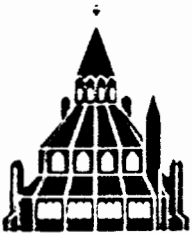


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HOMELESSNESS IN CANADA

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Revised 12 September 1996



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HOMELESSNESS IN CANADA*

ISSUE DEFINITION

Adequate, secure shelter is considered basic to human and social health and development. It was estimated in 1986, the year preceding the United Nations International Year of Shelter for the Homeless, that over one billion of the world's inhabitants did not have access to adequate housing; of those, a hundred million had substandard shelter or no shelter at all. In Canada, estimates of people who had substandard or no shelter in 1986 were between 130,000 and 250,000.

For many, the term "the homeless" conjures up an image of middle-aged, socially marginal, alcoholic and unemployable males sleeping on park benches, in doorways or under bridges. In fact, over the past decade the characteristics of the ever increasing homeless population have altered dramatically. The homeless include able-bodied young people lacking marketable employment skills, runaways, the elderly, urban and rural residents, discharged psychiatric patients, women and children who have fled domestic violence, families and single mothers on social assistance, and the working poor who cannot find adequate and affordable housing.

A consensus has emerged among social reformers and commentators that homelessness results not from individual choice or individual failure, but rather from social structural factors primarily unemployment and a shortage of decent and affordable housing. In its 1993 pastoral message, the Canadian Conference of Catholic Bishops argued that an insufficient number of well-paying, permanent, full-time jobs is related to poverty, homelessness and family stress and breakdown. The Canadian Catholic Bishops believe that many of the social ills confronting legislators and other public policy makers are manifestations of unemployment. In

* The original version of this Current Issue Review was published in August 1989; the paper has been regularly updated since that time.

their view, the "jobless recovery" predicted by a number of analysts will require governments to consider new social and economic strategies to alleviate the structural problems of the poor and homeless. Currently, people without a home rely for survival on emergency shelters, which are often understaffed, overcrowded, squalid, and unsafe and which, though expensive to run, do not provide services such as job training, housing assistance or psychiatric counselling. The social and economic costs of emergency measures are high and, at best, they provide short-term remedies. However, for an increasing number of Canadians they are becoming long-term housing.

BACKGROUND AND ANALYSIS

A. Defining Homelessness

Homelessness implies more than an absence of four walls and a roof. Homelessness produces profound social dislocation and is associated with the absence of a role in the community, privacy and security. Homeless people lack a base from which to work, go to school, receive training, sustain social contacts, receive social services, and provide and receive nurture.

The United Nations General Assembly for the International Year of Shelter for the Homeless (1987) recognized two kinds of homeless people: those who have no homes, and those whose homes do not meet basic standards including adequate protection from the elements; access to safe water or sanitation; secure tenure and personal safety; access to employment, education, and health care; and affordable prices.

The complete absence of shelter is not a permanent state for most homeless people; it affects them for varying periods of time depending on their circumstances. Homeless people may require emergency shelter for a night, a few weeks or months before they are able to arrange for permanent shelter. Researchers have developed three typologies of the homeless which reflect the differing causes of the condition: the chronically homeless; the periodically homeless; and the temporarily homeless. Some people may move from one type of homelessness to another.

Chronic homelessness is generally experienced by socially marginal people, including some with alcohol, drug or solvent abuse problems and current or former psychiatric

patients. Researchers on homelessness have concluded that the latter make up from 20% to 40% of those who use emergency shelters and hostels. Though hospitals began releasing psychiatric patients from institutions in the 1960s, community based health services to provide care and assist in the transition from institution to community did not materialize to the extent that advocates of deinstitutionalization had anticipated. The deinstitutionalized homeless confront inadequately-funded or unavailable outpatient treatment facilities and they lack the lifeskills required for survival in the community after periods of institutionalization. The chronically homeless tend to live on the streets in daytime and spend nights in flophouses or shelters or on the street. Because their behaviour can be disruptive and unpredictable and because they are often a potential risk to themselves and to others, many emergency shelters will not accept them. These people, typically antisocial, unemployable and abandoned by their families, pose particular problems for social service providers; their needs go beyond securing permanent housing.

Periodic homelessness does not involve the loss of shelter per se; rather it involves any number of temporary departures from the home when pressures or tensions become intense. According to the research, people who experience the loss of a home for finite periods of time include: unemployed workers who have migrated from economically marginal areas but have not yet found employment; native people who have left their reserves for urban centres in search of work; runaways from the family home who are living on the street; battered women and their children who have gone to transition and safe houses to escape domestic violence; and social assistance recipients who require shelter space when their money is depleted late in the social assistance month. People with limited options and resources may go through a cycle of moving in and out of temporary shelters over many years.

The temporary loss of a home can be the result of a crisis such as a fire or hospitalization. Recently it has been experienced increasingly by the working poor as a result of changes in their personal or economic situation. Emergency shelter workers have reported assisting growing numbers of people who have lost their jobs or whose unemployment insurance has expired and who have subsequently had their mortgages foreclosed or have been evicted by landlords.

Included in this group of homeless are runaways and battered women who cannot return to their domestic situation and single mothers and families on social assistance who cannot afford private market rents and are on waiting lists for public housing. Although this form of homelessness may be temporary, it involves the complete loss of home, roots and access to welfare assistance. The ability of these low-income homeless to find affordable housing ultimately determines how long their "temporary" homelessness persists. For some, temporary emergency shelters have become long-term housing. A 1983 survey in Metro Toronto asked hostel users about their immediately previous type of accommodation. It found that 25% them had come from other hostels. It is estimated that between 10,000 and 20,000 people are caught in the emergency shelter system in Ontario.

B. Counting the Homeless

Estimating the number of homeless people in a society can be difficult. Enumeration of a population is usually based on an address; the homeless have no permanent address. Therefore, counts of the homeless have been derived from reports from shelters and related social agencies. Varying definitions of the homeless result in varying estimates of their numbers. It has been noted that if only those who have no shelter are included, the estimated number is low; if those who use emergency shelter are included, the number is larger; and, if homelessness includes those who are without shelter and those who live in inadequate shelter, a much larger estimated number results.

The Canadian Council on Social Development (CCSD) in 1987 conducted the first census of the homeless in Canada. It was based on those who stayed in emergency shelters on 22 January 1987. Organizations throughout Canada that provide either temporary or emergency shelter and related services to the homeless were asked to complete a questionnaire on that date. The objectives of the survey were:

- to identify the number of people seeking shelter in Canada;
- to identify the causes of homelessness and the characteristics of the homeless; and

to identify strategies in different jurisdictions to house the homeless.

This "snapshot survey" of homelessness in Canada estimated that 10,672 people stayed in emergency or temporary shelters on 22 January 1987. Survey findings indicated almost three-quarters of all of these shelter users were in three provinces: 42% were in Ontario, 17.5% in Quebec, and 14% in Alberta. Only Prince Edward Island reported no homeless people on that day.

The CCSD study is considered to be an underestimate. It did not include people housed in hotels, families doubled up with relatives and friends, battered women who were in non-participating emergency shelters, persons who slept outdoors in doorways, parking garages, or abandoned buildings, or persons in detoxification centres or jails. A CCSD spokesperson observed that "in many cities, the number of homeless in a shelter on a given night is more a measure of the shelter's capacity than of the number of homeless."

The shelters and related service agencies participating in the CCSD study also reported the total number of homeless people they had sheltered in 1986. The responses indicate that during 1986 there were between 130,000 to 250,000 people in Canada who did not have homes or whose housing was grossly inadequate. During that same year, 105 agencies across Canada, including shelters and soup kitchens, served 1,222,555 meals.

On one day in June 1991, in 80 to 90 soup kitchens in 16 Canadian cities, Statistics Canada made its first attempt to count Canada's homeless as part of the 1991 census. Census takers asked clients of the soup kitchens, among other questions, where they had stayed the previous night. Street workers and anti-poverty activists have expressed concern about the soup kitchen method of counting the homeless, which they believe will underestimate the actual number of people without shelter in Canada. The count took place at the beginning of the month, when reliance on soup kitchens tends to be lower because people have recently received their welfare cheques. Some commentators estimate that the number of people who rely on these institutions at the end of a month is double the number at the beginning of a month. As well, street kids represent a significant and growing group of people without shelter in Canada's cities and soup kitchen operators report that these young people tend not to use their services. As a consequence, homeless

youths were excluded, for the most part, from the census of the homeless. A Statistics Canada spokesperson agreed that the 1991 census will not yield an accurate picture of the nation's homeless. It may, however, reveal whether a more comprehensive count is desirable in the future. Such a count might involve enumerators going out in the middle of the night to count people in alleys, under bridges and in parks.

In mid-1995, Statistics Canada announced it would not release the findings of the 1991 census on homelessness because of the poor quality of the data.

C. The Composition of the Homeless

As reported in the CCSD census, at least one half of people in the shelters were on social assistance; 54.7% were unemployed; at least 20% were current or ex-psychiatric patients; 9% had been evicted; over 33% were alcohol abusers; 15% were drug abusers; 3% were physically handicapped; 61% were men; 11.5% were children aged 15 years and under; 27.5% were women. There were 1,271 women and children staying in shelters for battered women on 22 January 1987, representing 16.4% of the total number of people who participated in the study.

Increasingly, abuse is recognized as a major factor contributing to homelessness among young people. Research on the biographies of homeless street adolescents has revealed a significant number who are victims of sexual abuse. In a survey conducted by the Social Planning Council between October 1988, and January 1989, teen-age street people in downtown Winnipeg were interviewed in shopping malls, restaurants and billiard halls. Sixty percent of those surveyed were female. One-half of those interviewed indicated that they had been sexually abused at some time. Not surprisingly, surveys of street prostitutes have revealed a high incidence of sexual abuse in their backgrounds. According to a street coordinator for the Youth Services Bureau of Ottawa-Carleton, many homeless young people in the Ottawa-Carleton region are turning to street prostitution to obtain food and shelter. A member of the Social Planning Council of Ottawa-Carleton confirmed that the Council has regular contact with youth who engage in casual prostitution to pay for basic necessities.

In summer 1992, a task force of social agencies in the Ottawa-Carleton region undertook a study of street children under 16 years old. Of the estimated 250 young people on the street, 30% are less than 16. Social workers interviewed these street children to uncover the reasons they had left home and the problems they experience on the street. Seventy-five per cent reported they had run away because of sexual, physical and emotional abuse in the home. It is noteworthy that a significant number of them had fled a group home or foster care.

The troubled and desperate lives of these children, who are without a home or security, are suggested in the following statistics: 92% of the those interviewed had attempted suicide; 44% had been or were pregnant at the time of the interview; 92% had at some time gone without food for at least one day; 75% had eaten only once the day before the interview; and 20% were 12 years old or younger when they first began living on the streets.

In response to the findings of the task force, the region's social services committee approved money for a drop-in centre and a shelter to meet the immediate needs of homeless children. According to the executive director of the Children's Aid Society, emergency shelter spaces are, at best, short-term solutions that fail to address the fact that these children have been forced out of their homes by family violence. He advocates the development of preventive programs directed to parents who abuse their children.

Recent research has identified drug and alcohol addiction as a problem affecting a significant proportion of the young who live on the street. A survey of homeless youths in Toronto conducted by Ontario's Addiction Research Foundation (ARF) during February and March 1990, found that nine out of ten street youths abuse alcohol or drugs or both. Interviews were conducted with 145 of the estimated 3,000 to 5,000 homeless young people in Toronto. Two-thirds of the sample were male and the average age was 19 years. The study found that over 40% had attempted suicide at least once, almost half admitted a serious alcohol problem, 95% were current drinkers and 60% reported having three separate drug problems. It is noteworthy that over two-thirds of those surveyed were from areas in Canada other than Toronto, one-fifth had run away from family home before they were 11 years old and 41% had run away four times or more. According to

reports from both the male and female homeless youths in the ARF study, their lack of food, shelter and clothing caused them more difficulties than their substance abuse.

In fact, a lack of food and shelter contributes significantly to health problems. A study of Toronto's homeless found that they suffer from more arthritis, emphysema, high blood pressure, respiratory problems, skin infections and colds than the general population, mainly because they have no place in which to live, to clean themselves and to eat regular meals. Moreover, those who live on the street or in emergency shelters are more vulnerable to physical and sexual violence; 40% of the homeless were victims of physical assault at least once in the last year and one in five women were sexually assaulted. Of those included in the Toronto research, 54% had gone to a hospital emergency department in the previous year. Yet, despite their health problems and needs, many street people are denied access to competent, compassionate medical care and treatment because they are unclean and unpresentable. Indeed, 42% reported being discriminated against by health professionals in emergency rooms and doctors' offices. Some homeless patients described being sent "home" from the hospital to recuperate when they had nowhere to go and no one to look after them. Others reported that doctors and nurses did not respond seriously to their health concerns and problems or treat them with sensitivity. Some recounted being denied medical help altogether. Most received no follow-up care.

In a 1989 study of homeless people in Quebec, carried out by Jean Robert and Jean-Bernard Robichaud, the number of homeless people was estimated at over 10,000 in Montreal alone. It also showed that 94% were males, 70% were singles, 35% were between 18 and 30 years of age, 60% were from the Montreal area and 82% were born in Quebec. The study also found that most of the homeless were using drugs (including prescription drugs) and alcohol. Moreover, a majority of these people reported having experienced physical and sexual abuse during their childhood; most of them did not have a family and were under the care of social workers.

Other studies pointed out that, in addition to these "traditional" categories, people at risk of becoming homeless include low income households - families and persons living alone - the unemployed, immigrants, refugees and victims of domestic violence.

Shelter workers in Ottawa-Carleton have reported that the economic recession has brought about an increase in unemployment and poverty, which have in turn caused a greater demand for the limited temporary emergency shelter space in the region. Local demand for housing has been increased because the region is experiencing an influx of people from the more economically underdeveloped regions of the country who have migrated to central Canada looking for work. Local agencies have pointed out that when people from other parts of the country arrive in the region, they are immediately confronted with a serious shortage of affordable housing. One shelter worker with the Shepherds of Good Hope summed up the problem this way: "It all trickles down to us. When the economy turns bad, we see the effects here."

Government policies for reducing deficits and balancing budgets also help to increase the homeless population. Cuts implemented to welfare programs last year by the Alberta government have reduced or cut off food and shelter benefits to a number of social assistance recipients in the province. A spokesperson for a Calgary city housing agency estimates that about 25 Calgarians are being forced into homelessness every month as a result of the cuts; she foresees a homeless population of about 1,500 by the end of 1994. Over a five-month period, 488 welfare clients were questioned about the impact of the Alberta government's new welfare policies. Of those interviewed, 85% reported they could no longer afford to pay their rent and needed to find less expensive housing immediately, 83% indicated the cuts restricted their ability to purchase food and other basic necessities and 55% were about to be evicted. Almost half of those included in the study had children.

Social and political commentators say that the homelessness problem in Metro Toronto has become more acute in the past year, because of a critical shortage of low-rent housing and the Ontario government's decisions to reduce social assistance payments by 21.6% and end provincial support of non-profit housing.

Provincial welfare cuts, housing activists say, have eroded the ability of many social assistance recipients in the private rental market to pay their rent; the result is a high rate of evictions. For example, in January 1996, the number of households evicted from their rental accommodation was 25% greater than in the previous January.

In January 1996, councillors representing Metro Toronto established an **Advisory Committee on Services to the Homeless and Socially Isolated Persons**. In its **March 1996** report, the committee stated that over half (52%) of Metropolitan Toronto's housing stock is rental accommodation and that the vacancy rate is 0.75%, the lowest in the province. At least one third of renters in the private market live in poverty and rely on monthly social assistance cheques to survive. It is estimated that 85% to 90% of landlords' eviction applications come about as a result of unpaid rent.

Virtually all commentators on homelessness have noted the increasing number of families who rely on emergency shelter for housing. In Ottawa-Carleton, 1,263 families with 2,036 children sought housing in the region's two emergency shelters between January 1986 and August 1988. Of these, 1,008 were single parent families, most of them single mothers. It has been estimated that across Canada, on any given night, 16% to 20% of all emergency shelter spaces (that is, 1,500 to 2,000 people) are occupied by family groups. Homelessness among families in some U.S. cities has reached significant proportions. It was reported that on 9 January 1985, New York City's shelters and welfare hotels took in 20,000 people, 63% of whom entered in family groups. The number of homeless families in New York shelters is such that the city has arranged for buses to circulate among welfare hotels and emergency shelters to pick up children for school. A February 1996 article in the *Globe and Mail* reported a 45% increase since 1995 in the number of families in Metro Toronto seeking emergency refuge. Because insufficient shelter space was available to accommodate this heavy demand, emergency housing providers in Metro had had to house the families in motels. At the time the article was written, over 1,000 people, 600 of them children, were residing along a six-kilometre motel strip in Scarborough. Many of the families had been evicted from their apartments for late- or non-payment of rent, a situation that was attributed to the 21.6% reduction in welfare payments.

Maintaining families in motels is a short-term measure which, on average, costs twice as much as it would to provide the families with social assistance to enable them to live in an apartment. Metro's Hostel Services budget is expected to increase by

\$8.5 million in 1996 to \$53.2 million; Ontario taxpayers pay 80% of the cost of providing the homeless with emergency shelter.

Studies of homeless families have found that shelter living can produce profound behaviour problems among children, since stability, familiar routines, friendships and schooling are all disrupted. A Harvard University Medical School study found that homeless children exhibited learning disabilities, signs of anxiety, severe depression and serious developmental lags. Homelessness has compelled some parents to give their children up temporarily. Children's Aid and Catholic Children's Aid in Metro Toronto have reported that parents who cannot find housing increasingly ask that their children be placed in foster care.

It has been observed that, despite their differences, poverty is a shared characteristic of the "prehomeless" and homeless. Indeed, homeless people are caught in a perpetual cycle of poverty; lack of an address makes them ineligible for welfare assistance and, without welfare, a homeless person cannot rent a place in which to live.

An ever-increasing number of the working poor now in the private housing market are considered to be at risk of becoming homeless. The changing labour market requires fewer semi-skilled and unskilled workers in the primary sector industries where wages are relatively high and more unskilled workers in the service sector where wages tend to be low. Many low-income workers have a tenuous hold on economic stability. Recent evidence indicates that unemployment can cause a number of Canadians to fall out of the housing market because they possess limited or no savings and pay market value rents which absorb a significant proportion of their monthly income. A 1991 Gallup Poll asked Canadians how long they could make ends meet if they or their partner or spouse became unemployed and their unemployment insurance benefits expired. Almost one-half of the Canadian public (49%) reported that they could endure for three months or less in such circumstances.

D. Shortage of Affordable Housing

Housing in Canada is, in the main, constructed by private industry. The construction of middle-income and luxury housing is more profitable than the construction of low-income rental housing. The private sector permanent housing market increases across the country on average 2% to 3% annually, but coincident with this modest increase is a continuously shrinking supply of housing units at the lower end of the market. In Ontario, between 1984 and 1987, all rental housing accounted for less than 20% of the total annual housing starts.

The diminishing availability of affordable housing is in part a result of urban concentration that has led to the "gentrification" of intercity, low-income residential neighbourhoods in some regions of Canada. Gentrification involves the purchase and renovation of older residences by middle-income earners, landlords and developers. Displacement of the incumbent population results from the reshaping of the local housing stock through the purchase of housing for renovation by middle-income earners who are able to outbid local residents in the real estate market; the purchase of rental housing (apartments and rooming houses) for conversion into single family dwellings and condominiums; and the demolition and redevelopment of neighbourhoods for higher income households. The Ontario Task Force on Roomers, Boarders and Lodgers has estimated that between 1982 and 1986 the city of Toronto lost 1,700 rooming houses each year through demolition and conversion.

A study carried out by the Council on Aging of Ottawa-Carleton reveals that there is a lack of affordable housing for seniors, mostly women, in the \$10,000 to \$30,000 income range. Information compiled by the Council from the 1986 census shows that women 65 and older make up 83% of the elderly population in Ottawa; 85% of these women are living in rented accommodation. Senior women in general have limited incomes as most of them spent little or no time in the labour force and thus have no company pension benefits as income.

Following the logic of supply and demand, as the supply of rental housing has been constricted, demand has increased and rents have escalated in most parts of Canada. Rents in Toronto increased from a monthly average of \$562 for a three-bedroom apartment in 1984 to \$738 in 1988. This represents a 31.3% increase. Over the same period, the average rent for a

three-bedroom apartment in Saint John increased by 24.8% - from \$342 to \$427 per month. The working poor and social assistance recipients who cannot afford to leave the urban core tend to spend a higher than average proportion of their income on housing.

Households paying over 30% of their income on rent (one commonly used criterion in determining the need for housing assistance) increased in Canada during the 1980s. Between 1976 and 1981, 23% of Canadian households were in this category; by 1985, the percentage was 27.8. A 1984 study on women and housing found that across Canada in 1980, 38% of female renters paid more than 30% of their income on rent, while the Canada Mortgage and Housing Corporation has reported that this is true for 40% of female single parents (whose housing, moreover, is also crowded or in need of physical repair). According to a 1987 survey by the Canadian Council on Social Development, housing costs may account for as much as 40 to 60% of the budget of social assistance recipients and working-poor families. The problem is particularly acute for those who live in large urban centres like Toronto, Ottawa and Vancouver. The poor who cannot find any affordable housing in the private market must often wait years for public housing. The stock of subsidized housing for the poor is estimated to be 500,000 units for all of Canada. As of May 1996, there were 30,000 people on a waiting list for subsidized housing in Metro Toronto; for those wishing to add their names to the list, the wait is at least six years.

The "big city mayors' caucus" of the Federation of Canadian Municipalities held its first housing symposium in 1991 in Vancouver. Caucus members expressed concern that declining financial support for housing from the federal and provincial governments could result in a level of homelessness and substandard dwellings in Canada comparable to that of some American cities. The mayors called for a "national action plan" on homelessness, involving three levels of government and adopted a resolution calling for a moratorium on the Goods and Services Tax as it applies to rental housing. The group also called on the federal government to reinstate the rental residential rehabilitation program and to renew its commitment to supporting non-profit co-operative housing.

In March 1991, the Federation released a report, entitled *Housing and Homelessness*, on an examination by the big city mayors' caucus of the housing situation in 16 major centres across Canada. Of Canada's 2.6 million renting households, 560,000 (one in five) were found to be in dwellings classified by the Canada Mortgage and Housing Corporation as inadequate or unsuitable. Senior citizens were identified as most likely to have difficulty in affording accommodation, but the report stated that if single parents had been examined separately in the study, they would have been shown to be in similar need.

The mayors of Canadian major cities stress that a commitment to increasing the affordable housing stock for all Canadians has to move to the top of the political agenda if the country is to avoid urban wastelands of poverty, racial strife and crime. They propose that municipalities invest in renovation projects and modify zoning regulations and building codes to create affordable housing. As well, they call upon the federal government to invest at least \$100 million more each year to build subsidized housing.

During its conference in Montreal in April 1991, the caucus of big city mayors recommended the provision of assistance to the homeless and those who are at risk of becoming homeless. They said that such assistance should be given to people with psychiatric problems and to aboriginal people. Services must also be extended to those who live in social housing, while there must be financial assistance for the owners and administrators of hostels and boarding rooms. The caucus also recommended that groups and organizations dealing with homeless people be encouraged and assisted.

In the April 1993 federal budget, the government stated that its financial support for social housing through the Canada Mortgage and Housing Corporation (CMHC) would not be increased beyond the current level of \$2 billion a year. A month later, in its 1993 review of a report by Canada, the UN Committee on Economic, Social and Cultural Rights observed that, contrary to its expectations, although many people in this country are homeless or living in inadequate housing, Canada spends only 1.3% of government expenditures on social housing. The Committee also noted the absence of any mention of the problem of homelessness or figures on its extent in the Canadian report.



In July 1995, 385 planned non-profit and co-operative housing projects in Ontario were cancelled by the newly elected Conservative government on the grounds, according to the Ontario Housing Minister, that government involvement in the housing field is inappropriate and construction of affordable rental units is best left to the private sector. The Ontario government intends to end provincial support of social housing and replace it with shelter subsidies paid to people who are unable to pay market rents. As well, the provincial government plans to sell the 84,000 houses and apartments it owns under the Ontario Housing Corporation. Tenants who have the resources will be given the option to purchase their units.

Housing activists predict serious shortages in affordable housing in the province over the next five years. Given the high costs and relatively small economic returns associated with low-cost rental housing construction, it is unlikely that private companies will rush to fill the void created by the province's retreat from the social housing field. Further, if the demand for low-cost housing exceeds the supply, it is anticipated that some landlords will exploit the situation by raising rents, thereby increasing the homeless population in Ontario.

During the months of January and February 1996, three homeless men froze to death in Metro Toronto. In July 1996, the coroner's jury serving on the inquest into these deaths released its report. In the preamble, the jury urged government at all levels "to make a concerted and serious effort to alleviate the burden of this group of people to allow them to live in dignity." Among its many recommendations, the jury urged stakeholders (i.e. government, landlords, developers, community organizations, tenants and homeless people) "to develop a plan of action to ensure that the homeless...have access to appropriate housing and support services." In addition, the jury recommended that tenants served with an eviction notice be provided with legal aid and a list of relevant community organizations to encourage mediation of landlord/tenant disputes and reduce eviction rates.

E. Responses to Homelessness

The present crisis of homelessness has given rise to a number of initiatives, some from governments and some from homeless people themselves.

In an attempt to respond to the multiple needs of Ottawa-Carleton's homeless people, the Ontario Ministry of Health in 1991 approved a \$365,000 grant to the region for a community-based support program. The grant pays the costs to hire five caseworkers to help former psychiatric patients find employment, secure housing and obtain access to social services in the community. Caseworkers also ensure that ex-patients who are under medical care take their medication and attend their appointments with doctors. The program is reported to be functioning well.

To break the cycle of poverty associated with homelessness, a pioneer agreement by the city of Montreal, the province of Quebec and two community groups makes it possible for homeless people to receive welfare payments. Provisions of the agreement include two consecutive months of payments of approximately \$400 per month to Montreal's homeless people who agree to job counselling and to look for housing. There are an estimated 27,000 homeless people currently in the city.

Also in Quebec, in 1986 a housing co-op called Kogaluk was founded north of Aylmer. It offers permanent, as opposed to temporary, housing for the chronically homeless. Unlike shelters that serve only the transient, Kogaluk allows residents to stay as long as they like. Many of these residents are former psychiatric patients and former prisoners who were recruited on the streets, in soup kitchens and through word of mouth. To join the co-op, candidates must be accepted by all of the members, pay \$100 a month towards household bills and buy their own food. The co-op is situated on three acres of land; residents farm the land and sell the produce locally. They are allowed to live and work according to their capability. Kogaluk receives funding from the West Quebec United Way and donations from religious organizations.

The homeless themselves are increasingly taking action in the hope of improving the situation. For example, in December 1991, the *Front d'action populaire en réaménagement urbain* (FRAPRU) organized a demonstration in which Quebec people who were homeless or living in

substandard housing protested against the federal government's decision to cut funds for the construction of social housing.

Other homeless people have spoken out; for example, some have demanded round-the-clock emergency shelters and the training they need to become employable. During a symposium for the homeless, held in Montreal on 22 and 23 January 1992, participants from Toronto and Nancy, France, discussed strategies they had implemented. Street City in Toronto was one example. This pilot project was launched in a residential, Toronto neighbourhood with a grant of \$600,000, the efforts of community workers, and the active involvement of the homeless population. A former Canada Post warehouse was converted into six 12-room units providing shelter for 72 homeless people (former psychiatric patients, alcoholics and unemployed persons). Residents are actively involved in running the project on a community basis.

A number of states in the United States have developed programs to prevent homelessness. These programs offer a range of services to low income renters and homeowners facing eviction or foreclosure on their mortgage. Services include: mediation between landlords and tenants, financial assistance for overdue rent and mortgage payments, and counselling in budget management. Underlying these initiatives is the belief that one solution to homelessness is to keep families from losing their homes in the first instance. Two of these homelessness prevention programs are described below.

The Eviction Prevention/Rent Bank Program in Connecticut has been operating since 1989. It provides free mediation services between landlords and tenants and funds to help tenants pay rent that is in arrears. Mediators have the authority to withdraw from a "rent bank" up to \$1,200 or two months' rent, whichever is less. This money is used to make up the difference between the monthly rent bill and what a tenant is able to pay. A review of the program has found it to be cost-effective and successful in preventing evictions. In New Haven, where it costs \$7,000 to shelter a family in a motel for approximately three months, the average rent bank payment was less than \$1,000. Approximately half of the mediations have resulted in agreements; in half of these cases, rent bank funds were not required. In the city of Hartford, the program has prevented 46 evictions of families, of whom one-third eventually paid the outstanding rent in full.

The Homeownership Protective Effort, which began in 1983, was operating in 19 locations in five states in 1991. It takes a "case-management" approach to low- and moderate-income households that are behind in their mortgage payments. It provides counselling and mediation services, assistance with budgeting, and emergency funds for food; program staff negotiate with creditors on behalf of the client. As well, the program supports unskilled, uneducated and unemployed clients by enrolling them in job training or education courses. Clients are referred to the program by the lending institution that holds their mortgage. The program is paid a monthly fee for each client by participating lenders and a flat rate per client by utility companies. Since 1983, the program has assisted 2,300 households, a little less than one-third of which have paid their outstanding mortgage payments in full; less than 5% of cases have ended in foreclosure.

PARLIAMENTARY ACTION

Although the Constitution grants the provinces authority over housing policy and programs, all levels of government in Canada are involved in housing and prior to 1970 virtually all housing policy was federal. The policies and programs that have evolved address the quantity, quality and cost of housing.

Prior to 1970, government programs assisted a little over one-third of housing starts, less than 5% of which were directed toward low-income housing. During the 1970s federal program assistance increased to 40% of housing starts. By 1986, government programs had dropped to 14% of housing completions and 8% of this federal assistance was directed toward low-income Canadians.

Three federal Acts passed in the 1930s were directed toward increasing housing stocks to ease shortages and promoting job creation through stimulating the private housing market. The *Dominion Housing Act* (1935), the first national housing legislation, provided \$20 million in loans that helped to finance 4,900 units over a three-year period. The 1937 *Federal Home Improvement Plan* subsidized the interest rates on loans for housing rehabilitation to 66,900 homes.

The 1938 *National Housing Act* (NHA) helped the creditworthy to buy a house, assisted in making low-income housing sanitary, and provided for the modernization of existing housing stock. The Act also provided for construction of low-rent housing.

During the Second World War, the federal government created a Crown corporation, the Wartime Housing Corporation, which built 45,930 housing units over eight years.

The corporation also assisted in the repair and modernization of existing houses. In 1946 its assets passed to the Central Mortgage and Housing Corporation (CMHC), later the Canada Mortgage and Housing Corporation, to provide home buyers with mortgages at favourable rates. Today CMHC is the main agency responsible for administering housing policy at the federal level.

In 1949, the NHA was amended to provide for joint federal-provincial programs to construct publicly owned and provincially managed housing for low-income families, the disabled and seniors. In 1954 the federal government began insuring loans for mortgages made by private investors against borrower default. Amendments to the *Bank Act* were made to enable chartered banks in Canada to lend money for mortgages and allowing the federal government to reduce its involvement in lending. In 1964, the federal government introduced legislation that allowed for the transfer of loans of up to 90% to the provinces for the construction of provincially owned public housing. The legislation also authorized CMHC to provide loans directly to municipal and private nonprofit corporations.

In Canada, almost all social housing units are owned by the provinces, municipal governments or their agencies. The federal role in social housing consists of long-term contractual commitments to share operating costs with the provinces. A 1984 CMHC review defines the objective of social housing policy to "assist Canadians whose income is insufficient to gain access to adequate housing by encouraging and supporting in conjunction with the provinces, municipalities and their agencies, the provision of low- and moderate-income public housing and by encouraging the establishment of non-profit and co-operative housing programs." In general terms, public housing is rental housing at less than market rent aimed primarily at low-income households comprising the working poor, welfare recipients and poor seniors. In 1994, the federal government

spent \$1.9 billion on more than 661,000 social housing units, including public, low rental, rural, native, non-profit, co-operative and rent supplement accommodation.

During the 1970s, incentives to stimulate home buying and home and neighbourhood rehabilitation were introduced. Measures to encourage home ownership included tax-exempt Registered Homeownership Savings Plans, the Assisted Homeownership Program, and amendments to the *Income Tax Act* that excluded principal residences from capital gains tax. Federal funds were also directed toward residential rehabilitation assistance, neighbourhood improvement and home insulation programs. The rehabilitation and home improvement funds assisted homeowners and landlords to upgrade 315,000 homes between 1974 and 1986. It was also during the 1970s that all provinces established housing departments and began taking on a stronger role in housing policy development and priority setting.

The public housing constructed prior to the 1970s was 100% geared to income. The result was the formation of ghettos of poverty unpopular with both tenants and local communities. Amendments to the NHA introduced in 1973 provided financial assistance for new home buying, loans for cooperative housing, and low interest loans to 100% of a project's value for municipal and private nonprofit housing. One of the thrusts of the legislation was to integrate different income levels within housing projects to encourage dispersion of low-income families within the community. One of the consequences of the income-integrated projects, however, was that two-thirds to three-quarters of the housing went to middle-income families and many families in need were not accommodated.

At the beginning of the 1980s, three temporary federal programs were introduced to assist middle-income families. The Canadian Home Ownership Stimulation Program provided grants to home buyers. The Canada Mortgage Renewal Plan assisted homeowners in paying that portion of their mortgage and property tax that, as a result of mortgage renewal at higher interest rates, exceeded 30% of their income. The Graduated Payment Mortgage Plan helped homeowners reduce monthly mortgage payments.

During the first five years of the 1980s, 1.7% of total federal government budget went to housing. During the latter half of the decade, this figure dropped to 1.4%. Of all the

program areas of the federal government, housing has had and continues to have one of the smallest expenditures. Most of the decline in housing expenditures during the 1980s was in market housing (e.g. home ownership and rental construction assistance) as opposed to social housing programs. Over 90% of federal housing funds are spent on subsidizing social housing projects.

In 1986, the federal government introduced its New Housing Directions, which made two changes related to public housing policy. Social housing was directed to households in "core need" (a shift away from mixed-income housing projects), and the delivery of social housing programs was devolved to provincial and territorial governments.

In early 1992, the federal government tabled a constitutional proposal calling for an end to its financial involvement in a number of areas of provincial jurisdiction (for example, tourism, mining, urban affairs and housing). Experts in the housing field viewed this development as a blow to social housing programs. In the budget of February 1992, the federal government terminated its federal cooperative housing program. Over its lifetime, the program built nearly 60,000 homes for low- and moderate-income Canadians. A little over a year later, the federal government froze expenditures for social housing. In its April 1993 budget the government restricted its future financial support for social housing to 1993 levels.

The 1995 federal budget proposed a 6% (\$128 million) decline in CHMC spending by fiscal year 1997-98. Because more than 90% of federal funds for housing is directed at social housing programs, this sector will be the one most affected by the reduction in federal support.

CHRONOLOGY

- 1935 - The *Dominion Housing Act*, the first national housing legislation, provided \$20 million in loans and helped finance 4,900 units over three years.
- 1937 - The *Federal Home Improvement Plan* subsidized the interest rates on loans for housing rehabilitation.
- 1938 - The *National Housing Act* provided assistance to home buyers, helped to make low-income housing sanitary, and provided for the modernization of existing stock.

- 1946 - The assets of the Wartime Housing Corporation passed to the Central Mortgage and Housing Corporation (CMHC), later the Canada Mortgage and Housing Corporation, to provide home buyers with mortgages at favourable rates.
- 1949 - The *National Housing Act* as amended to provide joint federal-provincial programs to construct public housing.
- 1954 - The federal government began insuring loans for mortgages made by private investors against borrower default and the *Bank Act* was amended to enable chartered banks to lend mortgage money.
- 1964 - Federal government introduced legislation that allowed for loan transfers of up to 90% to the provinces for the construction of provincially owned public housing.
- 1969 - The federal Rent Supplement Program provided low-income households in private rental accommodation with the difference between market rent and 25% of income.
- 1973 - Amendments were made to the *National Housing Act* to provide financial assistance for new home buying, loans for cooperative housing, and low interest loans for municipal and private nonprofit housing. One of the thrusts of the amendments was to integrate different income levels in social housing projects.
- 1974 - The Rural and Native Housing Program provided new housing and renovation assistance for low-income native and non-native people living in rural areas and towns with populations of 2,500 and less.
- 1976 - Habitat, the United Nations Conference on Human Settlements, was held in Vancouver. Governments collectively proclaimed the international community's commitment to promoting decent shelter and living conditions throughout the world.
- 1986 - The federal government introduced its New Housing Directions, which, among other things, directed social housing programs to households in need and devolved the delivery of housing programs to the provinces and territories.
- 1987 - The UN International Year of Shelter for the Homeless focused attention on the homeless and on the need for national and international efforts to improve the shelter and neighbourhoods of the world's poor.

- 1989 - The Federal Housing Minister indicated that he hoped to have a plan in place by fall 1989 to assist first-time home buyers. The proposal would reduce to 5% the current 10% down-payment required for homes purchased with the backing of CMHC.
- 1990 - In its February 1990 budget, the federal government cut the amount of new money promised for low-cost housing by \$51 million over two years.
- 1992 - In its February 1992 budget, the federal government terminated the federal cooperative housing program. Over its lifetime, the program built nearly 60,000 homes for low- and moderate-income Canadians.
- 1993 - In its April 1993 budget, the federal government announced that it would not increase its funding for social housing beyond the current level of \$2 billion per year.
- 1995 - The 1995 federal budget proposed a 6% or \$128-million decline in CHMC's spending by fiscal year 1997-98.

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