

Excerpt from:

Housing & Homelessness: Still An *Un-natural* Disaster!

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***A Report by NDP Housing Spokesperson Libby Davies
on the National Crisis in Housing & Homelessness***



Toronto, September 2001

*“There is a national housing program. It is one of care, custody & coffins.
This is where our people are: in hospitals, in jails or dead.”*

Scott Clark
President, United Native Nations
of British Columbia

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Housing & Homelessness: Still An Un-Natural Disaster!

Introduction

In the Fall of 2001, I traveled to seven cities in six provinces & territories to talk to front-line housing activists, experts, social workers & local politicians. I wanted to gauge their opinions & first-hand knowledge about the rising crisis in housing & homelessness.

I was following up on a trip I made two years ago when I visited eight cities & met with Canadians living in shelters, in substandard housing, & with the housing advocates & front-line workers who are dedicated to stemming the impact of the housing crisis.¹ What I saw, heard, & learned during that trip left me shaken & appalled by the federal government's role in creating a housing crisis that has grown out of control. According to CMHC, 4.6 million people are in core need of affordable housing. More than a quarter million Canadians, including tens of thousands of children, will go to an emergency shelter this year.



Toronto, September 2001

In the two years since my first trip, I've introduced a Housing Bill of Rights in the House of Commons, issued reports, initiated petitions, hammered the government during Question Period, raised housing issues in Committee & in debates, launched postcard campaigns, written letters, & stood side by side with housing activists & homeless Canadians protesting on the steps of Parliament Hill. We have succeeded in forcing the Liberals to pay attention to the issue. However, overall, their response falls far short of what is required. Instead of bold leadership & a full commitment to housing, we've seen "band aids" billed as solutions to homelessness & woefully under-funded "down payments" billed as housing strategies.

That's why, this Fall I launched a second cross-Canada housing & homelessness campaign. This time I visited Vancouver, Edmonton, Winnipeg, Toronto, Ottawa, Montreal, & Iqaluit.² I went with specific objectives in mind. First, I wanted to gauge the extent of the housing crisis to see if it had deepened. Second, I wanted to see the impact of the Liberals' homelessness "solutions" first hand, especially Minister Bradshaw's flagship homelessness initiative – the Supporting Community Partnerships Initiative (SCPI). Third, I wanted to find out from front-line housing & homelessness workers, advocates, experts, & local politicians, how we move from "quick fixes" to long-term solutions.

What I heard, what I learned, & what I think is needed, are reflected in this report.

¹ In January & February of 1999 I visited: Thompson, South Indian Lake & Winnipeg, Manitoba; Toronto, Ontario; Moncton & Saint John, NB; Halifax & Dartmouth, NS; & Vancouver.

² In Dartmouth, Nova Scotia, my colleague Wendy Lill participated in a housing forum on my behalf in September.

The extent of the housing crisis has deepened The housing crisis has left millions of Canadians' personal security, health, & future in serious jeopardy.

Homelessness is on the rise

When I began this trip, I knew about the hundreds of thousands of homeless Canadians who rely on shelters or sleep in the streets. If you live in Toronto, or Montreal, or in my home of Vancouver, homelessness is impossible to ignore. It's estimated that 250,000 people, including tens of thousands of children, will be forced to sleep in an emergency shelter this year alone. What I learned was that homelessness is on the rise. A comparison of hostels in seven Canadian cities shows the number of nights homeless people spent in shelters over the year increased from 1.4 million in 1987 to 2.4 million in 1999.³

On the Brink -- the unseen casualties of the housing crisis

The homeless are the "front-page" casualties of this crisis. What many may be unaware of are the growing number of Canadians who are on the brink of homelessness – the unseen casualties of the housing crisis. They're the more than 800,000 Canadians living in substandard or slum housing, paying more than 50% of their incomes on rent. They're also more & more of the middle class, competing to pay obscenely high rents in a shrinking rental market that's bottomed out to dangerously low levels.

Vacancies are plummeting, incomes are dropping, rents are skyrocketing: it's a mix that's leaving more & more Canadians out in the cold. Across Canada, poor people face the triple jeopardy of decreasing incomes, increasing rents, & an almost non-existent supply of affordable housing. And, they are not alone. Dwindling housing stocks are not just a problem for poor people. More & more middle-income Canadians are struggling to find affordable housing as the impact of the housing crisis creeps up the rungs of the economic ladder.

There are 4.8 million renter households in Canada, about 40% of the Canadian population. Almost one-in-five renter households are paying more than 50% of their monthly income on rent. More than one-in-three are paying more than 30% – thirty percent is considered the "cut-off" line for affordability.⁴ At the same time, the national vacancy rate has hit an all time low of 1.1%.⁵

The first challenge is finding housing – the second is affording it!

As more & more renters compete for fewer spaces, rents have skyrocketed. That's the private sector's answer to supply & demand. Unfortunately, it's the "wrong answer" for the vast majority of low to mid-income Canadians who have seen their incomes plummet over the past decade.

The median income for renter households has dropped over the past 15 years

"There is a national housing program. It is one of care, custody & coffins. This is where our people are: in hospitals, in jails or dead."

Scott Clark,
Vancouver

"As invisible as the epidemic of homelessness is in Nunavut, some people are forced to seek shelter near steam pipes & in unheated porches during the night while they wait for public buildings to re-open in the morning."

Hunter Tootoo, MLA
Iqaluit

"Don't forget about hidden homelessness. Some women live in cars because they do not want to identify themselves as homeless for fear of losing their children."

Arlene, Edmonton

³ National Housing & Homelessness Network: "State of the Crisis 2001" (November, 2001)

⁴ National Housing & Homelessness Network: "State of Crisis 2001", (November, 2001)

⁵ Source: CMHC, 2001. This 1.1 vacancy rate is the lowest rate since statistics were first gathered in 1987. A minimum 3% vacancy rate is considered a healthy national average.

to \$20,947. That means half the tenant population can afford to spend only \$580 per month on rent. In the year 2000, 33 of the 57 large urban areas in Canada had average rents that were higher than \$580, & in some places they were *much* higher. For example, in my riding of Vancouver East the median household income is \$12,332 – half of the families who live there can afford to spend only \$350 per month on rent. In Vancouver, the average rent on a two-bedroom apartment is more than \$900.⁶

For most low-income Canadians, & many middle income Canadians, “covering” the rent has become a constant struggle. For too many, the struggle is being lost. In his excellent report: “Tale of Two Canadas: Homeowners Getting Richer, Renters Getting Poorer”, Dr. David Hulchanski notes that for the 40% of all renters, who are concentrated in high-cost Vancouver, Toronto & Montreal, high housing costs make it difficult, if not impossible, to accumulate assets. It’s a trap that, for many, results in life-long impoverishment.⁷ Couple this with research showing that even in economic boom times market income improvements tend to completely dry up before they reach the poorest 10% among us, & the situation becomes even more desperate.⁸

Why has the crisis deepened? Failed public policies & a misguided reliance on market-driven “solutions” are to blame for the deepening housing & homelessness crisis.

Homelessness & poverty are not the result of individual failings, social behaviour, or private problems. They are a result of failed public policy & an over reliance on market-driven policies – a combination that is creating disastrous consequences for a growing number of Canadians.

The Failure of Government Policies

Canada’s current shortage of adequate housing stems from a dramatic & disastrous policy shift made by the federal government in 1993. That’s when Finance Minister Paul Martin began his policy of balancing his books on the backs of the poor & axed all federal funds for social housing construction. Many of the provinces followed suit. The result has been disastrous. In the mid 1980s, more than 20,000 units of social housing were built annually. Between 1994-1998, only 4,450 units were completed.⁹

The federal Liberals’ policy “solutions” – for a housing crisis they created – are the equivalent of using a bucket full of water to douse a forest fire!

The federal government has introduced two key policy “fixes” to address the housing crisis since 1993 – the Supporting Community Partnership Initiative (SCPI) & the National Housing Framework Agreement announced in November 2001. The **Supporting Community Partnership Initiative** funds temporary shelters but fails to get at the root causes of

⁶ Source for \$919 rental average: CMHC, 2001. Source for median income in Vancouver East: “1996 Census Profile of Federal Electoral Districts: Earning & Incomes of Individuals & Total Incomes of family households” Statistics Canada, 1998.

⁷ Hulchanski, David, “*A Tale of Two Canadas: Homeowners Getting Richer, Renters Getting Poorer*,” Centre for Urban & Community Studies, August 2001.

⁸ Centre for Social Justice, “*When Markets Fail People*”, 2001.

⁹ Source: Canadian Housing & Renewal Association: Presentation to House of Commons Committee on Finance, 2001.

homelessness. The people I met with said SCPI funds¹⁰ are only a band-aid solution – & not a big enough band-aid at that. What’s more, accessing funds has proven to be complex, time consuming & inefficient. The second, & most recent, federal attempt to address a housing crisis they created, is the **National Housing Framework Agreement** signed in Quebec in November 2001.

Even as a down payment on a national housing strategy – the Housing Framework Agreement falls short!

On November 30, the federal/provincial/territorial Ministers responsible for housing signed a “Framework Agreement” in Quebec City intended to create new affordable housing. The Agreement is actually a promise to negotiate 13 separate bilateral agreements with each of the provinces & territories in the weeks & months to come. The federal commitment amounts to \$136 million a year for five years – that’s less than one tenth of the 1% solution we’ve been fighting for. The 1% solution, endorsed by housing advocates & experts across the country, calls on the federal government to commit an additional 1 % of its budget, or \$2 billion annually, to the housing emergency. It’s not an unreasonable amount considering that it is less than the federal budgetary surplus for the single month of September 2001.¹¹

In addition, the Framework will fund an estimated 5,400 new units per year. That doesn’t even meet one percent of the estimated need given that more than 833,000 tenant households¹² pay more than 50% of their incomes on rent & an estimated quarter million are homeless. There are other concerns about the Framework Agreement as well. It does not address the crisis in Aboriginal housing either on or off Reserves. It contains a “10-year-time-limit” that states units built need only be guaranteed as low-income housing for 10 years. After that cut-off, we have no guarantees that these publicly-subsidized units won’t be converted into high-rent, market housing that leaves poor people out in the cold yet again. Finally, the Framework leaves the provinces & territories off the hook in terms of accountability & funding commitments. Ontario, for example, can use loop holes to get out of making any new financial contribution by counting money it spent last year, or by counting money contributed by municipalities & other third parties.

The Failure of the Market Approach

The full public retreat from housing has paved the way for a system dominated by market forces. Earlier in this section, we’ve seen the devastating implications of a market-driven housing supply program on the availability & affordability of housing for low & even middle-income earners. Low-income housing does not generate the profits that motivate private sector construction. The irony, however, is that the market model is not free of public subsidies. A study of numerous joint federal-provincial-private sector partnerships since the late 1940s in Ontario shows that in almost every case, billions of dollars in public subsidies have resulted in the creation of mostly high-end rental housing.¹³ In addition, a CMHC study conducted in 1997 found that, over the long term, the cost of subsidizing co-op & non-profit housing was far less than the cost of subsidizing private developers.¹⁴

¹⁰ The Supporting Community Partnerships Initiative allotted \$305 million over three years, primarily for shelter enhancements.

¹¹ On November 13, 2001, the federal Finance Department announced that the national surplus for September was \$2.5 billion, with a cumulative budgetary surplus of \$13.6 billion for the year to date.

¹² Source: Federation of Canadian Municipalities.

¹³ *ibid*

¹⁴ Cost-effective housing, Ekos Research Associates, 1997.

The Way Forward

Housing must be reinstated as a major federal priority.

In the past, we built up incredible expertise at the community level in co-ops, heritage retention, upgrading, & the development of housing as a catalyst for economic development & strong & healthy communities. We must return to our roots. We must live up to the numerous international agreements & obligations that we have signed on to, but continue to ignore.¹⁵ We must reinstate housing & housing supply as a federal priority. Recommendations towards that goal are contained in Part 3 of this report.

Recommendations

Despite the rhetoric, the federal commitment to homelessness & housing amounts to “band-aids” & insufficient “down payments”. In this section, you will find ten recommendations that form the framework for a true National Housing Strategy with the funding, comprehensiveness, & commitment necessary to address Canada’s housing disaster.

1. We need a fully funded National Housing Strategy not a down payment! This National Housing Strategy must contain the following principles currently lacking in the Housing Framework Agreement announced in Quebec:

- The federal share of a **National Housing Strategy** should meet the goal of providing an additional 1% of the budget, approximately \$2 billion annually to meet basic housing needs in Canada. The Quebec Housing Framework Agreement doesn’t even contribute one tenth of the “1% Solution” necessary to address the crisis.
- The goal of the national strategy must be to create 20,000 to 30,000 units of new social housing & 10,000 units of refurbished housing every year for the foreseeable future. The Quebec Housing Framework Agreement will build only 5400 units total per year for five years. With one million Canadians in desperate need of housing¹⁶ – the government’s annual target won’t even address 1% of the need.
- The federal commitment to each unit of housing constructed must be \$25,000 per unit, & must rise above that figure in areas, like Toronto, where construction can top \$70,000 per unit.
- Objectives & standards are integral to the establishment of a National Housing Strategy. The federal government must have assurances that federal contributions to provincial housing programs will be spent on housing & will be matched with **new** provincial spending commitments. Where the provinces cannot guarantee assurance, the federal government should endeavour to forge partnerships with municipalities directly to ensure the construction of desperately needed social housing proceeds.
- The rental rates must be targeted at low-income Canadians & must not cost more than 30% of the occupant’s pre-tax household income.
- The 10-year-clause in the Housing Framework Agreement must go! A public investment in housing must ensure affordability over the long-term.
- Housing built must include not-for-profit rental housing projects, mixed income, not-for-profit housing co-operatives, special needs housing & housing that allows senior citizens to remain in their homes as long as possible. Housing must be appropriate for different needs & provide reasonable design options including provision of an appropriate proportion with access for the elderly & those with disabilities.

¹⁵ Canada has failed to live up to its obligations as a signator to the International Covenant on Economic, Social & Cultural Rights, supporting housing for all (1976) & promises made in 1996 during Habitat II.

¹⁶ 833,000 tenant households in Canada spend more than 50% of their incomes on rent. It’s estimated a quarter million are homeless. Source: Federation of Canadian Municipalities & National Housing & Homeless Network.

- A **National Housing Strategy** must address the crisis in **Aboriginal Housing both on-Reserve & off-Reserve**. (See rec. 8 for further details)

2. Emergency Shelter: A National Housing Strategy must include provision for sufficient units of temporary emergency housing & shelter that respects the needs & rights of the homeless.

Shelters, however, must never be considered an "adequate" solution to the housing crisis. Every individual who is homeless has a right to the immediate provision by public authorities of adequate, self-contained & appropriate housing.

3. Housing is a Human Right, guaranteed in the Universal Declaration of Human Rights.¹⁷ It is recommended that every individual has the following rights, with respect to housing:

- i. security against arbitrary eviction, forced relocation, expropriation or threat of any of them, or other form of harassment;
- ii. a right for all children, women & men to a home in a safe & healthy environment;
- iii. a right to the economic security that results from protection from rent, property tax or other housing cost that: are sudden or excessive; are primarily intended to yield an unreasonable profit or increase in the value of rental property.

4. The federal government must implement a national strategy aimed at increasing income supports for low-income Canadians.

Poor Canadians live on incomes that trap them far below the poverty line. For example, the number of people living on less than half the poverty line increased from 143,000 families in 1989 to 233,000 families in 1998.¹⁸ Decreasing CHST transfers & critically diminished social supports are increasing poverty & homelessness in Canada.

Negotiations must be initiated with the provinces to set national objectives & standards to ensure that income support programs, such as social assistance, unemployment insurance, & disability pensions, at least meet poverty lines. The federal government should also show leadership in addressing, with the provinces, critically low minimum wage levels.

5. The federal government must initiate a strategy to reduce the widening economic gap between rich & poor in Canada. Research confirms that growing inequality is fundamentally tied to our market system & that in periods of both recession & recovery, the gap between rich & poor is growing. For example, even in economic boom times market income improvements tend to completely dry up before they reach the poorest 10% among us.¹⁹

- The federal government must initiate a comprehensive strategy designed with the intent of reducing the widening gap between rich & poor Canadians.

6. Social housing construction is an economic stimulator. A one time \$2 billion investment in social housing – equivalent to less than the federal budgetary surplus for the single month of September, 2001²⁰ – would not only create 30,000 to 40,000 desperately

¹⁷ This right is afforded in the Universal Declaration of Human Rights, Article 25 (1)

¹⁸ Source: National Council of Welfare, 2000.

¹⁹ Source: Center for Social Justice, "When Markets Fail People", 2001.

²⁰ On November 13, 2001, the federal Finance Department announced that the national surplus for September was \$2.5 billion, with a cumulative budgetary surplus of 13.6 billion for the year to date.

needed housing units, it would create 46,000 new jobs next year.²¹ With sustained investments, that number would increase to 94,000 in five years. In addition, that same investment would increase GDP by \$3 billion & ensure that Canadian resources, like softwood lumber, are developed.

- The Department of Finance should establish targets & programs for housing improvement & construction as a key measure to improve economic development.

7. Housing is a health issue.

Health Canada should assess its priorities & establish targets & programs for housing improvement as a key measure to improve the health outcomes at the national level for poor Canadians. Federal attempts to revitalize the health-care system should incorporate & extend initiatives that link health & housing stabilization at the national level.

8. The federal government must address the critical housing needs of Aboriginal people living off reserve & on reserve.

Currently, off-reserve Aboriginal housing institutions are responsible for the management of 19,000 units of housing serving nearly 85,500 off-reserve Aboriginal people. These Aboriginal housing institutions have a profound impact on the well being of off-reserve Aboriginal households, contributing to social & economic well being. **The federal government must acknowledge & recognize the Aboriginal control of Aboriginal off-reserve housing & transfer the Aboriginal housing portfolio to Aboriginal control.**

For Aboriginal people on reserves, the deplorable condition of much of the housing stock threatens the health & safety of community members, directly contributes to child poverty, suicide, educational attainment, alcoholism, family break down & other social problems. However, access to resources & inconsistency in the application of resources limit the capacity of Aboriginal peoples to create & maintain/sustain safe & healthy communities. **The federal government should support the First Nations Housing Agenda, supported by the Assembly of First Nations, ensuring adequate resources for aggressive action on the housing crisis.**

The federal government should implement the recommendations of the 1996 Royal Commission on Aboriginal Peoples related to housing, (Volume 3, Recommendations 3.41 to 3.5.44)

9. The federal government has failed to live up to international agreements on housing. The United Nations Committee on Economic, Social & Cultural Rights has been highly critical of Canada's failure to make progress on the provision of adequate housing for all, stating in 1998: "The Committee is gravely concerned that such a wealthy country as Canada has allowed the problem of homelessness & inadequate housing to grow to such proportions."

As a nation, we must live up to our international obligations, as a signator to the International Covenant on Economic, Social & Cultural Rights, supporting housing for all (1976) & as a participant in Habitat II (1996).

10. Support Bill C-416, my Private Member's Bill calling for the adoption of a Housing Bill of Rights. The federal government should support, or adopt, my Private Member's Bill, which respects the dignity & worth of all women, children & men in Canada by protecting their human rights through the provision of adequate, accessible & affordable housing & security.

²¹ CHMC Research Highlights: Economic Impacts of Residential Construction, socio-economic series, issue 69, Ottawa, 2000. Estimations are based on simulations using FOCUS macro-economic model.