.6 billion in annual tax and other benefits (Londerville & Steele, 2014). This kind of investment in home ownership is important because it benefits millions of middle-income households.

Spending on affordable housing for Canada's poorest households however, is less than one quarter of that invested in homeownership, approximately \$2.1 billion⁴ per year and has declined quite dramatically over the past 25 years (Londerville & Steele, 2014; CHRA, 2014; CMHC nd, A, B, C & D).

Ironically, it costs more to ignore our housing problem than it would to fix it. Consider the estimate that homelessness alone costs the Canadian economy over \$7 billion per year (Gaetz et al., 2013). While the Government of Canada invests \$119 million annually to address homelessness through the Homelessness Partnering Strategy (provinces and municipalities also invest), this is not sufficient to address the problem and as a result has not led to a noticeable reduction in homelessness.

By not investing adequately in housing for the poorest Canadians, health care, justice and other taxpayer-funded costs increase.

Put another way, as Canadians, we are spending more money on people who do not need help compared to those in greatest need. And by not spending on those in greatest need, we are not only creating hardship for many Canadian families, we are creating a considerably larger expense for the Canadian economy.

As Canadians, we are spending more money on people who do not need help compared to those in greatest need. And by not spending on those in greatest need, we are not only creating hardship for many Canadian families, we are creating a considerably larger expense for the Canadian economy.

We *can* do things differently. In this report, we propose a robust housing investment strategy that would cost the economy much less than the current costs of homelessness. The key elements of our strategy, which are outlined in Chapter 5, include the following proposals:

4. Government spending on social housing and housing supports is sometimes difficult to calculate. In this report we pull from three different sources (CMHC reports, Londerville and Steele (2014) and CHRA (2014) to reach our number of \$2.1 billion in annual spending. This represents an average of the numbers suggested by the three sources.



A new federal, provincial & territorial affordable housing framework agreement



Investments to target chronically & episodically homeless people



Direct investments in affordable housing programs



A housing benefit to assist those who face severe affordability problems in their current accommodation



A new affordable housing tax credit



Investments in Aboriginal housing both on & off reserve

What will this cost?

Our proposed investment in affordable housing represents an increase in annual federal spending, from the projected commitments of \$2.019 billion to \$3.752 billion in 2015/16 with a total investment of \$44 billion over ten years. These proposals have been carefully costed, drawing from the work of Jane Londerville and Marion Steele (2014) and the Canadian Housing and Renewal Association (CHRA, 2014).⁵

While this significantly increases the current federal investment, we feel that in addition to it being the right thing to do, it is also something we can afford to do. Over the past 25 years, federal spending on low-income affordable housing (on a per capita basis) dropped from over \$115 annually, to slightly more than \$60 (adjusted to 2013 dollars). Our proposals would raise the per capita investment to approximately \$106 per Canadian annually, or \$2.04 a week (currently per capita spending amounts to \$1.16/week). While this may seem like a significant increase over previous levels, it is still less than what we were paying in 1989. Additionally, it is necessary to address the accumulated affordable housing deficit built up over the past 25 years. Moreover, we propose that Canadians spend only an *additional* 88 cents per week to contribute to a realistic solution to homelessness and to the affordable housing crisis. To be clear, this proposal will not completely end homelessness in Canada, but it will dramatically reduce chronic and episodic homelessness.

5. In preparing this report, we draw heavily on a report titled "Housing Policy Targeting Homelessness" by real estate scholar Jane Londerville and economist Marion Steele of the University of Guelph, as well as the recent report by the Canadian Housing Renewal Association, titled: "Housing For All: Sustaining and Renewing Social Housing for Low-Income Households".

FOR A SMALL INVESTMENT...

Raise the per capita

**INVESTMENT TO \$106
PER CANADIAN ANNUALLY**
or **\$2/WEEK**

an additional
88¢/week



AN END TO CHRONIC HOMELESSNESS



**EVERY \$10 SPENT ON HOUSING & SUPPORTS
FOR CHRONICALLY HOMELESS INDIVIDUALS**

results in **\$21.72 IN SAVINGS**
RELATED TO HEALTH CARE, SOCIAL SUPPORTS,
HOUSING & INVOLVEMENT IN THE JUSTICE SYSTEM

AN INCREASE IN THE AFFORDABLE HOUSING SUPPLY

**8,800 NEW UNITS OF
SUPPORTIVE & AFFORDABLE
HOUSING ANNUALLY**

88,000 over a decade.



What will be the outcome of this investment?

For years we have been investing in a response to homelessness that, while meeting the immediate needs of people in crisis, has arguably had no impact in reducing the scale and scope of the problem. Our proposal will contribute to an end to chronic homelessness and reduce the likelihood that many others will fall into homelessness in the future. A summary of the outcomes of our investment includes:

Ending homelessness in Canada:

The **New federal, provincial and territorial framework agreement** on housing (Proposal 1) and the **Investments to target chronically and episodically homeless people** (Proposal 2) will:

- **Eliminate chronic homelessness in Canada.** More than 20,000 chronically and episodically homeless Canadians will obtain and maintain housing with necessary supports.
- **Shorten the average time people experience homelessness to less than two weeks.** Our emergency services will no longer provide long-term housing, but will return to their original mandate – to help people through a short-term crisis. Homelessness in Canada will become a rare, brief and one-time experience.
- **Bring all three levels of government – as well as Aboriginal governments – to the table to support local plans to end homelessness,** develop coordinated local homelessness systems of care and ensure housing investment matches unique local priorities and support.

The biggest reason for this investment is the contribution it will make towards ending homelessness for tens of thousands of individuals and families. In a country as prosperous as Canada, with a broadly shared and strong commitment to social justice, there is no need to accept or tolerate the experiences of poverty, hardship and homelessness. We can end homelessness, if we want to.

Reducing the number of precariously housed people

- **Renewal of operating agreements for social housing, co-ops and non-profits** (Proposal 3.1) will maintain our current supply of social housing and greatly reduce the risk that 365,000 Canadians who currently live in rent-geared-to-income housing will lose their homes.
- **The housing benefit** (Proposal 4) will dramatically reduce the number of Canadian households living with an extreme affordability problem and the number of households experiencing core housing need, by providing direct financial support to 836,000 Canadians per year.
- A clear process to review and expand **Investment in Aboriginal housing both on and off reserve** (proposal 6) will contribute to addressing the historic injustices that have led to a dramatic over-representation of Aboriginal Peoples amongst those experiencing homelessness in communities across the country.

Increasing the Affordable Housing Supply

- **Renewed investment in the Investment in Affordable Housing program (IAH)** (Proposal 3.2) will produce 4,000+ new units annually of affordable housing for very low-income households, prioritizing permanent supportive housing for those with complex needs living in extreme poverty, for a ten-year total of 40,000 units.
- **An Affordable housing tax credit** (Proposal 5) will produce 4,800 new units of housing annually, for a ten-year total of 48,000 units.

The proposed investment in affordable housing in Canada presents an opportunity to put in place infrastructure and supports that will benefit communities across the country. These investments will potentially be recouped by offsetting the costs associated with homelessness. Moreover, the biggest reason for this investment is the contribution it will make towards ending homelessness for tens of thousands of individuals and families. In a country as prosperous as Canada, with a broadly shared and strong commitment to social justice, there is no need to accept or tolerate the experiences of poverty, hardship and homelessness. We can end homelessness, if we want to.

1 Introduction

Canada is nearing an important crossroads in our response to homelessness. Since homelessness emerged as a significant problem – in fact, as a crisis – in the 1990s, with the withdrawal of the federal government’s investment in affordable housing, communities have struggled to respond. Declining wages (even minimum wage has not kept up with inflation in any jurisdiction in Canada), reduced benefit levels – including pensions and social assistance – and a shrinking supply of affordable housing have placed more and more Canadians at risk of homelessness. The result has been an explosion in homelessness as a visible and seemingly ever present problem. Our primary response has been to manage the crisis through the provision of emergency services, such as shelters and soup kitchens. Billions of dollars have been invested with little or no appreciable improvements to the situation.



In the last five years, things have begun to change. Beginning largely in Alberta, but now spreading more broadly across the country, several communities have shifted their focus to ending homelessness via **Plans to End Homelessness** that set aggressive targets, priorities and strategies for the reduction and elimination of homelessness. At the heart of all these plans is Housing First as both a philosophy and a transformational intervention. In several Alberta communities, real and meaningful reductions in homelessness have been achieved.

Building on these accomplishments, the Mental Health Commission of Canada completed the highly successful *At Home/Chez Soi* project – the world’s largest research demonstration project of Housing First – and the Government of Canada mandated **Housing First** programs through the Homelessness Partnering Strategy.

While we now understand a lot about what needs to be done to end homelessness and are taking important steps in the right direction, there remains one critical hurdle: **Canada’s dire affordable housing crisis.**

The inability of people to afford and maintain housing underlies much of our national problem. Chronically homeless individuals, many of whom have the additional complications of mental health and addictions challenges, are unable to find and afford housing that would provide a platform for recovery. Other Canadians continue to slide into homelessness because of the lack of affordable housing and we know that too high a percentage of Canadian households are in core housing need (paying more than 30% of their income on housing), leaving little room for other necessities. Poverty, lack of opportunity, discrimination and an inadequate and declining housing supply mean that many Aboriginal people continue to fall into homelessness.



If we want to truly address the problem of homelessness, then we most certainly need to increase the supply of affordable housing for all Canadians. This would be reversing a trend that began in the late 1980s and was a major contributor to the homelessness problem that we experience today. At that time, direct government spending on new social and affordable housing projects declined dramatically. Policy shifts,



BUILDING NEW HOUSING IS KEY TO SOLVING HOMELESSNESS

including tax changes, favoured home ownership. The result has been a steep decline in the building of rental housing (or investment units intended to be rental properties) and a massive investment in the building of private homes and condominiums in Canada since the late 1980s.⁶ While this housing supply is important and benefits many Canadians, the overall shift away from building affordable rental housing has had a major impact on the lives of low-income Canadians and has most certainly contributed to the rise of homelessness and the seemingly intractable problems we are dealing with to this day.

In this second State of Homelessness in Canada report, we tackle this issue head on. We argue that there are mechanisms that will increase the affordable housing supply and that all levels of government, as well as the private sector, have a role to play. This, combined with effective strategies, such as coordinated and strategic Plans to End Homelessness and successful and evidence-based interventions, such as Housing First, can lead to a real reduction in homelessness. This report looks at what we need to do to get there.

Effective strategies, such as coordinated and strategic Plans to End Homelessness and successful and evidence-based interventions, such as Housing First, can lead to a real reduction in homelessness.

Chapter 2 of the report provides an update and overview of key events over the past year. Significant here is the five-year renewal of the Homelessness Partnering Strategy.

Next, we provide an overview of the affordable housing situation. This chapter brings together what we know from recent history about the development (or lack) of affordable housing for low-income Canadians. It serves as a useful backgrounder for anyone who is interested in understanding the factors that contributed to the acute shortage of affordable housing in Canada today.

We then look at homelessness in Canada and its connection to the lack of affordable housing. While this link should be obvious to most people, we review the degree to which an inadequate housing supply creates the conditions for chronic homelessness and for an ongoing flow of people into homelessness. Too many Canadians are precariously housed, paying too high a percentage of their income on rent. They are acutely at risk of becoming homeless. We close this chapter with an overview of the role of Housing First in addressing chronic and episodic homelessness, as well as the need to prioritize other sub-populations.

6. While some condos have been purchased as investment opportunities and are rented out, they tend to be at the higher end of market rent rather than affordable rental housing.

In the concluding chapter, we address what needs to be done. Here, we outline a series of key recommendation that we feel will a) expand affordable housing supply in Canada and b) allow communities to target resources effectively in their efforts to end homelessness in Canada.

The key elements of our strategy, which will be outlined below, include the following proposals:

1. **A new federal, provincial and territorial affordable housing framework agreement.**
2. **Investments to target chronically and episodically homeless people.**
3. **Direct investment in affordable housing programs.**
4. **A housing benefit – a new program to assist those who face a severe affordability problem in their current accommodation.**
5. **Create an affordable housing tax credit.**
6. **Review and expand investment in Aboriginal housing both on and off reserve.**

In preparing this report, we drew heavily on a report titled “**Housing Policy Targeting Homelessness**” by real estate scholar Jane Londerville and economist Marion Steele of the University of Guelph (2014). Londerville and Steele’s report, commissioned by the Canadian Alliance to End Homelessness, informs many of our recommendations and their associated costs. The detailed analysis that leads to these estimates can be found in that backgrounder. In addition, we draw from the recent report by the Canadian Housing Renewal Association, titled: “Housing For All: Sustaining and Renewing Social Housing for Low-Income Households”.

While Canada has struggled for decades with the problem of homelessness, we are now in a position to make significant progress. In the **State of Homelessness in Canada: 2014**, we outline key strategies and investments that can make an end to homelessness possible.

2 Addressing Homelessness in Canada – The Year in Review

2.1 Introduction

The [State of Homelessness in Canada: 2013](#) documented the status of homelessness across the country, as well as the many challenges we face in ending this crisis. Additionally, the authors recommended several potential solutions. In the past year, a lot of promising work was undertaken in the fight to end homelessness. Unfortunately, we can find no evidence that a meaningful national reduction in homelessness has been achieved. In this report we highlight achievements from the past year and look at new ways of understanding and solving the problem.

2.1 Housing First becomes a priority

In the past year, several developments contributed to the prioritization of Housing First (HF) at the national, regional and local levels. Key initiatives included:



2.1.1 Federal Government's Homelessness Partnering Strategy renewal shifts to Housing First

In 2013, when the Government of Canada announced nearly \$600M for the five-year renewal of the Homelessness Partnering Strategy (HPS), Housing First was identified as a key focus and priority. The 61 Designated Communities across Canada that receive funding from HPS are now mandated to [integrate Housing First](#) into their array of existing housing, homelessness and prevention services. In many cases this means replacing existing investments with Housing First interventions.

According to an [Employment and Social Development Canada \(ESDC\) press release](#):

- Starting April 1, 2015, the largest Designated Communities will be required to invest at least 65 percent of HPS Designated Communities funding in Housing First activities.
- Starting April 1, 2016, other Designated Communities receiving at least \$200,000 in HPS funding will be required to invest at least 40 percent of HPS Designated Communities funding in Housing First activities.
- Designated Communities that receive under \$200,000 in HPS funding or are located in the North will be encouraged to implement Housing First but will not be required to meet set targets (CNW, 2014).

Prioritizing Chronic Homelessness: The first State of Homelessness in Canada report showed that while the number of people experiencing chronic or episodic homelessness is relatively low (4,000-8,000 and

6,000-22,000 respectively), the system incurs great expenses in providing care to these groups. As a result, most communities prioritize ending chronic and episodic homelessness. Once these populations receive housing and supports, only a minimal emergency homelessness support structure will be needed to assist people who suffer from very short-term, emergency homelessness.

As part of its focus on Housing First, HPS is expecting its 61 Designated Communities to prioritize chronically and episodically homeless persons. According to Directive 1 of the Homelessness Partnering Strategy Directives 2014-2019, after a community has managed to house “90% of its chronic and episodic homeless population, it may focus the Housing First interventions on the group with the next highest needs (Employment and Social Development Canada, 2014b).”

The federal implementation of Housing First is easily the most important development in homeless services in Canada this year, and could usher in transformational change to Canada’s response to homelessness. There remain, however, challenges ahead to ensure success:

- The restrictiveness of HPS program funding (for example, lack of funding for clinical support, inability to carry over funding from year-to-year, or to use funds for transitional housing for youth) may hinder implementation and/or provision of housing and supports to the most vulnerable chronically homeless Canadians.
- There is a steep Housing First learning curve both for the federal government, but also communities and provinces/territories that invariably have to support these efforts. As such, the new direction presents an incredible change management challenge at a time when HPS staffing has been drastically reduced.
- Some Community Entities (CE) and Community Advisory Boards (CABs) may not be sufficiently resourced to manage the new focus on Housing First. For example, Housing First demands that CEs take on a critical role in program performance management. Many CEs, especially in smaller communities, do not yet have the capacity to take on this new role.

MEDICINE HAT, ALBERTA

Although a small city, Medicine Hat faces challenges in its fight to end homelessness similar to most other Alberta cities, including a lack of new affordable housing, low vacancy rates (impacted further by the 2013 Alberta flood) and increasing rental rates due to the influx of workers attracted by the province’s strong labour market. Led by the Medicine Hat Community Housing Society, it will likely end chronic homelessness in 2015*, becoming the first city in Canada to do so. Over the past year, Medicine Hat has made significant strides towards implementing a systems-wide response to ending homelessness. By opening up existing policies and practices to critical examination by experts in the field, including a full review of data and performance management at both systems and programmatic levels, the city was able to refocus its local Plan to End Homelessness and is now realistically close to its goal of ending homelessness in 2015.

“Ending homelessness is achievable. It demands a systems response to a systems level issue that impacts individuals, families and communities so deeply. The benefits of ending homelessness are evident from an economic and social standpoint. Though we must analyze data, monitor efficiencies in program and systems delivery, we must also never forget the human impact. Every number in a report is a story and those in the sector play key roles in helping those stories have a happier ending.”

Jaime Rogers - Manager, Homeless & Housing Development Department, Medicine Hat Community Housing Society

* The Medicine Hat plan set a goal of reducing the average length of stay in a shelter to 10 days. This treats homeless shelters and services as an emergency solution, rather than a response to the problem; thus, effectively eliminating chronic homelessness.

- Many communities will require provincial/territorial support to implement federally-funded Housing First programs (for health supports and rent supplements, for instance). This has yet to be operationalized in many jurisdictions.
- The specific needs of sub-populations, such as youth and women fleeing violence, have not been addressed by the current strategy.
- The HPS renewal is a 5-year program. This time frame may not be adequate to produce the results the government expects. Housing First programs typically take 18 months, from inception and the signing of contracts, before people are ready to move in. Year one of the HPS program has been largely lost as a transition year. Optimistically, the government will only begin to see results in late 2015 or early 2016. All of the concerns noted above could delay implementation and the generation of positive results.

It is also important to note that these efforts are occurring in the context of a lack of affordable housing supply in Canada. The fact that so many Canadians lack sufficient income to obtain and maintain housing means that addressing homelessness will continue to be a problem.

2.1.2 *At Home/Chez Soi* final report

Providing a strong evidentiary basis for Housing First, the Mental Health Commission of Canada's (MHCC) *At Home/Chez Soi* team continued to release research results from its pilot project. Earlier this year, the final report of the *At Home/Chez Soi* project highlighted the tremendous success it had in housing people with mental illness who were experiencing homelessness. With three years of comprehensive data on everything from housing, health and social outcomes of project participants, to practices engaging landlords and the perspectives of people who experience homelessness, this project has substantially advanced our knowledge about the effectiveness of Housing First and how to support its implementation. This research has also highlighted the cost effectiveness of this approach, particularly when we are housing persons with complex mental health and addictions problems.

RED DEER, ALBERTA

Red Deer is another Alberta city on the right track to ending homelessness. Their 2012 Point-In-Time (PIT) count found 279 homeless people in the city; 34% in sheltered living accommodation and 66% unsheltered. From April 1, 2013 - March 31, 2014 programs within the city housed or provided continued ongoing support to 443 individuals.

A unique aspect of the Red Deer Housing Team is the partnership between Central Alberta Women's Outreach Society, Safe Harbour Society (wet and dry shelter), Canadian Mental Health Association and Central Alberta Women's Emergency Shelter. The Housing First program in Red Deer is a scattered site model augmented by permanent supportive housing and the partnership supports an integrated system of service for clients. Each partner has different strengths. From a funder's perspective having one "team" with one fiscal agent is helpful. The partnership and collaboration that this model provides saves resources, both in time and money.

"The change in shelter staff in supporting clients into their own homes has been a key shift this year. Staff want something better for their clients than just a mat on the floor or a bed for the night and this is reflected in the conversations they are having with the clients "yes, you are welcomed here, but when you are ready, let's talk about finding you a place of your own." Or simple statements like "wouldn't you feel better waking up hung over in your own bed instead of waking up here in the wet shelter?" Instead of being cautious and nervous about ending homelessness, the workers are committed to the concept."

Roxana Nielsen Stewart, Social Planning Supervisor, The City of Red Deer

2.1.3 New resources to support Housing First

Designed to support communities in the planning and implementation of Housing First (HF), a new range of resources have become available, including:

- **Canadian Housing First Tool Kit** – This web-based resource was produced by the Mental Health Commission of Canada, in partnership with the Canadian Observatory on Homelessness/Homeless Hub. Based on the extensive experience of the [Canadian At Home/Chez Soi project](#), which used the [Pathways to Housing model of Housing First](#) for homeless people with mental illness, the toolkit assembles a range of tools and resources that are practical and user-friendly for groups and communities interested in the Housing First approach.
- **“Housing First in Canada: Supporting Communities to End Homelessness”**, a free eBook published by researchers at the Canadian Observatory on Homelessness, provides a [Framework for Housing First](#) and 8 case studies highlighting successful HF initiatives across the country, including key lessons about implementation.
- **A Safe and Decent Place to Live: Towards a Housing First Framework for Youth**, a report published by researchers at the Canadian Observatory on Homelessness, helps communities and policy makers understand how to adapt Housing First to meet the unique needs of adolescents and young adults.
- The federal government also produced a range of documents and resources to support communities, including the [Housing First Myths and Facts guide](#).

2.2 Community progress on reducing homelessness

While at a national level, it is difficult to argue that we are effectively reducing homelessness, there are in fact several communities that are making significant progress in the area. In most cases, this is an outcome of effective implementation of community plans that outline strategies and set clear targets to reduce and eventually end homelessness. The biggest champion in Canada of such plans has been the Canadian Alliance to End Homelessness whose document [“A Plan Not A Dream”](#) provides communities with a guide to creating local plans.



All 61 of the Homelessness Partnering Strategies' Designated Communities are expected to submit community plans as a condition of their funding. Over the past year, community plans focused on the use funds to shift their programming to Housing First and in doing so prioritize chronic and episodic homelessness.

[Winnipeg](#) and [Saskatoon](#) released new plans to end homelessness. Ontario mandated the development of plans for 47 different regions or communities. [Lethbridge](#) and [Medicine Hat](#) released updates to their plans and in their final year are on target to end homelessness in their communities.

At the provincial level, Ontario recently released its [poverty reduction strategy](#), in which it announced its intention to end homelessness via an outcomes-based strategy that incorporates key interventions such as Housing First. Ideally the province will draw on key learnings from the Province of Alberta, which has been a leader in the implementation of a provincial strategy to address homelessness.

2.3 Addressing youth homelessness

In 2014, the need to address youth homelessness in Canada came into sharper focus. Many communities, ranging from Fredericton, NB, to St. John's, NL, to Victoria, BC, to Lanark County, ON, began to argue for more targeted and strategic responses to youth homelessness. The reasoning is simple: if the causes and conditions of youth homelessness are distinct, so must be the solutions. A number of important initiatives are underway to support this focus.



If the causes and conditions of youth homelessness are distinct, so must be the solutions.

2.3.1 National Learning Community on Youth Homelessness

Based on international models of 'communities of practice', the [National Learning Community on Youth Homelessness](#) (NLCYH) has evolved into a strong pan-Canadian network and forum for youth organizations and experts from across the country to share knowledge and strategies and to create action and momentum to end youth homelessness. It is supported by [Eva's National Initiatives](#), which is known for its annual [Awards for Ending Youth Homelessness](#), a [National Map](#) that helps communities connect and share knowledge and the development of [toolkits](#) that support communities in their work. A forthcoming toolkit will focus on the implementation of effective policies and practices for working with Lesbian, Gay, Bisexual, Trans*, Queer, 2-Spirited (LGBTQ2S) youth.

At the Canadian Alliance to End Homelessness' second National Conference on Ending Homelessness (November 2014) there will be a pre-conference workshop and conference session devoted to youth homelessness. This session has been coordinated by the NLCYH.

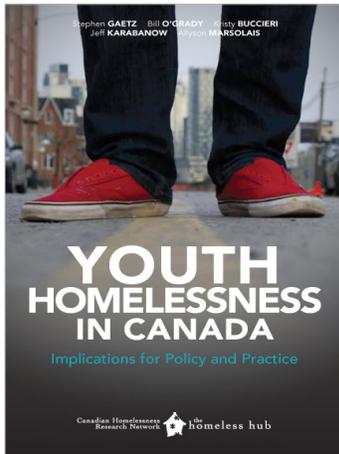
2.3.2 Community plans to end youth homelessness

Operated by Eva's National Initiatives (in partnership with the Canadian Housing and Renewal Association, the Catherine Donnelly Foundation, the National Learning Community on Youth Homelessness, the Canadian Observatory on Homelessness, Raising the Roof, and the Home Depot Canada Foundation), the [Mobilizing Local Capacity program](#) (MLC) works with communities to bring key stakeholders together, to develop community plans to end youth homelessness, and more broadly, to support national efforts that shift public policy towards solutions that contribute to an end to youth homelessness. The first two communities supported by the MLC include Kamloops, BC and Kingston, ON, which are currently releasing and implementing their Plans to End Youth Homelessness. Now in its third year, the MLC is supporting Wellington County, ON, St. John, NB and Yellowknife, NWT.

Finally, Alberta will soon release its provincial *Plan to Prevent and End Youth Homelessness*.

2.3.3 New resources on youth homelessness

In 2013-14, the Canadian Observatory on Homelessness released three major resources designed to support communities with their work on youth homelessness. These include:



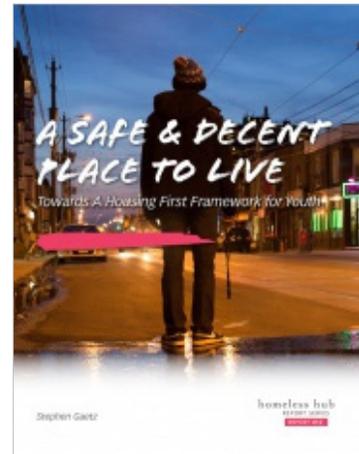
Youth Homelessness in Canada

An edited volume highlighting top research in Canada. Each author was asked to reflect on the implications of their work for policy and practice.



Coming of Age: Reimagining our Response to Youth Homelessness

This report draws on international research to highlight key policy and practice shifts necessary to end youth homelessness.



A Safe and Decent Place to Live: Towards a Framework for Housing First for Youth

This report demonstrates how Housing First can be adapted to meet the needs of the developing adolescent and young adult.

2.4 Research and data

Research is a key component of ending homelessness and this is increasingly recognized at the community level. An analysis of commonalities amongst plans from the 61 HPS Designated Communities revealed that improved data gathering



An analysis of commonalities amongst plans from the 61 HPS Designated Communities revealed that improved data gathering and research was not just a key priority, but the top priority.

and research was not just a key priority, but the top priority.

In last year's State of Homelessness in Canada: 2013 report, we recommended that communities: **"Introduce more comprehensive data collection, performance monitoring, analysis and research"** (Recommendation #6). Below are key developments from the past year in support of data management and research.

2.4.1 Federal government

The new Homelessness Partnering Strategy Terms and Conditions state, "The HPS also promotes data collection, partnerships, practical and applied research, and innovative initiatives to support evidence-based decision-making and to better target HPS investments for the greatest impact" (Employment and Social Development Canada, 2014a). Initiatives supporting research and data include:

- Implementation of key performance measures for relevance, effectiveness and efficiency of programming and to support progress monitoring, reporting by management and evaluation.
- Research outputs including a book on Housing First and a range of research reports aimed at increasing our understanding of homelessness and supporting communities in the development of initiatives that address the problem.

- The National Homelessness Information System, a key HPS initiative, is designed to facilitate the collection of data from homeless sheltering agencies and service providers in support of creating a national portrait of homelessness. Central to this initiative is the Homeless Individuals and Families Information System (HIFIS software), which the Government of Canada does not mandate but strongly recommends. HIFIS is a free, electronic records management system developed and supported by the federal government. The HIFIS Training Centre offers free, 24-7 online training for staff and administrators.

Homelessness Management Information Systems (HMIS)⁷ have the potential to transform community responses to homelessness by becoming the IT backbone of a coordinated homelessness ‘system of care’. This will require that governments, funders and communities change the way they think about data and data systems.

Today, most data systems, like the Federal government’s HIFIS system, are designed to collect demographic data and produce program reports. HMIS systems have the potential to do all that and support homeless system coordination, performance management and outcome tracking. The HMIS implemented by the Calgary Homeless Foundation models what is possible. There, the HMIS can:

- collect system-wide, standardized data for accurate, real-time reporting on the number of people who are homeless, the length and causes of their homelessness and their demographic characteristics and needs.
- better understand people’s homeless experiences by tracking the services they receive and the duration of their homeless episode(s).
- help agencies better meet clients’ needs by improving service co-ordination, determining client outcomes, providing more informed program referrals and reducing their administrative burden.
- improve research for evidence-based decision making, such as program design and policy proposals.
- help shorten the length of time people are homeless and direct them through the System of Care more efficiently and with more understanding.

In an age of ‘Big Data’ and advanced technology, we should be able to know in real time exactly how many Canadians are homeless, who they are and whether the interventions they receive are effective. We should be able to respond to their needs with a coordinated system of care that is simple for clients to navigate. And we should be able target resources in the homeless system to those who need it the most. It should also be possible to reduce the administrative burden faced by front-line agencies, by streamlining reporting to multiple funders and referrals to partner agencies.

The Calgary Homeless Foundation now offers an excellent toolkit that outlines the strategic planning needs and hurdles for implementing and maintaining an HMIS.

This is a community capacity issue in some ways, but it also needs to be stated that local leaders need better access to HIFIS data to support their strategies and help target their Housing First programs.

Local leaders need better access to HIFIS data to support their strategies and help target their Housing First programs.

7. The term ‘Homelessness Management Information System’ does not refer to a specific product or software application, but rather to a more general category of information management systems to track and manage homelessness within a community.

2.4.2 The Canadian Observatory on Homelessness

In 2014, the Canadian Homelessness Research Network (CHRN) re-launched as the Canadian Observatory on Homelessness (COH). The COH takes the work of the CHRN an important step further with an ambitious program of research that includes local, provincial and national monitoring activities, as well as original research that not only contributes to the scholarship on homelessness, but enhances the impact of research on solutions to homelessness by establishing an evidence base and knowledge mobilization strategy. The key communications vehicle of the COH is the [Homeless Hub](#).

The current Research Priority Areas of the Canadian Observatory on Homelessness are:

1. Exploring Effective “Systems Responses” to Homelessness
2. Understanding and Facilitating the Implementation of Effective Models of Housing and Support
3. Addressing Aboriginal Homelessness in Canada
4. Developing a Framework for Homelessness Prevention
5. Identifying Effective Responses to Youth Homelessness
6. Understanding the Legal and Justice Issues Experienced by People who are Homeless
7. Measuring Progress towards Ending Homelessness
8. Advancing Knowledge Mobilization and Research Impact strategies in the Homelessness Sector

As the project evolves, Research Priority Areas may be added or removed based on changing policy and practice climates.

2.4.3 Point-in-Time counts

A Point-in-Time (PiT) count is a count of sheltered and unsheltered homeless persons typically conducted during a single day. Point-in-Time counts allow you to measure the extent of the problem at the community level, identify trends, needs and priorities and, if conducted more than once, progress on reducing homelessness. Prior to 2014, only a small number of Canadian communities have conducted Point-in-Time counts, meaning that we lack solid data on the nature and extent of the homelessness problem in Canada. In the State of Homelessness Report: 2013, we recommended that: **“The Government of Canada should institute a national Point-in-Time Count of Homelessness” (recommendation #6.1).**

With the renewal of HPS in 2013, the federal government has in fact strongly encouraged Designated Communities to conduct Point-in-Time counts, as this will assist communities that are implementing Housing First to not only measure progress, but identify chronic and episodically homeless populations. HPS has also expressed that it supports a common methodology.

Bolstering this direction was the passing of Bill M-455 which stated “That, in the opinion of the House, one nationally standardized ‘point in time’ [count] should be recommended for use in all municipalities in carrying out homeless counts, with (a) nationally recognized definitions of who is homeless; (b) nationally recognized methodology on how the count takes place; and (c) the same agreed-upon criteria and methodology in determining who is considered to be homeless.” This motion was [agreed to on May 7th](#) with a vote 266-5.

We lack solid data on the nature and extent of the homelessness problem in Canada.

In response, the Canadian Observatory on Homelessness has developed the Canadian Point-in-Time Count Methodology. This resource will be freely available and the COH will provide technical assistance to communities that are doing this work. A key goal of this effort is to align data collection measures across the country, in order to enhance comparability, rigour of analysis and enable us to better understand the nature of homelessness at a pan-Canadian level. By measuring our successes, we can determine what remains to be accomplished.

The Canadian Point-in-Time Count Methodology will be released in November 2014.

In October of this year the seven Designated Communities of Alberta conducted a coordinated Point-in-Time count on the same night (October 16th), using the common methodology developed by the Canadian Observatory on Homelessness. This was the first coordinated point-in-time count ever to be conducted in Canada.

3 The Lack of Affordable Housing in Canada – Ottawa, We Have a Problem

A key focus of this report is an examination of the affordable housing situation in Canada. By exploring shifts in government priorities over the past several decades we can see a very significant decline in investment – both public and private – in affordable rental housing. Combined with significant changes in the Canadian economy we are left with a shrinking and more expensive rental housing market. It is challenging for many Canadians to obtain and maintain the housing they need for their families. We also suggest a number of program responses that can reverse this trend. By returning housing programs to their rightful place, -embedded in federal government policy and expenditures – we can ensure that there is not only enough housing for everyone, but that it is affordable. The goal should be a sufficient supply of affordable housing for all.

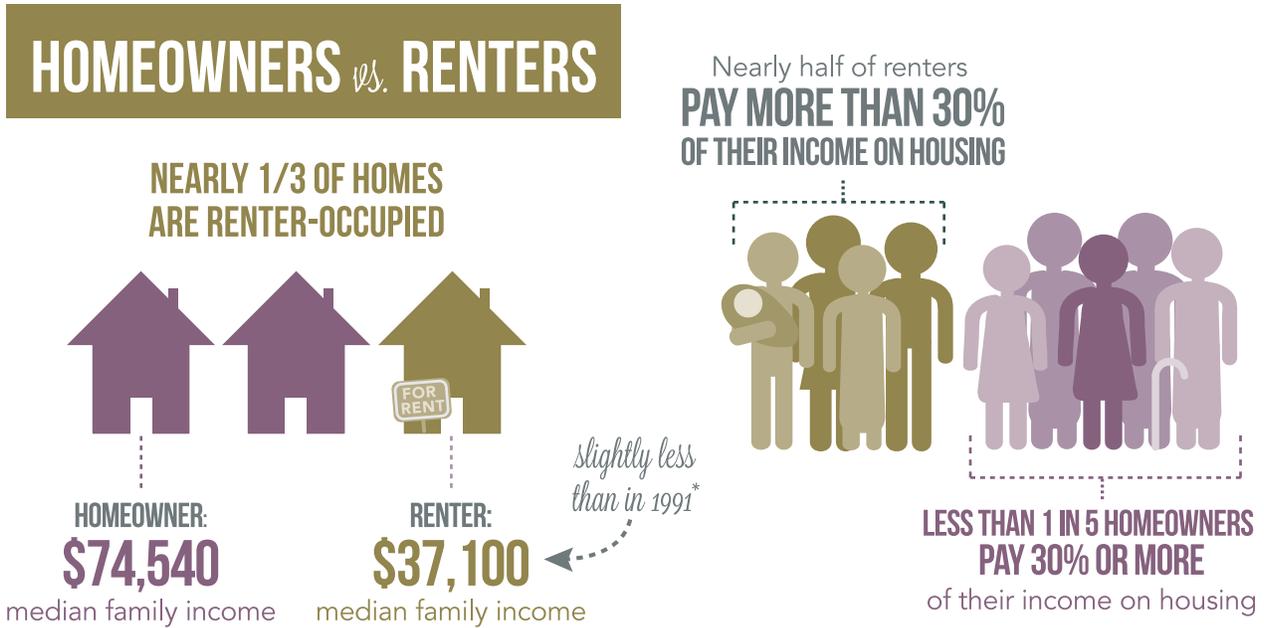
3.1 What do we mean by affordable housing?

While the cost of housing is perhaps an issue for all Canadians at some point in their lives, when we discuss housing affordability here, we are referring to the needs of specific groups of Canadians. Affordable housing refers to permanent housing that costs less than 30% of total household income for low- and moderate-income Canadians. The notion of affordable housing not exceeding 30% of gross household income means that individuals and families are also able to afford food, clothing, taxes, transportation and other necessities that promote health and well-being. This definition is an established norm and one accepted by the Government of Canada through the [Canada Mortgage and Housing Corporation](#) (CHMC).

In thinking about the 30% income threshold, it is important to take income levels into account. While higher income earners may choose to pay more of their income on housing and still have plenty left over for basic necessities, for low-income Canadians, exceeding this threshold is rarely a choice. It most definitely impacts the amount of money left for other necessities.

The term ‘affordable housing’ covers a wide range of housing types and circumstances. This is based on individual differences and need, ability to generate income, family size and composition and, importantly, characteristics of the local housing market.

Importantly, throughout the life course of an individual, the kind of housing needed may shift and change. A young person first leaving home is unlikely to desire (or be able to afford) a three-bedroom house in the suburbs. Families have different needs than single adults. Seniors may wish to move into smaller and more appropriate and accessible, housing as they age.



The amount an individual or family is willing to pay – or more importantly, can afford to pay – impacts the kind of housing they can access, its quality and suitability and the choice of neighbourhood. The range of affordable housing options include:

Privately owned homes

Over two thirds (69%) of households in Canada are owner-occupied, meaning 9.2 million out of 13.2 million homes (Statistics Canada, 2013). Eighty percent of couple-led households own their own home, compared to just 55.6% of single-parent households, the vast majority of which are headed by women. Due to a range of government policies and incentives, home ownership rates increased from around 62.5% in the early 1990s and levelled off around 69% in 2006 (ibid).

An important point to note about homeowners in Canada is that the median family income in 2012 was \$74,540; approximately double the average earnings of people living in rental housing (Statistics Canada, 2014).

Home ownership is an important component of the overall housing market. It is supported by tax expenditures and funding programs, including CMHC Mortgage Loan Insurance, use of RRSPs for down payments, capital gains exemptions on primary residences, Green Energy/Energy retrofit programs and residential repair programs.

Private rental housing

Of the approximately 3.4 million private rental units in Canada, about 1.5 million are rented single-family homes, doubles or duplexes (Canadian Federation of Apartment Associations, private communication, 2014) while the remaining 1.87 million units are purpose-built rental housing in buildings of 3 or more units. Size of the individual units in the purpose-built housing ranges from bachelor apartments (132,120) to units with more than three bedrooms (166,676) (CMHC, 2014). The median income of rental households in 2011 was \$37,100, slightly less than in 1991 (figures adjusted for inflation). Importantly, a much larger proportion of rental households (40.1%) were paying more than 30% of their income on housing, compared to those who owned their homes (18.5%) (Government of Canada, 2013). Again, when people with lower incomes pay a higher percentage of their income on housing they have less to spend on basic needs.

When people with lower incomes pay a higher percentage of their income on housing they have less to spend on basic needs.

Social housing⁸

Recognizing that the private market does not always produce an adequate supply of affordable housing for low-income persons, in most western countries governments attempt to fill the gap by building social housing. In Canada this includes non-profit, publicly owned and co-op housing, generally administered by provincial/territorial and municipal governments, but currently funded by all levels of government. Social housing takes many forms, from large-scale multi-unit buildings, to smaller buildings and even scattered site housing. In the majority of cases, the housing is made available at below market rents, and tends to be used for low-income individuals and families and in some cases sub-populations, such as seniors and people with disabilities. By 1993 – after the height of the golden years of federal housing development – more than 700,000 units of social housing had been developed; this represented about 5% of the total housing stock in the country (Pomeroy, 2014). While subsidies have ended for a number of units, approximately 544,000 units of social housing are still funded by operating agreements between the federal and provincial governments. Of these units, more than two-thirds (365,000) are low-income households paying on a rent-g geared-to-income (RGI) basis. The rest (179,000) pay closer to the low end of market rent, sometimes determined by the operating costs of the provider (CHRA, 2014). Market rent is often not affordable for those living on social assistance, pensions or other fixed incomes, or even for those working minimum wage jobs.

Permanent supportive housing

Supportive housing (PSH) combines deeply subsidized rental or housing assistance with individualized, flexible and voluntary support services targeted to high-needs individuals and families with serious, persistent and complex needs that can include addiction, mental health, HIV/AIDS, disabilities (intellectual, physical, etc.), or other serious challenges. Supportive housing involves long-term housing and supports. It is difficult to estimate exactly how much permanent supportive housing currently exists in Canada, as it is provided provincially/territorially and locally through a wide range of governmental ministries and services, some public and some privately funded. We do know, however, that communities that have implemented Housing First interventions typically report an inadequate supply of permanent supportive housing.

3.2 A short history of federal government support for affordable housing in Canada

In communities across the country, people are aware of the growing affordable housing crisis. In many places the cost of renting has gone up much faster than wages and many people – young and old – simply cannot afford market rent. This has not always been the case. In fact, as David Hulchanski has convincingly argued, the federal and provincial/territorial governments demonstrated, both through policy and practice, a strong commitment to providing adequate housing and supports for low-income and vulnerable Canadians for much of the latter part of the 20th century. Beginning in the 1930s and accelerating in the post-World War II period, the Canadian government increased the housing supply through key program investments, including government insured mortgages, direct investment in social housing, as well as tax incentives and subsidies for development of rental and co-op housing (see Hulchanski, et al., 2009). The Canada Mortgage and Housing Corporation was created in 1946 to address the post-war housing shortage.⁹ Housing affordability was not a big issue although the inadequacy or poor conditions of housing

8. According to CMHC, “in Canada, housing is considered affordable if shelter costs account for less than 30 per cent of before-tax household income. The term “affordable housing” is often used interchangeably with “social housing”; however, social housing is just one category of affordable housing and usually refers to rental housing subsidized by the government. Affordable housing is a much broader term and includes housing provided by the private, public and not-for-profit sectors as well as all forms of housing tenure (ie. rental, ownership and cooperative ownership). It also includes temporary as well as permanent housing” (CMHC website).

9. Canada Mortgage and Housing Corporation (CMHC) is Canada’s national housing agency. Established as a government-owned corporation in 1946 to address Canada’s post-war housing shortage, the agency has grown into a major national institution. CMHC is Canada’s premier provider of mortgage loan insurance, mortgage-backed securities, housing policy and programs, and housing research. <https://www.cmhc-schl.gc.ca/en/corp/about/index.cfm>

was certainly a consideration, including a lack of heating and plumbing, overcrowding, etc. (Fallis, 2010). Largely in response to critiques of public housing (large projects, destruction of inner city neighbourhoods, stigmatization of tenants, crime, etc.) innovative mixed-income programs, including subsidies for non-profit and co-operative housing were launched (Fallis, 2010; Londerville & Steele, 2014).

According to Pomeroy, “the vast majority of social housing was developed under joint federal-provincial/territorial funding agreements, which provided both loans and operating subsidies” (2014, np). The amount of contribution by each level of government varied, but for 59% of the units there was joint federal/provincial/territorial funding even though the federal government’s contribution was significantly larger (50-75%). These investments and supports ensured that well into the 1980s there was a decent supply of fairly affordable housing in most communities across the country. While there were still households in core housing need, homelessness was minimal and tended to be transitory rather than chronic.

However, beginning in the 1980s the federal government began to draw down its investment in affordable housing. The elimination of our national housing strategy “began with the gradual reduction in spending on affordable and social housing (including support for co-op housing) in the 1980s, culminating in the termination of spending on new affordable housing stock by the federal government in 1993” (Gaetz, 2010:22).

The federal government did commit to long-term operating agreements, which provide subsidies to existing housing units (including non-profit, public and co-op housing) to support rent subsidies and mortgage payments for capital costs. The operating agreements are supposed to support rent subsidies and mortgage payments for capital costs, but it should be noted that for one third of social housing units under long-term agreements only mortgage payments were covered (CHRA, 2014a). The disinvestment in new social housing stock was quite profound. According to Shapcott, in 1982, all levels of government combined funded 20,450 new social housing units annually. By 1995, the number dropped to around 1,000, with numbers slowly climbing to 4,393 annually by 2006 (Shapcott, 2008).



Canada Mortgage and Housing Corporation manages the operating agreements which (in real dollars) have been decreasing since new investment was halted at \$1.9 billion¹⁰ in 1993 (equivalent to \$2.8 billion in 2013 dollars¹¹). While there was a slight increase in funds in 2009/10 and 2010/11, the current investment is only \$1.7 billion for 2013-2014.¹² This investment needs to be put into perspective. Because the operating agreements do not take into account inflation, this actually represents, over time, a reduction in spending of over one-third (see Figure 1). Moreover, since 1993, the population of Canada has increased by 22%, meaning the per capita amount has declined dramatically.

10. In the fiscal year 1993-94 expenditures totalled \$1.9 billion.
 11. The Bank of Canada inflation calculator (based on the CPI) has been used throughout this report to convert to 2013 dollars.
 12. Determining the exact number for both operating agreements and total government spending on housing and homelessness has been challenging. CMHC uses \$1.7 billion, CHRA uses \$1.6 billion and Londerville and Steele (citing Treasury Board) use \$1.8 billion (rounded from \$1.75 billion). For the purposes of this report we will be using \$1.7 billion as the current spending on operating agreements representing the average of the three numbers.

Investment in Affordable Housing Agreement

Beginning in 2001, there was a renewed investment in housing through a federal program known as the Affordable Housing Initiative (AHI). This program required cost-matching by the provinces/territories through either direct funding or funding from another body, including municipalities, private sector, donations. Funding could be financial or in-kind (i.e. land). The 2001 program included \$680 million in funding over two years aimed at the creation of new rental housing, major renovations and conversions. There was a cap on federal funding of \$25,000/unit and units had to rent at or below market.

The program was renewed in 2003 with \$320 million for the development of housing to address low-income households (i.e. must qualify for the local social housing wait list). Aimed at prioritizing immigrants, persons with disabilities and Aboriginal Peoples this funding stream allowed up to \$75,000 for the federal share of capital costs per unit.

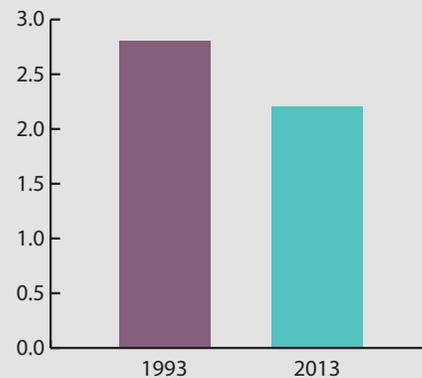
In 2004/2005 no new funding was added, however new program flexibilities were created. In 2008, the government announced \$1.9 billion over five years, extending the AHI to the end of March 2011 (CHMC, n.d. B)

In 2008, to help reduce the impact of the economic crisis, the Government of Canada renewed investment in housing as part of its stimulus package. However, this surge in investment in reality only amounted to a 17% increase above what were normal levels of spending a decade and a half earlier, which does not even account for the population increase since that time. In current dollars the total was \$3.028 billion in 2009-10¹³ and just slightly less in the following year. However, after the period of stimulus, spending dropped once again. In total, between 2001 and 2011, the federal government contributed \$1.2 billion towards the development of 52,397 units of housing (CMHC, n.d, C). Funding for housing is often matched by the provinces and territories. For 2013-14, the estimates of CMHC's social housing spending and support are \$2.054 billion,¹⁴ 37% less in real terms than two decades earlier.

Per capita spending on housing over the past two decades has declined from almost \$100 per Canadian, to just over \$60 - even when accounting for population growth.

In terms of per capita spending (adjusting for inflation and population growth over the same period), the amount of spending has declined from over \$115 per Canadian in 1989, to just over \$60 in 2013, with the biggest declines coming over the past several years since stimulus spending ended. Overall, then, one can see a dramatic decline in spending on low-income affordable housing over the past 25 years, as illustrated in Figure 2.

FIGURE 1 **Federal government subsidies for affordable housing, 1993 and 2013**
(billions of 2013 dollars)

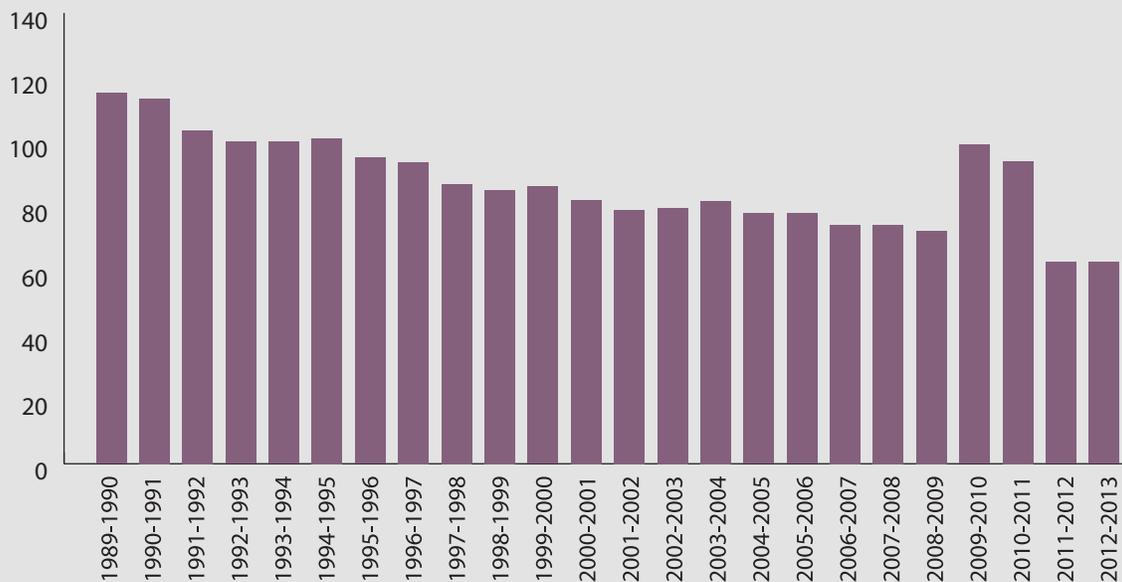


Source: Londerville and Steele, 2014:10.

13. This includes \$46 million for research and income transfer, items not separately identified in the 1993-94 numbers.

14. Computed from the CMHC entry in the Treasury Board document, Table 20 at doc <http://www.tbs-sct.gc.ca/ems-sgd/20132014/me-bpd/me-bpd02-eng.asp> (accessed March 28, 2014).

FIGURE 2 **Per Capita Federal government subsidies for affordable housing, 1989-2013,**
(billions of 2013 dollars)



Sources: Canadian Housing Statistics. Data collected from 1988/1989-1992/1993 was from Table 58 in CHS 1993; data from 93/94-95/96 was from Table 57 in CHS 1996; data for 96/97 was from Table 57 in CHS 1997; data from 97/98-99/00 was from Table 52 in CHS 2000; 00/01-03/04 was from Table 50 in CHS 2004; data from 04/05-07/08 was from Table 50 in CHS 2008; and data from 08/09-12/13 was from Table 38 in CHS 2013.

In 2011, a new program was announced. The Investment in Affordable Housing (IAH) agreement between the federal and provincial/territorial governments committed \$1.4 billion (combined) to reduce the number of households in housing need. The federal government's share was \$716 million over three years. The Economic Action Plan 2013 extended the IAH for an additional 5 years (until March 2019) with an investment of \$1.25 billion (\$253 million/year). New bilateral agreements with the provinces/territories, including matching funds, are being developed. Individual plans established by each province/territory will provide jurisdictional focus.

The goal of the IAH, to "reduce the number of Canadians in housing need by improving access to affordable housing that is sound, suitable and sustainable," is an important one. What the goal is not, however, is a plan to build new affordable housing to house people who are homeless.

What the goal is not, however, is a plan to build new affordable housing to house people who are homeless.

As of March 31st 2014, the federal government reports that 183,642 households were no longer in "housing need" (CMHC, 2014) – see Table 1. The majority of these households were in Quebec (137,481 units). It is important to look at what this means. Approximately 110,000 of the households assisted in 2010-2011 in Quebec were helped by the province's small although laudable housing benefit, Allocation Logement. The maximum amount per household is currently \$80 per month, but the average in 2010-2011 was just \$56 (Société D'Habitation Du Québec, 2011; 2014).

These numbers also include units that were funded under renovations programs and therefore are not new units of housing (although improvement of poor housing conditions is certainly an important and admira-

ble goal, which may lead to the prevention of homelessness). In British Columbia between 2012-2013, while a total of 813 households were assisted under this program, 165 were new builds and 609 were existing units that were “renovated, rehabilitated or repaired” and therefore do not contribute to an increase in the amount of available housing stock (BC Housing, 2013).

Table 1 **Investment in Affordable Housing (IAH) framework**
Federal funding by province/territory

Province or Territory	Annual Federal Funds Allocated (M)	3-Year Federal Allocation 2011-2014 (M)	Funding Claimed ¹ to Date (M) as at March 31, 2014	Households/ Units ² as at March 31, 2014
Newfoundland and Labrador	\$6.810	\$20.430	\$20.430	6,398
Prince Edward Island	\$1.480	\$4.440	\$4.440	1,461
Nova Scotia	\$10.205	\$30.615	\$30.615	7,374
New Brunswick	\$7.800	\$23.400	\$23.400	5,195
Quebec	\$57.685	\$173.055	\$173.055	137,481
Ontario ¹	\$80.130	\$240.390	\$240.390	17,776
Manitoba	\$10.350	\$31.050	\$31.050	2,153
Saskatchewan	\$9.190	\$27.570	\$27.570	1,673
Alberta	\$20.190	\$60.570	\$60.570	952
British Columbia	\$30.020	\$90.060	\$90.060	2,598
Northwest Territories	\$1.840	\$5.520	\$5.520	284
Yukon Territory ¹	\$1.575	\$4.725	\$4.725	203
Nunavut	\$1.465	\$4.395	\$4.395	94
NATIONAL TOTAL	\$238.740	\$716.220	\$716.220	183,642

1. “Funding Claimed to Date” is the amount of federal funding claimed by a P/T under the IAH. It also includes new commitments (post April 1, 2011) where CMHC continued new delivery of the existing Renovation Programs in Ontario (2011/12), PEI (2011/12 and 2012/13) and Yukon (2011/12 - 2013/14).

2. “Households/Units” is equal to the number of units identified in P/T claims. Households/units in 2013/14 fiscal year claims related to P/T shelter allowance programs will be included at a later date. Where CMHC continued the delivery of existing Renovation Programs, the number of households/units also includes the number of households assisted under the Renovation Programs.

Shifting priorities for housing expenditures

The declining investment in affordable housing over the past two decades – an investment that largely benefited low-income earners – paints a misleading picture of overall government support for housing and home ownership. The following points summarize the shift in government policy regarding housing investments in Canada:

- Direct investment in building affordable housing dramatically declined and spending levels have never recovered.
- Reduced commitment to the building of social housing resulted in stagnation of the supply – new units are not being built.
- Market solutions to housing supply were prioritized through the use of tax incentives to support private home ownership and to spur the private sector to build new housing.

These shifts in policy and expenditures were driven by the larger goals of balancing the federal budget and

shifting state responsibility for housing from the federal government to provincial/territorial governments. Relying on a market solution was seen as a way of meeting the need for housing while reducing federal responsibility.

Relying on a market solution was seen as a way of meeting the need for housing while reducing federal responsibility.

It is important to note that these shifts do not mean that there is an absence of federal investment in housing, but rather that the focus of that investment has shifted.

The argument that in times of austerity we cannot afford government investment in affordable housing is belied by the fact that the Government of Canada, through its taxation policy, has shifted massively to favour investment in private home ownership.

The point being that homeowners in Canada – which includes the majority of Canadians – benefit from our taxation policies in ways that renters do not. While this is most certainly a welcomed benefit for many Canadians, home ownership is clearly out of reach for most low-income earners. More specifically, a key benefit that Canadian homeowners are able to avail themselves of is the non-taxation of capital gains on principal residences, a benefit that reduces government revenues by \$4.0 billion (2013 figures) (Government of Canada, 2013; Government of Canada, 1995). Assuming that 5% of this benefit goes to people earning less than \$30,000, the expenditure is still \$3.8 billion annually. Such tax breaks offered to homeowners do not generally benefit low-income earners and because of the nature of these policies, the higher the income (and investment in housing) the larger the tax saving (Londerville & Steele, 2014).

A second benefit to homeowners is what economists refer to as ‘imputed rent’. This principle is based on the idea that real estate owners essentially rent their property to themselves. Imputed rent is what one would have to pay in rent for an equivalent property, if one did not own a home. This foregone ‘imputed rent’, which does not have to be paid to a landlord, minus expenses, is surely the same as income you would earn if you had made other investments instead of buying a home. Londerville and Steele estimate this tax expenditure very conservatively at \$4.75 billion annually for non-low-income households.¹⁵

Consider then, that the tax expenditures of the Government of Canada that support home ownership far outstrip their annual investment in affordable housing. The total tax expenditures for non-taxation of capital gains of a principal residence and imputed rent is \$8.6 billion in forgone tax revenue.¹⁶

This number could potentially be even higher. Clayton, for example, reported much greater tax expenditures for homeowners in 2009, including the temporary Home Renovation Tax Credit worth \$3.0 billion. He also included GST/HST-related tax expenditures estimated at \$3.9 billion for homeowners compared to \$1.2 billion for renters (Londerville & Steele, 2014). This would bring the annual tax expenditure total for homeowners to well over \$12 billion annually (not including the Home Renovation Tax Credit) compared to just over \$3 billion for renters.

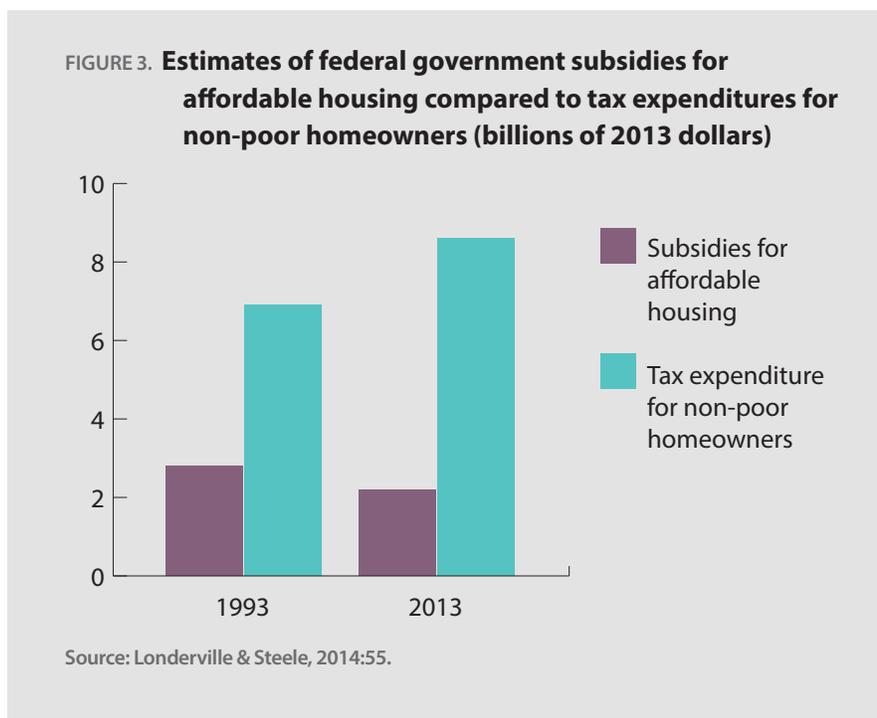
This investment in home ownership is very important because it supports many Canadian individuals and

15. Londerville and Steele conservatively estimate the tax expenditure at \$5 billion for 2013. Assuming that the amount accruing to homeowners with an income less than \$30,000 is 5 percent of this, we get over \$4.75 billion in tax expenditures received by homeowners who are not low-income.

16. The estimated tax expenditure resulting from the lack of taxation on imputed rents is 56% of the total tax expenditures benefitting homeowners; for the US the ratio is 62%. The 5% deduction to adjust for low-income households was also applied to the 1993 values. See Londerville and Steele (2014) for more a detailed explanation.

families. However, there is a question of balance. Including the operating agreements and spending on affordable housing for low-income Canadians, the total federal contribution for non-homeowners is only one-quarter the amount of that of homeowners, or \$2.1 billion in 2013¹⁷ (Londerville & Steele, 2014; CHRA, 2014; CMHC n.d B & C). The question then is not one of affordability for government, but rather, of priority. To be clear, we are not opposed to government spending for homeowners. But, despite being known for our social safety net, we are failing low- and middle-income earners who are unable to purchase a home. What we do not pay in housing costs we pay for in health care, social services, child welfare, corrections etc.

We are failing low- and middle-income earners who are unable to purchase a home. What we do not pay in housing costs we pay for in health care, social services, child welfare, corrections etc.



It is worth asking whether Canada is simply following an international trend in spending cuts. After all, we are living in austere times, especially post-recession. A comparison with the United States, with regards to spending on subsidized and low-income housing, reveals that our national self-image as a 'kinder, gentler nation' is perhaps misleading (Londerville and Steele, 2014). As Figure 4 illustrates, US spending is about two and a half times greater than Canada (ibid). This includes the US budgetary expenditure, which alone is more than twice that of Canada. US homelessness grants (adjusted for comparability with Canadian population and dollar) are far greater than grants through Canada's Homelessness Partnering Strategy (HPS) – and the latter includes many non-housing subsidies. This also includes the Housing Choice Voucher – often referred to as "Section 8" – a program that offers the kind of deep housing assistance needed by people who are homeless. This alone amounts to over \$19 billion (US), which when adjusted for the Canadian context (population and dollar) is valued at \$2.3 billion, more than the total CMHC budgetary spending on affordable housing.

17. Government spending on social housing and housing supports is sometimes difficult to calculate. In this report we pull from three different sources (Government of Canada reports, Londerville and Steele (2014) and CHRA (2014) to reach our number of \$2.1 billion in annual spending. This represents an average of the numbers suggested by the three sources.

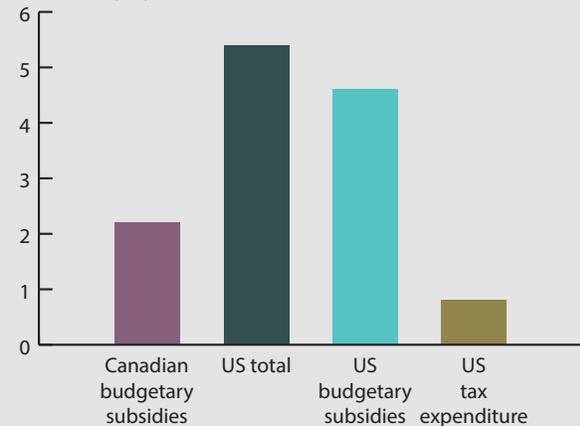
3.3 The affordable housing supply in Canada: how are we doing today?

Housing affordability continues to be an issue in Canada. It is important to assess the impact of the shifts in government policy and investment on affordability and supply. The need for affordable housing is also shaped by other contextual factors. For instance, the restructuring of the Canadian economy over the last two decades has resulted in the growth of the energy sector in Western Canada and Newfoundland and this puts new pressure on affordable housing supply. At the same time, the hollowing out of our industrial core in central Canada means lower incomes and benefits, affecting the ability of people to pay for adequate housing. Finally, key demographic shifts also present challenges. Young people under the age of 30, even those with higher levels of education, are finding it more and more difficult to obtain full-time living wage employment and are relying on part-time, minimum wage jobs. At the same time, a large number of baby boomers are moving into retirement, with lower incomes (fewer have private pension plans) and housing needs that differ from when they raised families. Finally, as a consequence of the aging population and the increased tendency to live alone, one-person households “are expected to show the fastest pace of growth to 2036, making it the single biggest type of household by the 2020s” (CMHC, 2013a: I-9). Many of the new houses built during the past two decades, however, are single detached family homes. The question then becomes, do we have the right mix of housing to meet the needs of Canadians?

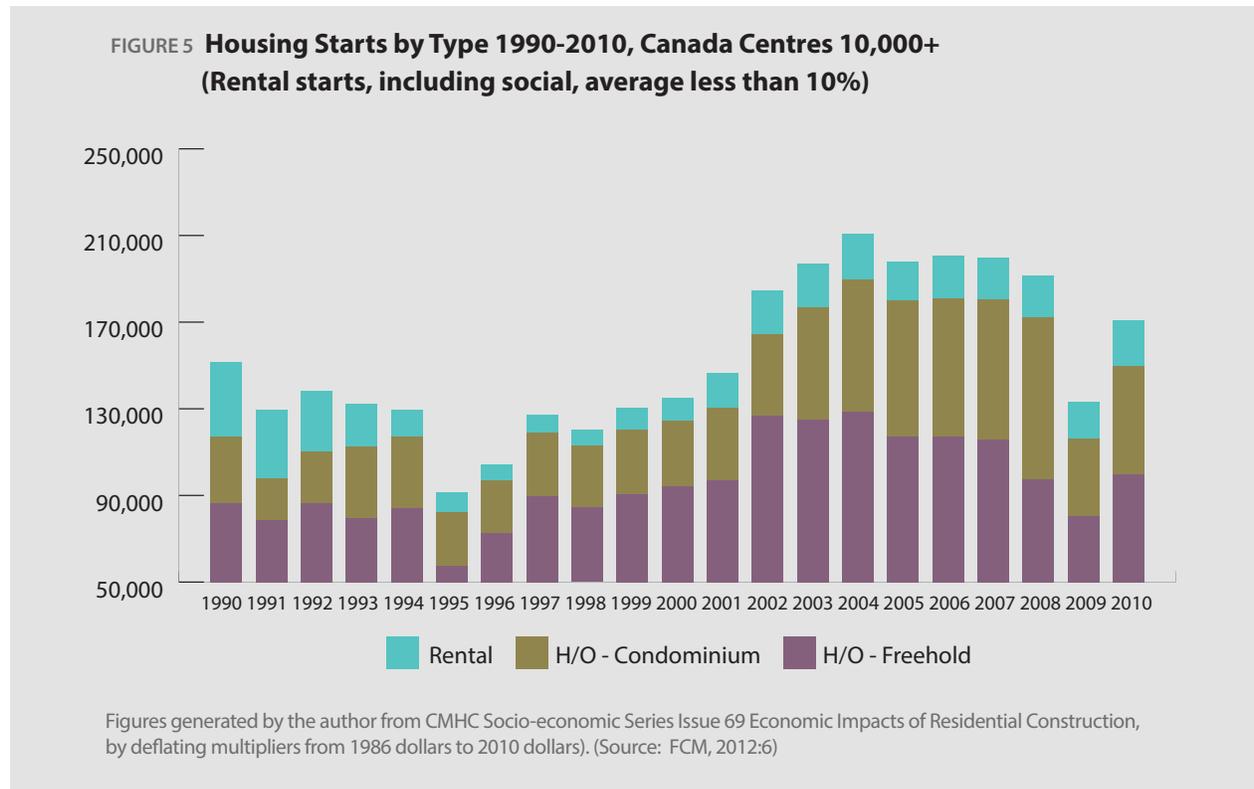
Private home ownership

There is no doubt that shifts in government investment and taxation policy have resulted in a transformation of our housing supply in Canada. The table below shows the changes in types of housing built between 1990 and 2010. The key transformations began after government policy changed in the mid-90s. In 1990, almost one-third of investment was in private multi-unit rental housing. From 1995 on, that percentage declined dramatically to less than 10% most years, with an ever-growing investment in condominiums and private homes. It should also be noted that during this period, the existing supply of multi-unit rental housing declined, as many units were converted to condominiums. The percentage of new housing built in Canada that is either freehold (home ownership) or condominiums now dwarfs the amount of new rental housing built. All of this has happened during a period when the population of Canada increased by over 20%.

FIGURE 4 **Canadian federal expenditures versus adjusted US federal government expenditure on affordable housing** (billions of Canadian dollars with US expenditure adjusted to a Canadian population basis)



Source: Londerville & Steele, 2014: 11.



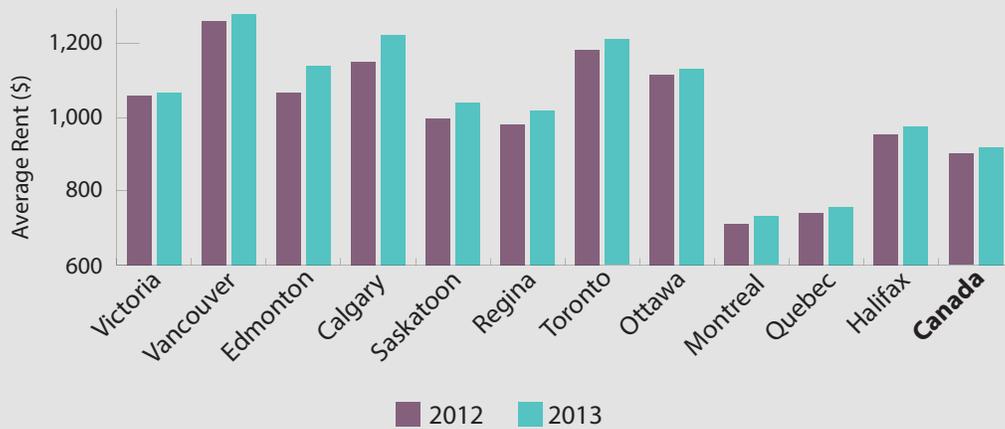
Private rental housing supply

Alongside disinvestment in publicly funded affordable housing, is a decline in the construction of new private rental housing since the 1980s and in particular multi-unit rental housing. The reasons for this are complex, including a greater and quicker return on investment for building privately owned homes and condominiums. However, tax policy has also played a role. From the 1970s on, culminating in a major tax reform in 1988, a progressively increasing tax burden was placed on rental real estate and in particular multi-unit housing. The Multiple Residential Building Program (MURB), which began in 1974 as a way to support the development of rental housing, was eliminated by the mid-1980s (Fallis, 2010). As a result, the annual number of rental housing starts plunged from approximately 20,000 annually prior to 1991, to under 10,000 units in 1992.

The lack of rental housing supply has a direct impact on cost to renters. In 2013, CMHC reported that the average rental apartment (purpose-built rental housing) vacancy rate in Canada’s 35 major cities was 2.7%, which is generally considered an acceptable rate.¹⁸ However, this does not take into account the cost and availability of low rent, smaller units.

18. CMHC considers a 3% vacancy rate to be healthy.

FIGURE 6 **Average Rents in Selected CMA's in Canada, October 2013**
2 bedrooms, new and existing structures



Source: CMHC, 2013 b

The average rent for two-bedroom units was \$920 in October 2013, with averages ranging from \$555 in Trois-Rivières to \$1,281 in Vancouver. This represents a 2.5% increase over the previous year, which is above inflation. The secondary rental market includes condominiums (which are not purpose-built rental housing). Condos are often more expensive to rent because they usually have preferred locations, luxury features and are in buildings with amenities. The average monthly rent for two-bedroom condos was lowest in Québec City (\$980) and highest in Toronto (\$1,752). In the coming months, the Homeless Hub will release a housing report with a more detailed breakdown of the availability of low cost rental units and how this market has changed in recent years.

Condo or strata conversions are popular in communities where there is a limit on available land, especially in urban centers. By purchasing a previously rented building and applying for a condo conversion, developers are able to create new condominium developments in urban market centers. Some communities have moratoriums or restrictions on condo conversions unless the vacancy rate achieves a certain level. This allows a municipal government to ensure that there is sufficient availability of rental housing. For example, in North Vancouver, Victoria, Coquitlam and the District of Saanich, strata conversions are prohibited if the vacancy rate is below 4% (Casorso & Genshorek, 2013).

Social housing

The impact of the 1993 cancellation of the federal government's national housing strategy and the devolution of social housing to the provincial/territorial level (and in many cases the municipal level) has been tremendous. In January of this year, the [Advocacy Centre for Tenants Ontario](#) stated "Between 1985 and 1989, the federal government helped fund 5,356 units of social housing per year. If Ottawa had continued to fund social housing at this rate, between 1994 and 2013, some 107,120 homes could have been built" (Brownlee, 2014).

Funding for social housing has declined steadily since 1993. This funding is primarily aimed at housing that has already been developed and consists of mortgage payments on those units or rent supplements. As that mortgage debt is retired very little new money is being added and very few new builds are being funded. The Canadian Housing and Renewal Association recently released a report titled: [Housing for All:](#)

Sustaining and Renewing Social Housing for Low-Income Households (2014). In the report, it is argued that the expiration of the operating agreements will have a direct impact on communities across Canada; while a portion of the federal funding through CMHC goes towards mortgage payments (which will eventually wind down), two-thirds of the funds go towards subsidized rents and operating costs. The withdrawal of federal funding will increase pressure on rents and reduce the number of rent-geared-to-income units (see Figure 7 below).

FIGURE 7 **Homes under operating agreements and loss of rent-geared-to-income units, 2014-2040**



(Source: CHRA, 2014:9)

According to CHRA, these operating agreements funded 593,000 units of housing beginning in 1993. That number has fallen to 544,000 in 2014 (CHRA, 2014:7). The Government of Canada has indicated that it will let these agreements expire, beginning in 2014. CHRA predicts that this will potentially mean the loss of rent-geared-to-income housing for over 365,000 Canadians by the end of the agreements (CHRA, 2014).

Aboriginal housing

The inadequacy of on- and off-reserve housing for Aboriginal peoples continues to be a problem, one that directly contributes to homelessness. Depending on the community, on-reserve housing is often described as unsafe (lack of clean water and proper sanitation, as well as mold problems), inadequate (poorly constructed and often in need of major repairs) and overcrowded (not designed to meet the needs of larger families). Distasio and others have pointed out that the poor quality and suitability of this housing combined with other economic and social pressures (extreme poverty, lack of employment, health issues) contribute to migration to towns and cities in search of better housing, as well as employment and education opportunities (Distasio et al., 2005). The Government of Canada, supports Aboriginal housing through a variety of programs that fund the building and renovation of on- and off-reserve housing, including the “[On-Reserve Non-Profit Housing Program](#)”, loans for housing through the Direct Lending program and a series of renovation and rehabilitation programs. The total amount of this spending is \$303 million annually. While this funding does go to new builds and the renovation of properties in need of repair, questions remain regarding the adequacy. Over the years, a wide range of Aboriginal organizations, including the Assembly of First Nations (AFN), have consistently called attention to the inadequate supply and quality of on- and off-reserve housing (repairs, maintenance and overcrowding) (see [AFN 2013](#) for more information). The fact that the existing housing stock is inadequate, combined with the rapid birth rates in Aboriginal communities suggests the need to develop a very targeted Aboriginal housing investment strategy (this will be discussed in greater detail in Chapter 5).

Role of the provinces/territories

The provincial and territorial governments (P/Ts) have a few distinct roles to play. These include landlord/tenant legislation, social housing administration/management, funding (including subsidies and transfers to municipalities) and delivery of homeless and housing services. It is important to note that under the Canadian Constitution housing is a provincial/territorial responsibility. The provinces and territories (Quebec in particular) have distinct rights and independence in terms of funding and legislation. As a result, each program is individually negotiated with the respective jurisdiction.

It should also be noted that the provincial/territorial and municipal prioritization and eligibility criteria create huge issue for access to social housing and one of the principal holdups to housing homeless people.

Landlord/tenant legislation

Across the country, provinces and territories can develop their own landlord/tenant legislation. This can govern dispute processes, eviction procedures and rent increases/controls. It may also address building repair, although that tends to be a municipal issue under by-laws and property standards. The independence of the P/Ts, however, means that there is great variance across the country. For example, Ontario has guidelines and procedures for annual rent increases; Newfoundland does not. This means that tenants are vulnerable to significant rent increases at a landlord's whim.

In Ontario, for instance, the guideline for annual rent increases is announced each June to take effect January 1st of the following year. It is based on the average percent change in the Ontario Consumer Price Index in the previous 12 months and is capped at 2.5%. About 85% of private rental residences are covered by this guideline, although few units built since 1998 are covered. Ontario capped 2015 rent increases at 1.6%. Landlords have the ability to apply for an above guideline increase – determined on an individual property basis – if their municipal costs (including utilities) have increased by the guideline plus 50% (i.e. 2.4% for 2015), they have eligible capital expenditures or they have increased security-related operating costs (Landlord and Tenant Board, 2014). Alberta landlords, on the other hand, face no limits on rent increases.

Repairs and habitability standards

Another issue of concern is the significant backlog in repairs that resulted from the downloading of housing responsibility to the provinces/territories and municipal governments (in some areas). In Toronto alone, the 58,500 Toronto Community Housing Corporation units require an estimated \$751 million to address immediate capital repairs. Additional money will be required to address an aging infrastructure (Brennan, 2014).

The disrepair of social housing, as well as private market housing, means that moving people out of shelters or off the streets into housing might not always improve their housing situation in any significant way. There are no “habitability standards” similar to the US’s Housing and Urban Development housing programs to ensure that rent supplements, housing allowances and other subsidies are only given to private (or even public) landlords that meet these guidelines. While municipalities have bylaws to legislate habitability standards these often apply to common areas and infrastructure including elevators, garbage management, utilities, lighting and security (City of Toronto, 2014). Individual units are addressed on a case-by-case basis, usually following complaints. However, these bylaws are often ineffectual or ignored altogether. Volume of work is often higher than the number of inspectors available causing considerable delays in investigations. As a result, enforcement is difficult and landlords – even public housing providers – ignore or are unable to comply with necessary repairs. In the case of public housing specifically, the lack of funding for infrastructure and repairs has caused tremendous backlog and units are often in poor condition. In municipalities with tight vacancy rates and especially for those with strict rent control or rent-increase guidelines, land-

lords may try to force tenants out by withholding maintenance and repairs thus allowing conditions to fall into severe disrepair. When tenants finally leave, landlords are able to increase rents or more easily apply for condo conversions (Spurr, 2014).

3.4 Conclusion

The shifts in housing and tax policy, particularly as they relate to affordable housing, over the past 30-40 years have resulted in a crisis in affordable housing in Canada. While we often talk about the 'homelessness crisis', there is less discussion about the 'housing crisis'. People are homeless primarily due to structural and systemic issues. The biggest of these is the lack of safe, secure and affordable housing in this country.

The shifts in housing and tax policy, particularly as they relate to affordable housing, over the past 30-40 years have resulted in a crisis in affordable housing in Canada.

With each policy shift, with the elimination of yet another program to support building rental housing, with a lack of investment in new housing, the threads of the social safety net have been cut. When combined with a lack of income supports, the poorest Canadians are being left out of the housing market. But the crisis has grown to the extent that it now affects working poor, and in many cases lower- and middle-income families. When families with two wage earners are living in core housing need, we know the problem is severe.

Policy shifts have also benefited homeowners, especially through tax expenditures. As mentioned, we do not object to these programs and indeed, support the use of revenue tools to enable Canadians to achieve homeownership. It is not fair, however, to privilege one group of people over another, particularly a group, that by nature of their housing status, is already wealthier and faces many advantages compared to tenants. We are advocating for a more equitable status for renter households and low-income individuals and families. Moreover, the lack of safe and adequate housing produces costs in other areas, including health and law enforcement.

It is important to note that when there is a lack of new housing being built, rent supplements and housing allowances are key methods of housing someone experiencing homelessness.¹⁹ A few provinces use this method to address the issue under the IAH, but making housing affordable through subsidies is only effective if there is enough housing stock to be rented.

In the last 20 years, over 100,000 housing units have not been built because of the cancellation of programs that support affordable housing. Building new housing is a key component to solving the homelessness crisis.

While programs that support housing renovation or sustain emergency services are important, they do not address the underlying lack of affordable housing that exists in many municipalities across the country. In the last 20 years, over 100,000 housing units have not been built because of the cancellation of programs that support affordable housing. Building new housing is a key component to solving the homelessness crisis.

¹⁹ A rent supplement is paid directly to the landlord on behalf of the household, whereas a housing allowance is paid to the individual/family. Both rent supplements and housing allowances can be portable (assigned to the household not to the unit) although rent supplements are sometimes tied to the unit.

4 Homelessness and the Lack of Affordable Housing. What is the Link?

The one thing all homeless people have in common is a lack of housing. Whatever other problems they face, adequate, stable, affordable housing is a prerequisite to solving them. Homelessness may not be only a housing problem, but it is always a housing problem; housing is necessary, although sometimes not sufficient, to solve the problem of homelessness (Dolbeare, 1996:34).

The claim that homelessness is not *only* a housing problem, but at the same time is *always* a housing problem, is one that leading scholars such as David Hulchanski (2009), Cushing Dolbeare (1996) and others have made repeatedly over the past two decades. In the wake of the success of Housing First and the *At Home/ Chez Soi* project, the link between housing and solutions to homelessness grows stronger. However, this notion is often resisted because of the common myths about homelessness that circulate broadly amongst the public and which are embraced by many politicians.

The first myth is that most people who are homeless choose to be, or want to be. Canadians have contradictory feelings about homelessness. A national survey by the Salvation Army found that while 87% of Canadians believe housing should be a right, 40% believe that people on the streets choose to be homeless and are not interested in obtaining housing (Salvation Army, 2011). However, research demonstrates that the overwhelming majority of people who are homeless do not choose to be without housing, but rather, find themselves thrust into circumstances beyond their control, with no easy way out. The successful *At Home/ Chez Soi* project demonstrates that if you place even the most seemingly entrenched homeless people, including those with severe mental health and addictions issues, in housing with the necessary supports, they generally stay housed and exhibit improvements in health and well-being (Goering et al., 2014).

The second myth, related to the first, is that homelessness is about individual problems and personal failures. While individual and relational factors may underlie many of the crises that lead people to become homeless, research on the causes of homelessness suggests that structural factors also play a role. These include most significantly, the lack of affordable housing, the fact that people lack necessary income to retain housing and discrimination in obtaining housing. If a person is unable to obtain a job, rent housing, or stay in school because they are Aboriginal, a racialized minority, or for youth, LGBTQ2S, then we need to acknowledge the role of discrimination. We also have to understand the significant systems failures that lead people to become homeless. If people are discharged from either hospital or prison into homelessness, their chance of recovery is lessened. If youth in care do not get sufficient support to plan and prepare for their transition to independent living as adults, they may not be able to cope after they age out of the system. If people do not get adequate supports in terms of mental health, addictions, addressing family

violence, accessing educational supports, then their chance of homelessness increases. Homelessness, then, is not simply about individuals and the things that happen to them; homelessness is a result of a society's response to marginalized populations.

The final myth that gets in the way of a strategic response to homelessness is that it is a complex problem that is hard to solve. As David Hulchanski identifies, addressing homelessness means simply ensuring people have access to adequate housing, income and supports:

“An adequate standard of living means that a good society not only ensures that good-quality health care is available to everyone, but also access to adequate housing, employment at a living wage, and essential support services must also be available for everyone, not just those who can afford them – and that systemic inequities are addressed in social policy” (Hulchanski et al., 2009:10).

Dramatic shifts that pick up on this notion are taking place in Canada. Strategic and coordinated plans to address homelessness (five/ten year plans), coordinated 'systems of care' approaches, and perhaps most importantly, the ascendancy of Housing First as a humane AND evidence-based intervention, all highlight the fact that solving homelessness is not complex or impossible.

Our current understanding of homelessness suggests that we need to pay more attention to housing. A key piece of the puzzle is addressing the lack of affordable housing in Canada. For all the work we do to help people while they are homeless, including the innovative and successful strategies and interventions such as Housing First, we will have to account for the availability of housing – particularly appropriate and affordable housing – in order to give people the opportunity to leave homelessness.

The link between homelessness and the lack of affordable housing is well established. As mentioned, while many people focus on individual or relational factors when discussing the causes of homelessness, the reality is that people do not choose to be homeless. The inability of many individuals and families in Canada to obtain and pay for housing, and to maintain the housing they have, underlies much of the homelessness problem in Canada. In this chapter, we look at the housing affordability situation in Canada and its relation to homelessness.

The inability of many individuals and families in Canada to obtain and pay for housing, and to maintain the housing they have, underlies much of the homelessness problem in Canada.

4.1 Setting the stage: understanding homelessness in Canada

In understanding the link between homelessness and housing, it is best to begin with a definition of homelessness and the range of shelter and housing circumstances exist.

Canadian Definition of Homelessness

“Homelessness describes the situation of an individual or family without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. It is the result of systemic or societal barriers, a lack of affordable and appropriate housing, the individual/household's financial, mental, cognitive, behavioural or physical challenges, and/or racism and discrimination. Most people do not choose to be homeless, and the experience is generally negative, unpleasant, stressful and distressing” (CHRN, 2012: Canadian Definition of Homelessness).

The Canadian Definition of Homelessness and accompanying typology (see Figure 8) highlight the broad degree of circumstances that people can find themselves in. While a substantial portion of the homeless population is unsheltered or staying in homeless shelters, others are not. Some stay temporarily with acquaintances, friends or family, with no immediate prospect of getting their own place, knowing they might be kicked out at any time – what is known as ‘couch surfing’ or hidden homelessness. Others remain precariously housed and are at-risk becoming homeless:

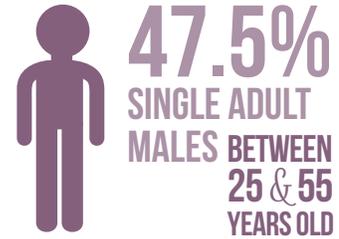
FIGURE 8 Canadian Definition of Homelessness Typology

OPERATIONAL CATEGORY		LIVING SITUATION	GENERIC DEFINITION
1 UNSHELTERED	This includes people who lack housing and are not accessing emergency shelters or accommodation, except during extreme weather conditions. In most cases, people are staying in places that are not designed for or fit for human habitation.	1.1 People living in public or private spaces without consent or contract	<ul style="list-style-type: none"> Public space, such as sidewalks, squares, parks, forests, etc. Private space and vacant buildings (squatting)
		1.2 People living in places not intended for permanent human habitation	<ul style="list-style-type: none"> Living in cars or other vehicles Living in garages, attics, closets or buildings not designed for habitation People in makeshift shelters, shacks or tents
2 EMERGENCY SHELTERED	This refers to people who, because they cannot secure permanent housing, are accessing emergency shelter and system supports, generally provided at no cost or minimal cost to the user. Such accommodation represents an institutional response to homelessness provided by government, non-profit, faith based organizations and / or volunteers.	2.1 Emergency overnight shelters for people who are homeless	These facilities are designed to meet the immediate needs of people who are homeless. Such short-term emergency shelters may target specific sub-populations, including women, families, youth or Aboriginal persons, for instance. These shelters typically have minimal eligibility criteria, offer shared sleeping facilities and amenities, and often expect clients to leave in the morning. They may or may not offer food, clothing or other services. Some emergency shelters allow people to stay on an ongoing basis while others are short term and are set up to respond to special circumstances, such as extreme weather.
		2.2 Shelters for individuals/families impacted by family violence	
		2.3 Emergency shelter for people fleeing a natural disaster or destruction of accommodation due to fires, floods, etc.	
3 PROVISIONALLY ACCOMMODATED	This describes situations in which people, who are technically homeless and without permanent shelter, access accommodation that offers no prospect of permanence. Those who are provisionally accommodated may be accessing temporary housing provided by government or the non-profit sector, or may have independently made arrangements for short-term accommodation.	3.1 Interim Housing for people who are homeless	Interim housing is a systems-supported form of housing that is meant to bridge the gap between unsheltered homelessness or emergency accommodation and permanent housing.
		3.2 People living temporarily with others, but without guarantee of continued residency or immediate prospects for accessing permanent housing	Often referred to as ‘couch surfers’ or the ‘hidden homeless’, this describes people who stay with friends, family, or even strangers.
		3.3 People accessing short term, temporary rental accommodations without security of tenure	In some cases people who are homeless make temporary rental arrangements, such as staying in motels, hostels, rooming houses, etc.
		3.4 People in institutional care who lack permanent housing arrangements	People who may transition into homelessness upon release from: Penal institutions; Medical / mental health institutions; Residential treatment programs or withdrawal management centers; Children’s institutions / group homes.
		3.5 Accommodation / reception centers for recently arrived immigrants and refugees	Prior to securing their own housing, recently arrived immigrants and refugees may be temporarily housed while receiving settlement support and orientation to life in Canada.
4 AT-RISK OF HOMELESSNESS	Although not technically homeless, this includes individuals or families whose current housing situations are dangerously lacking security or stability, and so are considered to be at-risk of homelessness . They are living in housing that is intended for permanent human habitation, and could potentially be permanent (as opposed to those who are provisionally accommodated). However, as a result of external hardship, poverty, personal crisis, discrimination, a lack of other available and affordable housing, and / or the inappropriateness of their current housing (which may be overcrowded or does not meet public health and safety standards) residents may be “at risk” of homelessness.	4.1 People at imminent risk of homelessness	<ul style="list-style-type: none"> Those whose employment is precarious Those experiencing sudden unemployment Households facing eviction Housing with transitional supports about to be discontinued People with severe and persistent mental illness, active addictions, substance use, and / or behavioural issues Breakdown in family relations People facing, or living in direct fear, of violence / abuse
		4.2 Individuals and families who are precariously housed	Those who face challenges that may or may not leave them homeless in the immediate or near future. CMHC defines a household as being in core housing need if its housing: “falls below at least one of the adequacy, affordability or suitability standards and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).”

Source: Homeless Hub, <http://www.homelesshub.ca/CHRNhomelessdefinition>

Who is homeless?

The homeless population is diverse. Adult males aged 25-55 (47.5% of the sample) make up the largest group. Other key sub-populations include youth aged 16-24 (20%) and families (4% of all individuals, but accounting for 14% of total bed nights in shelters) (Gaetz et al., 2013). Aboriginal Peoples are over-represented in the homeless population in virtually every community in Canada and this over-representation increases as one moves west or into northern communities (Belanger et al., 2012).



Length and severity of homelessness

There is no doubt that the experience of homelessness is difficult and troubling for anyone who experiences it. Having said that, it is also necessary to differentiate the homeless population in terms of length and severity of experience. A useful way of differentiating the population is to consider those who are **Chronically Homeless** (individuals who are homeless for a year or more, usually for a long time), **Episodically Homeless** (those who move in and out of homelessness) and **Transitionally Homeless** (short-term, usually less than a month).

We know from research in both Canada and the United States that while many Canadians may experience homelessness at one time or another, for most it usually lasts for only a short time. Many get through their homeless experience while being **provisionally accommodated**, that is, while staying with friends or relatives.

Even if we consider the 'emergency sheltered' population, the majority are homeless for a short time. As reported in the State of Homelessness in Canada: 2013, the median length of stay in emergency shelter is approximately 50 days, most people are homeless for less than a month (24-29% stay only one night) and they generally manage to leave homelessness on their own, usually with little support (Segaert, 2012). This group, considered to be **transitionally homeless**, makes up 88-94% of the homeless population (Aubry et al., 2013) and for most of these people homelessness is usually a one-time event.

For a smaller but significant percentage of the population, homelessness is considered a longer-term problem. People considered to be **episodically homeless** (3-11% of the population) move in and out of homelessness, have been continually homeless for under a year but may have experienced several episodes over the previous three years. This includes between 6,000 and 22,000 individuals annually in Canada.

Chronically homeless refers to individuals who have been on the streets for a long time, potentially years. Interestingly, the number of chronically homeless people in Canada, as a percentage of the homeless population is between 2-4% and is considerably lower than in the United States (10%). We estimate that 4,000-8,000 Canadians are chronically homeless.

We estimate that 4,000-8,000 Canadians are chronically homeless.

Why is it necessary to distinguish between duration and type of homelessness? Although episodically and chronically homeless individuals and families account for less than 15% of the homeless population, their personal struggles – mental and physical health issues, addictions, legal and justice issues, discrimination – tend to be much more severe. Moreover, in spite of their smaller numbers, they, in fact, consume more than half of the resources in the homelessness system, including emergency shelter beds and day programs. Because of the rigours of life on the streets, this group is much more likely to experience catastrophic health crises requiring medical intervention and a high level of run-ins with law enforcement. The flip side of this

of course is that for over 90% of the people who experience homelessness in a year, their homelessness is almost entirely the result of poverty and housing availability and affordability (Gaetz et. al, 2013).

Since homelessness emerged as a major social and economic problem in the 1980s and 1990s, many communities have responded by providing emergency shelters, day programs and meal programs. This response was driven by a humane desire to protect people who experience homelessness from the elements; people who would otherwise be sleeping outdoors, in abandoned buildings or in cars for instance. While emergency services will always be important, they are not a substitute for a proper home. As Londerville and Steele argue, shelters should be but a temporary solution, because:

“The lives of the homeless are only slightly less miserable than when they are on the street, and indeed some prefer the street or a park to a shelter except in extremely cold weather. They have no privacy and quiet and often have no place to keep their possessions safe. They have little chance of success in dealing with mental health and addiction problems or in searching for employment in this setting” (Londerville & Steele, 2014:17).

Allowing people to languish in homelessness – either living on the streets, or staying in shelters – is not a solution at all. People’s health and wellness are undermined, they become more and more marginalized, and the struggle to get off the streets becomes that much harder. One can argue that housing people who are homeless is not only the right thing to do, but it also makes economic sense (Gaetz, 2012).

4.2 The number of people experiencing homelessness in Canada

In the State of Homelessness in Canada: 2013 report, we provided the first evidence-based estimate of the number of people who experience homelessness in Canada. We suggested the number of individual Canadians who experience homelessness and access emergency shelters of some kind to be at least 200,000 annually, based on data drawn from both the Segart study of homeless shelters (146,726 unique individuals in 2009), and the Burczycka and Carter study of Violence Against Women shelters (64,500 admissions in 2009).²⁰ This was a very cautious estimate in that it referred to shelter users only and did not include individuals who are considered unsheltered (who sleep outside or in other situations not fit for human habitation), people accessing extreme weather emergency shelters in churches or community centers (‘Out of the Cold’ programs, cooling centers), and provisionally accommodated individuals who are in temporary accommodation (in prisons, hospitals, halfway houses, etc.) or who are ‘couch surfing’ – (staying temporarily with friends or family with no immediate prospect of permanent housing).

Our 2013 figures have been adjusted for the current report. **Based on rough estimates calculated in the Londerville and Steele background report, we now suggest the homeless population in Canada in a given year to be in the range of 235,000.**

20. We put forward this estimate with some caution, because while both the Segart and the Burczycka & Carter studies draw from 2009 data and are considered highly reliable, the methodologies of these studies are significantly different. For instance, the kinds of shelter situations investigated in each study are not the same (Segart uses a more narrow definition of emergency shelter). There may be some degree of overlap between the two studies in terms of shelter stays included (that is, women with families are counted in both). In addition, the 64,500 figure quoted in the Burczycka & Carter does not mean that there were that many unique individuals in the shelter system (which is the case with the Segart study), because almost one-third (31%) of these women had stayed at the same shelter some time in the past and some might have stayed at another shelter in the same year.

TABLE 2

Category of Homelessness	Living Situation	Annual Number
Unsheltered	• Sleeping rough, out of doors	5,000
Emergency Sheltered	• Homeless emergency shelters • Violence against women shelters	180,000
Provisionally Accommodated	• In institutional settings (prison, hospital) • In interim housing • Temporarily with friends or relatives, with no immediate prospect of housing.	50,000
	TOTAL	235,000

More rigorous data collection – including Point-in-Time counts in communities across the country – will allow us to more accurately assess the nature and scope of the problem.

Homelessness over a five-year period

A survey of 2,097 individuals 18 years of age or older conducted by Ipsos Reid (March, 2013) suggests that the numbers may be considerably higher than the annual estimate cited above. They found that 4% of the sample reported that over the past five years they had, on at least one occasion, either been unsheltered (absolutely homeless), had stayed in an emergency shelter, or in some other form of insecure accommodation (e.g. unsafe housing, under threat of eviction, couch surfing with a friend or relative, etc.). This means that over 1.3 million Canadians have experienced homelessness or extremely insecure housing at some point during the past five years. What is particularly interesting is what we learned about gender and age.

We know from shelter studies that (adult) males are much more likely to present as homeless, yet in this survey slightly more females (7%) than males (6.3%) reported an episode of homelessness. Moreover, the differences between age groupings were quite dramatic. Young people between 18-24 (15.7%) were almost twice as likely to report being homeless at some time compared to adults aged 25-65 (7%) and exponentially higher when compared to seniors (0.9%). All of this suggests that both women and youth are much more likely to experience 'hidden homelessness' and not necessarily engage our emergency support systems.

4.3 At-risk of homelessness: the precariously housed

When discussing an end to homelessness, we must not only consider the needs of people who are currently experiencing homelessness, but those who may become homeless in the future. If we fail to do this, we will continuously respond to an influx of individuals into the homelessness system. While many will find their way out of homelessness quickly, the lack of affordable housing and accompanying supports also suggest that many will continue to remain homeless and potentially become chronically homeless.

The Canadian Definition of Homelessness (CHRN, 2012) defines individuals and families to be 'at-risk' of homelessness if their current housing situation lacks security or stability.

"They are living in housing that is intended for permanent human habitation, and could potentially be permanent (as opposed to those who are provisionally accommodated). However, as a result of external hardship, poverty, personal crisis, discrimination, a lack of other available and affordable housing, insecurity of tenure and/or the inappropriateness of their current housing (which may be overcrowded or does not meet public health and safety standards) residents may be "at risk" of homelessness" (CHRN, 2012: 4).

A distinction can be made between people at risk generally and those who are at **imminent risk of homelessness** because of sudden unemployment, eviction, severe and persistent mental illness and/or active addictions, the break-up of households or because of violence or abuse in current housing situations, for instance.

Many people are at-risk of homelessness because they are **precariously housed** - in other words, economic and structural factors make it difficult for people to maintain their housing, if not immediately, at some point in the future. There are numerous reasons why people may be precariously housed, including eviction or the break-up of a relationship. However, the primary reason for housing precarity is affordability; the intersection of low incomes and high housing costs – which includes rent/mortgage payments, but also utilities, and in some cases, maintenance and taxes. A standard measure of housing precarity, provided by CMHC, defines a household as being in **core housing need** if it: “falls below at least one of the adequacy, affordability or suitability standards and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards)” (CMHC, 2012a). **Extreme core housing need** applies to those households paying more than 50% of their income on housing.

- **Adequate** housing does not require any major repairs, as reported by residents. Housing that is inadequate may have excessive mold, inadequate heating or water supply, significant damage, etc.
- **Affordable** dwellings cost less than 30% of total before-tax household income. Those in extreme core housing need pay 50% or more of their income on housing. It should be noted that the lower the household income, the more onerous this expense becomes.
- **Suitable** housing has enough bedrooms for the size and composition of the resident household, according to National Occupancy Standard (NOS) requirements.

How many people are in extreme core housing need in Canada?

Thirty percent of all Canadians are renters (CHRA, 2014). Based on data from the 2011 National Housing Survey, we estimate that 18% of all Canadian renter households (an estimated 733,275 households) experience extreme affordability problems, meaning that they have low incomes and are paying more than 50% of their income on rent (Londerville & Steele, 2014). In comparing cities, the rates are highest in Vancouver at 22%, in Halifax at 21%, in Toronto, Edmonton and St. John’s at 20%, and Montreal at 19%.²¹ A much smaller percentage of homeowners live in core housing need, though it is worth pointing out that in large cities where house prices are high, the problem is more serious. In this case, Vancouver (8%) and Toronto (7%) are highest while every other CMA is well below 6%. Thousands more households are in core housing need, paying more than 30% but less than 50% of their income on housing.

Thirty percent of all Canadians are renters (CHRA, 2014).

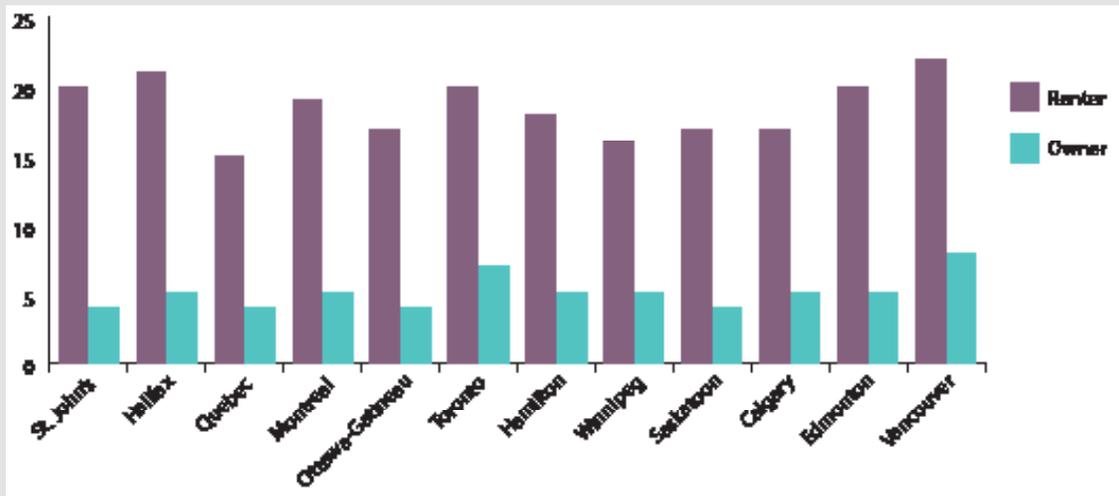
Who is fairing the worst?

For those earning between \$10,000 and \$20,000 annually and who are spending more than 50% of their income on housing, the picture is very stark. This includes people earning at or below minimum wage, who may be singles or couples, single parents, families, youth and seniors.²² In Figure 9, it can be seen that across major Canadian cities, a high percentage of individuals and families earning at or below minimum wage

21. “Cities” refers to Census Metropolitan Areas (CMAs)

22. Couples with both spouses over 65 are not included in this list as they would have a minimum income over \$20,000.

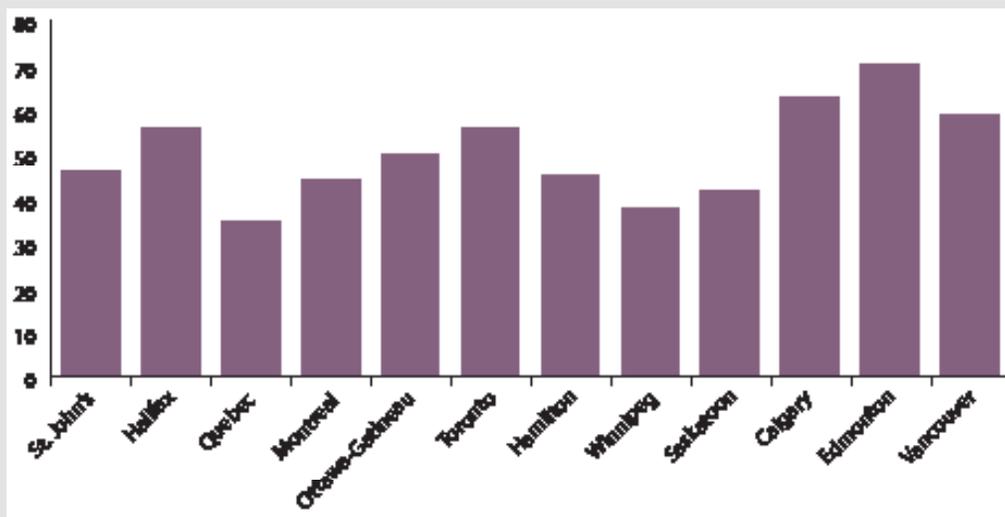
FIGURE 9 Extreme affordability problems by CMA



Bars show percentage of households who have income less than \$30,000 and pay more than 50% of income on rent or owner housing costs. Computation uses National Household Survey, 2011 data. (Source: Londerville and Steele, 2014:14)

fit in this category. For instance, 70% of renters in this income class in Edmonton pay more than 50% of their income on housing costs (including essential housing expenses such as rent and heating costs); other high ratios are 63% in Calgary, 59% in Vancouver and 56% in both Toronto and Halifax. Individuals in this situation are much less likely to be able to afford an adequate amount of food and are vulnerable to crisis events that may result in homelessness such as sickness, the loss of a job or incarceration.

FIGURE 10 Extreme affordability problems among renters with income \$10,000 to \$30,000 by CMA



Bars show percentage of renting households having income between \$10,000 and \$30,000 who pay more than 50% of income on housing costs; computation uses data from the National Household Survey, 2011. (Source: Londerville and Steele, 2014:15)

4.4 Where does housing fit into our response to homelessness?

There are three main things one can do to address homelessness. The first is to focus on prevention – to ensure that people have the necessary income, adequate housing and supports that will enable them to avoid homelessness in the first place. Second, there is a need for emergency services intended to provide temporary support for individuals and families who lose their housing and are waiting to be rehoused. Finally, housing and supports are needed to ensure that people can move out of homelessness and back into the community. For too many years in Canada, we have been ‘managing homelessness’ by focusing our investment on emergency services, such as homeless shelters and day programs.

In the past several years there has been a considerable shift in how we respond, recognizing that it is better to prevent homelessness and to ensure that people experiencing homelessness get housed as quickly as possible.

The role of Housing First

Housing First (HF) is considered a humane and pragmatic approach to addressing homelessness. It demonstrates that chronically homeless people can successfully be housed. It began in the United States as a housing response for chronically homeless people suffering from chronic and persistent mental illness. It has grown and evolved over the last twenty years into as a philosophy around which homeless systems can be organized and has proven to be a very effective housing intervention for a wide range of homeless populations. Housing First as a program model and increasingly as a system philosophy is now being implemented throughout the western world.

Moreover, when adopted on a mass scale, HF can lead to real reductions in homelessness. The Mental Health Commission of Canada, as part of the *At Home/Chez Soi* study, implemented Housing First in five sites (Moncton, Montreal, Toronto, Winnipeg and Vancouver) and proved without a doubt that it is an effective intervention for chronically homeless populations.

In Alberta, the seven major urban centres (Calgary, Edmonton, Red Deer, Lethbridge, Medicine Hat, the Regional Municipality of Wood Buffalo and Grande Prairie) have taken Housing First to scale as a provincial systemic response to homelessness. There, communities have housed over 9,000 people in a range of HF programs achieving some remarkable reductions in homelessness. The City of Edmonton has reduced homelessness by over 30%, Lethbridge has reduced homelessness by nearly 60% and Medicine Hat is on the cusp of becoming the first city in Canada to actually end homelessness.

Housing First is also now a central focus of the Government of Canada’s renewed Homelessness Partnering Strategy.

“Housing First is a recovery-oriented approach to homelessness that involves moving people who experience homelessness into independent and permanent housing as quickly as possible, with no preconditions, and then providing them with additional services and supports as needed. The underlying principle of Housing First is that people are more successful in moving forward with their lives if they are first housed. This is as true for homeless people and those with mental health and addiction issues as it is for anyone. Housing is not contingent upon readiness, or on ‘compliance’ (for instance, sobriety). Rather, it is a rights-based intervention rooted in the philosophy that all people deserve housing and that adequate housing is a precondition for recovery.” (Gaetz, 2013:8)

Housing First does not simply mean putting people into housing and forgetting about them. It means housing with supports, in an effort to enhance recovery, wellness and community engagement. The core principles of Housing First include:

1. Immediate access to housing with no preconditions
2. Consumer choice and self-determination
3. Recovery orientation
4. Individualized and client-driven supports
5. Social and community integration

The evidence for the effectiveness of Housing First, including research from Canada, is compelling, convincingly demonstrating Housing First's general effectiveness, when compared to 'treatment first' approaches (City of Toronto, 2007; Culhane et al., 2002; Falvo, 2008; 2009; Rosenheck et al., 2003; Tsemberis & Eisenberg, 2000; Tsemberis et al., 2004; Goering et al., 2012; 2014; Gaetz et al., 2013). The *At Home/Chez Soi* project, funded by the Mental Health Commission of Canada, is the world's most extensive examination of Housing First and provides perhaps the best evidence to date. The team conducted a randomized control trial where 1,000 people participated in Housing First, and 1,000 received 'treatment as usual'. The results demonstrated that you can take the most hard-core, chronically homeless person with complex mental health and addictions issues, put them in housing with supports and they will stay housed. Over 80% of those who received Housing First remained housed after the first year. More importantly, for most their well-being also improved. The use of health services declined as health improved and involvement with law enforcement decreased. Part of the recovery orientation of Housing First focuses on social and community engagement and many people were helped to make new linkages and to develop a stronger sense of self.

Setting priorities for Housing First

In seeking to end homelessness, communities must set priorities, as resources are not sufficiently abundant to provide every person who experiences homelessness with housing and supports. Many communities have chosen to prioritize chronically and episodically homeless individuals because they may be high service users. This priority is also outlined in the Homelessness Partnering Strategy's renewal, which emphasizes a requirement for most Designated Communities to focus on Housing First. Other communities prioritize individuals with severe mental health and addictions issues, families with children or homeless youth. Finally, given the scope and extent of Aboriginal homelessness, many communities may want to focus their resources in that area.

There are compelling reasons to prioritize chronically and episodically homeless persons and give them first claim on permanent housing, despite the fact that they make up less than 20% of the homeless population. First, it is they who suffer the most. We know from research that the longer one is homeless, the more one's health and well-being decline. There is a greater likelihood of experiencing criminal victimization and trauma and addictions can worsen as people seek to self-medicate. Run-ins with the law become more common and incarceration becomes an increasing possibility. Social and economic isolation increases, making it much more challenging to get off the streets and reintegrate into the community.

There is also an economic argument to be made. Keeping people in a continuous state of homelessness is extremely costly. Contrary to popular views that relying on emergency services is cheap compared to the alternative, is the reality that those supports on their own are expensive. Though small in numbers, these

individuals utilize a large portion of emergency services across the homeless sector but also in health, criminal justice and social services. In terms of shelter use:

“In the case of Toronto and Ottawa, individuals in these two clusters occupied over half of the shelter beds during the four-year period of the study even though they represented only between 12 per cent and 13 per cent of the shelter population” (Aubry et al., 2013:910).

Moreover, beyond the costs associated with emergency services for homeless people, we must consider that chronically homeless people are more likely to utilize expensive health services (such as more emergency room visits) - because their health becomes extremely compromised while living on the streets (Gaetz, 2012; Hwang and Henderson, 2010; Hwang et al., 2011). In addition, because of law enforcement strategies that essentially criminalize homelessness, considerable resources are spent policing and incarcerating homeless individuals (Kellen et al., 2010; Novac et al., 2006; 2007; Gaetz & O’Grady, 2006; 2009; O’Grady et al., 2011). Keeping people in an ongoing state of homelessness then is not ‘doing things on the cheap’, but rather, is quite expensive.

Does housing chronically homeless persons actually save money? The best evidence for this is, again, the recent *At Home/Chez Soi* final report (Mental Health Commission of Canada, 2014) which found that spending \$10 on housing and supports for chronically homeless individuals with the highest needs, resulted in \$21.72 in savings related to health care, social supports, housing and involvement in the justice system. As the “Real Cost of Homelessness” report concludes: “Solving homelessness makes sense. Not only are we saving money, we are also doing the right thing” (Gaetz, 2012:15).



**EVERY \$10 SPENT ON HOUSING & SUPPORTS
FOR CHRONICALLY HOMELESS INDIVIDUALS**

results in **\$21.72 IN SAVINGS**
RELATED TO HEALTH CARE, SOCIAL SUPPORTS,
HOUSING & INVOLVEMENT IN THE JUSTICE SYSTEM

How many chronically homeless people would we need to house?

In the State of Homelessness in Canada: 2013 we estimated the annual number of chronic and episodically homeless shelter users to be 10,000 to 30,000 nationally. The Londerville and Steele study estimates the number of absolutely homeless (rough sleepers) to be 5,000, of which 3,000 are chronically or episodically homeless. Combining the two figures, the total number of chronically or episodically homeless individuals in Canada is estimated to be somewhere between 13,000 to 33,000 people. It can be argued that while a large number of people to house, the challenge will be to house as many as possible up front to release pent-up demand. Five years is an aggressive, but not impossible goal.

Prioritizing other sub-populations and the case for Prevention and Early Intervention

While there is no doubt that addressing chronic homelessness should be a top priority for communities, a compelling case can be made for interventions with other sub-populations. For instance, individuals who would technically be considered ‘transitionally homeless’ but who may be at high-risk of becoming chronically homeless may become a prevention priority. While most transitionally homeless people will never become chronically homeless, there are those for whom the path is much more predictable. This includes individuals living in extreme poverty who have complicated mental health and addictions issues who do not have access to necessary social, health, income and housing supports. It also includes individuals discharged into homelessness from inpatient mental health facilities, corrections facilities and young people making transitions from child protection care. When we discharge people with disabling

conditions (e.g. mental illness, trauma, addiction) into homelessness, their health and mental health tends to worsen and the likelihood that they will require expensive hospitalization increases. Forchuk, for instance, found that those experiencing their first incidence of mental illness were much more likely to attend follow-up treatment if they found a place to live and were put on Ontario Works (social assistance) while in hospital, than if they were dropped off at a homeless shelter with an appointment card (Forchuk et al., 2006; 2008; 2011). Some people may need supported housing, especially if they have been recently discharged from psychiatric institutions, detoxification programs or the corrections system (as suggested in Aubry et al., 2013). Many are likely to need assistance obtaining employment. There are some interesting pilots in the Province of Alberta and Forchuk's work in London, Ontario that demonstrate the effectiveness of discharge planning and support.

The lack of effective discharge planning and supports for people leaving corrections is also linked to homelessness, which in turn results in recidivism and criminality, leading to further involvement with the justice system (DeLisi, 2000; Gowan, 2002; Kushel et al., 2005; Metraux & Culhane, 2004). Addressing this population's housing and support needs means not only tackling homelessness, but also potentially reducing crime.

Homeless youth under 25 are also a priority for many communities. Making up only 20% of the homeless population, they are nevertheless over-represented. Moreover, there is evidence in Canada and the United States (Baker-Collins, 2013; Nino et al., 2010; Stein et al., 2002) that for many chronically homeless individuals, their pathway into homelessness began when they were youth and young adults. The causes and conditions of youth homelessness are distinct from those that beset adults and therefore the solutions should be different as well. Addressing youth homelessness effectively – with age appropriate models of accommodation and supports – may be a chronic homelessness prevention strategy (Gaetz, 2014).

YOUNG PEOPLE
 — aged 16-24 —
MAKE UP ABOUT 20%
OF THE HOMELESS POPULATION.

Women fleeing violence, often accompanied by children, are a significant segment of the homeless population. Often transitioning between home, shelters and 'couch surfing' this population is often severely under-counted. In some jurisdictions (such as Ontario), children witnessing violence is considered to be child abuse. As a result, there is a prioritization on obtaining safe, permanent housing for these families. Ontario's social housing waiting lists, although municipally administered, prioritize female-led households exiting violence.²³

Finally, as we will see in the final chapter, there is a significant crisis in Canada in terms of Aboriginal housing. There is an inadequate supply of on-reserve housing and that which does exist is often unsafe and in poor repair. Extreme poverty on reserves compounds matters, and means many people migrate from reserves to cities looking for a better life, where many will face ongoing discrimination and exclusion. With a rapidly growing youth population, it will be important from a prevention perspective to actively deal with the Aboriginal housing crisis in Canada.

23. Under the Housing Services Act, 2011, Part VI, Section 54 (1): A household is eligible to be included in the special priority household category if,
 (a) a member of the household has been abused by another individual;
 (b) the abusing individual is or was living with the abused member or is sponsoring the abused member as an immigrant; and
 (c) the abused member intends to live permanently apart from the abusing individual.



35,000 CANADIANS
ARE HOMELESS ON A GIVEN NIGHT

OVER
235,000
CANADIANS EXPERIENCE
HOMELESSNESS IN A YEAR

4.5 Conclusion

Homelessness continues to be a major problem in Canada. Despite all of our best efforts and despite noted improvements in many communities – most particularly in Alberta – there is no evidence that we are seeing a significant reduction in homelessness in Canada. The new research by Londerville and Steele has allowed us to more accurately estimate the number of homeless people at around 235,000 annually; 35,000 higher than we estimated in the State of Homelessness in Canada: 2013 report.

The changing number is also a reflection of the poor quality and quantity of existing data. While these are snapshots of the homelessness crisis, they provide the best possible estimate of the extent of the problem. Until we have mandatory, national Point-in-Time counts, like the United States, we will need to cobble together data to the best of our ability, but it will only ever be an informed estimate.

The numbers however, are startlingly clear. Canada faces a national disaster, an epidemic, a crisis; whatever the term, homelessness is an issue that needs to be addressed through a multi-faceted approach that includes housing and supports. It is an issue that needs both a preventative approach and a reactive response. Until we stem the tide of people entering into homelessness – especially, those exiting child welfare, corrections and health care systems – we will never solve the problem.

Expanding the supply of affordable housing, combined with effective interventions, such as Housing First, will no doubt reduce overall homelessness in all categories. This will facilitate effective prevention and early intervention strategies that target people at imminent risk of homelessness, or who have recently become homeless. While it is necessary to prioritize high-risk groups such as the chronically homeless, a case can be made that addressing homelessness as a broader social problem requires a more comprehensive approach.

5 Investing in Affordable Housing to Help End Homelessness

We began the State of Homelessness in Canada: 2014 with a question: What investment in affordable housing in Canada would be required to end homelessness? We asked this question with a full understanding of the complexity involved in assessing the affordable housing situation across Canada and the degree to which blurred responsibilities between different levels of government make identifying a solution not the most straightforward proposition. In Chapter 2 of this report we examined progress and initiatives that have been working towards ending homelessness, while recognizing how far we have yet to go. In Chapter 3, we provided an overview of affordable housing investments in Canada and put this in the context of shifting priorities and policies over the past several decades, all of which have contributed to a dramatic reduction in the affordable housing supply in Canada. In Chapter 4, we looked more closely at the issue of homelessness and its relationship with affordable housing. Here we emphasized the degree to which an adequate supply of safe, affordable and appropriate housing is a prerequisite to truly ending homelessness in the long-term. This includes ensuring that those people who are chronically and episodically homeless are prioritized and that systems are in place to enable such persons to receive housing and supports through Housing First programs. In a tight housing market, implementing a Housing First agenda becomes that much more challenging. It is also important to address the supply of affordable housing in order to broaden access for other priority populations, including women fleeing violence, Aboriginal Peoples, families, seniors and youth, for instance.

In a tight housing market, implementing a Housing First agenda becomes that much more challenging.

What would it take to get there; to ensure that there is enough housing for all Canadians? In order to answer this question, we commissioned estate scholar Jane Londerville and economist Marion Steele to write the report, *Housing Policy Targeting Homelessness*. They provide a thorough analysis of how quite dramatic changes in policy and levels of investment in affordable housing over the last several decades have led to an immense decline in availability. Key to their report are the proposed programs and investment strategies designed to:

“reverse course and return housing programs to their rightful place in federal government policy and expenditure. Not only would this be the right thing to do for the homeless who live in such miserable circumstances, it also would be cost effective” (Londerville & Steele, 2014:9).

In the concluding chapter of this report, we consolidate the findings from Londerville and Steele and combine them with other programs and strategies to identify key priorities for ending homelessness. These priorities include: a) specific strategies to address the needs of the chronic and episodically homeless population and b) a basket of strategies to provide Canadians with a greater supply of affordable housing to reduce the risk of losing housing and to ensure a thriving housing market. All of this is intended to reduce the risk of people becoming homeless and ensuring that when they do, they have housing options available that will enable them to move out of homelessness rapidly.

While the proposals acknowledge the need for investment and active strategies of implementation at the community and regional (provincial/territorial) levels, we are putting forward proposals that call for an active role for the Government of Canada. As a recent report by the Mowat Centre suggests:

“The federal government set the precedent for government involvement in the housing sector and is largely responsible for the development of Canada’s existing affordable and social housing stock. To withdraw federal funding for social housing despite ongoing need is an abrogation of responsibility and a form of downloading by stealth to the province and municipalities.” (Zon et al., 2014:2)

We put forward key proposals recognizing that there will still need to be a range of services and supports in place to ensure that people who experience homelessness have access to housing. Simply expanding the supply does not necessarily lead to housing homeless people as new supply can be absorbed by market demand elsewhere in the economy. Unless specifically reserved for people exiting homelessness, individuals and families with more resources and greater access and who are less likely to face discrimination, will monopolize any new housing supply.

The key elements of our strategy, which will be outlined below, include the following proposals:

1. **A new federal, provincial and territorial affordable housing framework agreement**
2. **Investments to target chronically and episodically homeless people.**
3. **Direct investment in affordable housing programs.**
4. **A housing benefit – a new program to assist those who face a severe affordability problem in their current accommodation.**
5. **Create an affordable housing tax credit.**
6. **Review and expand investment in Aboriginal housing both on and off reserve.**

1. A new federal, provincial and territorial affordable housing framework agreement

In order to achieve meaningful reductions in homelessness and get value for money with a significant new federal investment in housing, the Government of Canada should set clear priorities and expectations for their investment. It is critical that the provinces and territories are invested in these new housing priorities as they have principal jurisdiction over many of the critical systems of care that impact homelessness and, in the end, will be the net financial beneficiaries of reduced homelessness. Finally, any new federal investment in



housing has to reflect the reality that homelessness and homeless systems are ultimately local or regional in nature and as a result investment planning and allocation must also be local or regional.

To these ends, we recommend that a federal, provincial and territorial framework agreement on housing be developed. At a minimum, this framework agreement should:

- a. Include an agreed, time-bound and measurable national objective to end homelessness. One approach to measuring this national outcome could be that an end to homelessness in Canada will be achieved when no Canadian individual or family stays in an emergency homeless shelter or sleeps outside longer than one week before moving into a safe, decent, affordable home with the support needed to sustain it.
- b. Specify agreed milestones, outcomes and performance expectations along with an agreement on regular evaluation and reporting.
- c. Ensure all federal investment would be directed by local or regional plans to end homelessness. Those plans should at a minimum:
 - i. Include the participation of the three levels of government, relevant Aboriginal governments, homeless serving agencies, local funders of homeless services and people with lived experience of homelessness.
 - ii. Develop targeted strategies and plans to address youth homelessness, violence against women and Aboriginal homelessness.
 - iii. Articulate a vision and plan to achieve a coordinated homelessness system of care focused on ending homelessness guided by a Housing First philosophy.
 - iv. Include participation in a national Homelessness Management Information System that:
 1. has a means of collecting local system-wide, standardized data for accurate, real-time reporting on the number of people who are homeless, the length and causes of their homelessness, and their demographic characteristics and needs.
 2. tracks the performance of the different programs in the system of care.
 3. tracks the services homeless people receive and the duration of their homeless episode(s).
 4. is locally available to facilitate planning and intervention.
 - v. Plans for an annual Point-in-Time count of homelessness using a consistent national methodology.
 - vi. Articulate the housing needs and priorities in the planning area.
 - vii. Articulate the process for allocation of housing and homelessness funding.
- d. Ensure direct federal investment in housing prioritizes chronic and episodically homeless individuals and families; homeless individuals and families who are deemed to be 'high acuity' based on an agreed evidence based assessment; and/or those living in extreme housing need (below area median income, spending more than 50% of income on rental housing. Federal investment should first be used for permanent supportive housing and deep subsidy affordable housing (up to 60% below market).
- e. Ensure that for deep subsidy & permanent supportive rental housing the federal investment could be used for up to 75% of capital cost. The provinces/territories would be expected to contribute the remaining 25% so 100% of capital cost is covered by public investment.
- f. Ensure that the provinces cover 100% of support costs relating to supportive housing and match federal investment in Housing First programs.
- g. Where provincial investments in rent supports or rent supplements are displaced by a new federal housing benefit, the provinces/territories would need to agree to reinvest 100% of that funding into housing support or affordable housing capital until median length of stay in homeless shelters is reduced to less than 2 weeks.

2. Investments to target chronically and episodically homeless people



Extend renewal and expand scope of the Homelessness Partnering Strategy

In 1999, the federal government initiated the National Homeless Initiative (now the HPS) with a three-year investment of \$753 million (\$251 million annually, or \$365 million in inflation-adjusted dollars²⁴). The program has evolved over time both in name and in function and has been renewed on an annual or semi-annual basis. Funding goes directly to 61 community entities (funds do not go to provincial or territorial governments and there are no cost-sharing agreements), which are empowered to determine local priorities within the context of HPS guidelines and through mandated community plans.

In 2013, the Government of Canada announced a five-year renewal, at \$119 million annually, which represented a reduction from the \$134 million annual expenditure from the previous HPS renewal (it should be noted that this did not mean a reduction in funding that goes directly to communities).

While historically most of this funding went to support emergency services, the new agreement stipulates that 65% of funds must go directly to support Housing First services and supports (conditions on what constitute allowable expenditures are outlined in [HPS directives](#)). It also directs communities to prioritize chronic and episodic homeless persons because: a) they experience extremely negative consequences of homelessness over a prolonged period, b) while a minority of the homeless population, they use up to 50% of services (Aubry, 2013), c) it is cheaper to provide them housing with supports, than to keep them in a state of homelessness (Goering et al., 2014), not to mention it is more humane. Communities are expected to transition in year one of the renewal, with expected reductions in chronic homelessness to be realized in the coming years. This is designed to be a phased-in approach, where larger urban communities with higher numbers of homeless people and where there is a greater investment by HPS are expected to implement Housing First initiatives first.

The idea is that with a limited amount of money, priority should first be placed on those in greatest need (chronically homeless persons with mental health and addictions challenges) and that once those numbers

While it is important to prioritize, we need to be mindful of other issues that need to be addressed simultaneously.

begin to decline, resources can be reallocate to other needs. While it is important to prioritize, we need to be mindful of other issues that need to be addressed simultaneously. For some communities, the shift in HPS priorities and directives means cuts to non-Housing First programming that may address other community priorities, such as prevention, youth homelessness, Aboriginal homelessness, women who experience violence, people recently discharged from prison or hospital who are high-risk but not chronically homeless, etc. The problem is that the Housing First investment is required more or less up front, but the savings may not be seen for several

years. While it is acknowledged that in many communities (particularly larger ones) HPS funding accounts for only a portion of the investment in homelessness services, this is not the case in all communities.

In response, we are advocating an extension of the HPS renewal to cover a ten-year period, indexed to inflation, with a 50% increase in allocation in years one through five.

24. Annual average inflation rates calculated using: <http://www.inflation.eu/inflation-rates/canada/historic-inflation/cpi-inflation-canada.aspx>

These additional funds can be used to invest in rent subsidies to support the implementation of Housing First. Once people are stably housed, they will then be able to access the Housing Benefit (Proposal 4, below) and provincial housing supports, including social housing or affordable housing. While a deep rent subsidy will be necessary at the beginning, over time the level of rent subsidy may be reduced or eliminated.

It must be acknowledged that while the proposed housing subsidy will reduce precarity for people who are already housed, it may not necessarily meet the needs of many people trying to exit homelessness. For a person exiting chronic homelessness an extended rent supplement – which provides a higher rate of support than the Housing Benefit – will be necessary. On the flip side however, “The housing benefit will reduce the flow into homelessness. Its cost will also, like the child tax benefits introduced some years ago, reduce the flow of people forced to apply for social assistance” (Londerville & Steele, 2014).

This new investment will also allow communities to adjust to the new Housing First orientation prioritizing chronically and episodically homeless persons, while also enabling communities to set their own priorities in other strategic areas, including youth homelessness, victims of family violence, and Aboriginal homelessness, as long as those other strategic areas are consistent with the plans specified under the new framework agreement.

If and when reductions in homelessness are achieved, most likely after year five, the federal government could begin to draw down its HPS investment.

RECOMMENDATION: \$186 million (2015/16); \$2.071 billion over ten years.

3. Direct Investment in affordable housing programs

Proposal 3.1 Reinvestment in federal funding for Social Housing, Co-ops and Non-Profits, as operating agreements wind down.

Many low-income Canadians live in public housing and/or co-ops and get by because they are paying rent-geared-to-income (RGI). The 620,000 units of social housing, including co-op housing, built across Canada in the 1970s and 1980s were made possible through an ongoing investment by the federal government and were covered by 25-40-year operating agreements to support capital costs and operating expenses.

When administrative responsibility was devolved to the provinces and territories in 1993, the Government of Canada agreed to continue their share of funding only at 1994-95 levels and only until those agreements expired.

According to the Canadian Housing and Renewal Association (CHRA) (2014), an assumption behind the agreements was that federal funding could eventually end once mortgages on properties were paid off, with RGI rents covering the operating costs for these complexes. However, the reality is that rising utility costs combined with the increased costs that go with maintaining an aging housing stock mean that those rents no longer cover expenses and that providers would have to either raise rents substantially or otherwise come up with new funding. Because funding was not indexed to inflation and because of funding pressures experienced at other levels of government, in many communities there is a backlog of maintenance expenses. For instance, Toronto Community Housing, with over 58,000 units, projects delayed maintenance and repair costs will amount to \$2.6 billion over the next ten years.



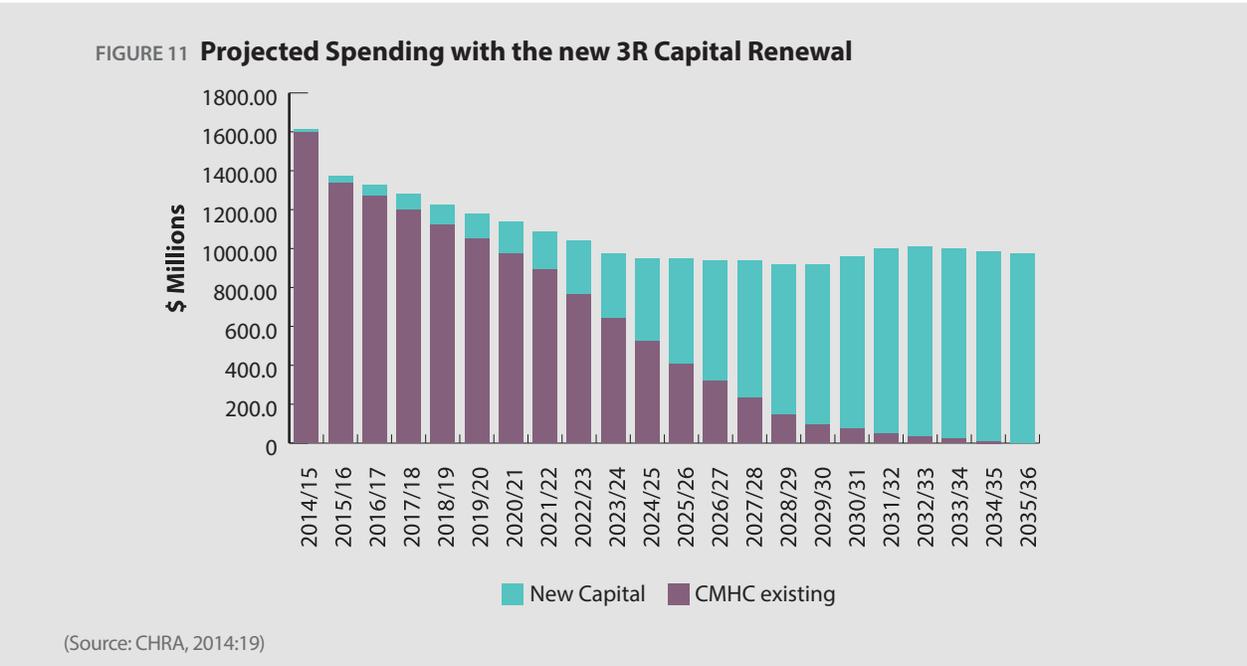
Unfortunately, for communities across Canada, the 25-40-year operating agreements are all coming to an end; by 2020 the majority will have expired. Moreover, there has been no indication to date by Canada Mortgage and Housing Corporation (CMHC) that these agreements will be renewed; in fact, CMHC budget projections show their funding commitments ending over time:

“When all new funding except for on-reserve social housing stopped in 1993 and existing agreements started to expire, total federal funding began its annual decline: to \$1.6 billion this year, \$1.2 billion in 2020, \$604 million in 2025 and \$35 million in 2035. By 2040, the federal investment in social housing will be zero” (CHRA, 2014:6).

Without this funding, provinces/territories and municipalities will either have to compromise the principle of rent-geared-to-income housing by raising rents, or divert more government spending to cover the shortfall.

Our recommendation is that the operating agreements be renewed to cover shortfalls in ongoing operating and maintenance expenses and that these be indexed to inflation. Here, we are in support of the CHRA proposal for new agreements and reinvestment as outlined in their recent report: *Housing For All: Sustaining and Renewing Social Housing for Low-Income Households*. In that report they propose a “Housing For All Plan” that will be phased in to replace the existing operating agreements. The proposal includes three recommendations:

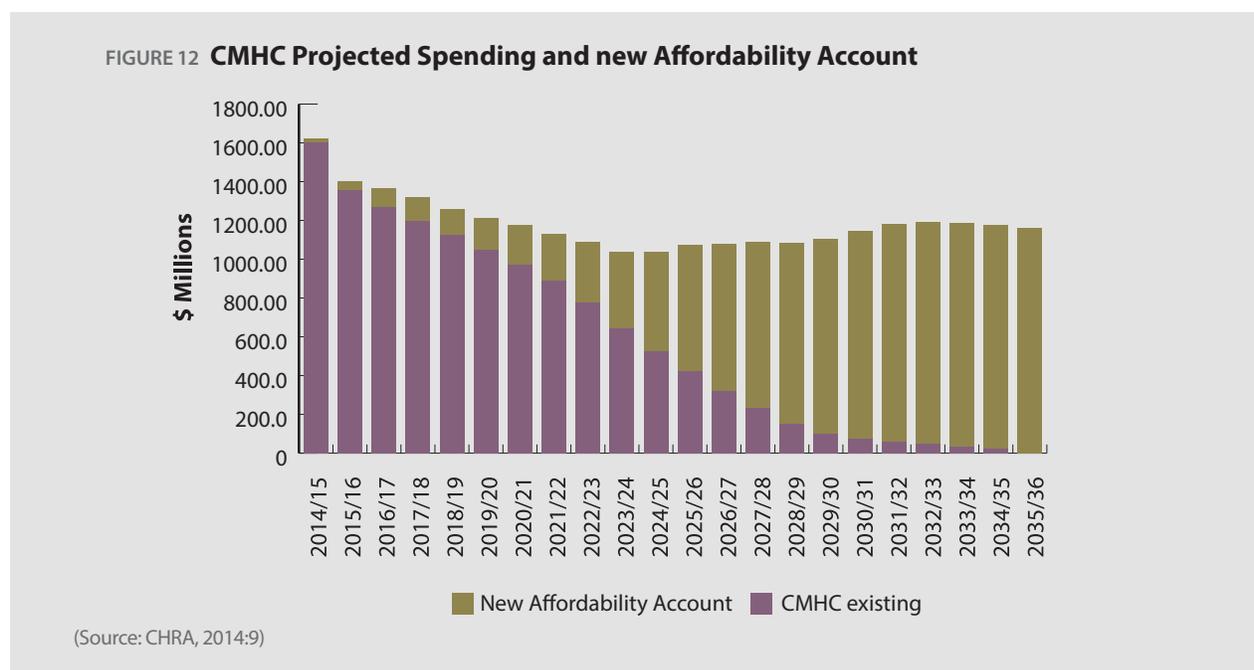
Recommendation 1: *Maintaining Safe, Quality Social Housing Assets: “The 3R Capital Renewal Fund”*. This recommendation transfers monies currently used to pay mortgage costs or meet operating agreements into a new program to fund repairs and capital expenditures. As existing agreements wind down, this phased-in investment would increase annually over the ensuing years. They suggest a cost of \$3,000 per unit for 320,000 total units, in order to maintain the safety and security of their occupants. They argue for a phased in approach so that as existing agreements wind down, new federal dollars would increase annually over the ensuing years, for an average annual capital expenditure of \$969 million (see Figure 11).



Their second recommendation is for the development of an “Affordability Account” for low-income households with special provisions for:

- Off-reserve Aboriginal households,
- Households in the Northern Territories, and
- Households in need of supportive housing.

This proposal is designed to ensure jurisdictions are able to continue to pursue their mission of providing rent-geared-to-income housing for low-income residents. The proposal outlines a flexible strategy whereby different jurisdictions can take into consideration current market rents, the configuration of units and the needs of different families. As with the previous proposal, funding will be phased in in greater amounts as current operating agreements expire, with spending at approximately \$1.15B by 2040 (see Figure 12).



The third recommendation is for a Sector Transformation Initiative. Budgeted at only \$1.25 million annually over ten years, the initiative is designed to support providers, particularly smaller ones, as they make the transition to the post-operating agreements world.

The combined cost of the 3R Capital Renewal Fund would be \$13.5 million in the first year, in addition to the existing CMHC commitment, making a total investment of \$1.397 billion in 2015/16, and accumulating to \$2.1 billion annually by 2044, an amount “considerably less than the \$3.1 billion apportioned from today’s federal-provincial-territorial budgets” (CHRA, 2014:21).

While we support this proposal, we would add the proviso that the renewed agreement requires that provinces/territories prioritize chronically and episodically homeless people for access to social housing.

RECOMMENDATION: \$1.397 Billion (2015/16); \$13.84 Billion over ten years.

Proposal 3.2 Renew funding for the Investment in Affordable Housing initiative (IAH)

As outlined in Chapter 3, the Affordable Housing Initiative (AHI) was launched in 2001 as a cost/shared (50/50) funding program for affordable housing, involving the federal government and the provinces/territories. For the first eight years, the total investment was \$125 million per year (\$1 billion, total), to be shared amongst provinces and territories on a per capita basis. These funds were made available to both private sector and non-profit developers to build affordable housing, amongst other uses (see Chapter 3, section 3.2) for more information). Capital funds were provided for ‘new builds’, but not for ongoing operating expenses. To preserve affordability of these units (rent-geared-to-income, for instance) funds had to be provided by lower levels of government or other partners. Each province and territory developed its own implementation plan for the AHI.

During a period where there was a dearth of new privately built affordable rental housing, the AHI led to the development of 27,000 new units across Canada since 2001 (CHRA, 2014). This is arguably a small amount given the heyday of 20,000+ units annually in the 1980s, but as Londerville and Steele point out, this was “better than no new units” (2014:39). Since that time, new AHI investments have included \$418 million in 2012 and \$298 million in 2013 (CMHC, 2013).

The Residential Rehabilitation Assistance Program (RRAP) is another federal government program designed to provide financial assistance to qualifying low-income homeowners, as well as owners of rental properties for renovations or repairs designed to bring housing up to basic health and safety standards and to convert non-residential properties into affordable housing. This is also a particularly important program given the state of disrepair of many private homes and rental units, which contributes to housing precarity across the country.

The Economic Action Plan 2013 announced the renewal of both plans under a re-titled and combined “Investment in Affordable Housing” (IAH) program, with a commitment of more than \$1.25 billion over five years, beginning in April 2014, to extend the Investment in Affordable Housing to March 31, 2019. Agreements for this program are being negotiated with each province/territory to set goals, program criteria and funding commitments. As per the previous agreements, the provinces and territories design and implement these programs. However, as CHRA has pointed out: “While an important source of federal funding, the IAH is limited at \$253 million annually – an amount unchanged since 2007 – compared to the much greater, but declining, \$1.6 billion currently spent annually for social housing” (CHRA, 2014:5).

As noted in Chapter 3, much of the money in this program has been used for repairs and has not resulted in the building of new housing. Londerville and Steele recommend renewing and extending this agreement over ten years (an additional five years), at \$253 million annually, adjusted for inflation. We recommend a ten-year renewal at \$600 million annually, adjusted for inflation, recognizing that the current level of federal/provincial/territorial expenditures has not had any impact in reducing the percentage of the population of people living in core housing need.

This investment would produce 4,000 new units of housing annually, based on a cost estimate of \$150,000 per unit.²⁵

25. We recognize that it is difficult to calculate building costs as they vary depending upon dwelling type, size of individual unit, cost of land, municipal/provincial/territorial tax benefits and incentives, size of building (single home, multi-unit etc.), for-profit/non-profit developer, municipal fees and levies etc. Additionally, construction type is also an important factor – some builders, especially in BC and Ontario, are using wood frame construction which is 10-15% cheaper than traditional builds. Other communities, especially rural and remote locations, are using pre-fabricated and modular homes, which may also have cheaper construction costs. One hundred and fifty thousand dollars per unit is an average cost and may vary depending upon municipality.

Funding should be prioritized so that chronic and episodically homelessness people have access to this housing. For deep subsidy and permanent supportive rental housing, the federal investment could be used for up to 75% of capital cost. The provinces would be expected to contribute the remaining 25% so that 100% of capital cost is covered by public investment. Funding could also be used for the conversion of facilities like transitional housing and emergency shelters into permanent supportive housing. We also recommend that this funding be available to non-profit providers and municipal governments, as we are also proposing new incentives for the building of private rental housing later in the report.

RECOMMENDATION: \$600 Million (2015/16); \$6.569 Billion over ten years.

4. A housing benefit – a new program to assist those who face a severe affordability problem in their current accommodation



The federal government should institute a housing benefit operated through Canada Revenue Agency to assist low-income Canadians.

As we have argued through much of the State of Homelessness 2014 report, a large number of Canadians are precariously housed, because of a severe affordability problem. While poverty and the resulting housing affordability can be a problem in both urban and rural areas, it is particularly an issue in large cities, because this is where housing costs tend to be the highest (see Chapter 3 for elaboration). Londerville and Steele point out the extent of the problem when they report:

“most renters with an income between \$10,000 and \$20,000, often working poor, in Halifax, Toronto, Calgary, Edmonton and Vancouver pay over half their income in rent. These renters are precariously housed, struggling to pay their rent and apt to fall into homelessness if they face an unexpected car repair bill or become sick and cannot work and pay their landlord” (Londerville & Steele, 2014:41).

Londerville and Steele also note that many people who live in so-called ‘affordable’ housing units, built under the federal Affordable Housing Initiative, may be in this situation because they are not all rent-gear-to-income units: rents are often pegged at 80% of markets which makes them high enough to place a strain on the household budget.

The housing benefit we are proposing is a monthly cash payment that would go directly to renter households with low-incomes and housing costs that are burdensome. The benefit could be delivered through the income tax system and deposited directly into the recipient’s bank account, similar to ‘child tax’ benefits. Based on an earlier study by Pomeroy et al. (2008) in Ontario, Londerville and Steele (2014) suggest that the housing benefit would take into account income and the cost of the housing (e.g. maximum income for a family of two adults and two children would be under \$36,000 while a single would need to make less than \$22,000). Recipients would be expected to make a reasonable contribution towards the cost of their housing – for example 30% of their income – and the housing benefit would cover 75% of the difference between the actual housing costs and the contribution.²⁶ Re-

26. While this will dramatically reduce the number of Canadian households living with an extreme affordability problem and will greatly reduce the deprivation of households experiencing core housing need, it will not eliminate extreme housing need completely. For example, if a household is currently paying 80% of its income on rent, the Housing Benefit (because of constraints such as max rent in the formula) would be very unlikely to bring the payment down to below 50%. A family household gets only 75% of the gap between rent and 30% of income.

ceivers of the benefit would have to demonstrate to CRA that they are paying the rent they claim to be paying.

There are several strengths to the benefit proposal outlined here. One concern, however, is that it might be inflationary, in that landlords would simply raise rents to take advantage of more money in the system. It is argued, however that because the benefit is paid directly to the recipient rather than the landlord, the landlord would have no way of knowing the tenant is receiving the benefit, or how much. Furthermore, the process would be almost the same as that for child tax benefits. A landlord would be no more likely to raise rent because of this benefit than they would because of the child tax benefits. An additional strength of operating it through the Canada Revenue Agency is that it draws on their experience in handling monthly benefits, dealing with housing cost receipts and monitoring. It would also minimize administrative costs and the application burden for recipients. Individuals who are currently homeless and have minimal income at income tax time could accumulate the credit over several months in a trust fund in order to pay for first and last months' rent.

Londerville and Steele have calculated the cost of this housing benefit at \$871.08 million annually for renters and \$247.92 million annually for low-income homeowners. A further breakdown follows:

Renters:

\$428.28 million for renter families (215,000 recipients)
 \$388.8 million for renter singles (360,000 recipients).
 \$54 million into reserve funds for the homeless (50,000 recipients).
 TOTAL: \$871.08 million (625,000 recipients)

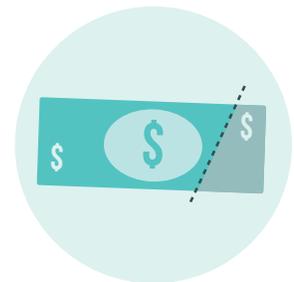
Homeowners:

\$146.16 million for families (105,000 recipients)
 \$101.76 for singles and childless couples (106,000 recipients)
 TOTAL: \$247.92 million (211,000 recipients)

RECOMMENDATION: \$1.119 Billion (2015/16); \$12.253 Billion over ten years.

5. Create an affordable housing tax credit

In order to encourage the creation of affordable housing by private and non-profit developers, we are proposing the creation of an affordable housing tax credit, modelled in major respects on the Low Income Housing Tax Credit (LIHTC) in the US (Steele & des Rosiers, 2009).



According to Steele and Londerville:

“The US credit has provided housing for a wide range of clients and tenants over nearly three decades, surviving different Administrations of both US political parties – proving to be remarkably robust. Among the developments it has helped fund is Anishinabe Wakiagun, a non-profit building providing supportive housing in Minneapolis for 45 chronically homeless alcoholic men.²⁷ The housing credit has also funded thousands of units of for-profit housing, often targeted at moderate-income families.”

27. Details of the funding are given in http://www.csh.org/wp-content/uploads/2013/11/Al_Anishinabe_F.pdf

Essentially, an affordable housing tax credit is designed to give private equity investors reductions in federal income tax for dollars invested in qualifying affordable housing projects. The credits awarded for successful applicant developers would apply only to construction cost; the developer would need to fund land, architect and planners fees and other soft costs separately.

Unlike most other incentives, the government would set a maximum amount of affordable housing tax credits awarded in each year so the government cost is known as soon as the amount is set. The credits would be allocated to provinces and territories based on CMHC's assessment of core housing need and a provincial or territorial body would take applications and award them according to set criteria.

It is likely, as is the case with the LIHTC in the U.S, that syndicators would be required to pool funding from a number of investors to fund individual projects, as few individuals or developers would have enough taxable income to allow them to use all the credits awarded to a project. Highly regarded Canadian firms have experience as syndicators in the US – for example RBC Capital Markets, through its Tax Credit Equity Group. We recommend that at least half the credits be allocated to non-profit developers,²⁸ that rents for credit units be capped at no more than 80 percent of market rent and that occupants of the units, on entry, be required to have an income less than 125% of CMHC's Household Income Limit. All developments, except for those providing permanent housing for the chronically homeless, would be required to keep at least 15% of units in a primarily tax credit development as non-credit units. The motivation for this provision is twofold: to ensure the building has an income mix in its tenants; to provide units for those who initially meet the income requirement but whose income rises while they are sitting tenants so that they no longer qualify. Rising income would then not jeopardize a tenant's security of tenure. We also propose that the manager of a development with credit units, with some exceptions,²⁹ be required to accept up to 20% of tenants from Housing First programs.

Londerville and Steele estimate that this investment would produce an additional 4,800 new units of housing annually, for a ten-year total of 48,000 units.

RECOMMENDATION: \$150 Million (2015/16); \$6 Billion over ten years.

6. Review and expand investment in Aboriginal housing both on and off reserve

The fact that Aboriginal Peoples are more likely to experience homelessness than other Canadians is well established (Patrick, 2014; Belanger et al., 2012). While making up 4.3% of the total Canadian population, Aboriginal Peoples form a disproportionate percentage of the homeless population in communities across the country. They make up 16% of the homeless population in Toronto, 30% in Ottawa, 46% in Saskatoon, over 60% in Winnipeg and over 70% in Regina. In Canada, one cannot really discuss homelessness – and its solutions – without explicitly addressing Aboriginal homelessness.



28. This is a much higher minimum than for the LIHTC, but the Capital Cost Allowance deduction and other incentives outlined in Londerville and Steele will make it easier for profit-making developers to build without the help of the credit.

29. For example, if a tax credit project is a richly-funded building housing chronic homeless alcoholics, a heavily subsidized rent is already in effect so that it would be absolved from a redundant rent supplement contract.

We do know that the experience of colonialism (resulting in intergenerational trauma), poverty, violence (in particular, against women), as well as racism and discrimination undermine health, well-being and opportunities, as well as enhance the risk of homelessness.

The quality, safety and accessibility of appropriate housing on- and off-reserve is also without a doubt part of the problem. Most Canadians will be aware of the State of Emergency declared by the leadership of Attawapiskat First Nations in 2011 because of the concerns about the health, security, heating and safety conditions of the housing in the area, where many residents were living in tents, trailers and temporary shelters, as well as dangerously unsafe and crumbling housing plagued by mold and characterized by inadequate water and sewage. While there is great variation in the quality of Aboriginal housing across the country, this crisis highlighted what is a glaring national problem.

Currently, through Aboriginal Affairs and Northern Development Canada (AANDC) and CMHC, the federal government provides around \$303 million per year for on-reserve housing, which goes to build new housing and repair existing housing. According to the CMHC website:

“CMHC’s funding on-reserve supports the construction of an estimated 400 new homes, renovation of some 1,000 existing houses, ongoing subsidies to approximately 28,800 social housing units and supports First Nations to improve their capacity to build, manage, and maintain housing on-reserve. About \$116 million is also spent annually by CMHC to support the housing needs of Aboriginal individuals and families off-reserve” (CMHC, n.d.).

There are compelling reasons to question the adequacy of investments in housing. In a 2003 report, the Auditor General of Canada reviewed the state of Aboriginal on-reserve housing. Noting that the amount of housing was inadequate and that existing stock was deteriorating rapidly because of “substandard construction practices and materials, lack of proper maintenance, and overcrowding” (Auditor General of Canada, 2011:18). They suggested that there was a shortage of about 8,500 housing units and that about 44 percent of the existing

They suggested that there was a shortage of about 8,500 housing units and that about 44 percent of the existing housing required significant renovations.

housing required significant renovations. They also said there should be a focus on addressing mold and inadequate drinking water supplies. In a follow-up audit in 2011, the Auditor General noted that although AANDC and CMHC had made new investments in housing since 2003 “the investments have not kept pace with either the demand for new housing or the need for major renovation to existing units” (Auditor General of Canada, 2011:20). As an example, they found that in the 2008-09 fiscal year, the construction of new houses on reserves amounted to only 30% of the houses that actually needed to be replaced.

Compounding the problem is that the need for new housing and renovated units continues to rise rapidly on reserves. In five short years, the demand for new housing increased from 8,500 to over 20,000 (an increase of over 135%) and the housing units requiring major renovations went from 16,878 to 23,568 (an increase of over 40%) (Auditor General of Canada, 2011).

The reason for the increase in demand is twofold. First, existing housing is declining in quality, safety and adequacy. Second, Aboriginal populations are increasing rapidly, at a rate much faster than the rest of the population. Between 2006 and 2011, the Aboriginal population increased by over 20% (compared with 5.2% for the non-Aboriginal population) (Employment and Social Development Canada, 2014c). This also means that the Aboriginal population is very youthful; eventually these children and youth will require their own housing.

The lack of quality and accessible housing for Aboriginal Peoples currently has an impact on the homelessness crisis in Canada (Patrick, 2014; Belanger et al. 2012). Population growth combined with a declining housing stock suggest that in time, there will be greater migration to urban areas as people seek better opportunities and in all likelihood, the homelessness problem amongst Aboriginal people in Canada is projected to become much worse than it already is.

We also must not forget the challenges that Aboriginal Peoples face in accessing housing off-reserve. While the housing problems for Aboriginal Peoples off-reserve are similar to those of non-Aboriginal people – lack of access to safe and affordable housing – the problem is exacerbated by constant and ongoing discrimination (in both housing and employment), as well as impacts of inter-generational trauma and colonization. This has resulted in disproportionate amounts of Aboriginal Peoples experiencing homelessness in urban centers.

All of this indicates that prioritizing a strategic investment in Aboriginal housing is required. For this report, we are not prepared to identify a cost for this investment because we lack solid information about the full extent of the problem today and in the immediate future.

RECOMMENDATION: That the Canadian Observatory on Homelessness and the Canadian Alliance to End Homelessness, working in partnership with Aboriginal communities across the country, conduct an up-to-date audit of Aboriginal housing on-reserve, in order to:

- **Determine the number of new houses that need to be built in the short-term to meet immediate needs.**
- **Assess the number of housing units that need to be repaired to meet standards of safety and adequacy according to National Occupancy Standards, in order to meet immediate needs.**
- **Identify the needs for off-reserve housing.**
- **Project these needs over a ten-year period to account for current and anticipated population growth.**
- **Provide a realistic estimate of the investment required over ten years to meet the needs of Aboriginal Peoples.**

As well, we suggest that the government continue its existing funding commitment of \$300 million annually until this audit is completed and a proposed spending framework is in place. This allows time to determine future fiscal needs based on the suggested audit.

Recommendation: Continue committed funding of \$300 million (2015/16) to allow time to complete audit as outlined and determine future fiscal needs.

6 Conclusion: We Can End Homelessness in Canada

Homelessness continues to be a major crisis in Canada, one that many people feel cannot be solved. In fact, it is a problem that can be solved. We know quite well what factors have contributed to the dramatic increase in homelessness over the past 25 years. Since we know what the problem is, we can propose a solution.

Over the past 10 years we have learned a lot about ending homelessness. We need to shift from a focus on managing the problem (through over-reliance on emergency services and supports) to a strategy that emphasizes prevention and, for those who do become homeless, to move them quickly into housing with necessary supports. The success of the At Home/Chez Soi project demonstrates that with housing and the right supports, chronically homeless people can become and remain housed. While there are still some areas that need work – we need more robust solutions for youth homelessness, women fleeing violence and Aboriginal homelessness – we are figuring out solutions on the intervention side.

The one missing piece of the puzzle, however, is affordable housing. The decline in availability of low cost housing (and in particular, affordable rental housing) affects many Canadians – young people setting out on their own, single parents, people working for low wages and the elderly. It also contributes to the homelessness problem in a significant way.

In this report, we set out to answer the question, “What would it take to end homelessness in Canada; to ensure there is enough housing for all Canadians?” We have come up with a series of proposals that we believe will contribute to an end to homelessness in Canada and at the same time ensure that many more Canadians are able to avoid the precarity of having too little money to pay for their housing.

The key point is - we can end homelessness in Canada. This requires an investment, but one that will pay big dividends for all Canadians when we can finally say that homelessness is no longer a problem in our country.

6.1 Summary costs of proposals

In the table below, we summarize the aggregated costs of our six proposals. It should be noted that this estimate:

- Takes into account an average annual inflation rate of 2% over ten years.
- For some proposals, there is a more substantial increase in Year 2.
- The cost for proposal 6 (investment in Aboriginal housing) is a bare minimum, as we currently lack sufficient data to project costs.
- The increased costs to the provinces (for services and supports for Housing First) should be offset by savings in the reduction of chronic homelessness to both health care and corrections.

Our summary of the proposals and their costs suggest that this very worthwhile investment is achievable. The projected cost to the federal government for the first year of this investment (2015/16) would be \$3.752 billion dollars, an increase of slightly more than \$1.7 billion annually over currently anticipated federal commitments. It should be noted that without new investment by the federal government, the total commitment for affordable housing will drop to only \$533 million by 2024/25.

TABLE 2 **Comparing cost of existing federal affordable housing commitments to proposed investments 2015-25³⁰**

Year	EXISTING Commitments				PROPOSED Investments							
	(in billions)				(in billions)							
	Current CMHC social housing Comm'ts	IAH, and HPS	Aboriginal housing	TOTAL Current Federal Comm'ts	Proposal 2 Renewal of HPS	Proposal 3.1 Renew Operating Agreements	Proposal 3.2 Renew IAH, RRAP	Proposal 4 Housing Benefit		Proposal 5 Affordable Housing Tax Credit	Proposal 6 Aboriginal housing	TOTAL Proposed investments
								Renters	Owners			
2015/16	1.347	0.372	.300	2.019	0.186	1.397	0.600	0.871	0.248	0.150	.300	3.752
2016/17	1.272	0.372	.300	1.644	0.194	1.384	0.612	0.889	0.253	0.300	TBA	3.932
2017/18	1.202	0.372	.300	1.574	0.197	1.375	0.624	0.906	0.258	0.450	TBA	4.110
2018/19	1.126	0.372	.300	1.498	0.201	1.355	0.637	0.924	0.263	0.600	TBA	4.280
2019/20	1.055	0.000	.300	1.055	0.205	1.365	0.649	0.943	0.268	0.750	TBA	4.480
2020/21	0.979	0.000	.300	0.979	0.209	1.344	0.662	0.962	0.274	0.750	TBA	4.502
2021/22	0.898	0.000	.300	0.898	0.213	1.342	0.676	0.981	0.279	0.750	TBA	4.541
2022/23	0.733	0.000	.300	0.733	0.218	1.359	0.689	1.001	0.285	0.750	TBA	4.602
2023/24	0.646	0.000	.300	0.646	0.222	1.412	0.703	1.021	0.290	0.750	TBA	4.698
2024/25	0.533	0.000	.300	0.533	0.226	1.507	0.717	1.041	0.296	0.750	TBA	4.837
TOTAL	9.792	1.488	3.000	11.580	2.071	13.840	6.569	9.539	2.714	6.000	.300	43.734

6.2 Outcomes of investment

For years we have been investing in a response to homelessness that, while humane in meeting the immediate needs of people in crisis, has arguably had no impact in reducing the scale and scope of the problem. Our proposal will contribute to an end to chronic homelessness and reduce the likelihood that many more will fall into homelessness in the future. A summary of the outcomes of our investment include:

Ending homelessness in Canada

The **New federal, provincial and territorial framework agreement on housing** (Proposal 1) and the **Investments to target chronically and episodically homeless people** (Proposal 2) will:

- Eliminate chronic homelessness in Canada. More than 20,000 chronically and episodically homeless Canadians will obtain and maintain housing with necessary supports.
- Shorten the average time people experience homelessness to less than two weeks. Our emergency services will no longer be providing long-term housing, but will return to their original mandate – to help people through a short-term crisis.

30. Note: Figures for current CMHC commitments for social housing come from Pomeroy, 2014. Figures for IAH and HPS only go to 2018/19, because the current agreements expire that year.

Increasing the affordable housing supply

- **Renewed investment in the Investment in Affordable Housing program (IAH)** (Proposal 3.2) will produce 4,000+ new units annually of affordable housing for very low-income households, prioritizing permanent supportive housing for those with complex needs living in extreme poverty, for a ten-year total of 40,000 units.
- **An Affordable housing tax credit** (Proposal 5) will produce 4,800 new units of housing annually, for a ten-year total of 48,000 units.

The proposed investment in affordable housing in Canada presents an opportunity to put in place infrastructure and supports that will benefit communities across the country. As more people are housed the current expenditures on emergency services will be reduced therefore potentially recouping much of the investment. Moreover, the biggest justification for this investment is the contribution it will make to ending homelessness for tens of thousands of individuals and families. In a country as prosperous as Canada, with a broadly shared and strong commitment to social justice, there is no need to accept or tolerate the experiences of poverty, hardship and homelessness. We can end homelessness, if we want to.

Reducing the number of precariously housed people

- **Renewal of operating agreements for social housing, co-ops and non-profits** (Proposal 3.1) will maintain our current supply of social housing and greatly reduce the risk that 365,000 Canadians who currently live in rent-geared-to-income housing will not lose their homes.
- **The housing benefit** (Proposal 4) will dramatically reduce the number of Canadian households living with an extreme affordability problem and the number of households experiencing core housing need, by providing direct financial support to 836,000 Canadians per year.
- A clear process to review and expand **Investment in Aboriginal housing both on and off reserve** (proposal 6) will contribute to addressing the historic injustices that have led to a dramatic over-representation of Aboriginal peoples amongst experiencing homelessness in communities across the country.

6.3 Can we afford this?

Our proposed investment in affordable housing represents an increase in annual federal spending, from the projected commitments of \$2.019 billion to \$3.752 billion in 2015/16. While this slightly less than doubles the federal investment, we feel that this is not only the right thing to do, but also something that we can afford to do. We suggest this level of expenditure is feasible because:

- Over the past 25 years, federal spending on low-income affordable housing (on a per capita basis) dropped from over \$115 annually, to just over \$60 (adjusted to 2013 dollars). The current federal commitments, projected forward to 2025, would reduce expenditures even further, to \$15 per Canadian. While we pride ourselves on being able to balance federal budgets, we have done so by creating a massive affordable housing and infrastructure deficit.
- Our proposals would raise the per capita investment to approximately \$106 per Canadian annually, or \$2.04 per week (currently per capita spending amounts to \$1.16/week). While this may seem like a significant increase over previous levels, it is necessary to address the accumulated affordable housing deficit built up over the past 25 years and is still less than what we were paying in 1989. Moreover, our proposals amount to a request for Canadians to spend only an additional 88 cents per week to contribute to an increase in affordable housing and a realistic solution to homelessness.

- The federal government will be going into surplus in the coming year. Moreover, the Conference Board of Canada predicts the federal surplus to continue to grow to \$109.8 billion by 2034-35 (Beckman et al., 2014:43).
- The cost of keeping people homeless well exceeds the investments proposed here. In the State of Homelessness: 2013, we estimated the cost of homelessness (managing the crisis) to the Canadian economy to be at least \$7.04 billion dollars annually (Gaetz et al., 2013).
- Canadian homeowners enjoy over \$8.6 billion in annual tax and other benefits. This kind of investment in home ownership is important because it benefits millions of middle-income households. We need to address the fairness of this system by ensuring that low-income Canadians in rental housing also have access to support.
- Job Creation. Our investments in expanding the supply of affordable housing will lead to an increase in employment opportunities in communities across the country. "Each \$1 increase in residential building construction investment generates an increase in overall GDP of \$1.52 as the investment continues to cycle through the economy. Each \$1M in investment also generates about 8.5 new jobs" (Zon et al., 2014).

The proposed investment in affordable housing in Canada presents an opportunity to put in place infrastructure and supports that will benefit communities across the country. These investments will potentially be recouped by offsetting the costs associated with homelessness. Moreover, the biggest reason for this investment is the contribution it will make to ending homelessness for tens of thousands of individuals and families. In a country as prosperous as Canada, with a broadly shared and strong commitment to social justice, there is no need accept or tolerate the experience of poverty, hardship and ruined lives that go with homelessness. We can end homelessness, if we want to.

Glossary

Acronym	Meaning	Definition
AANDC	Aboriginal Affairs and Northern Development Canada	The federal government department responsible for administering programs for Aboriginal Peoples and Northern communities.
AFN	Assembly of First Nations	National Organization of First Nation communities across Canada.
AHI	Affordable Housing Initiative	Federal housing program initiated in 2001 to support building of new housing as well as repairs/renovations.
AHRN	Aboriginal Homelessness Research Network	A network of researchers and community groups interested in Aboriginal homelessness.
ACT	Assertive Community Treatment	Assertive Community Treatment (ACT) is an integrated team-based approach designed to provide comprehensive community-based supports to help people remain stably housed. ACT teams have been used since the inception of Housing First with the Pathways program in NYC and have a strong evidence base.
CABs	Community Advisory Bodies	Each Designated Community (federally funded communities that receive homelessness monies) has a CAB which is composed of local community organizations and institutions involved in homelessness.
CMHC	Canada Mortgage and Housing Corporation	Canada's National Housing Agency. Established in 1946 as a government-owned corporation.
CAEH	Canadian Alliance to End Homelessness	National movement to prevent and end homelessness in Canada through the development of 10 Year Plans to End Homelessness in communities across the country
CHRN	Canadian Homelessness Research Network	SSHRC-funded research project (2008-2015) working to enhance networking amongst researchers and non-academic stakeholders in Canada. Now renamed the Canadian Observatory on Homelessness.
CHRA	Canadian Housing and Renewal Association	Organization putting forth "the national voice for the full range of affordable housing issues and solutions in Canada."
COH	Canadian Observatory on Homelessness	SSHRC-funded (2013-2021) non-profit, non-partisan research institute that is committed to creating and mobilizing research so as to contribute to solutions to homelessness Formerly the CHRN.
CMAs	Census Metropolitan Areas	Areas defined in terms of labour markets and commuting patterns by the Census of Canada, to delineate large communities.
ESDC	Employment and Social Development Canada	4 th largest department of the federal government with a wide range of responsibilities, including income security, education and homelessness.
HF	Housing First	Housing First is a consumer-driven approach that provides immediate access to permanent housing, in addition to flexible, community-based services for people who have experienced homelessness.

Acronym	Meaning	Definition
HIFIS	Homeless Individuals and Families Information Software	An electronic records management system designed to help communities manage data related to homeless services and service users.
HPS	Homelessness Partnering Strategy	Formerly known as the National Homeless Initiative, this is the federal program that provides funding to 61 Designated Communities to support their work to end homelessness.
IAH	Investment in Affordable Housing	Federal housing program initiated in 2011 that replaced the Affordable Housing Initiative.
ICM	Intensive Case Management	Intensive Case Management (ICM) teams do similar work to ACT teams but are geared towards clients with lower needs or those who need intense support for a short and time-delineated period.
LG-BTQ2S	Lesbian, Gay, Bisexual, Trans*, Queer, 2-Spirited	Population of individuals based on sexual orientation.
LIHTC	Low Income Housing Tax Credit	An indirect federal subsidy used to finance the development of affordable rental housing for low-income households in the United States.
MHCC	Mental Health Commission of Canada	Has a 10-year mandate (2007-2017) from Health Canada to be “a catalyst for improving the mental health system and changing the attitudes and behaviours of Canadians around mental health issues.”
MLC	Mobilizing Local Capacity	MLC works with local communities to bring key stakeholders together, to develop community plans to end youth homelessness, and more broadly, to support national efforts that shift public policy towards solutions that contribute to an end to youth homelessness.
MURB	Multiple Residential Building Program	Federally funded program that ran via the Income Tax Act from 1974-mid-1980s to support the development of rental housing.
NLCYH	National Learning Community on Youth Homelessness	NLCYH is a pan-Canadian network and forum for youth organizations and experts from across the country to share knowledge and strategies and to create action and momentum to end youth homelessness.
PIT	Point-in-Time Count	Snapshot census of individuals experiencing homelessness on a specific day or night.
PSH	Permanent Supportive Housing	PSH is a program that helps eligible people find a permanent home and also get local mental health services, but only if and when they need that help.
P/Ts	Provincial and Territorial governments	Second tier level of government – falls between federal and municipal governments.
RGI	Rent-Geared-to-Income	Rental housing cost is proportionate (usually 30%) to a household’s income.
RRAP	Residential Rehabilitation Assistance Program	A federally-funded program for low-income homeowners and owners of rental properties to conduct renovations or repairs. In 2014 it was merged with the IAH as part of the renewal of that program.
SOHC	State of Homelessness in Canada	Report released in June 2013; billed as the first national report card on homelessness in Canada.

References

- Assembly of First Nations. (2013). FACT SHEET – FIRST NATIONS HOUSING ON-RESERVE. Retrieved from: <http://www.afn.ca/uploads/files/housing/factsheet-housing.pdf>
- Aubry, T. et al. (2013). Identifying the Patterns of Emergency Shelter Stays of Single Individuals in Canadian Cities of Different Sizes. *Housing Studies* 28(6) 910-927.
- Auditor General of Canada. (2003). Status Report of the Auditor General of Canada to the House of Commons. Chapter 6: Federal Government Support to First Nations – Housing on Reserves. Ottawa: Office of the Auditor General of Canada
- Auditor General of Canada. (2011). Status Report of the Auditor General of Canada to the House of Commons. Chapter 4: Programs for First Nations on Reserves. Ottawa: Office of the Auditor General of Canada
- Baker-Collins, S. (2013). From Homeless Teen to Chronically Homeless Adult: A Qualitative Study of the Impact of Childhood Events on Adult Homelessness. *Critical Social Work*, 14 (2).
- BC Housing. (2013/14) About BC Housing Agreements. CMHC – British Columbia Agreement for Investment in Affordable Housing 2011-2014. Schedule E. Annual Public Reporting of Outcomes. (Agreement paragraph 9.2) Retrieved from: http://www.bchousing.org/resources/About%20BC%20Housing/agreements/ScheduleE_BCH.pdf
- Beckman, K., Fields, D., Stewart, M. (2014). A Difficult Road Ahead: Canada's Economic and Fiscal Prospects. Ottawa: The Conference Board of Canada.
- Belanger, Y., Weasel Head, G., & Awosoga, O. (2012). Assessing Urban Aboriginal Housing and Homelessness in Canada. Ottawa: National Association of Friendship Centres (NAFC) and the Office of the Federal Interlocuter for Métis and Non-Status Indians (OFI), Ottawa, Ontario
- Brennan, R. J. (2014). "\$801-million funding pledge won't go to community housing repairs in Toronto". *The Toronto Star*. Retrieved from http://www.thestar.com/news/canada/2014/08/11/affordable_housing_gets_801million_pledge_from_ottawa_queens_park.html
- Brownlee, C. (2014) Fast Facts: Federal Housing Strategy Key to Improving Child Welfare. Ottawa: Canadian Centre For Policy Alternatives.
- Burczycka, M. & Cotter, A. (2011). *Shelters for Abused Women in Canada, 2010*. Jurisdat, Component of Statistics Canada catalogue no. 85-002-X.
- Canadian Homelessness Research Network. (2012). Canadian Definition of Homelessness.
- Canadian Housing and Renewal Association. (2014.) Housing For All: Sustaining and Renewing Social Housing for Low-Income Households - A Call for Federal Reinvestment as Operating Agreements Expire Ottawa: CHRA, April 2014.
- Canada Mortgage and Housing Corporation (2012). "Affordable Housing: What is the common definition of affordability?". Ottawa: CMHC.
- Canada Mortgage and Housing Corporation. (2011). Canadian Housing Observer 2011. Ottawa: CMHC
- Canada Mortgage and Housing Corporation. (2013a). Canadian Housing Observer 2013. Ottawa: CMHC
- Canada Mortgage and Housing Corporation. (2013b). Rental Market Report. Canada Highlights. Ottawa: CMHC.
- Canada Mortgage and Housing Corporation. (2014). Investment in Affordable Housing (IAH) 2011 – 2014 Retrieved from: <https://www.cmhc-schl.gc.ca/en/inpr/afhoce/fuafho/iah/>.
- Canada Mortgage and Housing Corporation. (n.d. A). About First Nations Housing. Retrieved from <http://www.cmhc-schl.gc.ca/en/ab/abfinaho/>
- Canada Mortgage and Housing Corporation. (n.d. B). Affordable Housing Initiative. Retrieved from: http://www.cmhc-schl.gc.ca/en/inpr/afhoce/fias/fias_015.cfm
- Canada Mortgage and Housing Corporation. (n.d. C). Affordable Housing Initiative (AHI) 2001-2011. Retrieved from: <https://www.cmhc-schl.gc.ca/en/inpr/afhoce/fuafho/ahi/>
- Canada Mortgage and Housing Corporation. (n.d. D). About Affordable Housing in Canada. Retrieved from: http://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce_021.cfm
- City of Toronto. (2007). *What Housing First Means for People – Results of Streets to Homes 2007 Post-Occupancy Research*. Toronto Shelter, Support & Housing Administration: Toronto.

- City of Toronto. (). Municipal Licensing and Standards, Bylaw Enforcement: Multi-Residential Apartment Buildings. Retrieved from: <http://www1.toronto.ca/wps/portal/contentonly?vgnnextoid=79c47729050f0410VgnVCM10000071d60f89RCRD>
- CNW. (2014). Harper Government Invests in Evidence-Based Housing First Homelessness initiatives in the Vancouver area. Retrieved from: <http://www.newswire.ca/en/story/1379191/harper-government-invests-in-evidence-based-housing-first-homelessness-initiatives-in-the-vancouver-area>
- Culhane, D. P., Metraux, S., Hadley, T. (2002). Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing. *Housing Policy Debates*, 13(1), 107-163. Retrieved from: http://repository.upenn.edu/spp_papers/65/
- DeLisi, M. (2000). Who is more dangerous? Comparing the criminality of adult homeless and domiciled jail inmates: A research note. *International Journal of Offender Therapy and Comparative Criminology*, 44(1), 59-69.
- Distasio, J., Sylvestre, G., & Mulligan, S. (2005). Home is Where the Heart is, and Right Now that is Nowhere: An Examination of Hidden Homelessness Among Aboriginal Persons in Prairie Cities. Winnipeg: The Institute of Urban Studies, University of Winnipeg. Retrieved from: http://homeless.samhsa.gov/ResourceFiles/NRP_009_Hidden_Aboriginal_Homelessness.pdf
- Dolbear, Cushing N. (1996). "Housing Policy: A General Consideration." In Baumohl, J. (ed.), *Homelessness in America*. Phoenix: Oryx Press.
- Employment and Social Development Canada. (2014a). Funding: Terms and Conditions Homelessness Partnering Strategy. Retrieved from: <http://www.esdc.gc.ca/eng/communities/homelessness/funding/terms.shtml>
- Employment and Social Development Canada. (2014b). Homelessness Partnering Strategy Directives: 2014-2019. Retrieved from: <http://www.esdc.gc.ca/eng/communities/homelessness/funding/directives.shtml>
- Employment and Social Development Canada. (2014c). Canadians in Context – Aboriginal Population. Retrieved from: <http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=36>
- Fallis, G. (2010). Tax Expenditures and Policy: A Case Study of Housing Policy in Canada. Prepared for Tax Expenditures and Public Policy in Comparative Perspective Conference. Toronto: Osgoode Hall Law School.
- Falvo, N. (2008). The 'housing first' model: Immediate access to permanent housing. *Canadian Housing [Special ed.]*, 32-35.
- Falvo, N. (2009). Toronto's Housing First programme and implications for leadership. *Housing, Care & Support*, 12(2), 16-25.
- Federation of Canadian Municipalities (FCM) (2012) *The Housing Market and Canada's Economic Recovery*. Ottawa: Federation of Canadian Municipalities.
- Forchuk, C., Russel, G., Kingston-MacClure, S., Turner, K., & Dill, S. (2006). From psychiatric ward to the streets and shelters. *Journal of Psychiatric and Mental Health Nursing*, 13, 301–308.
- Forchuk, C., MacClure, S. K., Van Beers, M., Smith, C., Csiernik, R., Hoch, J., & Jensen, E. (2008). Developing and testing an intervention to prevent homelessness among individuals discharged from psychiatric wards to shelters and 'no fixed address'. *Journal of Psychiatric and Mental Health Nursing*, 15, 569-575.
- Forchuk, C., Csiernik, R., & Jensen, E. (Eds). (2011). *Homelessness, Housing and Mental Health: Finding Truths – Creating Change*. Toronto: Canadian Scholars Press.
- Gaetz, S. (2010). "The struggle to end homelessness in Canada: How we created the crisis, and how we can end it". *The Open Health Services and Policy Journal*. 3:21-26
- Gaetz, S. (2012) *The Real Cost of Homelessness. Can we save money by doing the right thing?* Canadian Homelessness Research Network. Paper series #2
- Gaetz, S. (2013) "A Framework for Housing First", in Gaetz, Stephen; Scott, Fiona & Gulliver, Tanya (Eds.) (2013) *Housing First in Canada – Supporting Communities to End Homelessness*. Toronto: Canadian Homelessness Research Network Press.
- Gaetz, S. (2014a). *A Safe and Decent Place to Live: Towards a Housing First Framework for Youth*. Executive Summary. Toronto: The Homeless Hub Press.
- Gaetz, S. (2014b). *Coming of Age: Reimagining the Response to Youth Homelessness in Canada*. Toronto: The Canadian Homelessness Research Network Press.
- Gaetz, S. & O'Grady, B. (2006). *The Missing Link: Discharge planning, Incarceration and Homelessness*. The John Howard Society of Ontario.
- Gaetz, S. & O'Grady, B. (2009). "Chapter 7.3 Homelessness, Incarceration and the Challenge of Effective Discharge Planning: a Canadian Case". In Hulchanski, J.David; Campsie, Philippa; Chau, Shirley; Hwang, Stephen; Paradis, Emily (eds) *Finding home: policy options for addressing homelessness in Canada*. Cities Centre Press, University of Toronto

- Gaetz, S., Scott, F. and Gulliver, T. (Eds.) (2013). *Housing First in Canada: Supporting Communities to End Homelessness*. Toronto: Canadian Homelessness Research Network Press.
- Gaetz, S., Donaldson, J., Richter, T. and Gulliver, T. (2013). *The State of Homelessness in Canada: 2013*. Toronto: Canadian Homelessness Research Network.
- Goering, P., Velhuizen, S., Watson, A., Adair, C., Kopp, B., Latimer, E., & Ly, A. (2012). *At Home/Chez Soi Interim Report*. Mental Health Commission of Canada.
- Goering, P., Veldhulzen, S., Watson, A., Adair, C., Kopp, B., Latimer, E., ... Aubry, T. (2014). *National At Home/Chez Soi Final Report*. Calgary, AB: Mental Health Commission of Canada.
- Government of Alberta. (2012). Alberta Homelessness Research Consortium. Webpage. Retrieved from <http://humanservices.alberta.ca/homelessness/14627.html>
- Government of Canada. (2013). Tax Expenditures and Evaluations 2013. Department of Finance. Retrieved from. <http://www.fin.gc.ca/taxexp-depfisc/2013/taxexp-depfisc13-eng.pdf>.
- Government of Canada. (1995). Department of Finance. *Government of Canada Tax Expenditures 1995*. Retrieved from <http://publications.gc.ca/collections/Collection/F1-27-1995E.pdf>
- Gowan, T. (2002). The Nexus: Homelessness and incarceration in two American cities. *Ethnography*, 3(4), 500-534.
- Hulchanski JD, Campisi P, Chau, SBY, et al. (2009). Introduction Homelessness. What's in a word? In: Hulchanski JD, Campisi P, Chau, SBY, Hwang S, Paradis E, Eds. *Finding home policy options for addressing homelessness in Canada*. Cities Centre Press, University of Toronto Available from: <http://www.homelesshub.ca/findinghome>
- Hwang, S. & Henderson, M. (2010). Health Care Utilization in Homeless People: Translating Research into Policy and Practice. Agency for Healthcare Research and Quality, Working Paper No. 10002.
- Hwang, S.W., Weaver, J., Aubry, T., & Hoch, S. (2011). Hospital costs and length of stay among homeless patients admitted to medical, surgical, and psychiatric services. *Med Care*, 49(4), 350-4.
- Kellen, A., Freedman, J., Novac, S., Lapointe, L., Maaranen, R., Wong, A. (2010) *Homeless and Jailed: Jailed and Homeless*. Toronto: The John Howard Society of Toronto
- Kushel, M., Hahn, J., Evans, J., Bangsberg, D., & Moss, A. (2005). Revolving doors: Imprisonment among the homeless and marginally housed population. *American Journal of Public Health*, 95(10), 1747-1752.
- Landlord and Tenant Board. (2014). 2015 Rent Increase Guideline. Government of Ontario. Retrieved from http://www.ltb.gov.on.ca/en/Key_Information/STDPROD_098894.html
- Londerville, J. & Steele, M. (2014). *Housing Policy Targeting Homelessness*. Toronto: Homeless Hub Press.
- Marshall, K. (2012). "Youth neither enrolled nor employed". Perspectives on Labour and Income. Statistics Canada. Retrieved from: <http://www5.statcan.gc.ca/olc-cel/olc.action?ObjId=75-001-X201200211675&ObjType=47&lang=en&limit=0>
- Metraux, S., & Culhane, D. (2004). Homeless shelter use and reincarceration following prison release. *Criminology & Public Policy*, 3(2), 139-160.
- Nino, M. D., Loya, M. A., & Cuevas, M. C. (2010). Who are the chronically homeless? Social characteristics and risk factors associated with chronic homelessness. *Journal of Social Distress and the Homeless*, 19(1 & 2), 41-65.
- Novac, S., Hermer, J., Paradis, E., & Kellen, A., (2006). *Justice and injustice: Homelessness, crime, victimization and the criminal justice system*. Toronto, ON: Centre for Urban and Community Studies.
- Novac, S., Hermer, J., Paradis, E., & Kellen, A. (2007). *A revolving door? Homeless people and the justice system in Toronto (Research Bulletin #36)*. Toronto, ON: Centre for Urban and Community Studies.
- Gaetz, Stephen & O'Grady, Bill (2006). *The Missing Link: Discharge planning, Incarceration and Homelessness*. The John Howard Society of Ontario.
- O'Grady, B., & Gaetz, S. (2009). Street survival: A gendered analysis of youth homelessness in Toronto. In J. D. Hulchanski, P. Campsie, S. Chau, S. Hwang, & E. Paradis (Eds.), *Finding Home: Policy options for addressing homelessness in Canada* (Chapter 3.4). Toronto, ON: Cities Centre, University of Toronto.
- O'Grady, B., Gaetz, S., & Buccieri, K. (2011). *Can I see your ID? The policing of homeless youth in Toronto*. Homeless Hub Research Report Series #5. Toronto, ON: Homeless Hub. Retrieved from http://www.homelesshub.ca/ResourceFiles/CanISeeYourID_nov9
- Patrick, C. (2014). *Aboriginal Homelessness in Canada: A Literature Review*. Toronto: The Homeless Hub Press.
- Pomeroy, S., Steele, M., Hoy, J. & Stapleton, J. (2008). *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 including the Daily Bread Food Bank*.

- Pomeroy, S. (2012). *The Housing Market and Canada's Economic Recovery*. Federation of Canadian Municipalities.
- Pomeroy, S. (2014). *The Fiscal Impact of Expiring Federal Social Housing Operating Subsidies*. Ottawa: Focus Consulting
- Rosenheck, R., Kaspro, W., Frisman, L., & Liu-Mares, W. (2003). Cost-effectiveness of supported housing for homeless persons with mental illness. *Archives of General Psychiatry*, 60(9), 940-951.
- Salvation Army. (2011). "Canada Speaks" Exposing Persistent Myths About the 150,000 Canadians Living on the Streets. The Dignity Project. Toronto: Salvation Army.
- Segaert, A. (2012). *The National Shelter Study: Emergency shelter Use in Canada 2005-2009*. Ottawa: Homelessness Partnering Secretariat, Human Resources and Skills Development Canada.
- Shapcott, M. (2008). *National Housing Report Card*. Toronto: Wellesley Institute.
- Société D'Habitation Du Québec. (2014). Shelter Allowance Program. Retrieved from: <http://www.homelesshub.ca/resource/qu%C3%A9becs-shelter-allowance-program>
- Société D'Habitation Du Québec. (2011). *Rapport Annuel De Gestion*. Québec, PQ: Gouvernement du Québec.
- Spurr, B. (2014). "New rent monster: Sweden-based realty giant plots gentrification through the back door in neighbourhoods across the city". *NOW Magazine*, July 31-August 7, 2014 | VOL 33 NO 48. Retrieved from: <http://www.nowtoronto.com/news/story.cfm?content=199080>
- Statistics Canada. (2014). Median total income, by family type, by province and territory (All census families). Retrieved from: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil108a-eng.htm>
- Statistics Canada. (2013). 2011 National Household Survey: Homeownership and shelter costs in Canada. Retrieved from: <http://www.statcan.gc.ca/daily-quotidien/130911/dq130911b-eng.htm>
- Stein, J. A., Burden L.M., & Nyamthai, A. (2002). Relative contributions of parent substance use and childhood maltreatment to chronic homelessness, depression, and substance abuse problems among homeless women: Mediating roles of self-esteem and abuse in adulthood. *Child Abuse & Neglect*, 26, 1011-1027.
- Tsemberis, S., & Eisenberg, R. F. (2000). Pathways to housing: supported housing for street-dwelling homeless individuals with psychiatric disabilities. *Psychiatric services*, 51(4), 487-493.
- Tsemberis, S., Gulcur, L., & Nakae, M. (2004). Housing first, consumer choice, and harm reduction for homeless individuals with a dual diagnosis. *Journal Information*, 94(4), 651-656.
- Zon, N., Molson, M., & Oschinski, M. (2014). *Building Blocks. The Case for Federal Investment in Social and Affordable Housing in Ontario*. Toronto: Mowat Center and the University of Toronto School of Public Policy