

WELLESLEY INSTITUTE

Precarious Housing in Canada

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“The health of Toronto must necessarily mean the health of its citizens. It must mean, too, the continued progress and development of Toronto along desirable lines. We have a great and beautiful city that has been blessed by honest and efficient government. It is a city enviably situated, a city of fine residential areas, of beautiful buildings, of high standards of citizenship. That is how we see it; but I fear, in all candour one must confess that this city, in common with every large city, has acquired inevitable ‘slum districts’. These areas of misery and degradation exert an unhappy environmental influence upon many of our citizens. You will probably say: ‘But Toronto has few such areas and they are not of great extent!’ I say, and I think you will agree with me, that Toronto wants none of them, and that the Toronto of the future which we like to contemplate will have none of them.”

Hon. Dr Herbert Bruce, *Lieutenant-Governor of Ontario, 1934*
Speaking on the occasion of Toronto’s 100th anniversary celebrations

Dr Bruce was founder of the Wellesley Hospital in 1911.
The Wellesley Institute is a legacy of the Wellesley Hospital.

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SUMMER 2010

EXECUTIVE SUMMARY: To whom it may concern:

We are pleased to present you with the following recommendations and executive research and policy background support information.

Note: The Wellesley Institute defines *affordable housing* as housing costs that exceed 30% of household income. This definition stands in contrast to the federal government's, in which "affordable" means any rent or housing cost that is 80% or less of gross market rents. Instead of defining affordability based on housing markets, we define affordability based on household income. The Wellesley Institute recognizes that a significant number of Canadians are precariously-housed – living in housing that is not affordable, over-crowded and/or sub-standard

AFFORDABLE HOUSING AS A CONTRIBUTOR TO BETTER HEALTH

Precarious housing in Canada, whether defined by the level of inadequate or affordable housing, homelessness, or under-housing, can be solved in this decade; the mechanisms already exist, but the will to do so must be nurtured.

People's ability to find, and afford, good quality housing is crucial to their overall health and well-being, and is a telling index of the state of a country's social infrastructure. Lack of access to affordable and adequate housing is a pressing problem, and precarious housing contributes to poorer health for many, which leads to pervasive but avoidable health inequalities.

The lenses through which we consider precarious housing combine two concepts: *health equity* and the *social determinants of health*. Health equity suggests that the role of society is to reduce the health disparities gap between those who are advantaged and those who are marginalized or disadvantaged by shifting the equity gradient upward. The social determinants of health recognize the non-medical and socio-economic contributors to better health; for example, the greater a population's income, education, and access to healthcare and affordable housing, the better its health will be.

This report demonstrates the link between the improvement of precarious housing and better population health (which leads to reduced health inequities). It also provides a strong vision for a national housing plan for rectifying the problem of precarious housing, which we hope will provide the framework for continued serious debate. Consequently, the report is presented in two parts: Part I reviews precarious housing in the national and international context, and part II addresses policy actions toward a national housing plan.

This report is meant to address a wide range of issues from which various stakeholders (e.g., governments, housing advocates, private and public sector housing providers) can draw information and action points.

PRECARIOUS HOUSING RECOMMENDATIONS

Vision 2020: Targets and timelines

We recommend the following targets and timelines to meet the housing needs of Canadians:

Years 2011/12/13 Annual target

New affordable homes	50,000 homes
Repairs to existing homes	20,000 homes
Affordability measures*	150,000 households

Years 2014/15/16/17 Annual target

New affordable homes	60,000 homes
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Years 2018/19/20 Annual target

New affordable homes	70,000 homes
Repairs to existing homes	20,000 homes
Affordability measures*	150,000 households

* For housing that costs 30% or less of income

Note: To meet these targets, governments must continue their current housing expenditure commitments.

Part II of this report, *Vision 2020: Toward a National Housing Plan* details how these goals can be achieved. Meeting these goals and ensuring access to affordable, decent housing for all will make an immense contribution not only to the immediate health conditions and prospects of so many vulnerable people but also to the overall health of Canadians.

THE WELLESLEY INSTITUTE'S FIVE-POINT PLAN TO REDUCE PRECARIOUS HOUSING

One: Accept the Wellesley Institute's Vision 2020 targets:

- Fund 600,000 new affordable homes – cost-shared among federal, provincial, territorial, and municipal governments, and the affordable housing sector. Supply targets would increase over the years as the capacity of the sector grows.

- Repair 200,000 low- and moderate-income homes (in addition to the current annual allocation of 20,000 homes).
- Provide affordable housing allowances (shelter subsidies) to up to 1.5 million low- and moderate-income households, based on determination of need.

Two: Maintain the current consolidated government housing investments at the \$6 billion level:

- Eliminate the automatic “step-out” in federal housing investments.
- Create a benchmark for federal housing investments at 1% of GDP.
- Develop more robust housing indicators at the national and community levels that measure all the dimensions of housing insecurity.

Three: Ensure a full range of adequate, innovative, and sustainable funding options:

- Establish direct grants as incentives for private capital.
- Create innovative financing options such as a housing financing facility at the federal level funded by issuance of “affordable housing bonds.”
- Establish a social housing investment fund.
- Amend the National Housing Act and the mandate of Canada Mortgage and Housing Corporation (CMHC) to strengthen their leadership role in affordable housing development; reinvest part of the annual surplus of CMHC in affordable housing initiatives.

Four: Identify and support innovative and successful community practices:

- Build national policies and programs that support local priorities as per the successful model of the National Homelessness Initiative.
- Initiate inclusionary housing legislation.
- Partner financially with community housing providers.
- Develop and implement the appropriate regulatory tools, mainly at the provincial and municipal levels, including land-use planning inclusionary housing policies.

Five: Build on the solid housing recommendations foundation of prior housing commissions:

- Complete the process that began with the federal-provincial-territorial affordable housing agreement of 2001 and the White Point Principles of 2005 to create a permanent federal-provincial-territorial affordable housing agreement.

- **Move Bill C-304 – draft legislation to create a comprehensive national housing strategy that has undergone a six-month consultative process – through the Parliamentary process Support the housing and homelessness recommendations in the Senate report In from the Margins, including the enhancement of existing federal housing and homelessness initiatives. Research background: The link between precarious housing and health**

Stakeholder collaboration process

First, our research and policy recommendations are a result of a consultative process with numerous stakeholders within the housing sector, governments, third-sector service providers, private-sector housing developers, and academic leaders. This report was shared with several housing and social policy experts, and we have benefited from their advice. We thank all the individuals and organizations who provided insights and recommendations.

Second, this report has been prepared for a range of housing stakeholders, including policy advisers, government decision makers, affordable housing associations and advocates, housing networks, and consumers. Our goal is to provide sound evidence-based research, recognize the experiences of those living below the affordability line, provide achievable 10-year targets, and stimulate an ongoing discussion on how this country can move forward on effectively rectifying the issue of precarious housing.

Third, while this report deals mainly with the national perspective and possible federal initiatives, it recognizes and promotes policy and cost sharing among the provinces, territories, municipalities, and the private sector.

Assessing the impact of precarious housing on population health

Affordable housing is one of the most fundamental requirements for good health. In his annual report to Canadians in 2009, Canada's chief public health officer Dr. David Butler-Jones, drew the connections between housing and health:

Shelter is a basic need for optimal health. Inadequate housing can result in numerous negative health outcomes, ranging from respiratory disease and asthma due to moulds and poor ventilation, to mental health impacts associated with overcrowding.¹

The Social Determinants of Health Commission of the World Health Organization (WHO) indicated the strong link between health and housing in its final report, released in 2008. According to the commission, the health impacts arise from the physical quality and the affordability of housing to urban planning and financing issues:

One of the biggest challenges facing cities is access to adequate shelter for all. Not only is the provision of shelter essential, but the quality of the shelter and the services associated with it, such as water and sanitation, are also vital contributors to health... Many cities in rich and poor countries alike are facing a crisis in the availability of, and access to, affordable quality housing. This crisis will worsen social inequities in general, and in health in particular.²

Numerous studies suggest that homeless people, a growing part of the precarious housing problem, are at high risk for illness and have higher death rates than the general population. In a comprehensive 11-year study across Canada, Dr. Stephen Hwang and his colleagues note that living in shelters, rooming houses, and hotels is associated with a much higher mortality rate; the probability that a 25-year-old living in one of these settings would survive to age 75 is only 32% for men and 60% for women.³ These figures would be comparable to the probability of men in the general population in 1921 surviving to age 75 and the probability of women in the general population in 1956 surviving to age 75 in Canada.

Findings from this and other studies indicate that younger cohorts of men and women among the unstably housed population have a higher risk of dying. For example, homeless women 18 to 44 years old were 10 times more likely to die than women of the same age group in the general population of Toronto.⁴

Health, homelessness, and precarious housing

Extensive literature exists on the powerful and adverse relationship between homelessness and poor mental and physical health.⁵ The evidence, both at a national and international level, indicates that individuals that are homeless tend to have multiple, complex health needs that are often exacerbated by periods of homelessness and/or stays in marginal or temporary accommodation.

Epidemiological studies point to elevated rates of poor health among individuals who are homeless, including mental illness,⁶

¹ Available at <http://www.phac-aspc.gc.ca/publicat/2009/cphorsphc-respcacsp/index-eng.php>

² Available at http://whqlibdoc.who.int/publications/2008/9789241563703_eng.pdf

³ S.W. Hwang et al. "Mortality among Residents of Shelters, Rooming Houses, and Hotels in Canada: 11 Year Follow-up Study," *BMJ* 339 (2009): b4036.

⁴ A.M. Cheng, and S.W. Hwang. "Risk of Death among Homeless Women: A Cohort Study and Review of the Literature," *Canadian Medical Association Journal* 170, no. 8 (2004): 1243-47.

⁵ Frankish [?]; S.W. Hwang, "Homelessness and Health," *Canadian Medical Association Journal* 164, no. 2 (2001): 229-33; CIHI. *Improving the Health of Canadians: Mental Health and Homelessness* (Ottawa: CIHI, 2007); N. Pleace, and D. Quilgars. *Health and Homelessness in London: A Review* (London: The King's Fund).

⁶ W.H. Martens. "A Review of Physical and Mental Health in Homeless Persons," *Public Health Review* 29 (2001): 13-22.

THE PRECARIOUS HOUSING “ICEBERG”

Visible homeless: 150,000 - 300,000

Hidden homeless: 450,000 - 900,000

Overcrowded: 705,165 h/hs

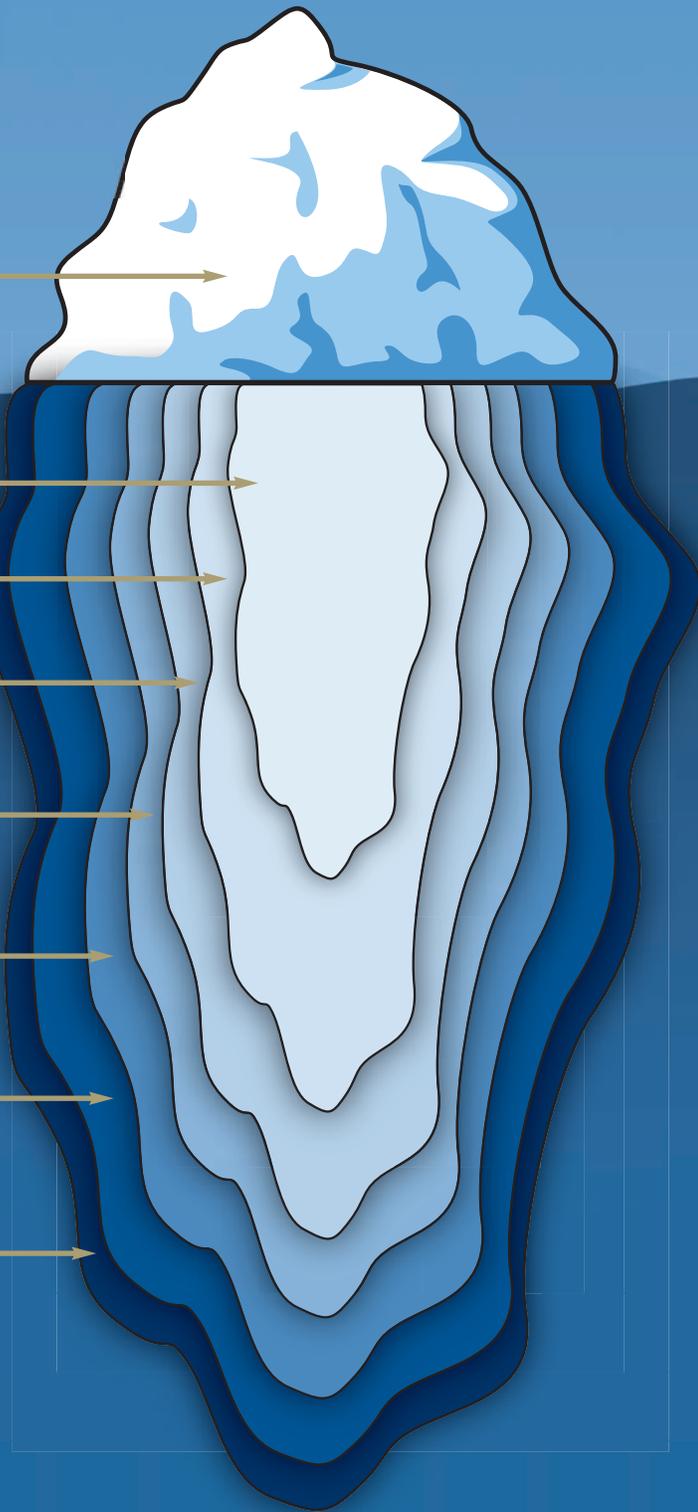
Substandard housing:
1.3 million h/hs

Core housing need:
1.5 million h/hs

Inadequate housing: 2 million h/hs
(minor repairs)

Annual housing supply deficit:
220,000 h/hs

Unaffordable housing: 3.1 million h/hs
(paying > 30%)



infectious diseases (HIV and TB),⁷ and substance-abuse related ailments and injuries.⁸

Much of our knowledge of the mental health issues for the marginally housed relies upon research conducted with the homeless who represent some of the most extreme life circumstances and, as a consequence, are likely to experience the most extreme rate of morbidity and early mortality. The health experiences of the “hidden” homeless have received little attention.⁹ There may be “graduated” improvements in health associated with improvements in housing stability. What little health research does exist in this area seems to support this theory.¹⁰

THE PRECARIOUS HOUSING “ICEBERG”

Housing insecurity and homelessness in Canada is like an iceberg – the biggest part of the problem is largely hidden from view. “Unsheltered” people sleeping on benches in urban parks may be the most common image of Canada’s housing troubles, but they represent just a fraction of the overall numbers. While the housing and service needs of people who are absolutely without a home are urgent, the needs of the millions of other Canadians who are inadequately housed deserve serious attention and an effective response.

THE LAYERS OF THE PRECARIOUS HOUSING “ICEBERG”

Precarious housing in Canada 2010: A two-part approach

Precarious Housing in Canada 2010 is divided into two parts: Part I reviews precarious housing in the national and international context, and part II presents policy actions toward a national housing plan. We draw on the latest numbers on housing needs and housing spending to provide the evidence and analysis for a comprehensive and effective national housing plan that seeks to answer four key questions:

- What is the present state of housing and homelessness in Canada?
- How adequate and effective are the policy, program, and funding responses that are currently offered?
- What can we learn from housing successes in Canada and elsewhere?
- What is the way forward toward a comprehensive national housing plan that truly meets the housing needs of Canadians?

THIS REPORT REACHES FOUR CENTRAL CONCLUSIONS:

First, housing insecurity and homelessness remain deep and persistent throughout Canada.

No matter how you measure it, a significant number of Canadians are precariously housed:

- Of the 12 million households in Canada, about 1.5 million households are in “core housing need” – Canada Mortgage and Housing Corporation’s definition of those who are in the greatest need.
- An estimated 3.3 million households live in homes that require repairs; and 1.3 million of those households report the need for major repairs (those that affect the health and safety of the people living in the housing).
- Housing affordability continues to erode as both rental and ownership costs continue to rise and 1.5 million households are involuntarily paying 30% or more of their income on shelter.

Second, the nationwide affordable housing crisis is costly to individuals, communities, the economy, and the government.

The costs can be measured in many ways:

- Poor housing is directly linked to poor health. Numerous research reports funded by the Wellesley Institute and others point to a good home as one of the most important determinants of health. Inadequate housing and homelessness leads to increased illness and premature death.
- Communities are disrupted by poverty and poor housing. Increasingly, Canada’s urban areas are being divided by income, and this is leading to dramatic inequalities in housing and health. A good home is critical for individuals and households to effectively participate in the social and economic lives of their community.
- Increasingly, business organizations recognize that a good home is not only a social and health issue but also an important economic issue. The ability of employers to attract and retain a qualified workforce depends on good homes in good neighbourhoods.

⁷ S. Goldfinger et al. HIV, Homelessness and the Severely Mentally Ill. The National Resource Center on Homelessness & Mental Illness, Policy Research Associates Inc., The Center for Mental Health Services, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, 1998; E. Susser et al. “Injection Drug Use and Risk of HIV Transmission among Homeless Men with Mental Illness,” *American Journal of Psychiatry* 153 (1996): 794–98.

⁸ Living in Fear (London: Crisis and LSE Mannheim School, 2005); Angela Cheung, and Stephen Hwang. “Risk of Death among Homeless Women,” *Canadian Medical Association Journal* 170, no. 8 (2004): 1251–52.

⁹ P. Kenway, and G. Palmer. *How Many? How Much? Single Homelessness and the Question of Numbers and Cost* (London: Crisis and the New Policy Institute, 2003).

¹⁰ M. Shaw, D. Dorling, and N. Brimblecombe. “Life Chances in Britain by Housing Wealth, and for the Homeless and Vulnerably Housed,” *Environment and Planning A* 31, no. 12 (1999): 2239–48.

- The cost of “doing nothing” in the face of deep and persistent housing insecurity and homelessness – as measured by increased health, justice, education, and social services costs – far outweighs the cost of solutions. The 2008 report *Breaking the cycle: Ontario’s Poverty Reduction Strategy* stated that poverty in Ontario cost the provincial and federal governments up to \$13.1 billion annually.

Third, federal housing and homelessness investments on an indexed basis have been eroding since 1989.

By the year 2013:

- Federal housing program spending will drop by 18% from \$2.3 billion to \$1.9 billion.
- The federal Affordable Housing Initiative will be cut from \$164 million to \$1 million.
- Households receiving federal housing support will drop by 7% from 621,700 to 578,479.
- Funding will be cut to zero for the federal Homelessness Partnering Strategy and the federal Residential Rehabilitation Assistance Program.

Fourth, although the federal government has developed a collection of housing initiatives, Canada does not have an integrated, cohesive, and recognized national housing plan.

- Australia’s Commonwealth-State Housing Agreement was first negotiated in 1945, and eight times since then. In 2008, the federal and state governments in Australia adopted a new National Affordable Housing Agreement.
- In the United States, the federal government has an extensive housing role in both funding and regulation. In his most recent budget proposal, President Barack Obama is calling for a 2.8% increase in federal housing funding, including \$1 billion to capitalize the national housing trust fund that was created by former president George W. Bush.
- The British government stepped up its national housing plan with the Building Britain’s Future initiative of 2009, which included a \$3.1 billion investment in new homes, and a ramping up of support for both social and private rented homes.
- The United Nations’ Special Rapporteur on the Right to Adequate Housing concluded his fact-finding mission to Canada with a report tabled in 2009 at the United Nations Human Rights Council (UNHRC) that concluded that Canada is failing

to meet its international housing rights obligations and that housing rights are being eroded in Canada.

- During the Universal Periodic Review of Canada’s compliance with its international housing and other human rights obligations in February 2009, the UNHRC made a series of specific recommendations to the federal government to improve Canada’s housing record. In June 2009, in Canada’s formal response to the United Nations, the federal government promised to work more closely with the provinces and territories on housing and poverty issues.

A CALL FOR AN AMBITIOUS 10-YEAR PLAN

We recognize the great difficulty that national governments are facing in dealing with the balance between social needs and massive deficits. This is a period of such monumental challenge that even nations once thought of as stable sovereign states are on the verge of bankruptcy (e.g., Greece). However, this cannot stop Canada, a nation that has emerged relatively much better from the “great recession,” from acting now to address precarious housing.

Our recommendations call for Canada to create targets over the next decade that address core housing need, needed repairs to unsafe housing, and housing subsidies to those living below the affordability line. These targets would be met by equal funding from the federal government, the provincial/territorial/municipal governments, and the affordable housing sector.

A financially affordable plan for Canada

Precarious Housing in Canada 2010 sets out the latest facts and figures about housing insecurity and homelessness in Canada. It also sets out the many costs and scrutinizes government investments in affordable housing over the past decade.

Most important, part II sets out the key components of a new national housing plan for Canada that will significantly improve access to affordable housing and contribute to enhancing health and health equity. This plan fully engages the federal, provincial, territorial, and municipal governments, along with the community and private sectors.

According to the Conference Board of Canada:

- Housing unaffordability negatively affects Canadians’ health, which reduces their productivity, limits national competitiveness, and indirectly drives up the cost of health care and welfare.
- All stakeholders must act to improve housing affordability. First, however, Canada needs a reconfigured approach to housing development and allocation, which will require stakeholders to refocus on their core competencies.

- Exemplary building, operating, and financing models, and the diagnostic and planning tools provided in this report, can help stakeholders act.¹¹

Access to affordable housing is highly linked to improved individual and societal health. We need to act now if we are to alleviate the challenge of precarious housing as seen by the explosion in areas such as homelessness and unaffordable housing. Governments can virtually eliminate this inequity by maintaining current spending. We urge governments to accept the recommendations in this report.

Respectively submitted on behalf of the Wellesley Institute,

Michael Shapcott, *Director: Affordable Housing and Community Innovation*

Richard Blickstead, *CEO*

Dr. Bob Gardner, *Director: Public Policy*

Dr. Brenda Roche, *Director: Research*

The Wellesley Institute wishes to acknowledge and thank all those who contributed to this report.

The Wellesley Institute is a leading national applied research and pragmatic public policy solutions institute working to advance population health through the lenses of health equity and the social determinants of health. Currently the Wellesley focuses on the issues of precarious and affordable housing, healthcare reform, immigrant community health, and social innovation. The Institute is non-partisan and independently funded. It is the successor to the Wellesley Hospital established in 1912.

¹¹ Conference Board of Canada. *Building from the Ground Up: Enhancing Affordable Housing in Canada* (Ottawa: Author, 2010).

WELLESLEY INSTITUTE

Precarious Housing in Canada

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PART 1

A review of the Canadian landscape and
the international context

Precarious Housing in Canada 2010 is the third instalment of the Wellesley Institute's "housing trilogy," which includes *The Blueprint to End Homelessness in Toronto* (2006) and the *Wellesley Institute National Housing Report Card* (2008).

This report is part of a series of research and policy reports that document the impact of precarious housing on health and develop policy alternatives to improve access to affordable housing and enhance overall health equity.

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EXECUTIVE SUMMARY

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- Develop and implement the appropriate regulatory tools, mainly at the provincial and municipal levels, including land-use planning inclusionary housing policies.

Five: Build on the solid housing recommendations foundation of prior housing commissions:

- Complete the process that began with the federal-provincial-territorial affordable housing agreement of 2001 and the White Point Principles of 2005 to create a permanent federal-provincial-territorial affordable housing agreement.
- Pass Bill C-304 – draft legislation to create a comprehensive national housing strategy that has undergone a six-month consultative process – through the Parliamentary process
- Support the housing and homelessness recommendations in the Senate report *In from the Margins*, including the enhancement of existing federal housing and homelessness initiatives.



FRAMING THE CHALLENGE:

Precarious housing, population health, and a vibrant society

INTRODUCTION

Part I provides a socio-economic perspective on the linkages between population health, health equity and precarious housing. It also reviews the history of Canadian housing policy; Canadian housing policy in the international context; affordable housing practices from other countries; the demand-side and supply-side reasons for the current situation; government investments in affordable housing; as well as statistics on the state of precarious housing in Canada and the provinces/territories. The appendix of this document presents graphs on population growth, private rental vacancy rates, the number of households paying 30% or more on shelter, and the affordability gap of households across the country.

KEY OBSERVATIONS:

- Housing is one of the most fundamental determinants of health. Good health is a critical requirement for good health; and poor housing / homelessness is linked to increased illness and premature death.
- The links between housing and health are complex and dynamic, but a growing body of research demonstrates that the physical quality of housing, affordability and the provision of non-housing support services are all critical factors in both individual and population health.
- Investment in housing leads to improved health outcomes which, in turn, reduces health care utilization. Recent research demonstrates that people who are adequately housed require fewer, and less expensive, medical interventions.

WHY HOUSING MATTERS TO HEALTH, AND THE CHALLENGE OF SCOPING THE DATA

Safe, affordable, and healthy housing is not only a basic necessity for human health and human life but also a means to reducing systemic health inequities and lowering associated long-term healthcare costs. A good home is critical to allow people to fully participate in the economic, social, and cultural lives of their community and their country. Housing is an important part of the economic engine of local regions, and the country as a whole. Adequate housing is an internationally recognized human right,¹ and the Canadian government has acknowledged through its ratification of numerous

¹ Extensive documentation on the international right to adequate housing is set out by UN-HABITAT at <http://www.unhabitat.org/categories.asp?catid=282>, and the Habitat International Coalition's Housing and Land Rights Network's online housing rights toolkit at http://www.hlrn.org/old_hlrn/toolkit/index.html. The most recent international review of Canada's compliance with its housing rights obligations is available via <http://www2.ohchr.org/english/issues/housing/visits.htm>

international legal instruments that it has an obligation to ensure all Canadians are well-housed.²

A good home is important to all of us, for many reasons – physical, social, and economic. So, how is Canada doing when it comes to fulfilling its obligation to ensure affordable homes for all? In February 2009, Miloon Kothari, the United Nations' Special Rapporteur on the Right to Adequate Housing, tabled the final report of his fact-finding mission to Canada.³ In his report, Mr. Kothari noted that Canada is one of the few countries in the world without a national housing plan.⁴ We believe that a national, coherent, and coordinated housing plan will be a major contributor to the evolution of affordable housing over the next decade.

Affordable housing not only makes social and economic sense, it is a necessary and critical underpinning of a just society; it is, as Chief Commissioner of the Ontario Human Rights Commission Barbara Hall has stated, “a basic human right.”

Statistics Canada, the national statistical agency, and Canada Mortgage and Housing Corporation (CMHC), the federal government's housing agency (which also commissions a significant amount of housing research), publish a variety of statistical and research reports on a range of housing issues; yet there are critical gaps in basic housing data. For instance, there is no reliable national figure on the number of people who experience homelessness.⁵ Canada's main measure of housing insecurity – “core housing need” – is recognized as having significant shortcomings in assessing the full dimension of housing affordability (one of the most critical components of housing need in Canada).⁶ In addition, no accurate numbers exist on the physical and mental health issues that affect a person's ability to access and maintain a home.⁷

While federal statistics include a measure of the number of households in housing that exceeds occupancy standards, this number misses the “hidden” homeless (people who stay temporarily with family or friends – sometimes called “couch-surfing”⁸) and quite likely undercounts the number of people in overcrowded accommodation because it relies on voluntary disclosure by tenants.⁹ Many

tenants, including immigrants, are reluctant to disclose the real number of residents in a rental unit to landlords or government officials for fear that it might trigger an eviction.¹⁰

The lack of detailed numbers on the dimensions of housing insecurity is one barrier to creating a comprehensive national housing plan that sets out targets, timelines, tools, and resources. The combination of a lack of reliable and comprehensive data, along with a lack of inclusive strategies, makes it difficult to assess where we are as a nation when it comes to housing insecurity, and how effective and efficient are the program and funding responses of governments.

ASSESSING THE IMPACT OF PRECARIOUS HOUSING ON POPULATION HEALTH

Affordable housing is one of the most fundamental requirements for good health. In his annual report to Canadians in 2009, Canada's chief public health officer, Dr. David Butler-Jones, drew the connection between housing and health:

Shelter is a basic need for optimal health. Inadequate housing can result in numerous negative health outcomes, ranging from respiratory disease and asthma due to moulds and poor ventilation, to mental health impacts associated with overcrowding.¹¹

The Social Determinants of Health Commission of the World Health Organization (WHO) indicated the strong link between health and housing in its final report, released in 2008. According to the commission, the health impacts arise from the physical quality and the affordability of housing to urban planning and financing issues:

One of the biggest challenges facing cities is access to adequate shelter for all. Not only is the provision of shelter essential, but the quality of the shelter and the services associated with it, such as water and sanitation, are also vital contributors to health ... Many cities in rich and poor countries alike are facing a crisis in the availability of, and access to, affordable quality housing. This crisis will worsen social inequities in general, and in health in particular....

² On May 19, 1976, Canada acceded to the International Covenant on Economic, Social and Cultural Rights, which recognizes the right to adequate housing and imposes an obligation on governments to ensure a progressive realization of that right. Numerous other international legal instruments also set out the right to housing, many of which Canada has also ratified. For a full list of international treaties on housing and human rights, see <http://treaties.un.org/Pages/Treaties.aspx?id=4&subid=A&lang=en>

³ Available at <http://www2.ohchr.org/english/issues/housing/visits.htm>

⁴ For more on the international dimensions of housing rights, see chapter six.

⁵ See, for instance, Laura Buckland et al., *Structural and Systemic Factors Contributing to Homelessness in Canada* (Ottawa: Canadian Council on Social Development, 2001). <http://www.chra-chru.ca/CMFiles/documents/2001%20homelessness%20factors1ove-1282008-9555.pdf>

⁶ See, for instance, Jacqueline Luffman, “Measuring Housing Affordability,” *Perspectives on Labour and Income* 7, no. 11 (2006).

⁷ The Mental Health Commission of Canada, through a national pilot project, is testing certain models that link housing and supports. See <http://www.mentalhealthcommission.ca/English/Pages/default.aspx>

⁸ An unpublished report funded by the federal Homelessness Partnering Secretariat by Margaret Eberle et al. (2009) estimated that 23,543 people experience hidden homelessness in Vancouver annually.

⁹ The United Way of Toronto has completed surveys on a project that will, among other things, measure overcrowding in that city's high-rise tower neighbourhoods. The results are expected in 2010.

¹⁰ For a discussion of the challenges of measuring hidden homelessness among recent immigrants, see Rob Fiedler et al., “Hidden Homelessness,” *Cities* 23, no. 3 (2006): 205–16. <http://www.sfu.ca/gis/schuerman/cv/PDF/2006Cities.pdf>

¹¹ Available at <http://www.phac-aspc.gc.ca/publicat/2009/cphorsphc-respcacsp/index-eng.php>

It is important therefore that local government regulates land development for urban regeneration, ensuring reserved urban land for low-income housing. Creating more equitable housing development means reversing the effects of exclusionary zoning through regional fair-share housing programmes, inclusionary zoning, and enforcement of fair housing laws. Taking an integrated approach, local authorities could use criteria for distribution of affordable housing tax credits to stimulate production of new affordable housing in proximity to transit, schools, and commercial areas. There is a role for local government to monitor the health and health-equity impacts of housing, building, and infrastructure standards.¹²

Academic, government, and community-based experts have reported extensively on the links between poor housing, low incomes, and poor health. Dr. Stephen Hwang, an epidemiologist at Toronto's St. Michael's Hospital, has published extensively on housing and homelessness-related morbidity and premature mortality. His 11-year follow-up study on premature mortality among people who are homeless or precariously housed (e.g., living in shelters, rooming houses, hotels) found a "much higher mortality rate than expected on the basis of low-income alone."¹³ Hwang has dug deep into health and homeless, writing on issues including mental health, bed bugs, homeless immigrants, infectious diseases, harm reduction, and cardiovascular disease.¹⁴

The Street Health Report 2007,¹⁵ research supported by the Wellesley Institute, documents the physical and mental health status of homeless people, the way in which they use healthcare services, and the barriers homeless people face when using these services. It also explains how the health status of homeless people has deteriorated in the 15 years since the 1992 *Street Health Report* was published:

The health of homeless people in Toronto has gotten worse in the past fifteen years. Many serious physical health conditions have become even more common among homeless people and their access to health care has deteriorated. The worsening health of homeless people and the growth of homelessness itself are a reflection of social policy decisions that have been made over the past 15 years.

These decisions have resulted in inadequate social assistance rates, a severe lack of affordable housing, and the loss of hundreds of emergency shelter beds.¹⁶

In a 2004 review of housing and population health, Dr. Brent Moloughney notes that the health impacts of housing go beyond the four walls of the immediate home, and include neighbourhood influences:

Housing is the central hub of everyday living. It is a multi-dimensional concept that encompasses the characteristics of the house (physical structure and design); home (social and psychological features); and neighbourhood (physical and social characteristics, and local services). The central influence of housing on people's lives raises the possibility that housing could act as a pathway through which social and economic determinants of health influence population health ... There is little doubt that shelter is a basic need for human life. However, beyond some specific population groups and settings in Canada, the relationships between housing and health that are currently being considered are focused on the potential impact of relative degrees of housing deprivation. Numerous studies have found that residents of poor neighbourhoods suffer a diverse set of poorer health outcomes than those in richer neighbourhoods ...

There are also a number of other housing characteristics that might influence health through a variety of psychosocial mechanisms. These include such factors as building type, floor level of apartment buildings, overcrowding, housing tenure (i.e. ownership), and housing satisfaction.¹⁷

A comprehensive picture of local housing and health issues can be developed by drawing on a variety of local sources. For example, a number of governmental and non-governmental agencies in Toronto are documenting housing and health concerns. Dr. David Hulchanski is recognized as Canada's leading academic expert on housing. His series *The Three Cities: Income Polarization in Toronto from 1970 to 2005* describes the neighbourhood-based impact of growing income inequality, poor housing, newcomer status, and related issues.¹⁸

Linking these data sets with Toronto's Community Health Profiles,¹⁹

¹² Available at http://whqlibdoc.who.int/publications/2008/9789241563703_eng.pdf

¹³ Available at http://www.ncbi.nlm.nih.gov/pubmed/19858533?itool=EntrezSystem2.PEntrez.Pubmed.Pubmed_ResultsPanel.Pubmed_RVDocSum&ordinalpos=1

¹⁴ A listing of Dr. Hwang's academic articles can be accessed at http://www.ncbi.nlm.nih.gov/pubmed/19858533?itool=EntrezSystem2.PEntrez.Pubmed.Pubmed_ResultsPanel.Pubmed_RVDocSum&ordinalpos=1

¹⁵ Available at http://www.wellesleyinstitute.com/research/affordable_housing_research/the-street-health-report/

¹⁶ Eileen Ambrosio et al. *The Street Health Report*. Toronto: 1992. <http://streethealth.ca/Downloads/SHReportOriginal.pdf>

¹⁷ Available at <http://www.urbancentre.utoronto.ca/gtuo/>

¹⁸ Available at <http://www.urbancentre.utoronto.ca/gtuo/>

¹⁹ Available at <http://www.torontohealthprofiles.ca/>

The Unequal City,²⁰ health data issued by Local Health Integration Networks in Ontario and similar local health authorities in other parts of the country,²¹ and the series of reports from the United Way of Toronto on neighbourhood-based poverty²² produces a deep understanding of the dimensions and connections among housing, poverty, and health in local communities.

The Wellesley Institute's *Blueprint to End Homelessness in Toronto* includes a survey of more than 40 housing and health-related reports since 1918.²³ Toronto's Department of Public Health has long been involved in affordable housing issues, going back to the pioneering work of Medical Officer of Health Dr. Charles Hastings in establishing Toronto's first affordable housing initiatives before the First World War.

The legacy institution of the Wellesley Institute, the former Wellesley Hospital, was also deeply engaged in housing and health work from its founding in 1912. Wellesley Hospital founder Dr. Herbert Bruce was appointed Lieutenant-Governor of Ontario and in a 1934 speech, noted:

The health of Toronto must necessarily mean the health of its citizens. It must mean, too, the continued progress and development of Toronto along desirable lines. We have a great and beautiful city that has been blessed by honest and efficient government. It is a city enviably situated a city of fine residential areas, of beautiful buildings, of high standards of citizenship. That is how we see it; but I fear, in all candour one must confess that this city, in common with every large city, has acquired inevitable "slum districts." These areas of misery and degradation exert an unhappy environmental influence upon many of our citizens. You will probably say: "But Toronto has few such areas and they are not of great extent!" I say, and I think you will agree with me, that Toronto wants none of them, and that the Toronto of the future which we like to contemplate will have none of them.²⁴

His speech prompted the City of Toronto to appoint leading citizens, including Dr. Bruce, to a commission that produced a detailed report

in 1934 on replacing some of Toronto's most notorious slum neighbourhoods with healthy, affordable homes.²⁵ One concrete result of this work was the razing of the Moss Park slums in the east end of downtown Toronto – where many homes lacked proper heat or sanitation – and the creation of the then very innovative Regent Park housing development.

HEALTH AND HOMELESSNESS: THE HEALTH CONSEQUENCES OF PRECARIOUS HOUSING

Extensive literature exists on the powerful and adverse relationship between homelessness and poor mental and physical health.²⁶ The evidence, both at a national and international level, indicates that individuals that are homeless tend to have multiple, complex health needs that are often exacerbated by periods of homelessness and/or stays in marginal or temporary accommodation. Epidemiological studies point to elevated rates of poor health among individuals who are homeless, including mental illness,²⁷ infectious diseases (HIV and TB),²⁸ and substance-abuse related ailments and injuries.²⁹

Much of our knowledge of the mental health issues for the marginally housed relies upon research conducted with the homeless who represent some of the most extreme life circumstances and, as a consequence, are likely to experience the most extreme rate of morbidity and early mortality.

The health experiences of the "hidden" homeless have received little attention.³⁰ There may be "graduated" improvements in health associated with improvements in housing stability. What little health research does exist in this area seems to support this theory.³¹

Research on health and housing has brought to the forefront the complexities involved in offsetting unintended and adverse health effects of homelessness and poor housing. Efforts to offset the health impacts of homelessness and poor housing have had mixed results.³² Historically, significant public health measures to address the environmental context in which people lived, including situations of poor

²⁰ This 2008 report from Toronto's medical officer of health on neighbourhood-based health indicators is available at <http://www.toronto.ca/health/map/inequalities.htm>

²¹ For instance, information on the Toronto Central Local Health Integration Network is posted here <http://www.torontocentrallhin.on.ca/home.aspx>

²² Available at <http://www.unitedwaytoronto.com/whatWeDo/reports/losingGround.php>

²³ Available at <http://www.wellesleyinstitute.com/news/affordable-housing-news/the-blueprint-to-end-homelessness-in-toronto/>

²⁴ See <http://www.urbancentre.utoronto.ca/pdfs/policyarchives/1934HerbertBruce.pdf>

²⁵ Details of Dr. Bruce's call to action, and the resulting Bruce Commission, are available at <http://www.urbancentre.utoronto.ca/pdfs/policyarchives/1934HerbertBruce.pdf>

²⁶ Hwang SW, "Homelessness and Health," *Canadian Medical Association Journal* 164, no. 2 (2001): 229–33; CIHI. *Improving the Health of Canadians: Mental Health and Homelessness* (Ottawa: CIHI, 2007); N. Pleace, and D. Quilgars. *Health and Homelessness in London: A Review* (London: The King's Fund).

²⁷ W.H. Martens. "A Review of Physical and Mental Health in Homeless Persons." *Public Health Review* 29 (2001):13–22.

²⁸ S. Goldfinger et al. *HIV, Homelessness and the Severely Mentally Ill*. The National Resource Center on Homelessness & Mental Illness, Policy Research Associates Inc., The Center for Mental Health Services, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, 1998; E. Susser et al. "Injection Drug Use and Risk of HIV Transmission among Homeless Men with Mental Illness." *American Journal of Psychiatry* 153 (1996): 794–98.

²⁹ *Living in Fear* (London: Crisis and LSE Mannheim School, 2005); Angela Cheung, and Stephen Hwang. "Risk of Death among Homeless Women," *Canadian Medical Association Journal* 170, no. 8 (2004): 1251–52.

³⁰ P. Kenway, and G. Palmer. *How Many? How Much? Single Homelessness and the Question of Numbers and Cost* (London: Crisis and the New Policy Institute, 2003).

³¹ M. Shaw, D. Dorling, and N. Brimblecombe. "Life Chances in Britain by Housing Wealth, and for the Homeless and Vulnerably Housed," *Environment and Planning A* 31, no. 12 (1999): 2239–48.

³² H. Thomson et al. "Do Urban Regeneration Programmes Improve Public Health and Reduce Health Inequalities? A Synthesis of the Evidence from UK Policy and Practice (1980–2004)," *Journal of Epidemiology and Community Health* 60 (2006): 108–11.

housing, overcrowding, and poor sanitation, led to critical advancements in population health.³³ More recent efforts to improve the living conditions of individuals who are homeless or living in marginal situations have been less dramatic, although they continue to show promise. The complex health needs of homeless individuals represent a significant challenge for new housing programs and meaningful housing policy. However, there are promising efforts, locally, nationally, and internationally that are striving to meet those needs.

Mental health issues

Mental health issues are generally overrepresented among those experiencing precarious housing situations, including the homeless, compared with the general population, although prevalence rates vary considerably.³⁴ These figures include a substantial percentage of people who are struggling with the most severe and persistent psychiatric disorders, such as schizophrenia, and other major psychotic disorders. In addition, individuals who are homeless or marginally housed are also at risk for the *onset* of new mental health problems associated with the harsh and often traumatic life circumstances of homelessness. Self-reported mental health problems among homeless individuals suggest alarming rates of mental health issues overall, and depression and anxiety in particular.³⁵

Existing epidemiological data on the prevalence of psychiatric disorders among individuals who are homeless may not give a full sense of the extent of the issue. Definitions of homelessness have been challenged to incorporate the substantial “hidden” homeless population beyond the street-based population, and to incorporate more marginal and temporary living situations. Moreover, despite a strong body of international research examining the issue of psychiatric morbidity among homeless people,³⁶ much of this work is nearly a decade old. Significant changes may have taken place to the makeup of the homeless population, including the greater representation of newcomer or immigrant populations.

There may be substantial variations in the patterns of psychiatric morbidity over time,³⁷ as well as shifting patterns of drug and alco-

hol use, which may mimic mental illnesses or contribute to situations of extreme distress or psychological trauma.

We do know that the burden associated with mental disorders has increased substantially – making mental illness one of the leading causes of disease and disability worldwide.³⁸ For individuals who are homeless, this situation is likely to be amplified by the urgency of competing health and social needs. Many individuals experience considerable difficulties accessing appropriate care and treatment. Recent work on the “multiple health needs”³⁹ of homeless people indicates that many individuals are caught between systems of care, often struggling with considerable mental health and substance-abuse issues simultaneously. It is our opinion that this situation also directly affects those who are precariously housed.

Individuals who suffer from mental health problems are more likely to experience social exclusion to a profound degree. Mainstream goals – such as acquiring and maintaining a home or securing ongoing employment – are likely to be severely compromised by the compounding effects of homelessness, social exclusion, and poor mental health.

For some individuals, the risks associated with mental illness may be particularly profound. This is especially true for people with longstanding histories of homelessness – which makes those with the *least* amount of support in place the most vulnerable. Accessing appropriate mental health treatment may be quite difficult for someone struggling with the onset of or persistence of distressing symptoms of mental and/or physical illness. Individuals who are homeless face considerable barriers that further impede access to healthcare. In the United Kingdom, homeless people were 40 times more likely *not* to be registered with a general practitioner (GP) than members of the general population.⁴⁰ Barriers to primary care include lack of resources, lack of understanding by healthcare providers, and discriminatory practices in GP offices. Poor access to primary care services has a direct impact on other healthcare services, with an increased likelihood that people use an emergency room as a surrogate for a GP.

³³ M. Susser, and E. Susser. “Choosing a Future for Epidemiology: I. Eras and paradigms,” *American Journal of Public Health* 86 (1996): 668–73; H. Thomson, et al. “The Health Impacts of Housing Improvement: A Systematic Review of Intervention Studies From 1887 to 2007,” *American Journal of Public Health* 99 (2009): S681–S692.

³⁴ D.P. Folsom, et al. “Prevalence and Risk Factors for Homelessness and Utilization of Mental Health Services among 10,340 Patients with Serious Mental Illness in a Large Public Mental Health System,” *American Journal of Psychiatry* 162 (2005): 370–76; B. Gill et al. *Psychiatric Morbidity among Homeless People* [OPCS Surveys of Psychiatric Morbidity in Great Britain] (London: HMSO, 1996).

³⁵ Khandor E and Mason K; Wilson. *Hidden Homelessness and Health Care*, Cooper and Wilson, 2002.

³⁶ B. Gill et al. *Psychiatric Morbidity among Homeless People* [OPCS Surveys of Psychiatric Morbidity in Great Britain] (London: HMSO, 1996). Report 7; A. Kershaw, N. Singleton, and H. Meltzer. “Survey of the Health and Well-being of Homeless People in Glasgow,” *International Review of Psychiatry* 15 (2003):141–43.

³⁷ C.A. North et al. “Are Rates of Psychiatric Disorders in the Homeless Population Changing?” *American Journal of Public Health* 94 (2004): 103–8; Y.L. Wong. “Tracking Change in Psychological Distress among Homeless Adults: An Examination of the Effect of Housing Status,” *Health and Social Work* 27, no. 4 (2002): 262–73.

³⁸ WHO. World Mental Health Survey Consortium. “Prevalence, Severity and Unmet Needs for Treatment of Mental Disorders in the World Health Organization World Mental Health Surveys,” *Journal of the American Medical Association* 291, no. 21 (2004): 2581–90.

³⁹ C. Croft-White, and G. Parry-Crooke. *Lost Voices: The Invisibility of Homeless People with Multiple Health Needs* (London: Crisis, 2004).

⁴⁰ Crisis. *Critical Condition Vulnerable Single Homeless People and Access to GPs* (London: Crisis, 2002).

By the time a homeless person goes to an emergency room, his or her health problem has gone untreated for longer and is likely to be greater in severity. The delay in seeking treatment may translate into a higher incidence of disabling conditions or greater rates of mortality among the homeless.⁴¹

Physical health issues

A strong body of research both in Canada and internationally indicates the dramatic effect of homelessness on mortality.⁴²

In a comprehensive 11-year study across Canada that examined mortality rates of those marginally housed (e.g., in shelters, rooming houses, and hotels), the findings, while expected, are nonetheless shocking. Hwang et al. notes that living in shelters, rooming houses, and hotels is associated with a much higher mortality rate; the probability that a 25-year-old living in one of these settings would survive to age 75 is only 32% for men and 60% for women.⁴³

Increased morbidity may be related to a range of mental and physical health issues. Chronic diseases are widespread in homeless and marginally housed groups. Diabetes, asthma, cardiovascular disorders, and skin disorders are a cause for concern among this population⁴⁴; critical health issues, such as Hepatitis C,⁴⁵ tuberculosis, and HIV/AIDS have all emerged within the homeless and marginally housed populations at an alarming rate and remain difficult to medically manage effectively. Eclipsed by the high visibility of mental illness and substance-abuse issues, the chronic diseases of homeless people and the poorly housed often receive inadequate attention. Yet tackling the complex health problems associated with

homelessness and ensuring access to comprehensive primary health-care are essential steps toward the social reintegration and inclusion of homeless individuals and offer promise in resolving long-term housing stability issues.

People with chronic diseases, such as diabetes, can benefit greatly from early intervention and ongoing medical management. Research on diabetes among the poor and disadvantaged populations points to an earlier onset of the disease and to more severe symptomatology.⁴⁶ Studies examining diabetes among homeless people have identified significant obstacles to appropriate disease management.⁴⁷ Untreated, diabetes can lead to a myriad of extreme physical health problems including heart attack, stroke, blindness, and kidney failure. The effective management of the disease relies on the introduction of a number of health maintenance strategies, including the monitoring of blood glucose levels, the adoption of specific dietary protocols, and drug therapy or insulin injections on a daily basis. Homeless people who have diabetes face a number of challenges: from following appropriate dietary habits to accessing insulin in a regular, routine way.⁴⁸

HEALTH AND LIVING CONDITIONS

A rich body of history-based research shows the link between poor health and poor living conditions, both nationally and internationally.⁴⁹ Negative housing conditions can include poor ventilation and air quality, inadequate heat, damp and mould, and infestations.⁵⁰ The relationship between poor health and poor living conditions has led to numerous policies and regulations both nationally and internationally in areas such as carbon monoxide monitoring, lead poisoning, better construction and sanitation, and fire safety.⁵¹

Contextual factors such as the degree of individual or neighbourhood deprivation, and the characteristics of location (overcrowding, isolation, or high-crime areas) may also operate as confounders; they can exacerbate the impact of poor housing or minimize the potentially positive health outcomes of good housing. Recent research by the WHO brings together and examines the evidence on health factors and housing to determine the environ-

Homeless people have significantly worse health than the general population. They are:

- 29 times as likely to have hepatitis C
- 20 times as likely to have epilepsy
- 5 times as likely to have heart disease
- 4 times as likely to have cancer
- 3½ times as likely to have asthma
- 3 times as likely to have arthritis or rheumatism

⁴¹ D.S. Morrison. Death in Homeless Men in Glasgow, UK. *BMJ* (7 August, 2003, rapid response).

⁴² S.W. Hwang. "Mortality among Men Using Homeless Shelters in Toronto, Ontario," *Journal of the American Medical Association* 283, no. 16 (2000): 2152–57;

⁴³ S.W. Hwang et al. "Mortality among Residents of Shelters, Rooming Houses, and Hotels in Canada: 11 Year Follow-up Study," *BMJ* 339 (2009): b4036.

⁴⁴ Crowe and Hardill, 1993; Khandor and Mason, 2007.

⁴⁵ X.J. Chen et al. *Research Bulletin Homelessness and Hepatitis C* (Toronto: Street Health, 2008).

⁴⁶ M.B. Davidson, V.J. Karlan, and T.L. Hair. "Effects of a Pharmacist-Managed Diabetes Care Program in a Free Medical Clinic," *American Journal of Medical Quality* 15, no. 4 (2000): 137–42.

⁴⁷ N. Wright. *Homelessness: A Primary Care Response* (London: Royal College of General Practitioners, 2002).

⁴⁸ S.W. Hwang, and A.L. Bugeja. "Barriers to Appropriate Diabetes Management among Homeless People in Toronto," *Canadian Medical Association Journal* 163, no. 2 (2000): 161–65.

⁴⁹ Jacob A. Riis. *How the Other Half Lives: Studies among the Tenements of New York* (New York: Dover Publications, 1901; 1971); C. Whitzman. *Suburb, Slum, Urban Village Transformations in Toronto's Parkdale Neighbourhood, 1875–2002* (Vancouver: UBC Press, 2009).

⁵⁰ Shelter. *Chance of a Lifetime: The Impact of Bad Housing on Children's Lives* (London: Shelter, 2006); Centers for Disease Control and Prevention and U.S. Department of Housing and Urban Development. *Healthy Housing Reference Manual* (Atlanta: US Department of Health and Human Services, 2006).

⁵¹ Ontario Ministry of Municipal Affairs and Housing. *Building Code Compendium*, 2006. <http://www.obc.mah.gov.on.ca/site4.aspx>

mental burden of disease related to housing. The results point to a limited body of evidence for estimating the burden of disease linked to housing.⁵²

Homelessness and poor housing have a direct adverse impact on health: Crowded conditions can result in exposure to infectious diseases (e.g., TB), infestations (e.g., lice, bed bugs), and infections (e.g., fungus related to damp conditions).⁵³ The connection between living conditions and respiratory illnesses, including asthma and chronic obstructive pulmonary disease (COPD), is well established internationally.⁵⁴ Research from the United Kingdom indicates that poor housing conditions can increase the risk of severe health issues or disability by up to 25% in childhood or early adulthood.⁵⁵

THE HEALTH OUTCOMES OF HOUSING IMPROVEMENTS

Despite the abundant research on the connection between poor health and poor housing, the evidence that better housing leads to better health is harder to establish.⁵⁶

A strong body of evidence exists on a variety of housing interventions and their effects on health and the environment. Interventions have included reducing mould and moisture, improving sanitation, and reducing exposure to pests, pesticides, chemicals, and contaminated products (e.g., lead paint).⁵⁷ Less clear data are available on health outcomes for homeless and marginally housed people once they are placed in stable and secure accommodation.⁵⁸ This is due, in part, to the social and economic complexities that accompany the process. Thomson, Petticrew, and Morrison note that while housing

improvements can clearly improve residents' health, the secondary effects of improving housing can prove counterproductive.

For example, housing improvements can often lead to increasing housing costs, which could force the more marginalized individuals and families out of an area.⁵⁹ Moreover, many individuals with histories of homelessness or living in transitional accommodation may experience multiple health needs.⁶⁰ A stable housing environment may only address a portion of the health issues that these individuals face.⁶¹ Nonetheless, data suggest that housing improvements can lead to an important shift in health outcomes for individuals with histories of homelessness or marginal housing. A considerable body of work nationally and internationally considers the use of varying levels of support services in conjunction with housing services to promote housing stability. Intervention research exploring the provision of housing and support services for the homeless mentally ill and/or substance users has, perhaps, received the most attention in this area.⁶² Findings suggest that the combination of housing and services promotes stability for individuals with a history of homelessness and mental illness.⁶³

Considerable attention has been given to the feasibility of both maintaining individuals in housing and reducing healthcare costs in terms of the use of emergency rooms or periods of hospitalization (particularly for mental health issues or chronic health issues like HIV/AIDS).⁶⁴ The problem with such studies is that they view healthcare expenditures as a negative, considering rehospitalization as evidence of a support failure as opposed to evidence of a timely and effective intervention that may drive up short-term costs but

⁵² D.E. Jacobs et al. "The Relationship of Housing and Population Health: A 30-Year Retrospective Analysis," *Environmental Health Perspectives* 117, no. 4 (2009): 597–604.

⁵³ C.J. Frankish, S.W. Hwang, and D. Quantz. "Homelessness and Health in Canada. Research Lessons and Priorities." *Canadian Journal of Public Health* 96 (2005): S23–S29; *The Chief Public Health Officer's Report on The State of Public Health in Canada 2008* (Ottawa: Public Health Agency of Canada, 2008)

⁵⁴ Shelter. *Sick and Tired. The Impact of Temporary Accommodation on the Health of Homeless Families* (London: Shelter, 2004).

⁵⁵ Shelter. *Chance of a Lifetime: The Impact of Bad Housing on Children's Lives* (London: Shelter, 2006).

⁵⁶ H. Thomson, M. Petticrew, and J. Morrison. *Is Housing Improvement a Potential Health Improvement Strategy?* (Copenhagen: WHO Regional Office for Europe, 2005); Health Evidence Network report: <http://www.euro.who.int/Document/E85725.pdf>; H. Thomson, M. Petticrew, and J. Morrison. *Housing Improvement and Health Gain: A Summary and Systematic Review* (Geneva: World Health Organization, n.d.).

⁵⁷ National Center for Healthy Housing. *Housing Interventions and Health: A Review of the Evidence* (Columbia, MD: NCHH, 2009). <http://www.nchh.org/LinkClick.aspx?fileticket=21vaEDNBldU%3d&tabid=229>

⁵⁸ J. Lubell, R. Crain R, and R. Cohen. *Framing the Issues – The Positive Impacts of Affordable Housing on Health* (Washington DC: Center for Housing Policy, 2007).

⁵⁹ H. Thomson, M. Petticrew, and J. Morrison. *Housing Improvement and Health Gain: A Summary and Systematic Review* (Geneva: World Health Organization, n.d.).

⁶⁰ P. Bevan. *Multiple Needs Briefing* (London: Homeless Link, 2002); G. Croft-White, and G. Parry-Crooke. *Lost Voices: The Invisibility of Homeless People with Multiple Needs* (London: Crisis, 2004).

⁶¹ FEANSTA Policy Statement. *How Health Professionals can Work Towards Meeting the Health Needs of Homeless People*.

⁶² R. Chilvers, G. Macdonald, and A. Hayes. "Supported Housing for People with Severe Mental Disorders," *Cochrane Database of Systematic Reviews* no. 4 (2006). DOI: 0.1002/14651858.CD000453.pub2; T. Kyle, and J.R. Dunn. "Effects of Housing Circumstances on Health, Quality of Life and HealthCare Use for People with Severe Mental Illness: A Review," *Health and Social Care in the Community* 16, no. 1 (2008): 1–15; G. Nelson, T. Aubry, and A. Lafrance. "A Review of the Literature on the Effectiveness of Housing and Support, Assertive Community Treatment, and Intensive Case Management Interventions for persons with Mental Illness Who Have Been Homeless," *American Journal of Orthopsychiatry* 77, no. 3 (2007): 350–61.

⁶³ G. Nelson, T. Aubry, and A. Lafrance. "A Review of the Literature on the Effectiveness of Housing and Support, Assertive Community Treatment, and Intensive Case Management Interventions for persons with Mental Illness Who Have Been Homeless," *American Journal of Orthopsychiatry* 77, no. 3 (2007): 350–61.

⁶⁴ S.G. Kertesz, and S.J. Weiner. "Housing the Chronically Homeless: High Hopes, Complex Realities," *Journal of the American Medical Association* 301 (2009): 1822–24; Gulcur, L., Stefancic, A., Shinn, M., Tsemberis, S., & Fischer, S. (2003). Housing, hospitalization and cost outcomes for homeless individuals with psychiatric disabilities participating in continuum of care and housing first programmes. *Journal of Community and Applied Social Psychology*, Vol. 13, 171–186; L.S. Sadowski et al. "Effect of a Housing and Case Management Program on Emergency Department Visits and Hospitalizations among Chronically Ill Homeless Adults: A Randomized Trial," *Journal of the American Medical Association* 301, no. 17 (2009): 1771–78.

prove cost-effective in the long term.⁶⁵ Moreover, establishing the costs of community care is seldom clear or straightforward.⁶⁶

This literature raises important questions about the degree of support services needed, onsite or in conjunction with off-site services, whether congregate or mixed-income accommodation approaches work best, or perhaps most pointedly, whether accommodation should be contingent on the use of or linkage to support services. Housing First, a model of supported accommodation that places primary emphasis on housing needs and secondary emphasis on mental health and social care needs, has grown in popularity both in the United States and Canada as a way to balance the needs for stable accommodation and care on an individualized basis over time.⁶⁷

The success of the Housing First model is well documented in the United States.⁶⁸ Nonetheless, such innovative models tend to be critiqued on the limits of small-scale initiative evaluations, the potential for generalizing outcomes to different settings, and the stability of findings over time. A recent study by the Mental Health Commission of Canada (MHCC) on mental health and homelessness provides evidence on a large scale, across five cities, accounting for regional variations in population and their identified health and social needs.⁶⁹

ABORIGINAL HOUSING AND HEALTH

A number of studies indicate that Aboriginal people living across Canada experience poorer outcomes on most measurements of well-being than the general Canadian population.⁷⁰ Research has found that these disparities are due to the economic, cultural, and social interference brought about by forced acculturation and assimilation. While many Canadians experience poverty, certain characteristics that are specific to the Aboriginal population make their experience unique.

The prevalence of Aboriginal people in precarious housing conditions

Obtaining an accurate count of the number of Aboriginal people precariously housed, especially those who are homeless, is a difficult task. However, statistics show that poor housing and homelessness is more prevalent among the Aboriginal population than the general Canadian population. In 2006, CMHC reported that 20% of Canada's First Nations, Inuit, and Métis populations were in core housing need, significantly higher than the 12.7% of non-Aboriginal Canadians in core housing need.⁷¹

According to the Native Counseling Services of Alberta, "the Aboriginal homeless rate is at about 40% Canada wide."⁷² Moreover, 15% of Canada's homeless population is Aboriginal, meaning that Aboriginals are overrepresented in the homeless population by more than a factor of four, considering they comprise only 3.3% of the Canadian population.

Toronto Aboriginal housing and homelessness consultation

The Wellesley Institute worked with a steering committee of Aboriginal housing and service providers in the Toronto area in 2008 (including Miziwe Biik Aboriginal Employment and Training, Nishnawbe Homes, and Toronto Council Fire) for a wide-ranging consultation on housing needs in the metropolitan region.⁷³ A very powerful picture emerged from this work:

- **Hard working, but trapped in poverty:** Aboriginal people work hard and many are highly educated, yet one in three households has an annual income below the poverty line; and less than one in five Aboriginal households has an annual income that would qualify for a conventional mortgage to purchase a low-end-of-market condominium.
- **Strong values excluded from culture:** Aboriginal people value their culture and understand that it has practical and important value in all aspects of their lives, but they often have little or no access to Aboriginal-controlled and Aboriginal-delivered housing and related services.

⁶⁵ Rosenheck, Robert. "Cost-Effectiveness of Services for Mentally Ill Homeless People: The Application of Research to Policy and Practice," *American Journal of Psychiatry* 157 (2000): 1563–70.

⁶⁶ Evan Roberts, Jacqueline Cumming, and Katherine Nelson. "A Review of Economic Evaluations of Community Mental Health Care," *Medical Care Research and Review* 62 (2005): 503–43.

⁶⁷ S. Tsemberis, L. Gulcur, and M. Nakae. "Housing First, Consumer Choice, and Harm Reduction for Homeless Individuals with a Dual Diagnosis," *American Journal of Public Health* 94, no. 4 (2004): 651–56; S.G. Kertesz et al. "Housing First for Homeless Persons with Active Addiction: Are We Overreaching?" *Milbank Quarterly* 87, no. 2 (2009): 495–534; M. Piat, J. Barker, and P. Goering. "A Major Canadian Initiative to Address Mental Health and Homelessness," *Canadian Journal of Nursing Research* 41, no. 2 (2009): 79–82.

⁶⁸ A. Stefancic, and S. Tsemberis. "Housing First for Long-Term Shelter Dwellers with Psychiatric Disabilities in a Suburban County: a Four-Year Study of Housing Access and Retention," *Journal of Primary Prevention* 28, no. 3-4 (2007): 265–79.

⁶⁹ M. Piat, J. Barker, and P. Goering. "A Major Canadian Initiative to Address Mental Health and Homelessness," *Canadian Journal of Nursing Research* 41, no. 2 (2009): 79–82.

⁷⁰ U. George, and R. Doyle. *Socioeconomic Integration of Visible Minorities and Aboriginal Peoples in Toronto*, 2005; Y. Iwasaki, J. Bartlett, and J. O'Neil. "Coping with Stress among Aboriginal Women and Men with Diabetes in Winnipeg, Canada." *Social Science and Medicine* 60, no. 5 (2002): 977–88.

http://www.hrsdc.gc.ca/en/lp/lp/lsw/we/special_projects/RacismFreeInitiative/George-Doyle.shtml; Statistics Canada. *Canada's Performance 2004* (Ottawa: Statistics Canada, 2004). http://www.tbs-sct.gc.ca/report/govrev/04/cp-rc5_e.asp

⁷¹ Canada Mortgage and Housing Corporation. *Housing in Canada Online* data table.

⁷² Native Counseling Services of Alberta [NCSA]. *Community Consultation on Homelessness Report* (Edmonton: NCSA, 2000). <http://www.edmonton-homelessness.ca/aboriginal/consultation.doc>

⁷³ GTA Aboriginal Housing Consultation. *Greater Toronto Area Aboriginal Housing Consultation: Final Report* (Toronto: Author, 2008). <http://www.mbd.ca/acrobat/abconsultfinal.pdf>

- **Big dollars spent on housing, but poor housing delivered:** Aboriginal people contribute tens of millions of dollars annually to the GTA economy in the form of rent, mortgage payments and utility costs, even though almost half of all households report that they pay 50% or more of their income on housing (well above the accepted threshold of 30%). Many Aboriginal households report that their current housing is overcrowded, unsafe, substandard – or a combination of all three.
- **Poor housing with a big cost:** Aboriginal people are suffering the costs of unaffordable and inadequate housing in a variety of ways: Half of Aboriginal households report that poor housing has led to mental health concerns, and almost the same number say that they cannot afford decent food; one in three Aboriginal households cannot afford a telephone; one in three Aboriginal households reports that inadequate housing has led to violence and breakdowns in marriage; children are doing poorly in school, and adults report that they have significant troubles getting and keeping jobs.
- **Successful Aboriginal organizations often neglected or excluded:** Aboriginal housing and service providers in the GTA have a long and successful history of delivering good housing, services, and programs in an effective and cost-efficient way, but Aboriginal organizations are often excluded from funding programs or left to compete with non-Aboriginal groups for a small amount of financial and program resources. There are practical and effective models for delivering Aboriginal housing and services efficiently.

PRECARIOUS HOUSING AND TUBERCULOSIS

The links between housing and specific conditions, such as tuberculosis, are set out in various research reports, including an Advisory Committee Statement from the Canadian Tuberculosis Committee in 2007, which notes:

Housing conditions are used as socio-economic indicators of health and well-being. Poor housing quality and overcrowding are associated with poverty, specific ethnic groups and increased susceptibility to disease. Crowding, poor air quality within homes as a result of inadequate ventilation, and the presence of mold and smoke contribute to poor respiratory health in general and have been implicated in the spread and/or outcome of tuberculosis (TB).

According to the 2001 Canadian Census, First Nations, Inuit and recent immigrants (foreign-born) have a disproportionately higher share of housing needs than other Canadian. They have the highest risk of living in houses that are overcrowded and in disrepair, and/or they live in houses that cost more than 30% of their before-tax household income. . . .

TB rates continue to be a major public health problem in Canada in First Nations, Métis, Inuit and foreign-born populations. First Nations people living on reserves have an 8-10 times higher TB notification rate than do non-Aboriginal Canadians; they also have a higher than average household occupancy density and a poorer quality of housing than other Canadians. It is not surprising, therefore, that TB rates are higher in Canada's First Nations populations than among Canadian-born, non-Aboriginal people. Factors contributing to the high rates of TB among First Nations are the prevalence of latent infection, co-morbidities (including diabetes), substance abuse, genetic factors and socio-economic factors. Socio-economic factors that have been implicated in health outcome include ethnicity, income, employment status, education, poverty and housing conditions. Overcrowded houses and poor ventilation increase both the likelihood of exposure to *Mycobacterium tuberculosis* and progression to disease.⁷⁴

PRECARIOUS HOUSING AND HIV/AIDS

The Ontario HIV Treatment Network (OHTN) is a group of research partners that is collaborating in the Positive Spaces, Healthy Places⁷⁵ community-based research initiative. Its research draws the links among HIV, housing, and health – both the negative links (insecure housing and poor health) and the positive impact of good, healthy housing.

Research findings indicate that people with HIV/AIDS who experience housing instability are more likely to

- have addiction issues
- have substance use issues
- experience a higher prevalence of depression and higher stress levels
- have lower health status (lower CD4 counts, higher viral loads)
- have higher mortality rates
- have greater difficulty accessing good health care⁷⁶

⁷⁴ Public Health Agency of Canada. "Housing Conditions That Serve as Risk Factors for Tuberculosis Infection and Disease," *Canadian Communicable Disease Report* 33, ACS-9, (October 2007). <http://www.phac-aspc.gc.ca/publicat/ccdr-rmtc/07vol33/acs-09/index-eng.php>

⁷⁵ Current research material is posted at <http://www.pshp.ca/>

⁷⁶ The latest research materials are posted at <http://www.healthyhousing.ca/>

In the words of the OHTN researchers: “Good housing policy is an effective intervention for people living with HIV and AIDS and a cost-effective HIV prevention strategy.”

PRECARIOUS HOUSING: A TRULY NATIONAL CHALLENGE

Deep and persistent housing insecurity and homelessness are truly nationwide issues – from Iqaluit in the north to St. John’s in the east to Victoria in the west.

- Slightly more than one in four households is living in a home that needs significant repairs, and almost 225,000 Canadians live in substandard housing.
- About one in eight households involuntarily pays 30% or more of their income on housing.
- About one in eight households is in core housing need.

Several provincial governments across Canada have reduced funding to successful housing initiatives and downloaded the funding and administration of housing to municipalities. Government financing of housing investments has shifted dramatically over the past two decades. In 1989, a total of 43% of all government housing investments were from the federal government, with 47% from the provinces and territories, and 10% from municipalities.

By fiscal 2009, the federal contribution had shrunk to 29%, with the provincial/territorial share falling to 44%, and Canada’s municipalities more than doubling their contribution to 27% of the overall housing investments.⁷⁷ If the trend continues, municipalities will outspend the federal government within two years, even though the municipal tax base is less robust, with fewer “levers” to pull, than the federal tax base.

Canada is a big country, and Canadians have a complex set of housing needs. While two-thirds of Canadians are able to find a home in the private ownership or rental markets, this report shows that a large and growing number of Canadians are excluded from private housing markets. Official federal estimates put the number of Canadians who experience homelessness at between 150,000 to 300,000 (or almost 5% to 10% of the overall adult population).⁷⁸ Moreover, the number of Canadian households in desperate housing conditions is 1.5 million (or 12% of the total number of households).⁷⁹ This large and growing group of Canadians expects that governments at the local, provincial, territorial, and federal levels will provide practical and effective housing support.

But it doesn’t end with the 1.5 million Canadians that the government acknowledges are in acute housing distress. This report – the most comprehensive effort to date to measure housing needs and assess the housing responses of all levels of government – shows that there are hidden dimensions to housing and homelessness not captured in official categories of federal estimates. The combination of “official” and “hidden” housing insecurity adds up to a pressing and immediate socio-economic challenge.

⁷⁷ Statistics Canada, Survey of Government Revenues and Expenditures database

⁷⁸ See the federal government’s Homelessness Partnering Strategy at <http://www.hrsdc.gc.ca/eng/homelessness/index.shtml>

⁷⁹ Core housing need, and other statistical measures of housing need, are available from Canada Mortgage and Housing Corporation at <http://www.cmhc-schl.gc.ca/en/corp/about/cahoob/index.cfm>



AN HISTORICAL PERSPECTIVE ON CANADIAN HOUSING POLICY

THE EVOLUTION OF A POWERFUL LEGACY

The Great Depression was in its fifth year, housing insecurity and homelessness were on the rise, and urban slums in Toronto and elsewhere were attracting official attention. A parliamentary committee recommended that the federal government respond to the profound housing distress with new spending and targeted programs. The Dominion Housing Act of 1935 was the government's response, but it was dismissed by leading experts, including McGill University's dean of architecture, Percy Nobbs, as a "comedy of errors."⁸⁰

The dollars, such as they were, went mostly to middle- and upper-income households, while lower-income households, including the jobless, were not getting the housing help that they required. After issuing his devastating critique, Nobbs called on the federal government to finance the construction of housing for people excluded from the private ownership and rental markets.

A year earlier, in 1934, the Bruce Commission released its final report on housing conditions in Toronto. The report detailed the appalling state of the city's "slum districts" and their terrible impact on the physical and mental health of residents:

Our survey of Toronto housing conditions reveals that there are thousands of families living in houses which are insanitary, verminous, and grossly overcrowded. The Committee confidently estimates that the number of dwellings which for these and other reasons constitute a definite menace to the health and decency of the occupants is certainly not less than 2,000 and may be more than 3,000. In addition there are probably half as many houses again which, while not in the same sense menacing, nevertheless lack the elementary amenities of life.⁸¹

The private markets for rental and ownership housing had clearly failed to meet the housing needs of low- and moderate-income Torontonians, according to Bruce. And, while he recommended tough new building standards and a major enforcement effort to improve the slum districts, his core recommendations centred on a new housing plan that included government funding to build new affordable homes:

The community is responsible, we believe, for the provision of satisfactory dwellings for those who are too poor to afford them. This principle is widely if not universally accepted by European countries; and has been the basis of low-cost housing development in Great Britain since before the war. Toronto must follow the example of the leading British cities. The responsibility must be shouldered. The time for reconstruction is here.⁸²

Bruce also noted that there were a variety of social and economic benefits that flow from a properly constructed affordable housing plan:

From both the Provincial and Federal governments financial assistance for projects of reconstruction should be sought. Both governments have in the past given aid to public works as a means of unemployment relief; and further expenditures may be forthcoming under the Dominion Relief Act, 1933, and similar legislation. Both governments stand to gain from the decreased burden of unemployment relief and from the increased prosperity and public revenues which all such expenditures promote; and they stand to gain more especially from the works which we recommend because better housing increases health and happiness and diminishes delinquency and crime.

⁸⁰ See <http://www.urbancentre.utoronto.ca/pdfs/policyarchives/1935PercyNobbs.pdf>

⁸¹ See <http://www.urbancentre.utoronto.ca/pdfs/policyarchives/1934HerbertBruce.pdf>

⁸² *Ibid.*

It should be urged on the Dominion government particularly that no public works grants are so urgently needed as those for the re-housing of the poorest members of the community; further, that in order to make such grants most effective, a National Housing Commission should be appointed to assist Provincial and municipal housing authorities in the formulation of plans, in the choice of materials, and possibly, if a nationwide housing scheme can be initiated, in securing economies by the large-scale purchase of such materials.⁸³

The call to action from Bruce and Nobbs would be repeated a decade later, when leading Canadian housing scholar Humphrey Carver called for a post-war national housing plan targeted to low- and moderate-income households excluded from private ownership and rental markets. However, it was not until the National Housing Act amendments of 1973 that the federal government committed to a national housing plan that would support the development, over the following two decades, of more than half a million good quality, affordable homes. By the mid-1990s, the federal government had stopped its financial support for new affordable homes, and the other parts of the national housing plan were also dismantled by the end of that decade. Those policy decisions led to growing housing insecurity and homelessness across the country.

CURRENT POLICY INITIATIVES: PROGRESS HAS BEEN SLOW

Canada's Affordable Housing Framework Agreement, 2001

In 2001, the federal government, along with all the provinces and territories, took an important step toward developing a comprehensive national housing plan when the two orders of government unanimously adopted the Affordable Housing Framework Agreement, 2001 (see appendix two of part II). But the agreement was intended to be short term (initially only five years, although it has been extended for specific periods since then). Each province and territory signed a bilateral housing agreement with the federal government to implement the terms of the national framework. Federal, provincial, and territorial housing ministers hailed the 2001 deal as an important step toward creating a national housing plan.

Overcoming obstacles to ensure every Canadian has a place to call home

In September 2004, the University of Toronto's Centre for Urban and Community Studies released an important book on Canadian housing policy co-edited by Dr. David Hulchanski, Canada's leading academic housing expert, and Michael Shapcott, then a community-based housing policy expert.⁸⁴ *Finding Room* drew together contributions from leading academic, community, government, and private sector experts on housing policy.⁸⁵

The foreword by Toronto Mayor David Miller included this call to action:

When it comes down to it, we have no option but to overcome the obstacles to a sound affordable housing policy. With apologies to Robert Frost, when a Canadian has to go home, we have to be there to take them in.

The White Point Principles for a new national housing framework, 2005

As work under the 2001 national housing framework was nearing its conclusion, the provincial and territorial housing ministers met in 2005 to draft a permanent national housing plan that would replace the temporary deal reached four years earlier. The provincial and territorial housing ministers released a set of principles that they proposed should guide the development of a comprehensive national housing plan (see appendix three of part II). The federal housing minister met with his provincial counterparts, and in the final communiqué of their meeting, the ministers greeted the principles as a useful foundation on which to continue discussions toward a new national housing plan. Yet progress has been slow.

In 2009, the federal government pledges to work with provinces and territories on housing

In February 2009, Canada's compliance with its international housing obligations was reviewed by the United Nations Human Rights Council (UNHRC). The council raised concerns about housing and homelessness issues in Canada, and called on the federal government to take more action to ensure Canadians are properly housed.⁸⁶ In June 2009, the federal government released its formal response to the UN review.⁸⁷ It accepted several recommendations on poverty and homelessness, and made a specific pledge:

⁸³ Ibid.

⁸⁴ Michael Shapcott is the principal author of *The State of the Nation's Housing 2009* and Director of Affordable Housing and Social Innovation at the Wellesley Institute.

⁸⁵ Available at <http://www.urbancentre.utoronto.ca/findingroom/>

⁸⁶ The 68 formal recommendations are posted here: http://www.pch.gc.ca/pgm/pdp-hrp/inter/wrk_grp-eng.pdf

⁸⁷ The bill is available at <http://www.pch.gc.ca/pgm/pdp-hrp/inter/101-eng.cfm>

Canada acknowledges that there are challenges and the Government of Canada commits to continuing to explore ways to enhance efforts to address poverty and housing issues, in collaboration with provinces and territories.⁸⁸

In early December 2009, the federal, provincial, and territorial housing ministers met for the first time in four years. The bland news release issued at the end of the half-day session spoke of “significant progress” and “momentum,” but there was no commitment to finalizing work on a national housing framework that was promised in 2005, nor was there even reference to a timetable for creating this framework.⁸⁹

Bill C-304: An act to create a national housing strategy

Bill C-304 was introduced in Parliament in the fall of 2009.⁹⁰ This bill requires the federal government to consult with the provinces, territories, municipalities, Aboriginal groups, the non-profit sector, and the private sector to create a national housing strategy (see the full text of the draft legislation, before amendments, in appendix five of part II). Under parliamentary rules, a private member’s bill cannot compel the government to spend money (that is known as “royal prerogative”), so Bill C-304 requires the federal housing minister to follow a process to create a national housing strategy – without specifying details of that strategy (any specifics in a private member’s bill would be ruled out of order by the Speaker). The draft legislation has drawn the support of a majority of MPs in first and second reading. At the time that this report was being prepared, the bill was before a parliamentary committee for review.

FAST FORWARD TO THE PRESENT ...

When the current recession hit in 2008, Canada faced many familiar issues: rising housing insecurity, deep and persistent homelessness, poverty and income inequality that was worse than in other leading economies, and a package of government housing responses that – like Nobbs’ critique of the 1935 Dominion Housing Act – channelled most of the public subsidies to households that didn’t need the help. Meanwhile, waiting lists for affordable housing grew longer, and precariously housed Canadians were left without substantial help.

Canada’s current recession rivals that of the 1930s: British Columbia’s Auditor General John Doyle released a powerful review of the effectiveness of that province’s homelessness programs. He concluded that the provincial government

has not been successful in reducing homelessness. Clear goals and objectives for homelessness and adequate accountability for results remain outstanding. Government lacks adequate information about the homeless and about the services already available to them – this hampers effective decision making ... government has not yet established appropriate indicators of success to improve public accountability for results.⁹¹

Ontario’s Auditor General, Jim McCarter, issued a detailed review of housing programs in that province in December 2009. He found that the Ontario government couldn’t properly account for over \$300 million in federal housing dollars; that the province was building “affordable housing” that was much too expensive for people on affordable housing waiting lists; and that cuts in the province’s housing staff meant that provincial programs were poorly designed or slow to be implemented.⁹² He also noted that automatic cuts in federal social housing grants to provinces – which were set in place when the federal government decided to transfer administration of most of its housing programs to provinces and territories in 1996 – will lead to a sharp decline in housing funding in the coming years. What links Nobbs in the Great Depression of the 1930s with Doyle and McCarter in the current recession is the recognition that governments have a responsibility to ensure that they effectively and adequately respond to the critical housing issues of the day. Programs and spending need to be evaluated against clear criteria: For example, Are housing initiatives, and housing dollars, reaching the people needing them most? The answer to this question is found not in the stream of news releases from politicians but in the program records and accounts of the federal government and other governments across Canada.

ENSURING HOUSING INVESTMENT OVER THE LONG TERM REQUIRES INNOVATIVE SOLUTIONS

Canadian housing investments at the federal level, and in most provinces and territories, have been sporadic, and this inconsistent funding has created multiple problems for the affordable housing sector. For instance, since the federal budget of January 2009, the call has gone out from governments for “planning approved, shovel-ready affordable housing projects” to meet the political imperative for “announceable” projects. But the capacity of the sector in most parts of Canada to create viable housing projects is limited. The long periods of waiting for housing investments punctuated by the need to respond quickly to local housing demands have not necessarily generated the best housing projects for the long term.

⁸⁸ Ibid.

⁸⁹ The news release for the meeting is available at http://www.scics.gc.ca/cinfo09/830975004_e.html

⁹⁰ Available at <http://www2.parl.gc.ca/HousePublications/Publication.aspx?Docid=3660878&file=4>

⁹¹ Available at <http://www.bcauditor.com/pubs/2009/report16/homelessness-clear-focus-needed>

⁹² Available at http://www.auditor.on.ca/en/reports_en/en09/312en09.pdf

The financial requirements for ongoing housing investments need to be aligned with housing needs. A number of investment models can serve as promising practices. The Canadian Housing Renewal Association has long called for a national housing trust fund/foundation that would take some of the politics out of housing investment decisions.⁹³ At the local level, a housing loan has been created in Ottawa in an alliance between the Ottawa Community Loan Fund, Alterna Savings (a credit union), and the Public Service Alliance of Canada (which provided \$2 million in funding).⁹⁴ The Canadian Alternative Investment Co-operative provides a loan program for new affordable homes.⁹⁵ Infrastructure Ontario (an agency of the Ontario government) has approved \$119.3 million in loans out of a \$500 million envelope.⁹⁶ All of these are good initiatives that provide valuable insights into the structure of a national alternative financing mechanism for affordable housing development across Canada.

⁹³ See <http://www.chra-achru.ca/CMFiles/documents/1999%20Housing%20Works1OAH-1282008-5035.pdf>

⁹⁴ See <http://www.chra-achru.ca/CMFiles/psac-alterna1LID-242008-7427.pdf>

⁹⁵ See <http://www.caic.ca/>

⁹⁶ See <http://www.infrastructureontario.ca/en/loan/housing/index.asp>



CANADA AND THE WORLD:

International housing policy lessons

KEY OBSERVATIONS

- The United Nations has been increasingly critical of Canada's failure to meet its international housing obligations.
- There is a growing movement in Canada to seek recognition of the right to housing within domestic law.
- Canada is falling behind other advanced economies in key housing-related measures, including poverty, income inequality, and public expenditures on housing.
- Successful models of housing initiatives exist that Canada can adopt, including the Australian Commonwealth-State Housing Agreement.
- Housing initiatives in a number of countries, including Britain and the United States, can be effectively integrated into a national housing plan for Canada.

CANADA'S INTERNATIONAL HOUSING RIGHTS OBLIGATIONS

The right to adequate housing has long been recognized in international law. The Universal Declaration of Human Rights (the global charter of human rights) sets out the right to housing in Article 25.⁹⁷ Canadian legal scholar John Peters Humphreys was the principal drafter of the Universal Declaration.⁹⁸ The International Covenant on

Economic, Social and Cultural Rights sets out the right to adequate housing in Article 11, which also imposes an obligation on governments to ensure that the right to housing is realized.⁹⁹

Numerous other international legal instruments also recognize the right to housing. General Comment #4 of the United Nations' Committee on Economic, Social and Cultural Rights provides a more detailed legal rendering of the right to housing, including the various components of the right to housing.¹⁰⁰

The United Nations' global centre for housing and human settlements, UN-HABITAT, maintains an active housing rights campaign.¹⁰¹ Habitat International Coalition, a global non-governmental organization that includes community-based housing partners, maintains an online housing rights toolkit through its Housing and Land Rights Network.¹⁰² The Special Rapporteur on the Right to Adequate Housing, appointed by the UNHRC, is the global expert on housing rights.¹⁰³ Canadian housing scholar David Hulchanski has noted that more than 60 national constitutions specifically include housing rights, although he cautions that in some countries, while housing rights may be the law, they are not necessarily the reality.¹⁰⁴

Canada was host to the first UN global conference on housing and human settlements in Vancouver in 1986. Arising from this conference is the historic Vancouver Declaration on Human Settlements, which states:

⁹⁷ Available at <http://www.un.org/en/documents/udhr/>

⁹⁸ See <http://www.jhcentre.org/dnn/AboutUs/JohnPetersHumphrey/tabid/70/Default.aspx>

⁹⁹ See <http://www2.ohchr.org/english/law/ceschr.htm>

¹⁰⁰ See <http://www.unhcr.ch/tbs/doc.nsf/0/469f4d91a9378221c12563ed0053547e?Opendocument>

¹⁰¹ Available at <http://www.unhabitat.org/unhrp>

¹⁰² Available at http://www.hlrn.org/old_hlrn/toolkit/index.html

¹⁰³ See <http://www2.ohchr.org/english/issues/housing/index.htm>

¹⁰⁴ Research note posted at <http://action.web.ca/home/housing/resources.shtml?x=67191>

Adequate shelter and services are a basic human right which places an obligation on Governments to ensure their attainment by all people, beginning with direct assistance to the least advantaged through guided programmes of self-help and community action. Governments should endeavour to remove all impediments hindering attainments of these goals, or special importance is the elimination of social and racial segregation, inter alia, through the creation of better balanced communities, which blend different social groups, occupation, housing and amenities.¹⁰⁵

Canada also hosted the WHO's first international conference on health promotion in Ottawa in 1986, which adopted a global declaration known as the Ottawa Charter for Health Promotion. This declaration recognizes that housing is one of the "fundamental conditions and resources" and a necessary prerequisite for good health.¹⁰⁶

RIGHT TO HOUSING AS A SUBSET TO RIGHT TO LIFE

Housing is not specifically mentioned in either Canada's Constitution or the Canadian Charter of Rights and Freedoms. In international law, the right to housing is a subset of the right to an adequate standard of living, and this right is, in turn, a subset of the right to life. The right to life is recognized in the Charter, and there is a growing interest among public interest and human rights lawyers to seek to have international housing rights "read into" the Constitution and its laws.

CANADA'S COMPLIANCE WITH ITS INTERNATIONAL HOUSING RIGHTS OBLIGATIONS

The federal government has ratified or otherwise acceded to a wide variety of international legal instruments that recognize the right to housing and impose an obligation on the state that ratifies the covenant to ensure that it is realized. However, in Canada, international legal obligations are not automatically incorporated into domestic law and global human rights bodies, such as the UNHRC, mainly have the power to "review" national compliance with international rights and to "name and shame" countries that fall below internationally accepted standards.

In October 2007, the UN Special Rapporteur, who is the leading global expert on housing rights, undertook a cross-Canada mission. Mr. Kothari offered this preliminary observation at the end of his mission: "There has been a significant erosion of housing rights over the past two decades."¹⁰⁷ His final mission report was tabled at the UNHRC in February 2009 and includes 27 pages of detailed observations, plus 111 specific recommendations.¹⁰⁸ Many of Mr. Kothari's recommendations have been incorporated into the Wellesley Institute's *Precarious housing in Canada 2010* report. The full list of recommendations is set out in appendix four of part II.

The strong language used by Mr. Kothari is echoed in other recent reviews of Canada's compliance with its international housing rights obligations.¹⁰⁹ In 1998, the United Nations' Committee on Economic, Social and Cultural Rights called homelessness and inadequate housing in Canada a "national emergency" – strong language for an international organization. It also pressed for "a national strategy for the reduction of homelessness and poverty."¹¹⁰

In 2009, Canada came under the scrutiny of the UNHRC (the highest human rights' body within the UN system) during its first ever Universal Periodic Review of Canada's human rights' obligations, including the international right to adequate housing. The "jury" in this international tribunal included all the nations that are part of the Human Rights Council.¹¹¹ Their preliminary verdict was a 24-page document that lists 68 specific recommendations to bring Canada into compliance with international rights standards, including a series of recommendations on housing and homelessness.¹¹²

SELECTED INTERNATIONAL BEST, GOOD, AND PROMISING PRACTICES

Australia's long-term federal-state housing agreement

Australia, like Canada, has a federal system of government with different levels of jurisdiction. Canada's federal system, with a national government and provinces that are sometimes engaged in political competition over funding and constitutional jurisdiction, is similar to the Australian system that comprises a national government and states. While Canada's national housing strategy of 1973 has been

¹⁰⁵ Available at <http://habitat.igc.org/vancouver/van-decl.htm>

¹⁰⁶ Available at http://www.who.int/hpr/NPH/docs/ottawa_charter_hp.pdf

¹⁰⁷ Available at <http://intraspec.ca/G0811092.pdf>

¹⁰⁸ Ibid.

¹⁰⁹ In 1997 and 1998, for instance, Canada's housing rights' record was reviewed by the United Nations' Committee on Economic, Social and Cultural Rights, and the committee (in 1999 and 1998), identified a number of "concerns."

¹¹⁰ United Nations. Economic and Social Council. *Consideration of Reports Submitted by States Parties Under Articles 16 and 17 of the Covenant. Concluding Observations of the Committee on Economic, Social and Cultural Rights: Canada* (Geneva: UNHCHR, 2006).

¹¹¹ The Human Rights Council includes almost every nation in the world, including – most recently – the United States, which joined after Canada's formal review in February 2009.

¹¹² The full document is at http://www.pch.gc.ca/pgm/pdp-hrp/inter/wrk_grp-eng.pdf

dismantled, and the existing national-provincial affordable housing initiative is a short-term initiative, Australia's Commonwealth-State Housing Agreement was first written in 1945 and has been updated over time.¹¹³

On January 1, 2009, the federal and state governments in Australia launched the National Affordable Housing Agreement – which brings the bilateral housing deal into the 21st century.¹¹⁴ In its 2009 economic stimulus budget, the Australian federal government announced plans for a three-year housing fund of \$5.238 million to build new social housing, and \$400 million over two years for housing repairs.¹¹⁵ Adjusted for our population (Canada has 50% more people than Australia), the equivalent amount in Canadian dollars would be \$7.8 million – almost four times higher than the housing investment set out in Canada's economic stimulus budget.

Norway's Housing Bank (Husbanken)

Norway's housing bank (Husbanken) is an agency of the national government that provides loans for new homes and housing repairs, plus education and policy work on housing and homelessness.¹¹⁶ In addition, it provides grants to cover housing allowances and special needs housing, as well as start-up loans.

The United States' National Housing Trust Fund and inclusionary housing policies

US President Barack Obama has allocated \$1 billion for a National Housing Trust Fund in his upcoming budget plans. Legislation to support the fund is also working its way through the US Congress.¹¹⁷ Hundreds of US cities, and a growing number of states, have adopted inclusionary housing policies that require a mix of housing in all new developments.¹¹⁸ There are many different mechanisms used throughout the United States – a number of which can be used in Canada, as long as there is appropriate enabling legislation at the provincial level. The Wellesley Institute has sponsored research on inclusionary housing, organized a major conference on the matter in 2008, and is launching a new micro site to act as a clearinghouse and forum for developing inclusionary zoning policy and practice in Canada.

Scotland's commitment to improve housing precariousness: Build more housing

In 2006, the Scottish government announced plans to eliminate homelessness by 2012 by making every homeless person eligible for affordable housing; and also by ramping up the development of a wide range of affordable housing options.¹¹⁹ In its progress report, Shelter Scotland, a leading housing policy group, reports: "Scotland has experienced a great deal of political change in Scotland [sic] in 2007 but the stated commitment of central government to meeting the 2012 target remains."¹²⁰ The group continues by noting: "It is clear that there is still some way to go to ensure that the vision of everyone in Scotland having the right to a home becomes a reality. It is also clear, however, that this goal is achievable."

¹¹³ See <http://www.aph.gov.au/library/intguide/sp/statehouseagree.htm>

¹¹⁴ See http://www.housing.qld.gov.au/about/pub/nsha/nah_agreement.htm

¹¹⁵ See <http://www.economicstimulusplan.gov.au/housing/pages/default.aspx>

¹¹⁶ The English language version of the Husbanken's annual report is available at <http://www.husbanken.no/Toppmeny/English/~//media/ABD1C18320204F85904C7EF4D562BAF6.ashx>

¹¹⁷ For more information, see <http://www.nlihc.org/template/page.cfm?id=40>

¹¹⁸ For promising practices in the United States, go to http://www.wellesleyinstitute.com/news/affordable-housing-news/planning_for_inclusive_neighbourhoods/

¹¹⁹ Details of the 2006 plan, and a commentary by Shelter Scotland – a leading housing policy group – is available at http://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/scottish_housing_green_paper_initial_response_from_shelter

¹²⁰ Available at http://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/halfway_to_2012_delivering_on_scotlands_homelessness_commitments

THE LAYERS OF THE AFFORDABLE HOUSING “ICEBERG”

Visible homeless: 150,000 - 300,000

Hidden homeless: 450,000 - 900,000

Overcrowded: 705,165 h/hs

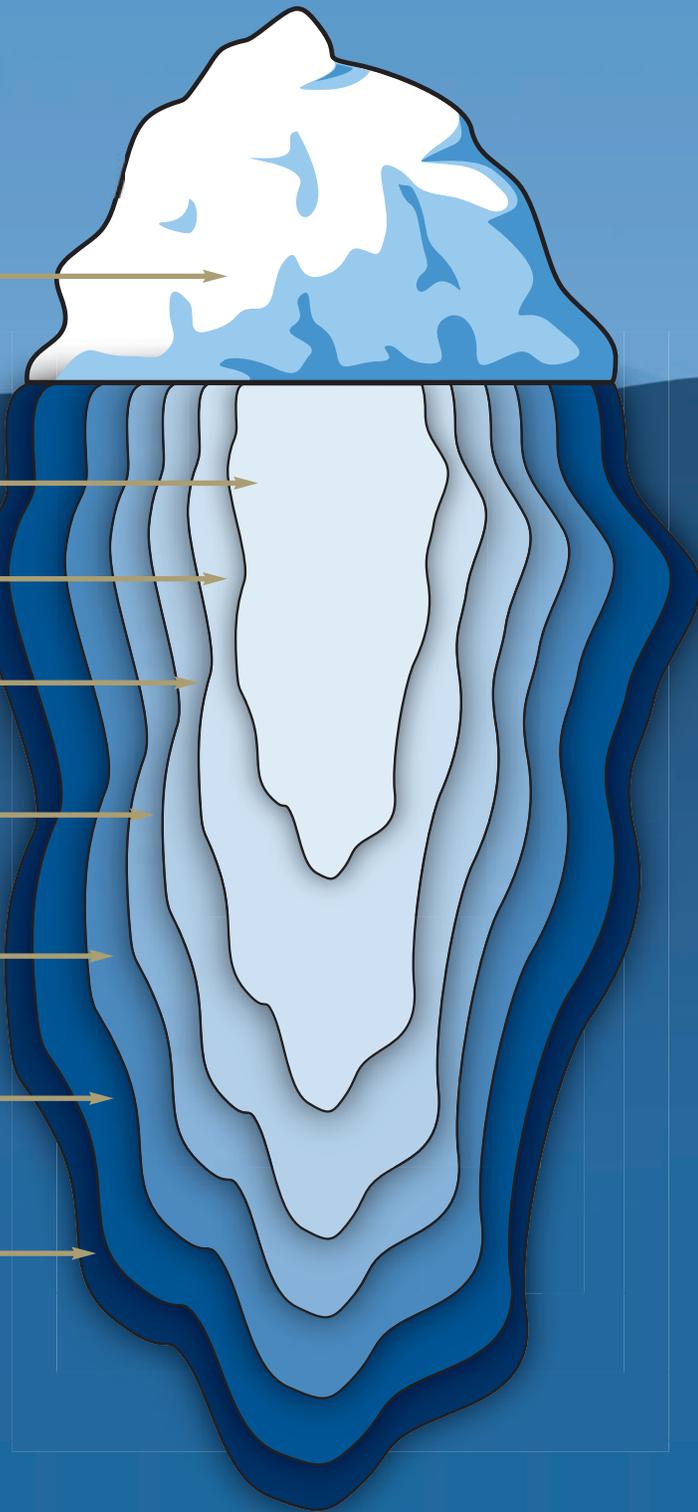
Substandard housing:
1.3 million h/hs

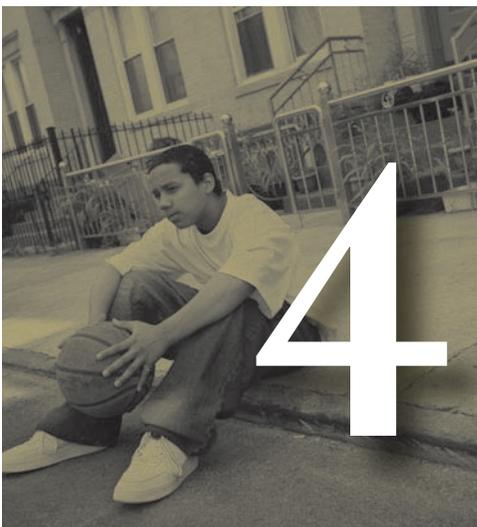
Core housing need:
1.5 million h/hs

Inadequate housing: 2 million h/hs
(minor repairs)

Annual housing supply deficit:
220,000 h/hs

Unaffordable housing: 3.1 million h/hs
(paying > 30%)





THE CURRENT STATE OF HOUSING DEMAND AND SUPPLY

KEY OBSERVATIONS

- The physical dimensions of Canada's housing challenges are immense. Add the current shortfall in housing to the number of Canadians living in inadequate housing, plus those who are living below basic occupancy standards, then factor in the increase in the need for housing due to population and household growth, and the numbers can be staggering.
- Nationwide, the need for housing is rising faster than new homes can be built. Population projections by Statistics Canada point to an increase of at least 3 million people over the next decade, primarily through immigration.
- Along with population growth is an increase in the number of family households and the number of single people – all of whom need a place to call home. Despite near-record construction of 795,805 new homes from 2001 to 2006, the need for new households stood at over 1.1 million during that period – creating a housing supply deficit of 317,000 homes.
- The largest provinces (Ontario, Quebec, British Columbia, and Alberta) had the biggest housing supply deficits.
- Private rental vacancy rates have been below 3% in Canada since the late 1990s – a key indicator of a major shortage of rental homes. Rental vacancy rates in the largest provinces and Canada's four major metropolitan regions have all been critically low.
- Less than 13% of new homes in Canada in the most recent quarter were rental, even though almost one-third of Canadians are renters. The percentage of rental housing – which is the housing generally affordable to low- and moderate-income households (including many recent immigrants) – as a portion of overall rental starts has been very low since 1990.
- The federal government made major cuts to the number of new homes funded under s. 95 of the National Housing Act in the early

1990s, and the current number is less than 1,000 for the entire country. Of the 623,750 homes that are assisted by federal funding, most are administered by the provinces and territories.

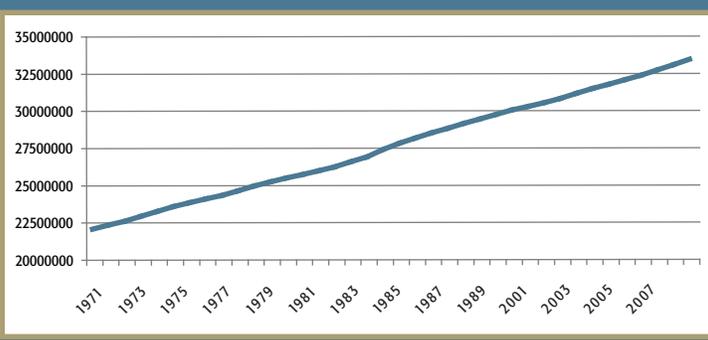
- The federal government currently estimates that the number of people who experience homelessness ranges from 150,000 to 300,000. The federal government estimates that another 705,165 households are living in overcrowded housing (sometimes called “couch-surfing”). Other estimates put the number of “hidden” homeless at 450,000 to 900,000.
- While the federal government estimates that over 3 million homes need repair, they also estimate that 224,000 are relegated to substandard housing.
 - Regarding the number of homeless people, the following data have been documented:
 - Vancouver, 2008: 2,660 street homeless people – up 373% since 2002
 - Calgary, 2008: 4,060 homeless people – up 18.2% since 2006
 - Ottawa, 2008: 7,045 people in emergency shelters – up 7% since 2007
 - Toronto, 2009: 4,358 people nightly in shelters in April 2009 – up 4% in one year

THE AFFORDABLE HOUSING “ICEBERG”

Housing insecurity and homelessness in Canada is like an iceberg – the biggest part of the problem is largely hidden from view. “Unsheltered” people sleeping on benches in urban parks may be the most common image of Canada's housing troubles, but they represent just a fraction of the overall numbers. While the housing and service needs of people who are absolutely without a home are urgent, the needs of the millions of other Canadians who are inadequately housed deserve serious attention and an effective response.

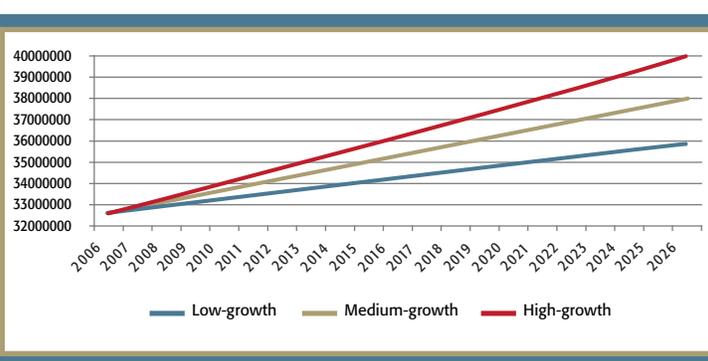
CANADA'S GROWING POPULATION MEANS A GROWING NEED FOR HOMES

Population growth in Canada



Since 1971, Canada's population has grown significantly to more than 33 million people in 2007 – up by more than 50% over the past three decades. (Source: Statistics Canada)

Projected population growth in Canada



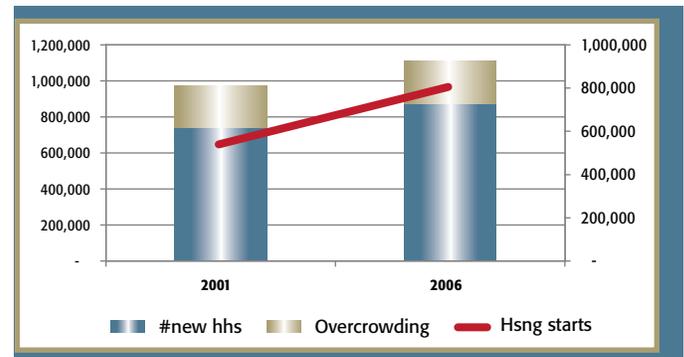
Canada's population is projected to grow to 36 million by 2020 (an increase of 3 million people – or 9% – over 2008) under the mid-range growth forecast. (Source: Statistics Canada)

HOW MUCH NEW HOUSING DO CANADIANS NEED?

A growing number of households in need of homes

As Canada's population has grown, the number of households that need a home has also increased significantly. The blue bar measures family households, and the red bar measures non-family households. The number of households in overcrowded housing is the purple bar. In all three categories, the number of new households has increased. (Source: Canada Mortgage and Housing Corporation)

Canada's housing supply deficit is large



From 2001 to 2006, Canada needed over 1.1 million homes to house new households and those living in overcrowded housing. Despite near-record construction starts, only 795,805 new homes were started, leaving a supply deficit of more than 317,000 homes. (Source: Canada Mortgage and Housing Corporation)

MEASURING THE BRICK-AND-MORTAR DIMENSIONS OF HOUSING SUPPLY

Even as government spending on housing has stagnated, there has been a rise in homelessness in many Canadian cities, as measured in local counts.¹²¹ Government spending on emergency relief – hostels and other short-term shelter, services, and supports for the homeless – has grown considerably. Canadian taxpayers spent an estimated \$49.5 billion from 1993 to 2004 on homelessness supports and services.¹²²

Affordable housing spending – by the numbers

As the signs of visible precarious housing including homelessness grew more pronounced in recent years, governments created a patchwork of housing funding and initiatives. During fiscal 2009, for instance, the federal government made substantial investments, including the following

Federal investments targeted to low-, moderate-, and middle-income households:	
Housing program expenses ¹²³	\$2,247,000,000
Affordable housing initiative ¹²⁴	\$164,000,000
Homelessness Partnering Strategy ¹²⁵	\$134,800,000
Renovation of social housing ¹²⁶	\$500,000,000
Housing for low-income seniors ¹²⁷	\$200,000,000
Housing for persons with disabilities ¹²⁸	\$25,000,000
First Nations' housing ¹²⁹	\$200,000,000
Northern housing ¹³⁰	\$100,000,000
TOTAL	\$3,570,800,000
Federal investments not targeted:	
Home Renovation Tax Credit ¹³¹	\$2,500,000,000
Various home buyers' tax subsidies ¹³²	\$190,000,000
Capital gains exemption for principal residence – full inclusion rate ¹³³	\$6,230,000,000
TOTAL	\$8,920,000,000
Other federal housing-related investments:	
Insured Mortgage Purchase Program¹³⁴	\$66,000,000,000

Provinces, territories, municipalities, and the non-profit and private sectors have also made substantial investments in housing-related initiatives (see chapter 5) – projected spending for 2009 added up to billions of dollars. However, only the smallest portion was targeted to those with the greatest need. For instance, \$128 million was allocated to housing repairs – which provided support for about 20,000 households out of an estimated 3.3 million that live in substandard or inadequate housing. Meanwhile, almost 20 times as much – \$2.5 billion – flowed into the Home Renovation Tax Credit under the national stimulus package to provide a financial subsidy to homeowners who spent up to \$10,000 of their own funds.

The single biggest housing-related expenditure in the federal budget is the Insured Mortgage Purchase Program (IMPP). Canadian financial institutions have banked \$66 billion of the \$125 billion on offer, according to the latest federal economic update. In return for that money, banks are not required to offer affordable mortgages, nor are they required to modify the terms on existing mortgages that may be proving financially challenging for lower-income households. It's a major public investment without any affordable housing policy objective.

We have also noted the significant housing dollars that are reflected in capital gains exemptions. While we recognize that these historically sacrosanct exemptions have been viewed as a major savings for Canadian homeowners, we also believe (as with the capital gains on stocks, and interest on bank accounts and RRSP future income) that we need to engage in a real debate about the definition of earned income. It is not within the scope of the Wellesley Institute's mandate or within our expertise to propose taxation measures. However, as Hugh Mackenzie, research associate at the Canadian Centre for Policy Alternatives, has said, perhaps "it's time we had an adult conversation" about taxes. The capital gains exemption for principal residence is a tax benefit available only to relatively wealthier homeowners and not to relatively poorer renters (who bear a much higher burden of housing insecurity), and raises questions about equity and fairness in the tax system.

¹²¹ See, for instance, Gordon Laird, *Shelter: Homelessness in a Growth Economy* (Calgary: Sheldon Shumir Foundation, 2007).

¹²² *Ibid.*, p. 5.

¹²³ Canada Mortgage and Housing Corporation corporate plan 2009.

¹²⁴ Available at <http://www.wellesleyinstitute.com/files/weareneighbours.pdf>

¹²⁵ Consultation paper, Federal Housing and Homelessness Consultation, August 2009.

¹²⁶ Government of Canada, Federal Budget 2009.

¹²⁷ Available at <http://www2.parl.gc.ca/housebills/BillVotes.aspx?Language=e&Mode=1&Parl=40&Ses=2&Bill=C304>

¹²⁸ *Ibid.*

¹²⁹ *Ibid.*

¹³⁰ *Ibid.*

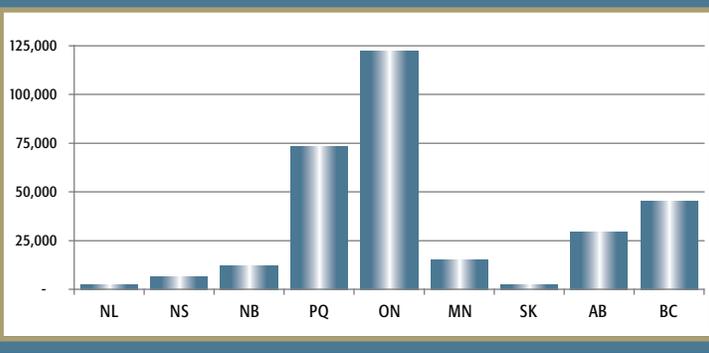
¹³¹ *Ibid.*

¹³² *Ibid.*

¹³³ Federal Department of Finance, *Tax Expenditures Report*, 2009.

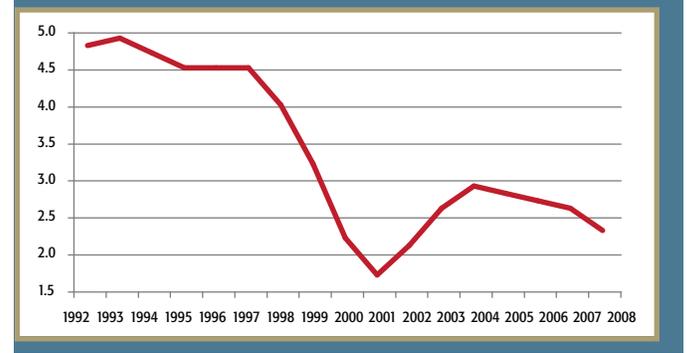
¹³⁴ Government of Canada. *Canada's Economic Action Plan: A Fourth Report to Canadians* (Ottawa: author, 2009).

Housing supply deficit by province, 2006



The shortfall between the growing need for new homes and construction starts was greatest in Ontario. Data are not available for Prince Edward Island. (Source: Canada Mortgage and Housing Corporation)

Private rental vacancy rates: Canada



A rental vacancy rate of 3% is considered by some experts to be the minimum level for a healthy private market. Canada's private rental vacancy rate has been below 3% since the end of the 1990s. Nationally, another 3,000 rental homes are needed to raise the vacancy rate to a healthier level. (Source: Canada Mortgage and Housing Corporation)

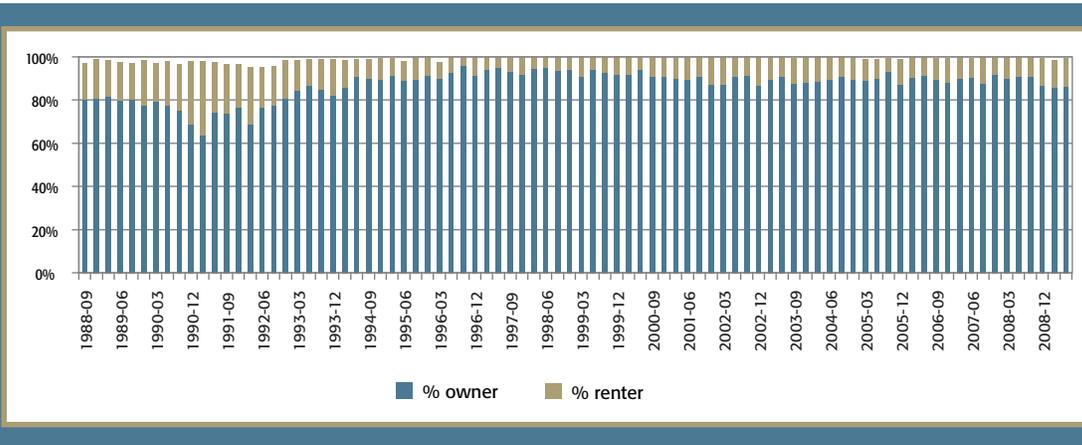
MOST NEW HOMES IN CANADA ARE BUILT FOR OWNERS

Quarterly private market housing starts: Ownership and rental

Overall, the trend over the past two decades has been a steady increase in new ownership housing (including condominiums) until 2005. The recession has caused a slight further drop in housing starts. Construction of new rental housing has remained stagnant over most of the past two decades, compared with ownership housing. About 68% of Canadians are in owned dwellings and 32% in rented dwellings – but the most recent numbers show that less than 13% of new homes were rental.

Percentage of new housing starts: Ownership versus rental

Over the past two decades, almost all the new housing starts have been ownership, even though about one-third of Canadians (mostly among the lower-income population) live in rental housing.



(Source: Canada Mortgage and Housing Corporation)

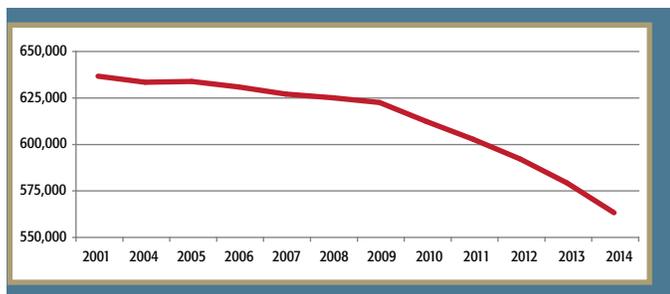
FEDERALLY FUNDED NEW HOUSING STARTS UNDER THE NATIONAL HOUSING ACT

New homes funded under s. 95 of the National Housing Act



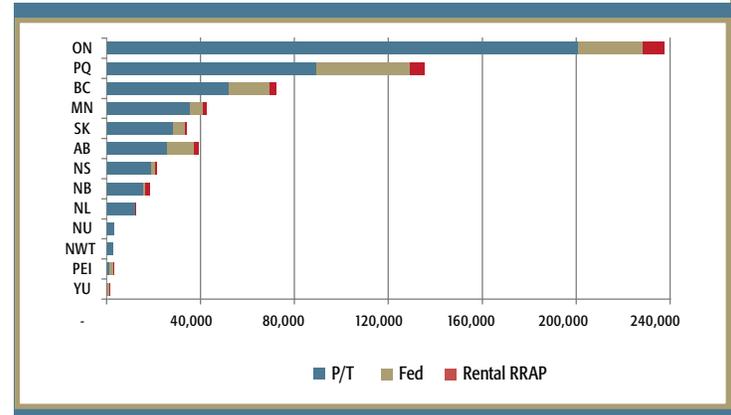
The number of new affordable homes funded by the federal government under s. 95 of the National Housing Act has slipped to fewer than 1,000 after a high of more than 16,000 in the mid-1980s. (Source: Canada Mortgage and Housing Corporation)

Administration of federally funded housing initiatives

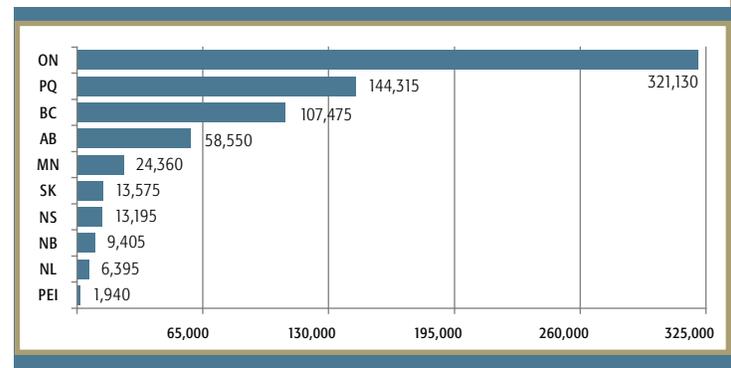


In 2008, federal funding reached 623,750 households across Canada. The biggest share was for housing downloaded from the federal government to the provinces and territories starting in 1996. The federal government retains administration of a small portfolio of housing and services, about half of which are non-profit housing co-operatives that successfully fought to avoid being downloaded to provincial administration. (Source: Canada Mortgage and Housing Corporation)

Provincial distribution of federally funded housing initiatives



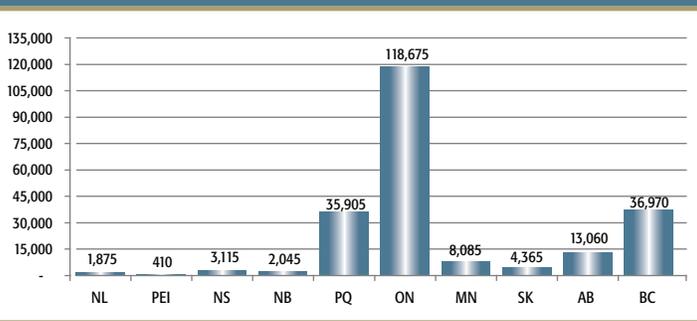
Ontario has the largest share of federally funded affordable housing initiatives in Canada. Several provinces and a number of municipalities have other housing initiatives that may or may not be linked to federal programs and services. (Source: Canada Mortgage and Housing Corporation)



Canadians living in overcrowded housing

A total of 705,165 households report that they are living in overcrowded housing. Not surprisingly, the biggest share is in the three most populous provinces. (Source: Statistics Canada)

Households in core housing need in overcrowded housing



About one-third of the households that report living in overcrowded homes are also in CMHC’s “core housing need” category. Overall, 227,400 households across Canada live in unsuitable housing (housing below the minimum occupancy standards) – and slightly more than half (52%) are in Ontario. (*Canada Mortgage and Housing Corporation*)

ON THE LONG LIST FOR AFFORDABLE HOUSING

There is no standardized practice across Canada for measuring the waiting lists for affordable housing, and therefore no reliable national numbers. When the Ontario government decided to download affordable housing to municipalities starting in 1998, it also required them to maintain central waiting lists for most (though not all) types of affordable housing.

The Ontario Non-Profit Housing Association (ONPHA) produces an annual survey of waiting lists. At the beginning of 2009, ONPHA reported that 129,253 households were on the municipal waiting lists. The number of households looking for housing across Ontario grew by 5,221 over the previous year – an increase of 4.2%.¹³⁵

A rough extrapolation to the national level (Ontario has about 38% of Canada’s population) suggests that a nationwide waiting list could reach as long as 3.4 million households.

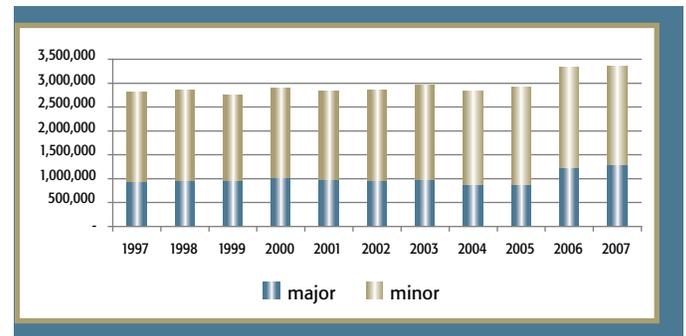
EVICTIONS FROM RENTAL HOUSING

Tenants who are evicted from their housing because they cannot pay their rent face a stark choice: either find another available unit at a lower price (often of lower quality) or move in with family or friends (and join the ranks of the “hidden” homeless). Either route is part of the downward spiral to increased housing insecurity and homelessness. The exact number of tenant households that are evicted in Canada is not measured. Each province has its own tenant protection laws, including practices governing evictions, and there is no national measure of the number of households that are evicted. Ontario officials report that in the year ending January 2008, a total of 54,701 households faced eviction for non-payment of rent (an increase of 11.5% over the previous year).

CANADIAN HOUSING IN A POOR STATE OF REPAIR

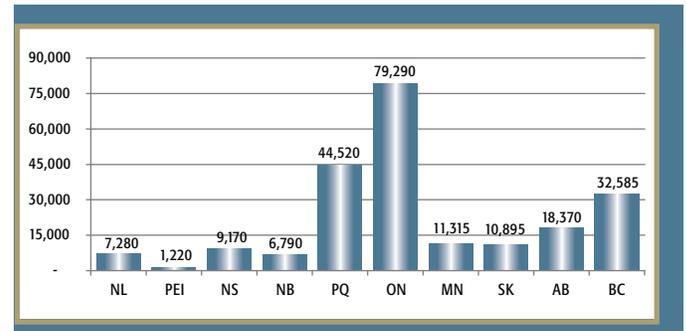
Another key concern is the need to increase the quality of existing housing. Without ongoing adequate maintenance and repair, most dwellings deteriorate over time. Unless we take action now, the future cost will be exponentially greater; it really is a situation of “pay me now or pay me much more later.”

Canadian households reporting the need for major/minor repairs



According to the latest data, about 3.3 million households report that their homes need repairs: 1.3 million households report the need for major repairs, and 2 million households report the need for minor repairs. (*Source: Statistics Canada*)

Households in core housing need in inadequate housing (major repairs)



Among the households in core housing need, a total of 221,435 households need major repairs. (*Source: Canada Mortgage and Housing Corporation*)

¹³⁵ Available at http://www.onpha.on.ca//Content/ONPHA/About/ResearchReports/WaitingLists2009/2009_waiting_list_report.pdf



THE CURRENT STATE OF HOUSING AFFORDABILITY

KEY OBSERVATIONS

- Housing costs for both renters and owners are rising much faster than household incomes (except for the wealthiest Canadians), which means that an increasing number of low- and moderate-income households are facing an affordability squeeze. Nationally, slightly more than 3 million households (about one in four) are paying 30% or more of their annual income on housing – the commonly accepted threshold for being precariously housed. Using this measure, renters in Nova Scotia face the biggest affordability burden in Canada, followed closely by those in Ontario.
- CMHC estimates that half of the households in the affordability danger zone – about 1.5 million households – are in core housing need. This means that they are living in homes that are unaffordable, overcrowded, or substandard – or all three.
- Affordability challenges are most severe for households in the first two income quintiles (the 20% of Canadian households that are low income, and the next 20% that are moderate income). A new affordability index¹³⁶ has been developed by the Wellesley Institute that compares average incomes for low-income households with incomes required to pay average private market rents, and average incomes for moderate-income households with incomes required to qualify for an entry-level condominium.

A GROWING NUMBER PRICED OUT OF PRIVATE HOUSING MARKETS

Shelter is the biggest expenditure most households make and its affordability can have an impact on wellbeing. For this reason,

housing affordability is closely watched by a wide range of stakeholders – from housing advocates to policy analysts – interested in housing and the broader welfare of Canadians.

—Willa Rea et al., *The Dynamics of Housing Affordability*, Statistics Canada, January 2008

Renters in Vancouver face the biggest affordability barriers in Canada – with a stunning gap of \$18,660 between average incomes for low-income households and the income required to pay an average private market rent in that city. Not surprisingly, British Columbia has the worst affordability record among Canadian provinces. On the ownership side, the affordability challenges are equally intense for both Vancouver and British Columbia.

Are Canadians able to access ownership or rental housing delivered by private markets? This is a critical question because Canada relies on private ownership and rental housing markets more than most other countries in the world. Fully 94% of Canadians live in housing supplied by private markets, compared with 90% in Australia, 80% in Britain, and 65% in the Netherlands.¹³⁷ Almost three out of every ten Canadian households are paying 30% or more of their annual income on housing (the commonly accepted threshold for being precariously housed), and the deepest and most persistent affordability problems are experienced by households in the bottom two income quintiles (the bottom one-fifth of Canadians in terms of income and the next one-fifth of Canadians).¹³⁸ Overall, the affordability story over the past decade is clear: Housing costs for both renters and owners have risen much faster than the incomes for most households, except for the wealthiest Canadians.

¹³⁶ Copyright of the Wellesley Institute.

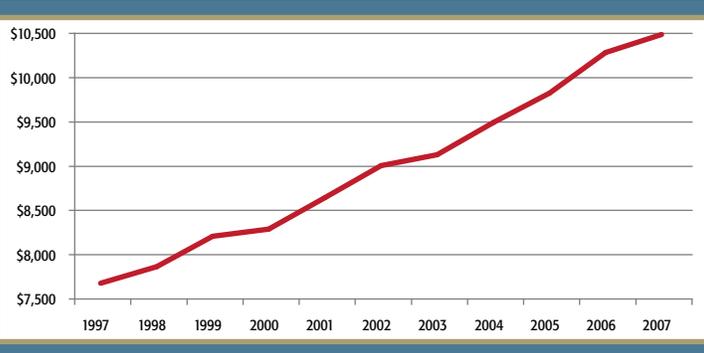
¹³⁷ Kathleen Scanlon and Christine Whitehead, *International Trends in Housing Tenure and Mortgage Finance* (London: Council of Mortgage Lenders, 2004). <http://www.cml.org.uk>

¹³⁸ Willa Rea, Jennifer Yuen, and Roberto Figueroa, *The Dynamics of Housing Affordability* (Ottawa: Statistics Canada, 2008). <http://www.statcan.gc.ca/daily-quotidien/080125/dq080125c-eng.htm>

AFFORDABILITY CHALLENGES

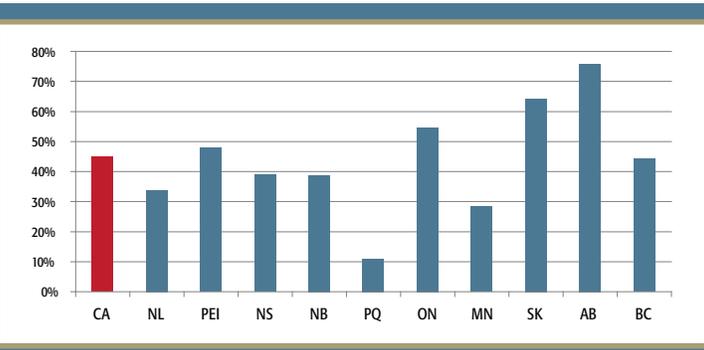
Data underscores the affordability issue for renters and “average” homeowners.

Housing costs are rising rapidly in Canada



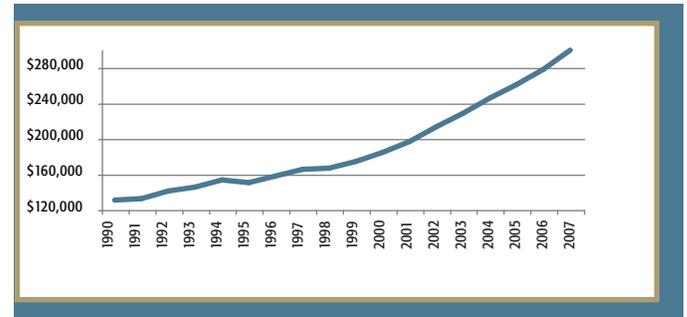
Total annual housing costs grew by 37% in the decade leading up to 2007, much faster than the overall rate of inflation of 24%. One of the biggest components of rapidly rising housing costs is the cost of water, fuel, and electricity (WFE) – which jumped by 45% (almost double the rate of inflation). (Source: Statistics Canada Survey of Housing Spending)

Energy costs have risen in Canada over the past decade, contributing to higher housing costs



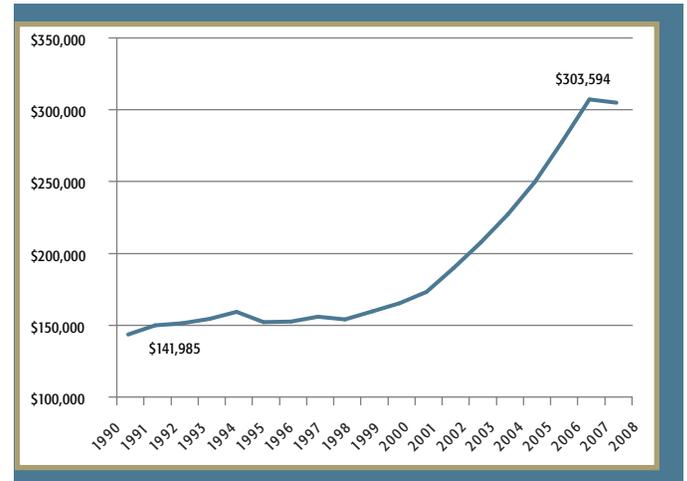
Energy costs rose most rapidly over the past decade in Alberta and Saskatchewan, creating an even bigger affordability challenge in those provinces. The chart presents the increase in water, fuel, and electricity costs over the past decade. (Source: Statistics Canada Survey of Housing Spending)

Average market rents have been increasing rapidly in recent years, widening the housing gap



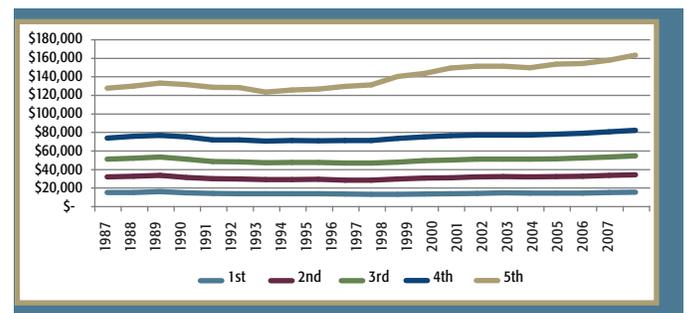
Average market rents for a typical two-bedroom apartment rose by 39% in the 12 years up to 2009, well above the inflation rate of 27% over the same period. (Source: Canada Mortgage and Housing Corporation)

Ownership prices have also increased rapidly, outpacing inflation

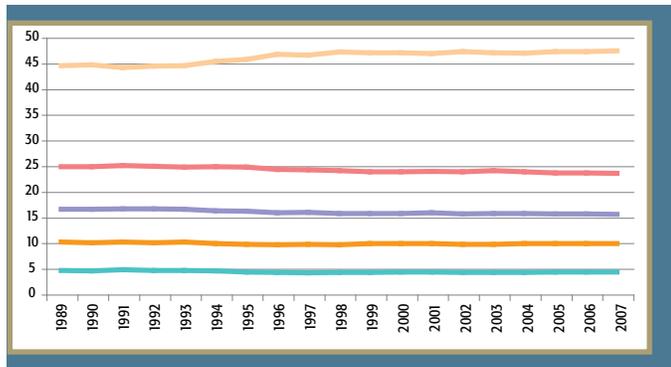


From 1985 to 2003, the average price of a new home in Canada (using MLS figures) rose by 114% – also well above the rise in inflation of 63%. (Source: Canada Mortgage and Housing Corporation)

Household incomes have been mostly stagnant (except for the wealthiest Canadians)

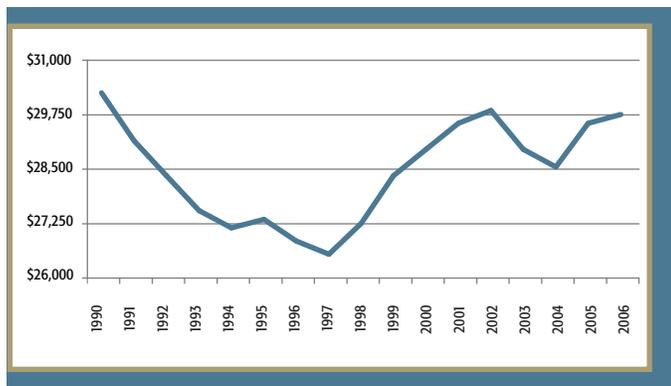


The average income for the 80% of Canadians in the first four quintiles was mostly stagnant over the past two decades. The average income for the poorest one-fifth of Canadians rose by less than 3%, while the average income for the wealthiest one-fifth of Canadians jumped almost 10 times faster at more than 28%. (Source: Statistics Canada)



Share of income among Canada's five income quintiles

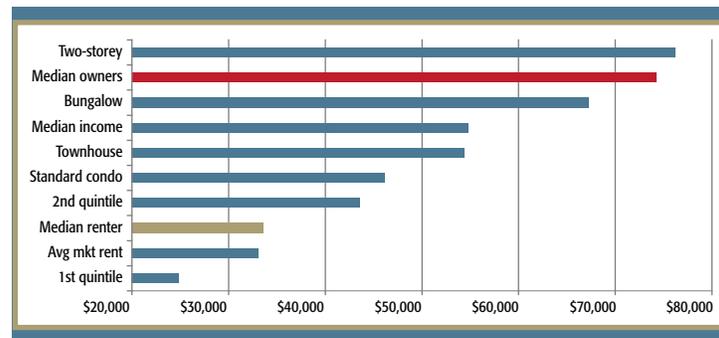
Only the wealthiest Canadians saw their share of overall income increase over two decades to 2007. Low-, moderate-, middle-, and upper-middle income Canadians all saw their share of overall income remain stagnant or decline. (Source: Statistics Canada)



Median renter household incomes have declined (constant dollars)

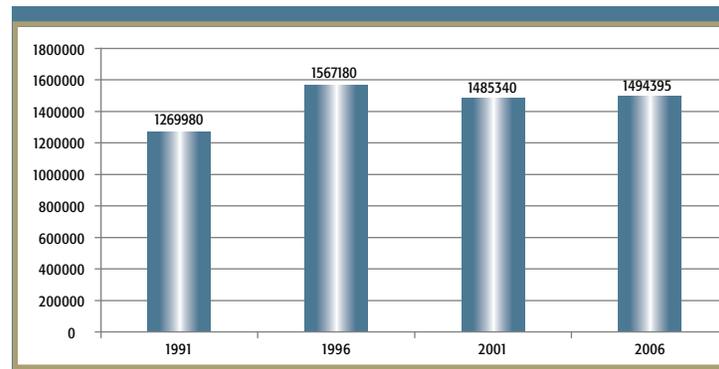
Renter households have annual incomes that are, on average, about half those of owners. From 1990 to 2006, the median renter household income (statistical middle of renter households) actually decreased, while owner incomes increased only slightly. Incomes are measured in constant dollars (corrected for inflation). (Sources: Canada Mortgage and Housing Corporation, Statistics Canada)

Annual income required for housing in Canada, 2009



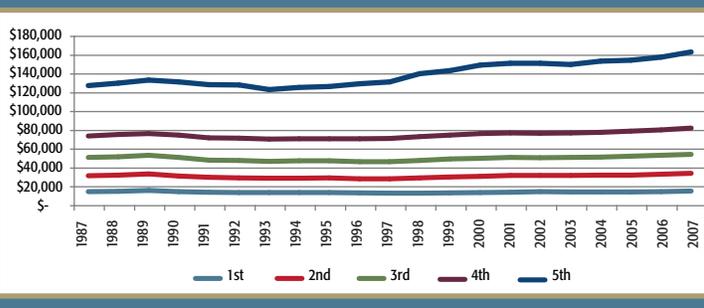
Renters face a much bigger affordability hurdle than owners: While more than half of all renter households cannot afford the cost of a basic two-bedroom apartment, more than half of all owner households (median owners) are able to afford an entry-level condominium, a standard townhouse, or a detached bungalow. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Households in CMHC's definition of "core housing need"



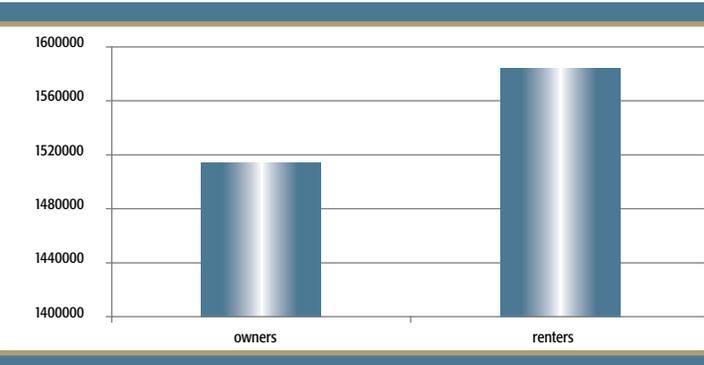
The number of households that are precariously housed has risen in recent years after falling in the late 1990s as the country pulled out of the previous recession. The official government measure of "core housing need" includes housing that is unaffordable (more than 30% of household income on housing) and/or inadequate (poor state of repair) and/or unsuitable (overcrowded). While the concept of core housing need is widely used, many housing analysts question whether it properly estimates the scale of housing insecurity. For instance, Statistics Canada reports that more than 3 million households pay 30% or more of their income on housing (one of the primary components of core housing need), yet CMHC reports that less than half that number is actually in core housing need. (Source: Canada Mortgage and Housing Corporation)

Incomes for most Canadians stagnant over past two decades



Only the wealthiest Canadians saw their share of overall income increase over two decades to 2007. Low-, moderate-, middle-, and upper-middle income Canadians all saw their share of overall income remain stagnant or decline. (Source: Statistics Canada)

Number of owner/renter households paying 30% or more on shelter

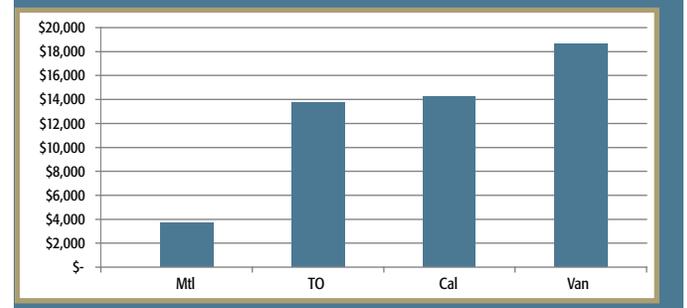


Over 3 million Canadian household pay more than 30% of gross income on housing costs.

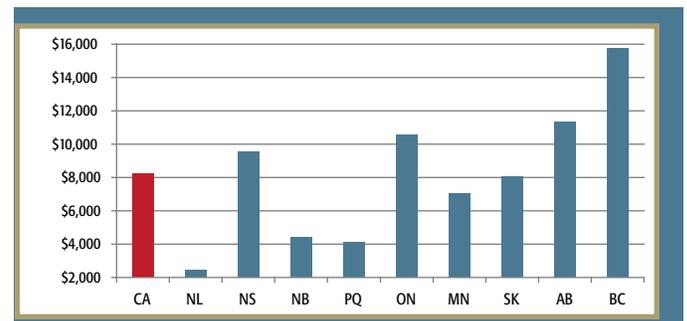
GAUGING THE AFFORDABILITY GAP

We can measure, using a cross-tabulation of our analysis, an affordability index that indicates the gap between the average income of a particular city and the average cost of housing. Clearly, as the gap widens, the ability to support adequate shelter declines dramatically.

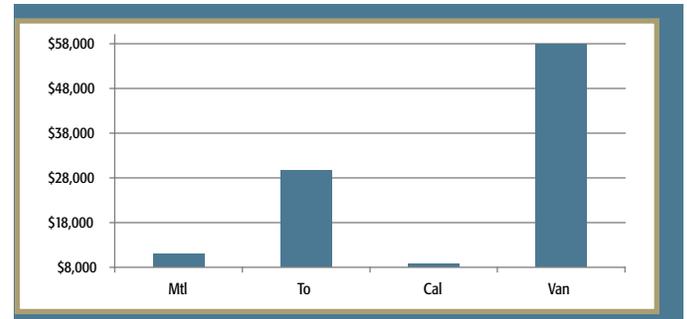
Vancouver tops the rental affordability gap for Canada, 2009



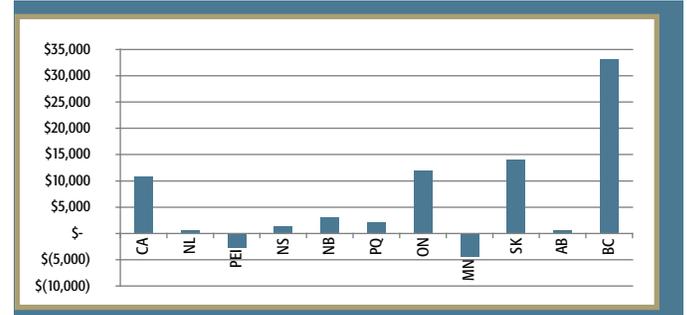
Measuring the rental affordability gap across the country, 2009



Vancouver tops the ownership affordability gap, 2009



Measuring the ownership affordability gap across the country, 2009



ONE-QUARTER OF CANADIANS FACE BARRIERS TO PRIVATE HOUSING MARKETS

Most Canadians find a home in the private ownership or rental housing markets. However, as previously noted, while private housing markets have delivered a near-record amount of new homes in recent years, the overall supply fell short of the growing housing needs of lower-income Canadians – creating a housing supply deficit. This deficit was partially bridged by federal and provincial support for new affordable homes, but the housing funding cuts of the 1980s and 1990s have significantly eroded the government role in easing the supply deficit.

On the affordability side, as noted previously in this report, stagnant or declining incomes for low-, moderate-, and middle-income Canadians set against rapidly rising costs for both private ownership and private rental housing created an affordability deficit. Individual households have responded to the housing affordability squeeze by devoting a larger share of their household income to shelter, and then lining up at food banks in increasing numbers to get the other necessities of life.

More than 3 million Canadian households – about one in every four households across the country – are having difficulty accessing or maintaining adequate, affordable housing in private ownership and rental markets. While the overall numbers have grown in recent years, the phenomenon is not new. In 1948, Canadian housing scholar Humphrey Carver noted:

Obviously the most convenient and economical way of providing the community with an adequate supply of decent accommodation is through the economic [private] market for new housing. If those who can afford to own or to rent new housing could maintain such a volume of production that every family could be well-housed and obsolete housing could be successively removed, then in the process of time there would be no housing problem ... Unhappily, any study of the economic factors involved seems to lead inevitably to the conclusion that a balance of incomes and housing costs is most unlikely to be established at a level which would produce an adequate supply of housing. This has certainly been the experience of all other industrialized nations and there are no factors peculiar to our economy which indicates that Canada is likely to be an exception to this experience. In fact, the requirements of shelter in our stern climate are likely to make the economics of housing in Canada especially intractable. If this conclusion is well founded it will be necessary to devise a means whereby a larger proportion of the national income may be directed into the production of housing. It will be necessary to supplement the supply of housing created by the private market.¹³⁹

Carver's view that public resources needed to be applied to ensure that all Canadians were able to find a good home won favour among governments in the 1970s, but by the 1980s, governments at the federal level – and in a number of provinces and territories – sought to reduce the government role in housing and rely on private housing markets to deliver homes.

Perhaps no government was more unapologetic in pushing the private market agenda than the Harris government, elected in 1995 in Ontario. It cancelled 17,000 units of affordable housing that had been approved for development, gutted tenant protection laws, downloaded housing programs to municipalities, and eroded rent regulation rules. The explicit goal of the Harris government was to get the government out of the way, and allow private markets to meet the housing needs of Ontarians. In fact, the government solemnly promised that its actions would spur the private development sector to build 10,000 new rental units in Toronto alone in two years. The actual number of new rental housing starts in Toronto during the first two years of the Harris government was 732.¹⁴⁰

Despite all its efforts on behalf of private housing markets, Ontario's affordable housing woes continued to grow. Few new affordable homes were being built. Ontario housing minister Tony Clement was clearly exasperated in April 2000 when he told a reporter:

They [private housing developers] are running out of excuses. I am now calling upon the industry to put their money where their mouth is. We've removed the impediments and we've got to see activity in this area. It's time to fish or cut bait.¹⁴¹

¹³⁹ Humphrey Carver. *Housing for Canadians* (Toronto: University of Toronto Press, 1948).

¹⁴⁰ Canada Mortgage and Housing Corporation, Canadian housing statistics

¹⁴¹ Interview with Tony Clement. *Toronto Star*, April 17, 2000.



GOVERNMENT AFFORDABLE HOUSING INVESTMENTS

KEY OBSERVATIONS

- Federal investments in affordable housing in fiscal 2009, adjusted for inflation and population growth, are down \$620 million when compared with 1989. In real terms, this decrease means that 22% fewer dollars are available to meet the deep and persistent housing needs of Canadians.
- Over the past two decades, municipalities have been required to pick up a bigger share of the country's affordable housing tab. If current trends continue, municipalities will outspend the federal government in affordable housing investments by fiscal 2011.
- The provinces have an uneven record on per capita housing investment. Saskatchewan is in the lead at \$214 per capita, whereas Ontario is dead last at a mere \$64 per capita.
- The federal government has had a greater capacity to invest in affordable housing over the past two decades (the GDP is up, which generates more room in the economy and greater federal revenues, and overall federal spending has risen), but federal housing investments as a percentage of GDP and as a percentage of overall federal spending are down sharply.

GOVERNMENT EXPENDITURE ON HOUSING: SHIFTING THE BURDEN DOWNWARD

Overall government investments in affordable housing have been sluggish for the past two decades, barely keeping pace with the major growth in population and scarcely offsetting the impact of inflation.

Buried in the aggregates is a dramatic shift in housing expenditures – mainly over the last decade – as federal, provincial, and territorial governments have downloaded a huge amount of the funding responsibility for housing to local governments.

Two key trends in government affordable housing investments have emerged over the past 20 years:

1. The federal share of affordable housing spending has been mostly stagnant over two decades – and has not even kept pace with inflation and population growth. Simply to keep pace with Canada's growing population and rising inflation, federal housing investment in affordable housing should have been \$2.8 billion in fiscal 2009 – just to remain on par with the level the federal government spent in 1989. In fact, federal housing spending was \$2.2 billion in fiscal 2009 – leaving a federal housing investment gap of \$620 million.
2. As federal investment in affordable housing has been sluggish since 1989, other orders of government have been required to take up the slack. There has been no debate in Parliament, provincial legislatures, or municipal halls on this fundamental shift in funding responsibility. There has been no research or policy debate on whether subnational governments have the financial ability to pick up the hundreds of millions in extra costs annually. The provincial/territorial share of affordable housing spending is rising, and the biggest increase has been at the municipal level. Our numbers show that if the current trend continues, Canadian municipalities will outspend the federal government in affordable housing investments by fiscal 2011.¹⁴²

¹⁴² Available at <http://wellesleyinstitute.com/national-housing-report-card-2008-reveals-government-funding-failures>. The most current data are based on the government's fiscal calendar – which runs from April 1 to March 31; therefore, the numbers end at March 31, 2009. There are some estimates of current year spending (the numbers set out in the Introduction of this report include a listing of housing investments for fiscal 2009/10), and some estimates of future year spending (including projections from Canada Mortgage and Housing Corporation, which are also included in this report). However, the Statistics Canada government revenues and expenditures database is the most comprehensive and current survey of spending on housing by federal, provincial, and municipal governments across Canada, and its 2009 data are used in this report.

Federal funding of affordable housing

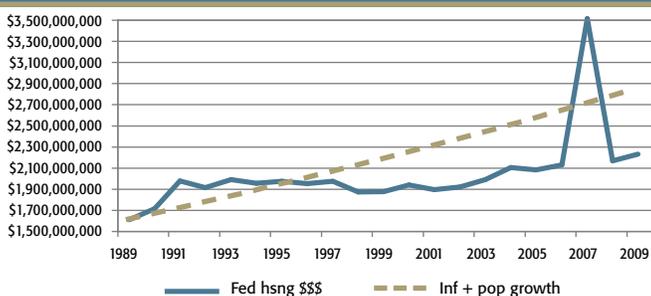
The unadjusted numbers show that the federal government has increased housing investments by a modest 39% in the two decades leading up to 2009, but that increase is offset by a 53.75% increase in inflation (which erodes the value of money) and a 24% increase in Canada's population (more people means more homes).

The federal government made three major affordable housing investments in the past two decades: \$1 billion initially announced in 2001, \$1.4 billion in 2006,¹⁴³ and \$2 billion in 2009. We congratulate the federal government for making these investments.

In addition, over the decade starting in 1999, the federal government has allocated approximately \$1.3 billion to its national housing repair program (Residential Rehabilitation Assistance Program, which includes a component dedicated to affordable housing) and approximately \$1.4 billion to its national homelessness initiative (the Homelessness Partnering Strategy, which includes a component for transitional housing). However, federal government announcements (and, often, re-announcements) of more than \$5 billion in new affordable housing investments over the past decade seem at odds with the fiscal record, which shows a much more modest \$292 million increase (unadjusted) in federal housing investments since the year 2000. Since 1984, successive federal governments have been cutting existing funding. In 1996, the federal government started a plan to transfer administration of virtually all federal housing programs to the provinces and territories.

As part of the transfer agreements, the federal government locked into place an annual financial "step-out" that will accelerate in the coming years. CMHC has estimated that the number of lower-income households assisted under its programs would drop by 9% over a decade – from 635,900 in 2003 to 578,479 in 2013. In addition, CMHC has estimated that the annual number of new units under its repair programs would fall from 18,647 in 2003 to 719 in 2013 – a drop of 96%.

Adjusted federal housing spending down by \$620 million over two decades



The federal government spent \$1.6 billion on affordable housing in 1989. Adjusting for inflation (53.75%) and population growth (24%) over the past two decades, it should have spent more than \$2.8 billion in fiscal 2008 just to be on par with the level of investment made in 1989. In fact, the federal government spent \$2.2 billion in 2008 – which effectively is a cut of \$620 million in 2008 alone. (Sources: Statistics Canada, Bank of Canada)

The bottom line: Adjusting for rising inflation and population growth, the federal government should have spent more than \$2.8 billion in fiscal 2008 just to keep even with the dollars spent in 1989. In fact, the federal government spent \$2.2 billion – which effectively is a cut of \$620 million last year alone. That shortfall of hundreds of millions of dollars could have been used to build new affordable homes and to effectively maintain existing homes.

Not enough federal funding for new affordable housing

Canada's housing supply deficit was 317,000 homes in 2006 – that's the difference between the over 1.1 million households that needed a home in the previous five years and the 795,805 new construction starts during that time.¹⁴⁴

Add the other indicators of growing housing need, and the urgent requirement for new supply of affordable homes is acute. Yet the federal government's affordable housing initiative (the main funding for low-, moderate-, and middle-income homes) is projected to slip from \$374 million in 2010 to a mere \$1 million by 2013.¹⁴⁵

In fiscal 2009, for every dollar invested in affordable housing targeted to lower-income households, the federal government was projected to spend \$2.83 in subsidies to homeowners (with the biggest amounts going to higher-income households). It is a widely accepted fact that most of the population growth in Canada in future years will come from immigration. Yet current trends show that new immigrants are arriving in Canada poorer than resident Canadians,¹⁴⁶ and this has an impact on their ability to buy or rent adequate housing. Newcomers are more than three times more likely to live in overcrowded housing compared with resident Canadians.¹⁴⁷ Considering the growing supply deficit, is the best policy option to wind down the federal affordable housing program while, at the same time, allowing tax subsidies to people, many of whom are already well-housed, to rise dramatically?

The expensive reality of developing affordable housing means that housing sponsors need a mix of funding, including access to private investment funds. When the federal government had a national housing program, it

¹⁴³ The federal government announced an additional \$2 billion in affordable housing investments in January 2009 that are to be made in fiscal years 2009 and 2010.

¹⁴⁴ Canadian housing statistics are available at <http://www.cmhc-schl.gc.ca/en/hoficlincl/homair/stda/index.cfm>

¹⁴⁵ Projected federal spending is set out in the Canada Mortgage and Housing Corporation's corporate plan at http://www.cmhc-schl.gc.ca/en/corp/about/anrecopl/anrecopl_010.cfm

¹⁴⁶ See, for instance, Statistics Canada's analysis of immigrants in their study of incomes and earnings over the past quarter century at <http://www12.statcan.ca/census-recensement/2006/as-sa/97-563/p12-eng.cfm>

¹⁴⁷ See http://www.rhdcc-hrsdc.gc.ca/eng/publications_resources/research/categories/inclusion/2007/sp_680_05_07_e/page12.shtml

provided a financial backstop to affordable housing developers so that they could then access banks and other sources of private investment. In 2008, the federal government offered 156 loans to create 945 new homes under its remaining non-profit housing funding program.¹⁴⁸

Federal housing investments shrinking relative to GDP

The federal government invested \$1.6 billion in affordable housing in fiscal 1989 (ending March 31, 1999) and \$2.2 billion in fiscal 2008 (ending March 31, 2009). Over those two decades, inflation rose by more than 50% and Canada’s population grew by 24% – which more than outpaced the 39% increase in housing investments. Over that same period, Canada’s economy grew by 135% – yet federal investments in affordable housing as a percentage of GDP dropped sharply.

Federal housing investments as a percentage of GDP

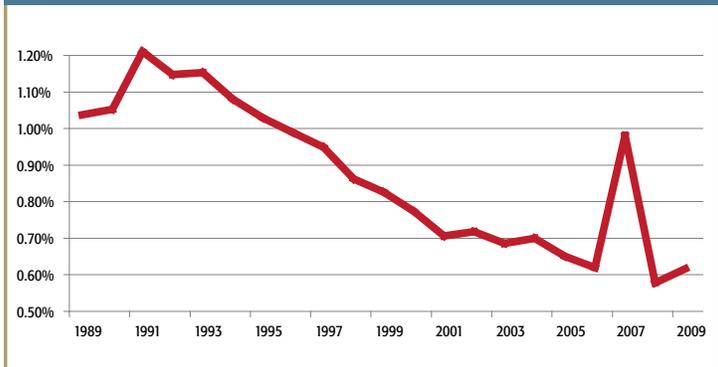
One way to measure federal housing investments over time is to compare annual investments with the Gross Domestic Product, or GDP (one measure of the national economy). The table below, based on data from

Date	Federal housing investments (\$millions)	GDP (\$millions)	Housing as % of GDP
1989	1,598	657,728	0.24
1990	1,702	679,921	0.25
1991	1,965	685,367	0.29
1992	1,904	700,480	0.27
1993	1,980	727,184	0.27
1994	1,945	770,873	0.25
1995	1,962	810,426	0.24
1996	1,940	836,864	0.23
1997	1,964	882,733	0.22
1998	1,862	914,973	0.20
1999	1,865	982,441	0.19
2000	1,928	1,076,577	0.18
2001	1,885	1,108,048	0.17
2002	1,910	1,152,905	0.17
2003	1,979	1,213,175	0.16
2004	2,092	1,290,906	0.16
2005	2,072	1,373,845	0.15
2006	2,119	1,449,215	0.15
2007	3,502	1,532,944	0.23
2008	2,155	1,600,081	0.13
2009	2,220	1,527,512	0.15
Change over time			
1989–2009	39%	232%	-38%
1989–1999	17%	149%	-21%
1999–2009	19%	155%	-21%

Statistics Canada, shows that Canada’s economy has been growing rapidly over the past two decades, but federal housing investments – relative to GDP – have dropped sharply over that time. As the economy grows, there is a greater capacity for housing investments, but the federal government has cut housing investments at a time of economic growth.

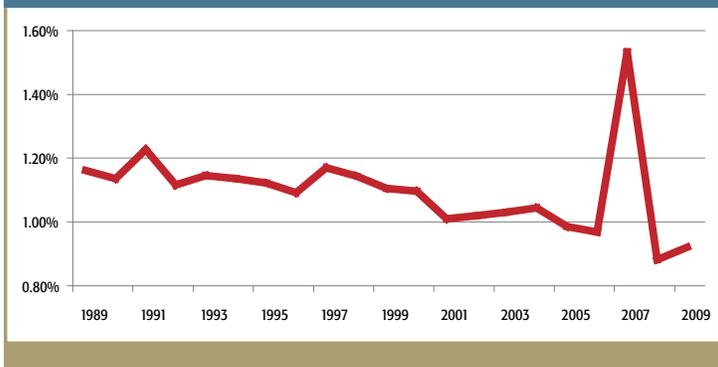
While Canada’s economy has been growing steadily over the past two decades (until the recession began to slow growth in 2008), the share of the GDP devoted to affordable housing investments has been

Federal housing investments as a percentage of GDP



dropping steadily over much of that time (except for a spike in 2007 when the affordable housing investments authorized by Parliament in 2005 were allocated). In fiscal 2009, federal housing investments as a percentage of GDP were about half the high point in 1991 (before major federal affordable housing cuts). The blue line measures GDP (left scale), and the red line measures federal housing investment as a percentage of GDP (right scale). (Source: Statistics Canada) Overall federal spending has been increasing significantly over the past two decades (except for a drop in the mid-1990s), but the percentage of federal dollars invested in affordable housing has been slipping over that same period of time (except for a spike in 2007 when the affordable housing investments authorized by Parliament

Federal housing investment as a percentage of overall federal spending



¹⁴⁸ See http://www.cmhc-schl.gc.ca/odpub/esub/64689/64689_2009_A01.pdf?sid=6be323fa282346ba9d3e69459a16fb2c&fr=1261499482408

in 2005 were allocated). In fiscal 2009, federal housing investments as a percentage of overall federal spending was less than 1%, well below the high point in 1991. The blue line measures total federal spending (left scale), and the red line measures federal housing investment as a percentage of total federal spending (right scale). (Source: Statistics Canada)

Commitments versus reality: Overpromise and underdeliver

In its January 2009 “economic stimulus” budget, the federal government promised approximately \$2 billion over two years for various affordable housing investments,¹⁴⁹ in addition to \$1.9 billion in federal housing and homelessness investments promised in September 2008.¹⁵⁰ These investments, when combined with existing commitments, add up to the figures set out in the introduction to this report – which include \$3.5 billion in spending targeted to lower-income households, \$13.9 billion in housing-related tax credits and tax expenditures that are not targeted to lower-income households, and the \$125 billion allocated to banks through the IMPP.

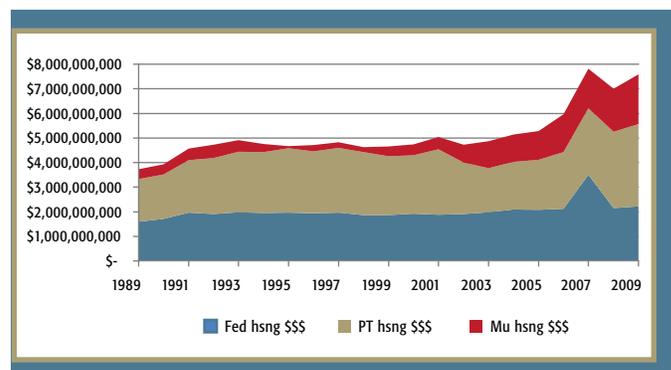
However, only 3% of the federal housing investments promised over 15 months had actually been committed to new or renovated homes, according to a report from the Government of Canada tabled in Parliament on November 16, 2009.¹⁵¹

Zero dollars of the \$242.8 million promised through the federal Affordable Housing Initiative had been delivered. Only \$53.8 million of the \$1.475 billion promised in the 2009 federal budget had been delivered.

Federal housing investments: Promises and allocations, 2008–2009

Investment	Promised allocation	Amount allocated (Sept. 2009)	Percentage of promise delivered
Repairs	\$251,290,000	\$7,300,000	3%
Affordable	\$251,290,000	\$0	0%
Total, Sept. 2008	\$494,090,000	\$7,300,000	1%
P/T renovation	\$850,000,000	\$46,060,000	5%
Federal renovation	\$150,000,000	\$0	0%
Housing for seniors	\$400,000,000	\$7,660,000	2%
Housing for persons with disabilities	\$75,000,000	\$100,000	0%
Total budget, 2009	\$1,475,000,000	\$53,820,000	4%
Total	\$1,969,090,000	\$61,120,000	3%

Municipalities are forced to pick up a growing share of housing investments



Although federal spending – adjusted for population growth and inflation – is down over the past two decades, municipal investment in affordable housing has risen sharply, especially over the past decade. As of fiscal 2009, Canada’s municipalities spent almost as much on housing as the federal government, even though local communities rely on the restricted base of property taxes. The trend is most dramatic in Ontario – where local governments spent more than double the amount on affordable housing as did the provincial government, but Quebec and Alberta also impose a significant responsibility for funding affordable housing on local governments.

We recognize the additive nature of the federal government’s stimulus spending, but it is not sustainable by municipalities, which simply do not have the taxation powers and tax base that are available at the federal level.

Federal, provincial/territorial, and municipal investments in housing over the past decade (not adjusted for inflation or population growth) show that spending by local governments is set to overtake the federal investment. Looking ahead, municipal housing investments are projected to eclipse federal spending by fiscal 2011. The blue line is federal housing investments, the red line is provincial/territorial investments, and the green line is municipal investments. (Source: Statistics Canada)

Challenges faced by Ontario

Not all challenges are being experienced at the national level. In Ontario, Auditor General Jim McCarter devoted a section of his 2009 review of provincial finances to affordable housing investments.¹⁵² He reported that more than half of the new “affordable” housing funded by the Ontario government isn’t really affordable to the households that need it the most. The Auditor General noted, “A provincial strategy is needed to define the Ministry [of Municipal

¹⁴⁹ Available at <http://www.budget.gc.ca/2009/home-accueil-eng.asp>

¹⁵⁰ The original announcement is available at <http://www.cmhc-schl.gc.ca/en/corp/nero/nere/2008/2008-09-19-1000.cfm>

¹⁵¹ Sessional paper 8555-402-441, response by the federal minister of Human Resources and Skills Development (federal minister responsible for housing and homelessness).

Affairs and Housing's] roles, set measurable goals and program priorities, assess risks and options to manage the risks, determine the resources required, and measure the impact of the Ministry's contribution to social housing."

Among his findings:

- The province's 2005 housing allowance program is so poorly designed that only \$57 million of the \$80 million has actually been allocated (this program was funded with federal housing dollars).
- Although the province has agreed to cost-share with the federal government a total of \$1.2 billion in new affordable housing investments over the next two years, the Ontario government doesn't have "established and dedicated staff resources ... monitoring the success of its funding programs in achieving their desired impact."
- The provincial government has withheld \$330 million of federal housing funds (including \$198 million for what it calls "provincial constraint") and is not able to demonstrate that this money has actually been spent on housing, as it was supposed to.
- While the provincial and federal governments have both made substantial investments in the past two years in social housing repairs, the Auditor General reports that the province lacks "good asset-management practices."
- More than 137,000 households are on social housing waiting lists, but there is little coordination among the three provincial ministries that administer more than 20 housing and related programs, and wait times range up to 21 years.

While the Ontario Auditor General's specific findings are tied to funding and programs in that province, the issues that he raises about the ability of governments to ensure that affordable housing dollars are effectively invested in programs that make a real difference in the lives of low- and moderate-income people are relevant at the federal level and across the country.

Simply stated, promises must be connected to follow through. Promised and committed money must be spent.

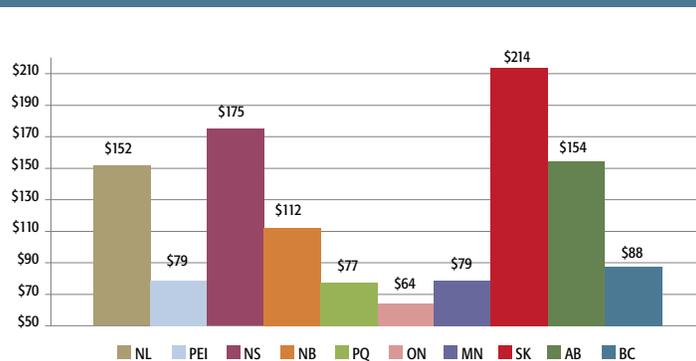
Comparing the provinces: Saskatchewan is the leader, Ontario is dead last

Canada's 10 provinces vary considerably in size, so the best way to assess housing investments among the jurisdictions is to compare per-person (per capita) spending. On average, the provinces invested \$115 per capita in housing in fiscal 2008 – \$139 per capita adding in the municipal investments that are required in most provinces (especially Ontario, Quebec, and Alberta). The biggest investment was made by Saskatchewan, at \$214 per capita (\$221 per capita with municipal contributions), followed by Nova Scotia at \$175 per capita (\$182 per capita with municipal contributions). Alberta's investment has risen rapidly – more than tripling its housing spending from \$184 million in fiscal 2005

to \$553 million in fiscal 2008. Ontario is at the back of the pack, with direct provincial housing investments of \$64 per capita – less than one-third the spending on a per capita basis as Saskatchewan.

We recognize the significant loss of the manufacturing tax base in Ontario, but Ontario still imposes a bigger financial requirement for funding housing on its municipal governments than any other provincial government. In Ontario, when provincial and municipal spending is

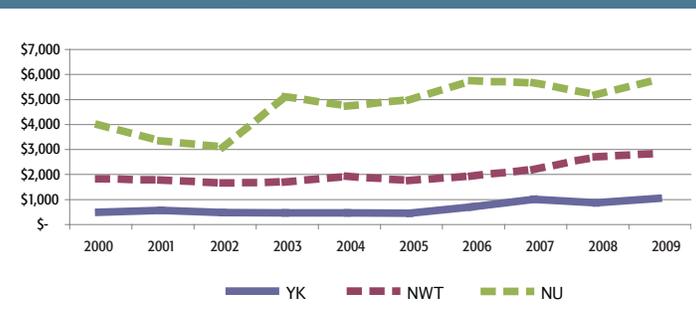
Comparing provincial housing investments: Saskatchewan leads



combined, the province takes fourth place – behind Saskatchewan, Alberta, and Nova Scotia. For every dollar that the Ontario provincial government invests in affordable housing, Ontario municipalities are required to invest about \$2.50 – the biggest share that any province imposes on local governments. Quebec requires its local governments to spend a little less than \$2 for every provincial dollar.

Examining housing investments on a per capita basis allows for a fair comparison between jurisdictions with a large population and those that

High housing costs drives major housing investments among territories



are more thinly settled. Saskatchewan is at the head of the provincial pack, and Ontario is the "bad boy" of Confederation. The blue bars measure unilateral provincial investment, and the red bars measure combined provincial and municipal investments. (Source: Statistics Canada)

¹⁵² Available at http://www.auditor.on.ca/en/reports_en/en09/312en09.pdf

TERRITORIAL HOUSING INVESTMENTS

Long distances, harsh weather conditions, and sparse populations are among the factors that have led to high housing costs in Canada's three northern territories and made it the region with the highest per capita housing investments in the country. Nunavut, Canada's newest and biggest territory, makes housing investments that are significantly higher than the Northwest Territories (NWT) and Yukon. The red bars measure per capita housing investments in Yukon, the purple bars measure those in NWT, and the orange bars measure those in Nunavut (right scale). The blue line measures overall housing investments in Yukon, the green line measures those in the NWT, and the turquoise line measures those in Nunavut (left scale). (Source: *Statistics Canada*)

CHALLENGES FOR FUNDING POLICY

Public subsidies to private investors are “inefficient”

Canada has a long history of various types of subsidies and incentives – either delivered directly or through the tax system – to encourage private housing development. One major initiative was the Multiple Unit Residential Building (MURB) plan, created in 1974 to give tax breaks to investors in new buildings. By the time it was rolled up eight years later, investors had realized about \$2.5 billion in tax savings. Most rents were at the high end of the market. In addition, developers were allowed to register MURBs as condominiums, and many units were flipped into the ownership market. The high initial rents and flip into ownership put these units out of the reach of the renter households that needed the new housing the most.

Another problem with MURBs, and other initiatives geared to the private sector, has been lax or non-existent oversight by governments. Investors and developers were able to double or triple up by using two or more programs to fund a single building. As a result, many programs created fewer units than projected, the housing was not affordable to lower-income renter households, and there was no long-term affordability.

In 1990, Toronto Housing Commissioner Dan Burns examined eight private rental subsidy programs, including MURBs. Burns, who later became Ontario's deputy minister of housing under both the New Democratic Party and Progressive Conservative governments, concluded: “Our review has shown that private sector programs have been the least regulated of the housing programs put in place by senior levels of government, both from the conversion and targeting point of view . . . the question raised about who benefits under these programs is a fair one.”¹⁵³

In 2003, TD Economics released a major report on affordable housing in Canada, which raised a strong warning about the “efficiency” of expenditure or tax-based measures to create new affordable housing. It recommended a significant list of measures to encourage investment in new private rental housing, including:

1. Giving corporations with fewer than 6 employees access to a small business deduction.
2. Allowing Capital Cost Allowances (CCA) losses to be deducted against other income.
3. Allowing “pooling” of CCA across buildings.
4. Enriching the rate of CCA for rental buildings.
5. Allowing immediate deductibility of development soft costs.
6. Eliminating capital taxes.
7. Lowering or eliminating the GST on rental properties.
8. Equalizing property tax rates on multiple-unit and owner-occupied housing.¹⁵⁴

TD Economics acknowledged that public funding is critical to ensuring an adequate supply of affordable housing: “There is no disputing the fact that public subsidies are needed to bridge the gap between the private cost of developing new rental supply and the amount low-income individuals can afford. The question, rather, is how best to deliver these funds.” The bank's economists argued that the eight tax measures proposed fail the basic tax test of efficiency and argued that “for all intents and purposes, they are tantamount to grants or subsidies.” It went on:

There is no compelling reason to think that tax breaks would work more effectively than direct capital grants targeted at affordable housing. Of course, direct spending and grant programs have their inefficiencies, too . . . But, the question is where the degree of leakage is worst. We think it is on the tax side. Certainly, that appears to be the lesson from the United States, where a substantial portion of the government support directed through the Low-Income Housing Tax Credit – frequently touted as a model for Canada – has been diluted by investor syndication profits and fees. The problem is that it is very difficult to ring-fence tax incentives to particular needs . . . As such, the biggest “bang for the buck” would come from capital grants directed to affordable housing, specifically – both to creating new supply and preserving existing supply.¹⁵⁵

¹⁵³ Dan Burns, Review of Private Sector Programs, City of Toronto Memorandum, September 1990.

¹⁵⁴ TD Economics. *Affordable Housing in Canada: In Search of a New Paradigm* (2003). <http://www.td.com/economics/special/house03.pdf>

¹⁵⁵ Ibid.

Emergency support to the financial industry

In October 2009, the federal government launched its Insured Mortgage Purchase Program (IMPP), which has grown to an unprecedented \$125 billion in support to banks and other mortgage lenders. As of November 2009, the banks have drawn down \$66 billion from IMPP,¹⁵⁶ but there is no requirement that any of that funding be used to create affordable mortgages or to support existing homeowners who may be having financial difficulty with their mortgages. The one-time federal investment in IMPP to assist mortgage lenders equals 62 years of government investments in affordable housing.

If Canadian taxpayers are subsidizing the lending activities of Canadian banks through mortgage protection, then should there be some public benefit from that \$66 billion investment – such as mechanisms to ensure more affordable ownership housing?

While Canadian banks have reported a profitable 2009,¹⁵⁷ ownership affordability rates are eroding across Canada.¹⁵⁸ The point is not to “bash” banks but to raise the policy question of whether tax dollars can achieve multiple outcomes by going toward social as well as commercial purposes. From a policy perspective, is the best use of public funds to backstop the mortgage portfolios of Canadian banks – without imposing any requirements in terms of affordability – while individual Canadians are facing an increasingly unaffordable home ownership market?

Moving forward: Public subsidies required for affordable housing development

In 1999, the Ontario government convened a panel of private sector developers to offer advice on new rental construction. In its interim report, the panel stated:

Developments targeted at high-end renters are the most economically attractive for developers and thus are usually the only projects that the private sector is willing to build on its own ... The federal and provincial governments' response to the poor economics for private sector development of affordable rental housing has generally been to subsidize affordable supply through program spending targeted at social housing providers or private developers/landlords ... A number of federal and provincial programs providing direct subsidies to private developers and landlords encouraged the development of affordable rental housing ... Direct government subsidies to government owned or non profit social housing have also been significant over the years.

With the cancellation of federal social housing programs in 1993, the provincial non-profit housing programs in 1995, and the devolution of responsibility for social housing to Consolidated Municipal Services Managers, no new government subsidized units are being built.¹⁵⁹

The working group called for increased tax subsidies and incentives for private rental development, while acknowledging that even these were not likely to generate housing that was truly affordable to the lowest-income households.

However, it summoned up a housing version of the “trickle-down” theory to argue that creating “any new rental projects add to the overall supply of rental housing – and thus are beneficial to tenants across the rent spectrum. This is because the new supply at the upper end of the market draws higher income tenants that in the absence of this supply would have stayed in units in the older existing stock. By absorbing the demand for high end rental units, the new rental supply frees up a supply of existing units for more modest income tenants.”¹⁶⁰

CONCLUSION

The history of precarious housing in Canada shows that while the need for affordable housing has been consistent, our will to solve this problem has not matched our potential. Other countries have provided examples of directions for us to consider. Ultimately, we cannot pretend that the problem of precarious housing will simply go away or be solved by private housing markets acting alone. The impact of federal erosion in affordable housing investments, even as the overall economy has been growing over the past two decades, has been to generate more housing insecurity and homelessness with the attendant health, social and economic costs.

¹⁵⁶ See <http://www.actionplan.gc.ca/eng/feature.asp?pageld=164>

¹⁵⁷ See <http://online.wsj.com/article/SB10001424052748704007804574574082914883224.html>

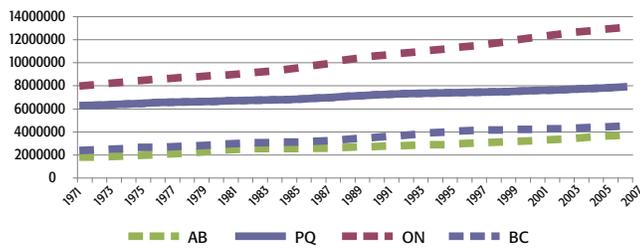
¹⁵⁸ See <http://www.rbc.com/economics/market/pdf/house.pdf>

¹⁵⁹ Interim report of the Ontario Housing Supply Working Group. *Affordable Rental Housing Supply: The Dynamics of the Market and Recommendations for Encouraging New Supply* (May 2001). <http://www.mah.gov.on.ca/AssetFactory.aspx?did=1052>

¹⁶⁰ *Ibid.*

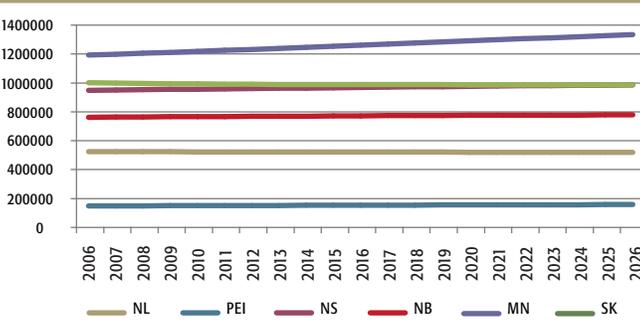
APPENDIX

Population growth: Quebec, Ontario, Alberta, and British Columbia



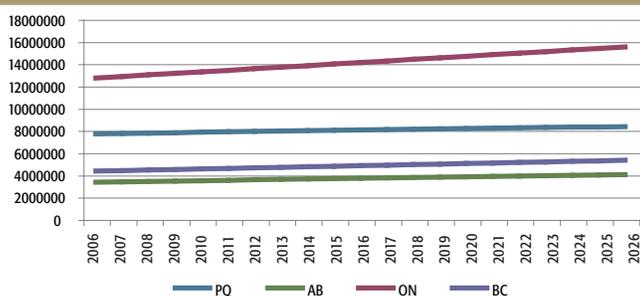
The provinces with the four largest populations have all experienced significant growth. (Source: Statistics Canada)

Population growth: NL, PEI, NS, NB, MN, SK



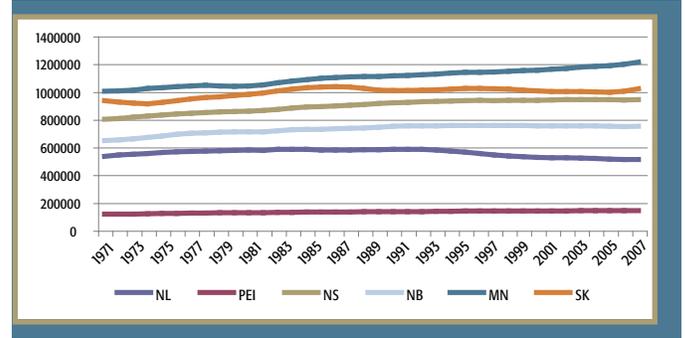
Population growth has been more mixed among the provinces that had a smaller population in 1971. (Source: Statistics Canada)

Projected population growth: Quebec, Ontario, Alberta, and British Columbia



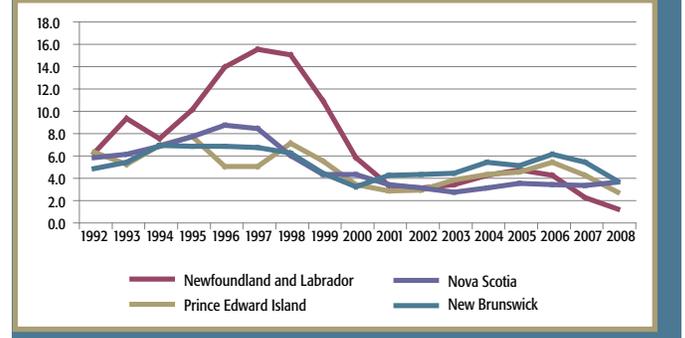
The mid-range population growth forecast for the four largest provinces shows that Ontario will continue to dominate growth in the first three decades of the 21st century. (Source: Statistics Canada)

Projected population growth: NL, PEI, NS, NB, MN, SK



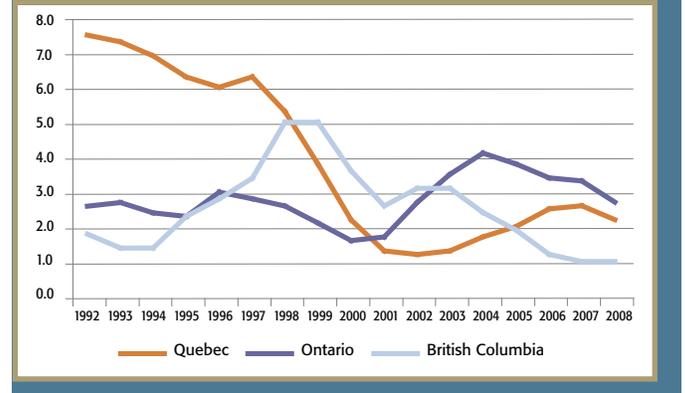
The mid-range population growth forecast for the remaining six provinces shows that most are expected to have relatively stagnant population growth over the first three decades of the 21st century. (Source: Statistics Canada)

Private rental vacancy rates: Atlantic provinces



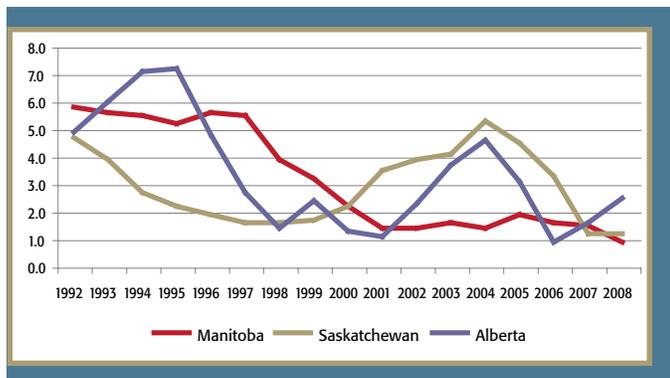
Newfoundland and Labrador has seen the sharpest drop in private rental vacancy rates over the past two decades among the Atlantic provinces. (Source: Canada Mortgage and Housing Corporation)

Private rental vacancy rates: Quebec, Ontario, and British Columbia



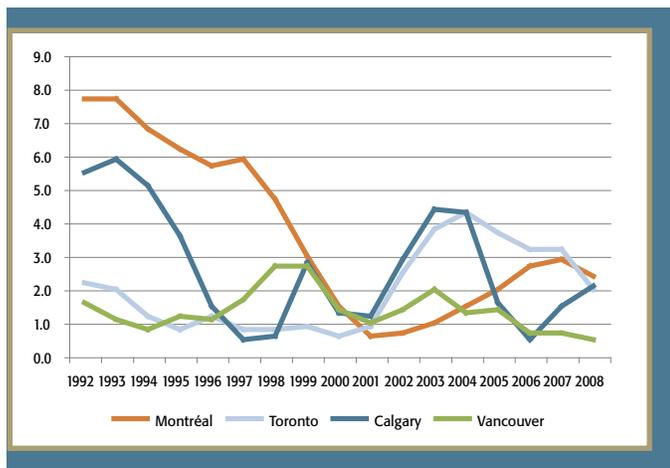
In the three most populous provinces, private rental vacancy rates have been trending downward. (Source: Canada Mortgage and Housing Corporation)

Private rental vacancy rates: Prairie provinces



None of the three Prairie provinces has a private rental vacancy rate that is in the healthy zone. (Source: Canada Mortgage and Housing Corporation)

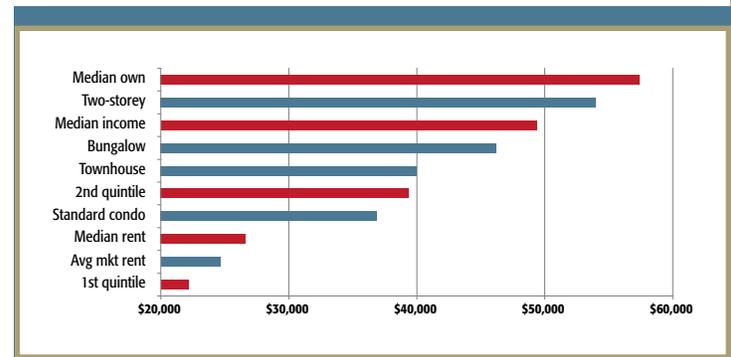
Private rental vacancy rates: Four major metropolitan areas



Four of Canada's major metropolitan areas are home to most of the country's renters. None has a rental vacancy rate in the healthy zone. (Source: Canada Mortgage and Housing Corporation)

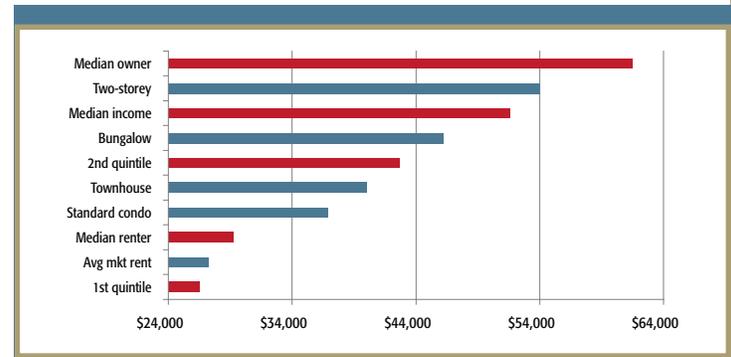
AFFORDABILITY REVIEW OF THE PROVINCES AND MAJOR MUNICIPALITIES

Annual income required for housing in Newfoundland and Labrador, 2009



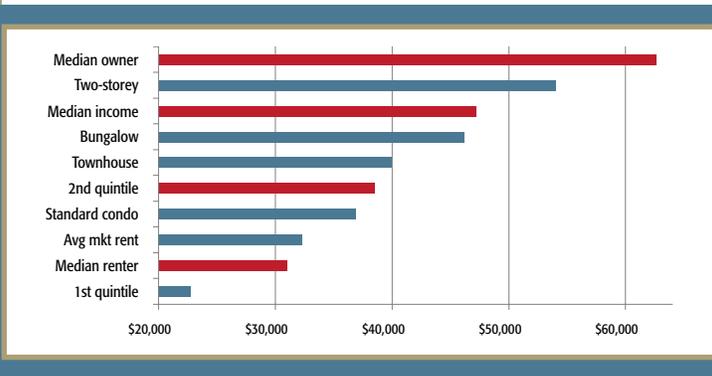
Low-income renters and moderate-income owners are below entry level for private rental or most forms of ownership in Newfoundland and Labrador. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Prince Edward Island, 2009



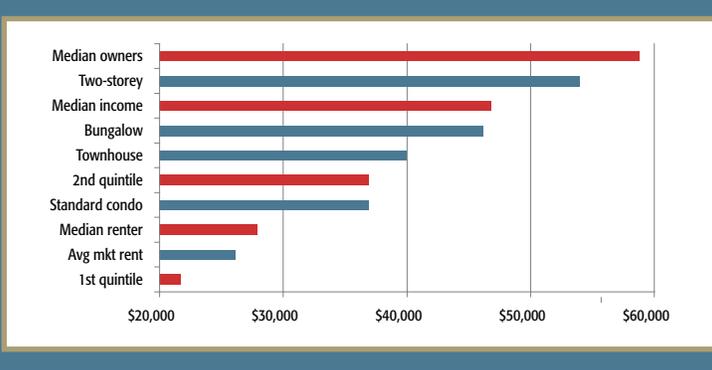
Compared with other provinces, Prince Edward Island has the least affordability challenges in both the ownership and private rental markets. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Nova Scotia, 2009



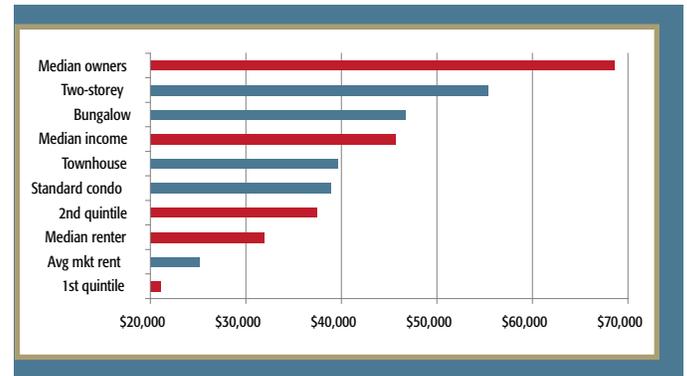
Nova Scotia renters face a huge affordability barrier – almost \$10,000 separates the average income for the first income quintile from the average market rent. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in New Brunswick, 2009



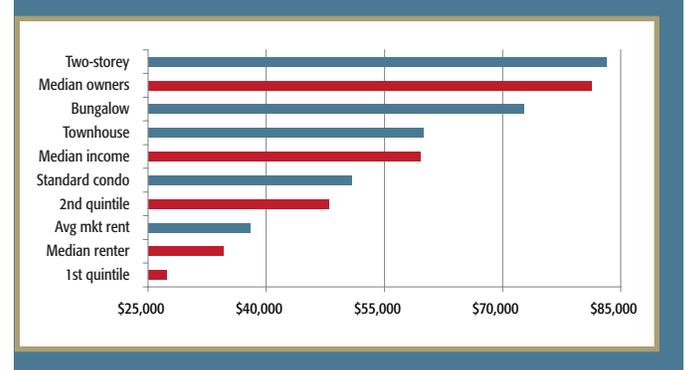
New Brunswick owners and renters both face affordability challenges in entering the private rental and ownership markets. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Quebec, 2009



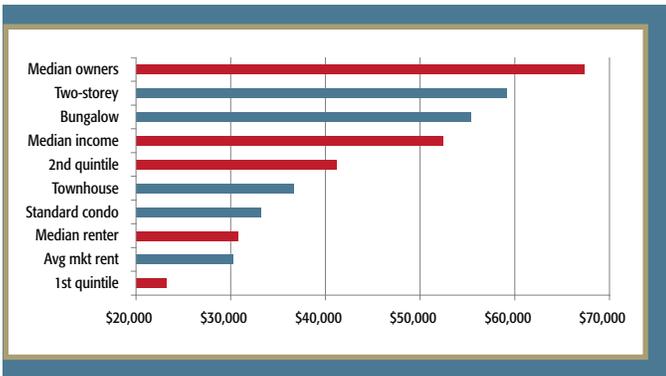
Low- and moderate-income households in Quebec face challenges in accessing private rental and ownership markets. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Ontario, 2009



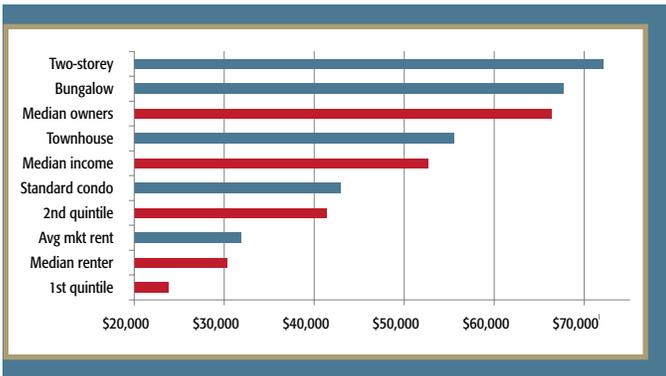
Ontario's renters and owners in the low- and moderate-income categories are both below the threshold for entry into private rental or ownership markets. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Manitoba, 2009



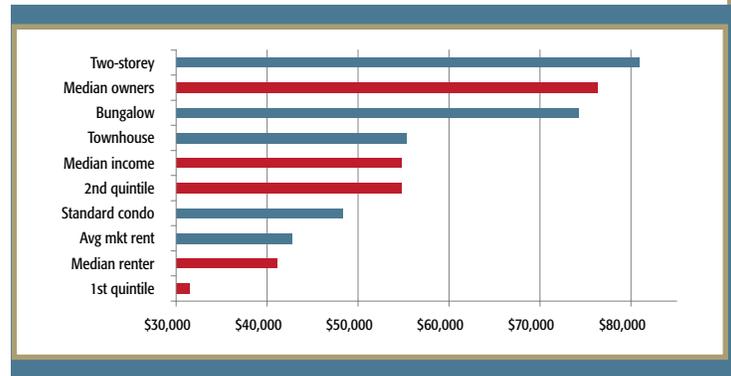
Manitoba renters in the first quintile face a big gap between their income and average market rents as well as private market rents, and owners face a smaller – but still significant – gap. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Saskatchewan, 2009



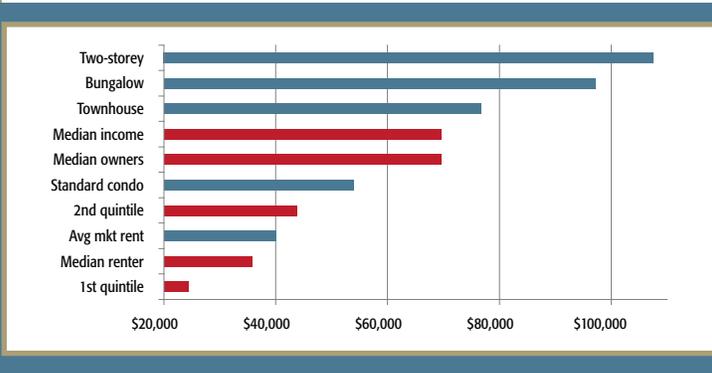
Saskatchewan renters in the first quintile face a huge gap in meeting average market rents, while moderate-income households face a smaller gap in accessing the ownership market. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Alberta, 2009



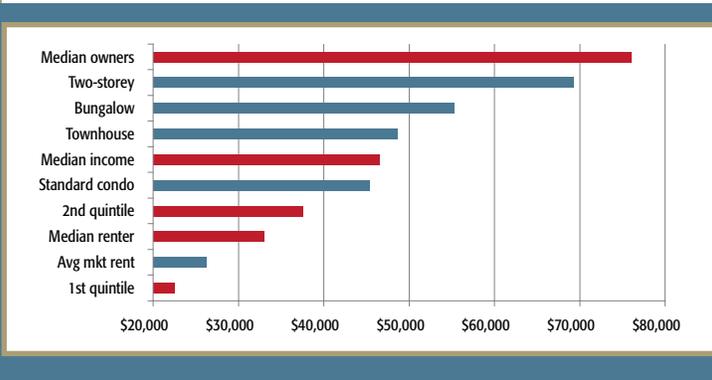
Low-income renters in Alberta face a yawning chasm between average incomes and the average market rent, with moderate-income owners facing a slightly smaller gap. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in British Columbia, 2009



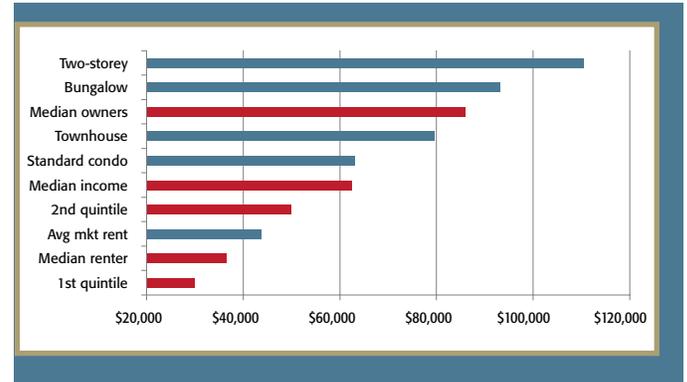
British Columbia renters face the country's biggest gap between incomes in the first quintile and average market rents, and moderate-income owners face a very steep challenge, as well. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Montreal, 2009



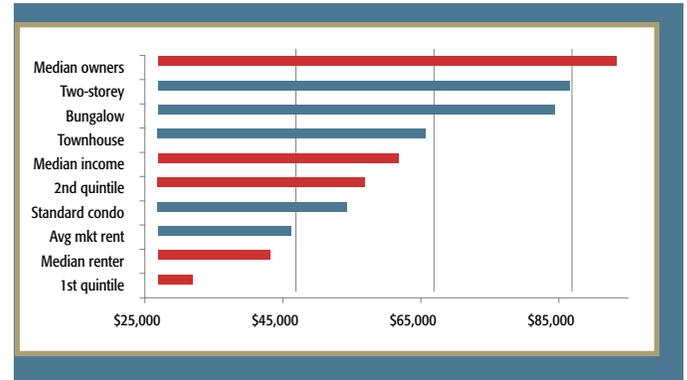
The affordability gaps for renters and owners in Montreal are big – but compared with some other Canadian centres, they are not as deep. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Toronto, 2009



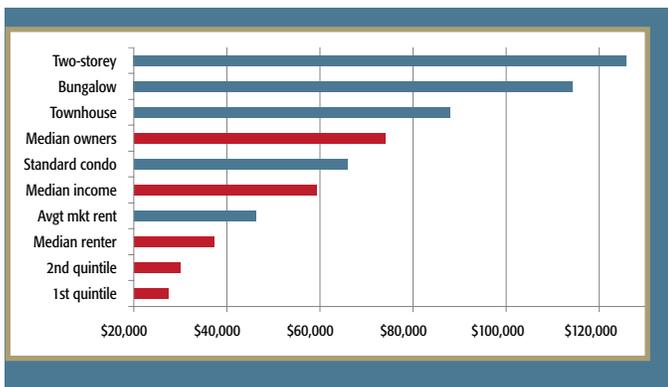
Canada's most populated city has one of the biggest affordability challenges in the country. With the largest renter population in Canada (584,125 renter households – or more than 1.5 million people – in the Greater Toronto Area), the severe affordability crisis in Toronto is more than a local concern. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Calgary, 2009



Boom-town Calgary has been a bust for renters – the second worst affordability gap in the country. Moderate-income owners are able to get a toe in the door at the entry level, but affordability challenges remain intense. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

Annual income required for housing in Vancouver, 2009



Vancouver is Canada's affordability horror story. Average incomes for moderate-income households are less than half the amount required for an entry-level condo, and low-income renters face the biggest hurdle of any in the country. The red bars measure annual household income, and the blue bars measure income required for various types of housing. (Sources: Income data from Statistics Canada, rental data from Canada Mortgage and Housing Corporation, ownership data from RBC Economics, plus Wellesley Institute projections)

WELLESLEY INSTITUTE

Precarious Housing in Canada

20 10

PART 2

VISION 2020: Toward a national
housing plan

Precarious Housing in Canada 2010 is the third instalment of the Wellesley Institute's "housing trilogy," which includes The Blueprint to End Homelessness in Toronto (2006) and the Wellesley Institute National Housing Report Card (2008).

This report is part of a series of research and policy reports that document the impact of precarious housing on health and develop policy alternatives to improve access to affordable housing and enhance overall health equity.

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EXECUTIVE SUMMARY

AFFORDABLE HOUSING AS A CONTRIBUTOR TO BETTER HEALTH

Precarious housing in Canada, whether defined by the level of inadequate or affordable housing, homelessness, or under-housing, can be solved in this decade; the mechanisms already exist, but the will to do so must be nurtured.

People's ability to find, and afford, good quality housing is crucial to their overall health and well-being, and is a telling index of the state of a country's social infrastructure. Lack of access to affordable and adequate housing is a pressing problem, and precarious housing contributes to poorer health for many, which leads to pervasive but avoidable health inequalities.

The lenses through which we consider precarious housing combine two concepts: *health equity* and the *social determinants of health*. Health equity suggests that the role of society is to reduce the health disparities gap between those who are advantaged and those who are marginalized or disadvantaged by shifting the equity gradient upward. The social determinants of health recognize the non-medical and socio-economic contributors to better health; for example, the greater a population's income, education, and access to healthcare and affordable housing, the better its health will be.

This report demonstrates the link between the improvement of precarious housing and better population health (which leads to reduced health inequities). It also provides a strong vision for a national housing plan for rectifying the problem of precarious housing, which we hope will provide the framework for continued serious debate. Consequently, the report is presented in two parts: Part I reviews precarious housing in the national and international context, and part II addresses policy actions toward a national housing plan.

This report is meant to address a wide range of issues from which various stakeholders (e.g., governments, housing advocates, private and public sector housing providers) can draw information and action points.

PRECARIOUS HOUSING RECOMMENDATIONS

Vision 2020: Targets and timelines

We recommend the following targets and timelines to meet the housing needs of Canadians:

Years 2011/12/13	Annual target
New affordable homes	50,000 homes
Repairs to existing homes	20,000 homes
Affordability measures*	150,000 households
Years 2014/15/16/17	Annual target
New affordable homes	60,000 homes
Repairs to existing homes	20,000 homes
Affordability measures*	150,000 households
Years 2018/19/20	Annual target
New affordable homes	70,000 homes
Repairs to existing homes	20,000 homes
Affordability measures*	150,000 households

* For housing that costs 30% or less of income

Vision 2020: Toward a National Housing Plan details how these goals can be achieved. Meeting these goals and ensuring access to affordable, decent housing for all will make an immense contribution not only to the immediate health conditions and prospects of so many vulnerable people but also to the overall health of Canadians.

THE WELLESLEY INSTITUTE'S FIVE-POINT PLAN TO REDUCE PRECARIOUS HOUSING

One: Accept the Wellesley Institute's Vision 2020 targets:

- Fund 600,000 new affordable homes – cost-shared among federal, provincial, territorial, and municipal governments, and the affordable housing sector. Supply targets would increase over the years as the capacity of the sector grows.
- Repair 200,000 low- and moderate-income homes (in addition to the current annual allocation of 20,000 homes).
- Provide affordable housing allowances (shelter subsidies) to up to 1.5 million low- and moderate-income households, based on determination of need.

Two: Maintain the current consolidated government housing investments at the \$6 billion level:

- Eliminate the automatic “step-out” in federal housing investments.
- Create a benchmark for federal housing investments at 1% of GDP.
- Develop more robust housing indicators at the national and community levels that measure all the dimensions of housing insecurity.

Three: Ensure a full range of adequate, innovative, and sustainable funding options:

- Establish direct grants as incentives for private capital.
- Create innovative financing options such as a housing financing facility at the federal level funded by issuance of “affordable housing bonds.”
- Establish a social housing investment fund.
- Amend the National Housing Act and the mandate of Canada Mortgage and Housing Corporation (CMHC) to strengthen their leadership role in affordable housing development; reinvest part of the annual surplus of CMHC in affordable housing initiatives.

Four: Identify and support innovative and successful community practices:

- Build national policies and programs that support local priorities as per the successful model of the National Homelessness Initiative.
- Initiate inclusionary housing legislation.
- Partner financially with community housing providers.
- Develop and implement the appropriate regulatory tools, mainly at the provincial and municipal levels, including land-use planning inclusionary housing policies.

Five: Build on the solid housing recommendations foundation of prior housing commissions:

- Complete the process that began with the federal-provincial-territorial affordable housing agreement of 2001 and the White Point Principles of 2005 to create a permanent federal-provincial-territorial affordable housing agreement.
- Move Bill C-304 – draft legislation to create a comprehensive national housing strategy that has undergone a six-month consultative process – through the Parliamentary process (See page 24 of part I, and appendix five of this document.)
- Support the housing and homelessness recommendations in the Senate report *In from the Margins*, including the enhancement of existing federal housing and homelessness initiatives.



PRECARIOUS HOUSING IN CANADA 2010

INTRODUCTION

Part I of *Precarious Housing in Canada 2010* reached the following conclusions:

- Housing insecurity and homelessness remain a persistent problem in Canada.
- Precarious housing has an adverse impact on the health of those affected and contributes to wider health inequalities.
- Precarious housing represents a significant cost to many individuals, to governments, and to Canadian society as a whole.
- Federal housing investments have been eroding, and federal, provincial/territorial, and municipal housing policy is an uncorrelated patchwork – which has contributed to a worsening problem.
- Canada is the only major country in the world without a cohesive national housing plan.

Furthermore, part I highlighted that increasing the number of new affordable homes and repairs to existing homes, and enhancing affordability measures are critical to meeting housing needs. However, these are only three components of a comprehensive national housing plan. Supportive housing (for people with physical and mental health needs), transitional and alternative housing (to meet diverse housing needs), and emergency relief (shelters and services) are also required. A comprehensive national housing plan needs to be built on a foundation that includes:

- realistic targets and timelines that are set using clear evidence of the diversity of housing needs throughout the country, with high-level monitoring and appropriate indicators of success to improve public accountability for results;
- a full range of adequate and ongoing funding for housing and housing-related services, from direct grants to private capital to innovative financing options;
- appropriate regulatory tools, mainly at the provincial and municipal levels, including land-use planning (inclusionary housing policies), housing protection, tenant protection, rent regulation, affordable housing administration, and housing rights standards;
- effective coordination among various orders of government, Aboriginal communities, the private sector, and the non-profit sector.

Part II lays out the framework for a national housing plan for Canada



THE NEED FOR A NATIONAL HOUSING PLAN

Good housing at a reasonable cost is a social right of every citizen of this country ... The legislation which I am proposing to the House today is an expression of the government's policy, part of a broad plan, to try to make this right and this objective a reality.

—**Hon. Ron Basford** (Canada Minister of State for Urban Affairs), Canada Hansard, March 15, 1973

This government is committed to getting out of the housing business. We stated that categorically during the campaign and we intend to live up to that commitment.

—**Hon. Al Leach** (Ontario Minister of Municipal Affairs and Housing), Ontario Hansard, November 20, 1995

Canada accepts recommendation 49 [to reduce socio-economic disparities and inequalities] and is undertaking measures to respond to the social and economic needs of Canadians. Canada acknowledges that there are challenges and the Government of Canada commits to continuing to explore ways to enhance efforts to address poverty and housing issues, in collaboration with provinces and territories.

—**Government of Canada**, Formal response to United Nations' Universal Periodic Review, June 9, 2009

KEY OBSERVATIONS:

- Housing-related spending is a big contributor to Canada's economy and is critically important to individual households. The capital and operating dollars related to housing create economic activity, generate jobs, and leverage additional dollars.
- Government policy over the past decade has increasingly relied on private markets to deliver adequate, affordable ownership or rental housing. Yet a growing number of Canadian households are excluded from private housing markets.
- Canada has no national housing plan with clear goals and objectives, and no accountability for results. There is a fraying patchwork of funding and programs targeted to low- and moderate-income households. However, Canada's biggest housing expenditures are through tax subsidies that are largely hidden from public view and public debate. Unlike spending programs, which tend to be targeted to low- and moderate-income households, tax subsidies have no income targets and tend to provide the biggest subsidy to the wealthiest households. Using taxes to deliver housing subsidies is not particularly effective or efficient.
- There is a clear policy bias toward home ownership across Canada. Homeowners – who have, on average, twice the income of renters and have a rate of core housing need well below that of renters – receive many billions of dollars more in housing subsidies from all levels of government than renters.

HOUSING POLICY TRENDS

A good home is a fundamental requirement for a healthy life,¹ and a critical component of a comprehensive economic policy. “We are used

¹ Numerous research reports in Canada and internationally have drawn the links between housing and health. See, for instance: Dr. David Butler-Jones, *Chief Public Health Officers Report on the State of Public Health in Canada, 2008* (Ottawa: Minister of Health, 2008). <http://www.phac-aspc.gc.ca/publicat/2008/cphorsphc-respcacsp/index-eng.php>

to thinking of affordable housing as both a social and a health issue,” notes TD Economics in its comprehensive review of housing issues in 2003. “However, working to find solutions to the problem of affordable housing is also smart economic policy. An inadequate supply of housing can be a major impediment to business investment and growth, and can influence immigrants’ choices of where to locate.”²

Canadian housing policy has responded to this critically important social, health, and economic concern with a variety of measures over the past six decades: direct spending, tax expenditures, financing support, programs, services, legislation, research, development support, and many other initiatives from many federal departments. Some measures have targeted low-income households; others have been aimed at non-profit or private housing developers. The policy mix has included transfers to municipal, provincial, and territorial governments.

In broad terms, federal housing policy since the end of the Second World War has sought to encourage private home ownership – and individual homeowners continue to receive the biggest share of federal financial support. The logic is that home ownership creates social cohesion and has a direct multiplier effect on the economy as people buy furniture, appliances, etc. But times have changed. Many other countries around the world have also made home ownership the centrepiece of their housing policies.³ However, the \$11 billion-plus that flows to homeowners through federal home sale capital gains tax subsidies is not only one of the most generous federal tax expenditures, but it is also many times greater than the entire federal funding for low- and moderate-income household initiatives.

The introduction of amendments to the National Housing Act in 1973 to create a major new affordable housing initiative represents the high-water mark in terms of federal engagement in the past six decades in comprehensive affordable housing policy. The statement made in Parliament by Minister Ron Basford (quoted above) acknowledging housing as a fundamental social right and recognizing the obligation of the government to assist in realizing that right is the clearest articulation of the rights-based approach to housing in Canada.

Within a decade, however, the gradual erosion of federal housing funding and policies had begun. The federal government was never quite as explicit about its policy direction in the 1980s and 1990s as it was in 1973. However, the housing policy erosion in Ontario in the mid-1990s followed the federal lead closely, and the Ontario government – as Minister Al Leach (quoted above) so clearly stated – was never shy about acknowledging that its explicit goal was “getting out of the housing business.”

The federal government started to cut funding for new affordable housing in the mid-1980s. The Ontario government began to slow down funding for new homes after 1993. The federal government cancelled virtually all funding for new affordable housing in 1993. The Ontario government did the same in 1995. The federal government announced plans to download most of its housing programs to the provinces and territories in 1996. The Ontario government announced plans to download most of its housing programs to municipalities in 1998. Trends in housing investments at the federal and provincial levels are set out in appendix one of this document.

The framework for federal housing policy took almost three decades to create, from the 1950s to the 1970s. However, the erosion of housing policy came quite quickly – in 10 years or less – prompting Canadian housing scholar Jeanne Wolfe to note in 1998:

It is only in Canada that the national government has, except for CMHC loans, withdrawn from the social housing field. The rush to get out of the responsibility for managing existing projects and building new, low-income housing has taken advocates by surprise. It was never imagined that a system that had taken 50 years to build up could be dismantled so rapidly. Social housing policy in Canada now consists of a checker-board of 12 provincial and territorial policies, and innumerable local policies. It is truly post-modern.⁴

The rise of mass homelessness in the 1990s and other significant signs of growing housing insecurity brought the federal government back to the housing table with a series of short-term initiatives, starting with the National Homelessness Initiative in 1999 and the federal-provincial-territorial Affordable Housing Framework Agreement of 2001.

² TD Economics, *Affordable Housing in Canada: In Search of a New Paradigm* (Toronto: TD Bank Financial Group, 2003). <http://www.td.com/economics/special/house03.pdf>

³ See <http://www.intute.ac.uk/cgi-bin/fullrecord.pl?handle=sosig1101728014-18588>

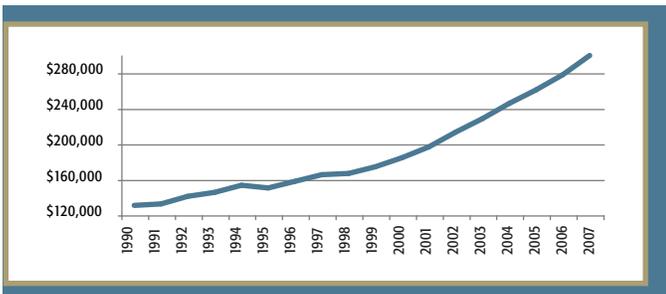
⁴ Jeanne M. Wolfe. “Canadian Housing Policy in the Nineties,” *Housing Studies* 13, no. 1 (1998).



HOUSING AND THE ECONOMY: A mutually beneficial relationship

Housing spending makes a major contribution to Canada's economy. The overall contribution to the GDP from housing-related spending rose by 129% from \$131 billion in 1990 to \$300 billion in 2007 (see the graph below).⁵

Total housing-related spending in Canada's GDP (in millions)



(Sources: Canada Mortgage and Housing Corporation and Statistics Canada)

Non-profit housing (including housing co-operatives) also makes a major economic contribution. Housing and development make up almost 16% of Canada's non-profit sector – and contribute about \$5 billion to Canada's GDP.⁶

Housing is critically important to the Canadian economy, yet it is not taken very seriously by many politicians and policy-makers. Housing economist Duncan MacLennan, in a 2008 paper, notes that the lack of research and policy attention to the links between housing and the economy puts Canada behind other leading countries:

Housing matters in modern strategies for economic success. It is a complex and important consumption good and asset, and the housing system is one of the key integrative systems in the soci-

ety and economy, like the labour market or the financial system. Yet thinking on economic and housing policies is disconnected in Canada, Ontario, and Toronto ...

It is important to make these connections, because Canadian housing policymakers and advocates have eschewed economic arguments for housing and set the social consequences of inadequate housing provision at the centre of policy debates; they have failed to make the case for housing effects on economic and environmental outcomes. This neglect has atrophied the field of housing economics within Canadian universities. Canada lags countries such as the United States, Australia, and the United Kingdom in researching relevant issues...

In many other countries, globalization has encouraged governments to assess tax, debt, and spending decisions more carefully and to root housing policies more firmly in economic decision-making. After making cutbacks in housing, several countries are reassessing the importance of housing policies in dealing with the dysfunctional inequalities and market failures that globalization has brought. Canada and Ontario, however, have not moved in this direction and Toronto seems, relative to most major OECD cities, to be starved of the resources, powers, and inter-governmental cooperation in housing policies that typify successful cities in the global economy.⁷

Housing is an important component of local, as well as national, economies. The Toronto Board of Trade has noted:

Affordable housing is one of the major factors in creating an at-

⁵ Canada Mortgage and Housing Corporation and Statistics Canada.

⁶ Statistics Canada. *Satellite Account of Non-Profit Institutions and Volunteering, 2007* (Ottawa: Author, 2009).

⁷ Duncan MacLennan. *Housing for the Toronto Economy* (Toronto: Cities Centre University of Toronto, 2008).

tractive, liveable and competitive city. Along with other infrastructure components, it determines whether or not businesses locate or expand their operations here and influences the willingness of employees and their families to move to or remain in the city. A lack of affordable housing often leads to other social problems, including homelessness and crime, as well as a general deterioration in the quality of city life. Among many other problems, it has important consequences for the desirability of Toronto as a tourist destination and major convention centre. Ultimately, it affects the success of all businesses in the Toronto area and our collective opportunities as employees and citizens. There are many practical reasons why the supply of affordable housing is important to Toronto's business community:

- Affordable housing is a strong selling point for attracting and retaining employees.
- Toronto must be able to house people who provide essential services.
- Businesses in Toronto must remain competitive with respect to labour costs.
- Businesses need healthy and productive employees.
- Affordable housing represents a partial solution to Toronto's growing traffic problems.⁸

Adding up the economic benefits of housing investments

Housing investments make a major contribution to Canada's economy, according to data from Statistics Canada and Canada Mortgage and Housing Corporation (CMHC). In 2008, total housing investments (from all sectors) added \$311 billion to the GDP. That included a contribution of \$52 billion from new construction, and \$40 billion from repairs.

In addition to the general economic benefits of smart housing policy, housing investments offer a direct boost in jobs, tax revenues, and other local benefits. Housing investments tend to leverage other significant investments – adding to the value created by the original funding.

The Canadian Home Builders' Association estimated that in 2009, new construction of housing generated 333,600 direct and induced jobs, and repair work generated 469,900 direct and induced jobs.⁹ It also estimated that housing investments generated \$19.7 billion in revenues for federal and provincial governments. The affordable housing sector is a subset of the overall housing sector, so the jobs

and other economic impacts would be proportionately less.

The exact economic multiplier for an area depends on local factors. Here are a couple of American examples:

- **Oregon:** "Every \$1 in rental income generates just over \$2 in economic activity for local economies and about \$2.25 state-wide. The impact of labour is even greater, with each dollar generating about \$2.77 locally and \$3 in state-wide economic activity."¹⁰
- **Pennsylvania:** "Each \$10 million invested via the Pennsylvania Housing Trust Fund, in addition to providing homes for families in need, could generate up to \$23 million in economic impact, up to 200 jobs, and up to \$1.16 million in state tax revenues."¹¹

A recent national study in the United States found that \$318.7 million in capital and operating spending by eight public housing authorities generated \$643.2 million in economic impact, plus 11,636 jobs.¹²

Regional economic impact of public housing capital spending (US\$ millions)

City	Capital dollars	Regional multiplier	Indirect/ Induced	Economic Impact	Jobs
Akron	\$12.7	1.81	\$10.3	\$23.0	120
Boston	\$24.0	1.99	\$23.6	\$47.6	314
Dallas	\$17.1	2.42	\$24.3	\$41.4	312
Kansas City	\$2.8	2.34	\$3.7	\$6.5	56
Miami	\$30.5	2.14	\$34.7	\$65.2	536
Oakland	\$23.7	2.00	\$23.7	\$47.3	256
San Diego	\$11.8	2.05	\$12.4	\$24.2	161
Seattle	\$12.3	2.18	\$14.5	\$26.7	195
Total	\$134.8	-	\$147.1	\$281.9	950
Average	\$16.9	2.12	\$18.4	\$35.2	244

(Source: Econsult Corporation. 2007. *Assessing the economic benefits of public housing. Final report.* Available at http://www.clpha.org/uploads/final_report.pdf)

⁸ Toronto Board of Trade. *Practical Solutions to Affordable Housing Challenges* (Toronto: Author, 2003). <http://www.urbancentre.utoronto.ca/pdfs/home/debates/BOTAffdHousingSolution.pdf>

⁹ See <http://www.chba.ca/uploads/jason%20-%20202009%20summer/economic%20impacts%202009/canada2009.pdf>

¹⁰ Oregon Housing and Community Services. *Housing as an Economic Stimulus 2008*. <http://www.ohcs.oregon.gov/OHCS/docs/08HousingEconomicStimulus.pdf>

¹¹ Econsult Corporation, *Potential Economic and Fiscal Impacts of a Pennsylvania Housing Trust Fund* (Philadelphia: Author, 2009). [http://www.housingalliancepa.org/var/newsfile/file/311-Economic%20Impact%20Study%20\(FINAL%20-%20202009-04-24\).pdf](http://www.housingalliancepa.org/var/newsfile/file/311-Economic%20Impact%20Study%20(FINAL%20-%20202009-04-24).pdf)

¹² Econsult Corporation, *Assessing Economic Benefits of Public Housing* (Philadelphia: Author, 2007). http://www.clpha.org/uploads/final_report.pdf

HOUSING: ASSET OR HOME?

Regional economic impact of public housing operating spending (US\$ millions)

City	Operating spending	Regional multiplier	Indirect/ Induced	Economic Impact	Jobs
Akron	\$14.0	1.66	\$9.3	\$23.3	788
Boston	\$44.7	1.93	\$41.6	\$86.2	2,173
Dallas	\$16.7	2.22	\$20.3	\$37.0	1,055
Kansas City	\$6.9	2.11	\$7.7	\$14.6	502
Miami	\$39.7	1.99	\$39.4	\$79.1	2,676
New Bedford	\$5.1	1.44	\$2.2	\$7.3	196
Oakland	\$23.4	1.89	\$20.8	\$44.2	1,181
San Diego	\$3.4	2.04	\$3.5	\$6.9	186
Seattle	\$30.1	2.08	\$32.5	\$62.7	1,930
Total	\$183.9	-	\$177.3	\$361.3	10,686
Average	\$20.4	1.93	\$19.7	\$40.1	1,187

(Source: Econsult Corporation. 2007. *Assessing the economic benefits of public housing. Final report.* Available at http://www.clpha.org/uploads/final_report.pdf)

The recent inflationary bubble in housing prices in many parts of Canada and the world was heralded as a good thing for individual households and a good thing for the economy (at least before the crash in real property in the United States, which in turn helped trigger a global recession). Canadian housing policy encouraged households to rely on private markets – especially the ownership market – to meet their housing needs. Policy-makers in Canada (along with those in a number of major countries – such as New Zealand, the United States, and Britain) believed that home ownership was an important vehicle for private asset accumulation.

As public and private pensions have become less significant, the home has become not only the key source of wealth for the two-thirds of Canadians that own a home but also a retirement savings plan. Yet, housing booms, and especially housing busts, can have a devastating impact on the national and global economies.¹³

UK housing policy analyst Toby Lloyd has prepared a critical review of the housing boom and bust in that country and concludes:

The good society must have a clear sense of what homes are for – to provide people with decent places to live in vibrant neighbourhoods and sustainable communities. Homes should primarily be secure bases in which to live, raise a family and share in the life of our communities. As the great Labour housing minister Nye Bevan said of the welfare state he helped found, our housing system should provide us with serenity.

This simple vision runs directly contrary to the received wisdom of recent decades, which held that homes were primarily investments, substitutes for wages and pensions. The basic tension is between housing as assets and housing as homes. If we are to get housing right we will have to tackle some of these deep seated issues, including making tough choices around taxes and the preferential treatment of house price speculation. We need to pour less debt into buying existing homes, and invest more in building new ones and the infrastructure needed to support them. We need to nurture a diverse, mixed economy in both supply and demand that can raise the game in terms of quantity, quality, and environmental performance. We need a genuine range of affordable choices for everyone – including decent housing support for those who need it most.¹⁴

In addition to the policy tension between housing as assets and housing as homes, there is a tension at the neighbourhood level between an often small, but vocal group of homeowners and proponents of affordable housing initiatives (including supportive housing, and community services).

The NIMBY (Not in My Back Yard) forces worry that the value of their properties will be diminished by a nearby affordable housing development. Wellesley Institute research, with the Dream Team, a community organization dedicated to affordable housing for those with mental health issues, has reported that supportive housing makes an important and positive contribution to neighbourhoods:

The Dream Team set out to test the value of supportive housing through a community-based research process that brought together supportive housing residents, housing providers, and their neighbours. They used public data to show that supportive housing does not hurt property values or increase crime. But their interviews go further, to show that supportive housing tenants make important contributions to the strength of their neighbourhoods. Tenants contribute a modest amount to local businesses (most residents are not particularly wealthy, so their economic footprint is not large); they add to the vibrancy of an area through their street presence; they participate in the friendliness amongst neighbours; and they contribute to the collective efficacy of their neighbourhoods through actions around noise

¹³ See, for instance, Herman Schwartz et al. *The Politics of Housing Booms and Busts* (London: Palgrave, 2009).

¹⁴ Toby Lloyd. *Don't Bet the House on It* (London: Compass, 2009). <http://www.compassonline.org.uk/publications/>

and speed, tidiness and crime. In short, supportive housing residents are just the kind of great neighbours that every community needs.¹⁵

Home ownership: A good way to build assets?

Social policy analyst Michael Mendelson has studied home ownership and asset accumulation, and concluded: “from a strictly financial perspective, buying a house is not likely the best way for low income households to acquire wealth, everything else being equal.”¹⁶ Mendelson surveyed a number of home-ownership incentive schemes in the United States and reported:

In the US it was found that a significant percent of low income households did indeed lose money. Looking at homes held over a 5½ to 8½ year period, losers ranged from a high of 52 percent in Philadelphia to a low of 13 percent in Denver [Belsky et al 2005]. There is no reason to think that Canadian markets are any different ... Home ownership is one of several forms of tenure possible for housing. It offers many benefits and some risks. Doubtless it is suitable for many low income families, but not for others. We have found here that it is not necessarily an assured road to riches, or even to a moderately improved level of wealth, for all low income families.¹⁷

A significant body of international research exists on housing tenure aspirations. New Zealand’s Centre for Housing Research notes that housing tenure aspirations are very clearly shaped by broad social and economic factors, in addition to purely personal preferences, and that housing choices change over time.¹⁸

CMHC publishes a series of housing reports based on its research and market analysis that predict future housing demand. The latest Housing Market Outlook from CMHC predicted that new housing construction would begin to trend upward in 2010 and rise to 176,800 new homes in 2011 – below the near-records set earlier this decade.¹⁹

The current recession, which was triggered by the US subprime mortgage fiasco, delivers a strong cautionary tale about the danger of pushing households – especially low-income households that cannot afford the costs of home ownership – into ownership by using complicated and ultimately dangerous financial instruments. Plenty

of attention has been given to the millions of households that are suffering from foreclosures and otherwise losing their homes. In June 2009, the US National Coalition for the Homeless and other national organizations released a review of the “forgotten victims of the subprime crisis,” which noted that in one year in the United States, foreclosure filings increased by 32% to more than 3.4 million (as at April 2009),²⁰ leading to a growth in homelessness.

The federal government appears to be backing away from a housing policy that encourages home ownership for everyone at any cost. Federal finance minister Jim Flaherty was quoted in December 2009 as saying:

If there’s evidence of an asset bubble – which there isn’t right now, but if there is – we’ve acted before and we would act again. Mortgage money is really inexpensive right now and there’s lots of it available and mortgage interest rates are at historic lows. So this concerns me that some Canadians might not pay enough attention to the affordability factor because, inevitably, mortgage interest rates will go up. So I just want to remind Canadians of the importance of looking at how affordable their mortgage rates might be in the future.²¹

But if nervous federal politicians, who saw how a burst housing bubble in the United States helped trigger a global recession, are now cautioning that cheap mortgages and easier access to home ownership are not options that are likely to remain on the table for long, then what is the long-term housing policy of the government of Canada?

At almost the same time as Minister Flaherty’s comments were made, the latest ownership affordability report from RBC Economics noted that housing affordability is eroding throughout Canada.²² In simple terms, it’s getting harder for Canadians – especially lower-income Canadians – to get into the ownership market, and it will almost certainly get harder still as the Bank of Canada considers a plan to lift its cap on interest rates in the second quarter of 2010.²³

¹⁵ Dream Team. *We Are Neighbours* (Toronto: Wellesley Institute, 2008). <http://wellesleyinstitute.com/files/weareneighbours.pdf>

¹⁶ Michael Mendelson. *Building Assets through Housing* (Ottawa: Caledon Institute of Social Policy/Canadian Housing and Renewal Association, 2006). <http://www.caledoninst.org/Publications/PDF/600ENG.pdf>

¹⁷ *Ibid.*

¹⁸ Centre for Housing Research. *Housing Tenure Aspirations and Attainment* (Aotearoa, New Zealand: DTZ New Zealand, 2005).

¹⁹ Available at http://www.cmhc-schl.gc.ca/odpub/esub/61500/61500_2009_Q02.pdf

²⁰ National Coalition for the Homeless et al. *Foreclosure to Homelessness 2009* (Washington: National Coalition for the Homeless, 2009). <http://www.nationalhomeless.org/advocacy/Foreclosure-toHomelessness0609.pdf>

²¹ See <http://www.yourhome.ca/homes/realstate/article/741741-flaherty-threatens-to-rein-in-mortgages>

²² See <http://www.rbc.com/economics/market/pdf/house.pdf>

²³ See http://www.bankofcanada.ca/en/fixd-dates/2009/rate_081209.html



FEDERAL ACTIONS ON HOUSING

Housing and Canada's Constitution: Opportunities for federal action

From time to time, politicians and policy-makers have asserted that housing is a matter of exclusive provincial jurisdiction under Canada's federal system, and therefore the federal government has no formal role or responsibility. Canada's founding document, The British North America Act, 1867 (subsequently amended and now The Constitution Act 1982, with the Canadian Charter of Rights and Freedoms), doesn't mention housing.

The 1867 Constitution assigned "property and civil rights in the province" to provincial jurisdiction, which includes ownership and use of land. While housing includes property issues, it encompasses significantly wider social and economic concerns. Section 91 assigns the residual power (the responsibility "for all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces") to the federal government.

The Charter doesn't mention housing, but s. 6 guarantees mobility rights, s. 7 the right to life, and s. 15 equality rights. In international law, the right to housing is linked to these other rights.

The Charlottetown Accord of 1992 discussed "housing" and assigned it to "exclusive provincial jurisdiction." This accord was rejected by voters in a national referendum and never enacted.

The conclusion: Canada's Constitution does not provide any formal barriers to federal participation in housing policy.

Creating a unified framework of federal housing and homelessness programs

In 2008, the federal government delivered a 108-page report to the United Nations' Office of High Commissioner for Human Rights as

part of its formal response to the official fact-finding mission to Canada of the UN Special Rapporteur on the Right to Adequate Housing.²⁴ In this report, the government stated:

It should be noted that Canada does not recognize a separate right to adequate housing, but rather recognizes adequate housing as a component of the right to an adequate standard of living ...

In Canada, the production, financing, distribution, rehabilitation and consumption of housing occurs within a housing system ... There are many stakeholders in the housing system, including the federal government, the provincial and territorial governments, municipal governments, First Nations governments, communities, homeowners and renters, the private sector, non-profit groups, the voluntary sector, faith-based organizations, and academic institutions ...

The marketplace addresses the housing needs of many Canadians, but there still remain vulnerable Canadians for whom adequate, suitable and affordable housing is not a reality. Canada recognizes this need and invests considerable resources in helping low-income Canadians afford suitable and adequate housing.²⁵

This "housing system," the federal government notes, includes myriad tax funding and tax policies and programs, along with laws and regulations affecting housing, at all three levels of government (and with significant variations across the country), plus a wide variety of community-based housing initiatives. Tens of thousands of government officials across the country, along with hundreds of thousands of others in the private and non-profit sectors, are engaged in housing-related work.

²⁴ Unpublished report from Government of Canada. "Canada's Housing System," 2008.

²⁵ Ibid.

National homelessness initiatives

In December 1999, the federal government introduced its quite successful National Homelessness Initiative. Originally called the Supporting Community Partnerships Initiative, the national homeless program was rebranded as the Homelessness Partnering Strategy (HPS) with the election of a new federal government in 2006.²⁶ The program has been widely viewed as a positive initiative because it is built from the community up. Local entities (sometimes community-based coalitions or municipal governments) create local plans to respond to local homeless issues. The federal program provides funding and support for the local plans, rather than dictate policies and programs from the federal level.

However, there has been no assessment, either nationally or in local communities, of whether the HPS adequately meets the needs of people who are homeless, or at risk of homelessness, across the country. Funding from the HPS typically flows in one-, two-, or three-year increments – which means a scramble every year or two to renew the program. About 80% of the \$135 million in annual funding flows to 10 larger communities, with almost all the remaining amount designated for 51 other communities across Canada. Most of Canada doesn't receive any funding under the HPS.

The HPS is well viewed in the communities that receive its funding (although even those communities question the worth of their relative share of the overall funding envelope – which hasn't changed in a decade despite increases in the number of homeless and the erosion in the value of the funds due to inflation). However, it should begin to incorporate key components of a national plan, which include:

- effective measurement of the scale of homelessness across Canada;
- national targets and timelines;
- ongoing evaluation and assessment, and full public accountability.

The HPS does offer an important model for the engagement of a variety of interests, but must be improved to meet the key components of an effective national plan.

Periodic reviews of national homelessness initiatives have often coincided with the frequent scrambles that accompany the regular campaigns to renew funding as it faces the threat of spending cuts or withdrawal. These reviews point to effective local responses to homelessness (effective from both a personal and a financial perspective), but they don't add up to the rigorous evaluation that is required to ensure that funding is adequate to meet local needs and is being used effectively.

Ongoing evaluation and assessment is especially important in the fragmented and uncoordinated realm of housing and homelessness initiatives, where local housing and service providers are required to

stack a variety of federal, provincial, territorial, and municipal initiatives alongside private financing, fundraising, and earned income in order to operate viable enterprises.

British Columbia's Auditor General released an independent review of that province's homelessness initiatives in 2009 and concluded that the provincial government

has not been successful in reducing homelessness. Clear goals and objectives for homelessness and adequate accountability for results remain outstanding. Government also lacks adequate information about the homeless and about the services already available to them – this hampers effective decision making. Finally, government has not yet established appropriate indicators of success to improve public accountability for results...

We found significant activity and resources being applied to homelessness issues but there is no provincial homelessness plan with clear goals and objectives. The foundation of many "best practices" appear to be in place. However, the absence of clear goals and objectives raises questions about whether the right breadth and intensity of strategies are being deployed. This is further complicated by the lack of good comprehensive information about the nature and extent of homelessness in the province. Homeless counts identify only the 'visible' homeless; those in shelters and those found on the streets. The "hidden" homeless, those staying temporarily with friends or family, are not counted. The continuing increase in the number of homeless counted suggests a lack of success in managing homelessness, let alone reducing it. When there are no clear goals or performance targets, accountability for results is missing. How will we know we are successful if we have not identified success?²⁷

His observations could be echoed in relation to the federal level: While there are significant activities and resources, there is no clear national plan with specific goals and objectives supported by accountability measurements.

When the federal government extended funding for several national housing and homelessness initiatives in September 2008, it froze funding levels for five years but called for a program review after two years.

The federal government formally launched the review with a consultation paper in August 2009. In its paper, the federal government said: "The purpose of these consultations is to seek your views on how the current approach to housing and homelessness could be improved to better meet the needs of Canadians, and whether alternative delivery mechanisms should be considered in order to attain the desired outcomes."²⁸ While review of specific funding programs

²⁶ The official government website is <http://www.rhdcc-hrsdc.gc.ca/eng/homelessness/index.shtml>

²⁷ Available at <http://www.bcauditor.com/pubs/2009/report16/homelessness-clear-focus-needed>

²⁸ HRSDC. *Moving Forward on Homelessness* (Consultation Paper), August 2009.

within government is always welcome, the fall 2009 effort did not qualify as a root-and-branch review of federal initiatives with the goal of creating a comprehensive national housing plan.

SENATE REPORT CALLS FOR NATIONAL ACTION

In December 2009, a Senate committee chaired by Senator Art Eggleton released *In from the Margins*, a dynamic call to action to create a new national plan to address poverty, housing, and homelessness.²⁹ The report includes 73 recommendations, including a range of pragmatic recommendations focused on housing solutions, including financing. The report spans health, income, poverty, housing, and homelessness issues, and includes “promising practices” that the federal government (or others) can adopt to make immediate progress toward meeting the housing needs of Canadians.

With respect to housing, the Senate committee recommends that the federal government

- provide sustained and adequate funding through the Affordable Housing Initiative to increase the supply of affordable housing [Recommendation 37];
- issue a White paper on tax measures to support construction of rental housing in general and affordable rental housing in particular, including for the donation of funds, lands or buildings for low-income housing provision [Recommendation 38];
- clarify the mandate of Canada Lands Corporation to favour use of surplus federal lands for development of affordable housing and to expedite planning processes to facilitate this use [Recommendation 39];
- support the work of local and provincial non-profit housing developers by making housing programs longer term to accommodate five-year development cycles and ten-year planning cycles, and to permit more effective planning at the local and provincial levels [Recommendation 40];
- identify civil legal aid as an element to be supported by the Canada Social Transfer to assist tenants facing discrimination in housing [Recommendation 41];
- extend the Residential Rehabilitation Assistance Program as a permanent program, increase the budget allocations for this program, and amend eligibility requirements to take into account differential costs for repairs in different communities across Canada, and projects converting housing units for affordable rental accommodation [Recommendation 42]; and
- work with provincial housing authorities, private landlords’ associations and non-profit housing providers, to assess impact of housing subsidies provided to individuals rather than landlords on rents [Recommendation 43].³⁰

With respect to homelessness, the committee noted the effectiveness of the Homelessness Partnering Strategy and its predecessor programs in supporting communities to reduce homelessness and to move people from the streets into housing. The committee recommends that the federal government

- expand the Homelessness Partnering Strategy to play a greater coordinating role within the federal government, engaging all departments and agencies with a mandate that includes housing and homelessness, especially for those groups over-represented among those in need [Recommendation 47];
- provide financial incentives to encourage communities already supported through the Homelessness Partnering Strategy to use a 10-year time horizon in adjusting and renewing their community plans [Recommendation 48]; and
- continue to provide direct funding for and continued support of related research and knowledge dissemination about a “housing first” approach to eliminating homelessness [Recommendation 49].³¹

CANADA MORTGAGE AND HOUSING CORPORATION’S HOUSING INITIATIVES

CMHC, the federal government’s housing agency, had an active role in funding and administering Canada’s national housing plan during its “golden years” in the 1970s and 1980s. By 1993, the federal government had cancelled most new investment in affordable homes, and in 1996, the federal government announced plans to transfer the administration of most of the hundreds of thousands of homes built under federal programs to the provinces and territories.

In 1998, the federal government moved to amend the National Housing Act to shift the focus of CMHC from affordable housing to commercial operations, including its increasingly lucrative mortgage insurance file. As of 2008, less than 18% of the 623,750 homes that are being assisted through federal housing programs are still being administered by CMHC (mostly co-op and Aboriginal housing)³² – a clear sign of the erosion of the federal role in delivering affordable housing for Canadians.

As part of its annual report, CMHC looks ahead five years to forecast its housing investments. The graph below shows the impact of the “step-out” as homes funded under previous national housing programs lose their federal funding support. Over the next four years, CMHC will assist more than 43,000 fewer households by 2013 – at a time when housing insecurity and homelessness remain high.

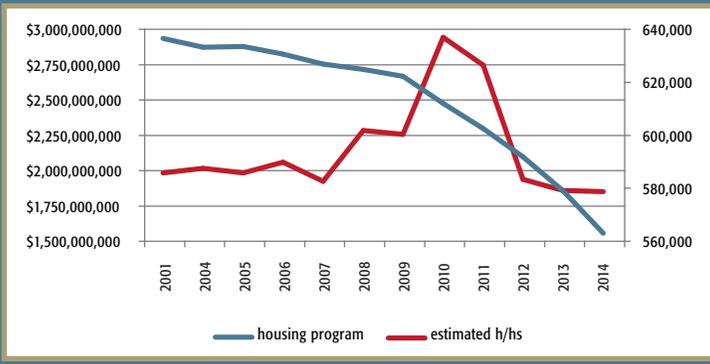
²⁹ Full text is available at <http://www.parl.gc.ca/40/2/parlbus/commbus/senate/com-e/citi-e/rep-e/rep02dec09-e.pdf>

³⁰ See <http://www.parl.gc.ca/40/2/parlbus/commbus/senate/com-e/citi-e/rep-e/rep02dec09-e.pdf>

³¹ Ibid.

³² CMHC, CHS Public Funds, and National Housing Act 2008, Table 55.

Fewer households to be assisted by federal programs, and fewer dollars to be spent on housing by CMHC

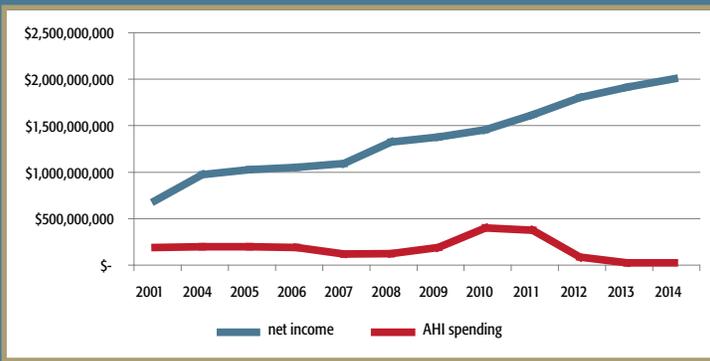


Housing investments by CMHC will fall sharply by 2011 (blue line, left scale) once the spike from the 2005 and 2009 one-time investments drops; and housing investments are projected to continue to drop through the middle of the next decade. Meanwhile, the number of households assisted under federal programs (red line, right scale) will fall sharply and continue to drop over the next decade.

(Source: Canada Mortgage and Housing Corporation)

CMHC also administers the funding for Canada's Affordable Housing Initiative (AHI). Funding for new affordable homes under AHI has been mostly stagnant in recent years, but will rise slightly with the recent one-time investments. By 2013, AHI spending is projected to drop to \$1 million for the entire country – which would fund a half a dozen units (maybe less, if construction costs continue to rise) for all of Canada for the entire year. While AHI investment shrinks, the net income at CMHC – the annual surplus – will rise to a record high of almost \$1.9 billion in 2013.

As CMHC's net income rises, affordable housing spending drops



Net income at CMHC will continue to rise sharply to an all-time record of \$1.88 billion in 2013, while investments in the Affordable Housing Initiative will shrink to \$1 million for the entire country.

(Source: Canada Mortgage and Housing Corporation)

THE OVERARCHING GOAL OF A NATIONAL HOUSING PLAN

The overarching goal of a national housing plan is to ensure adequate housing for everyone – a commitment that the federal government has re-iterated in its 2008 and 2009 formal responses to the United Nations' review of Canada's performance in meeting its international housing obligations. The test of whether Canada is meeting that goal comes not from examining the conditions of the two-thirds or so of Canadians who are adequately housed, but from the one-third or so of Canadians who don't have a decent and affordable place to call home.

In order to meet that test, a national housing plan should

1. **effectively measure** the many dimensions of housing need (including, but not limited to, supply and affordability);
2. **create realistic and practical national targets and timelines** to meet the needs of those who are not adequately housed;
3. **effectively engage the many partners** (including all orders of government, the non-profit and private sectors, Aboriginal groups, and others) in a coordinated set of initiatives, including adequate funding, effective regulations, and other programs and services; and
4. **regularly monitor and evaluate** the rollout of initiatives, and be publicly accountable for the result.



A NEW NATIONAL HOUSING PLAN

HOW MUCH HOUSING DO CANADIANS REALLY NEED?

This is a deceptively simple question that has long occupied housing experts. In 1946, housing scholar Humphrey Carver proposed applying “cold logic” and proposed this formula³³ to calculate the need for a supply of housing:

Accumulated shortage of new housing
+
Increase in population
+
Restoring vacancy rate to adequate level
+
Reconstruction of slum areas
+
Replacement of substandard housing
+
Replacement of aging homes
=

Total quantity of housing that is required

The “rational solution” proposed by Carver, and modified by countless others over the years, has been frustrated by a general lack of detailed numbers. Some dimensions of the housing supply issue – such as “hidden” homelessness (two or more families crowded into housing that is suitable for only one) – are particularly difficult to unravel as many people are reluctant to reveal their insecure housing status to researchers or statisticians for fear of alerting landlords or local authorities.

Statistics Canada, Canada Mortgage and Housing Corporation, the National Homelessness Secretariat, and other federal departments urgently need to consult with academics and non-profit and private sector representatives to develop more robust indicators of the diversity and dimensions of housing need in Canada. In the meantime, the Wellesley Institute has assembled the best available information on housing supply, housing affordability, government investment in housing, and our national housing system. We used these numbers to create a template for a national housing plan that includes targets and timelines for a 10-year plan.

Canada’s nationwide housing and homelessness woes will not be solved in a year or two. Even if governments, the community, and the private sector were able to marshal the considerable financial resources, the sheer scale of the project would overwhelm our collective capacity to deliver the housing needed and ensure that it is up to standard and affordable. Therefore, Canada needs to make a 10-year commitment that scales up as resources and capacity are made available.

³³ Humphrey Carver. *How Much Housing Does Greater Toronto Need?* (Toronto: Toronto Metropolitan Housing Research Project, 1946).

VISION 2020

Wellesley Institute calculator for national housing targets

Updating Carver's formula to the 21st century, the Wellesley Institute proposes a 10-year national housing plan that includes targets in three major policy areas:

$$\begin{aligned} & \textbf{New affordable homes} \\ & \text{(To meet the growing needs of new households} \\ & \text{at low- and moderate-income levels)} \\ & = \textbf{600,000 new homes} \\ & + \\ & \textbf{Repairs to existing homes} \\ & \text{(Targeted to low- and moderate-income households} \\ & \text{in substandard homes)} \\ & = \textbf{200,000 substandard homes} \\ & + \\ & \textbf{Affordability measures} \\ & \text{(Targeted to low- and moderate-income households} \\ & \text{in unaffordable housing)} \\ & = \textbf{1.5 million households} \\ & = \\ & \textbf{Vision 2020} \end{aligned}$$

New affordable homes

Using Statistics Canada's mid-range growth scenario, our national population will grow by 2.7 million people over the next decade³⁴ – which will spur the need for 1 million new homes (assuming an average household of 2.7 people). Projecting current affordability trends forward,³⁵ the private ownership and rental sectors can be expected to supply slightly more than two-thirds of those homes (and inclusionary housing policies at the provincial and municipal level can ensure that a fixed percentage of those homes are affordable to middle and moderate-income households) – or approximately 700,000 new homes. That leaves a gap of 300,000 new homes over 10 years. Add to that the current housing supply deficit of 317,000, and the 10-year target for new homes is over 600,000 homes.

Repairs to existing homes

CMHC's Housing in Canada Online database reports that 227,400 households across Canada live in unsuitable housing (housing below the minimum occupancy standards). In addition, Statistics Canada reports that 180,000 rented homes built before 1960 are in need of major repairs. Maintaining existing funding under the Residential

Rehabilitation Assistance Program will allow for repairs to slightly more than 200,000 of those homes over the next decade – which leaves a 10-year target of 200,000 homes targeted for repair.

Affordability measures

Statistics Canada reports that slightly more than 3 million households (about one in four) are paying more than 30% of their income on housing, although we estimate that approximately half are doing so voluntarily due to higher disposable income. CMHC reports that there are 1.3 million of the households in “core housing need” (the most precariously housed Canadians). The number of households experiencing severe affordability concerns is expected to grow over the next decade; therefore, the 10-year target is set at 1.5 million households.

HOW TO GET THERE

Our recommendations provide a practical and affordable goal for Canada's affordable housing strategy. It calls for funding for 600,000 new affordable homes, repair of 200,000 low- and moderate-income homes, and affordable housing allowances for 1.5 million low- and moderate-income households. Most of these targets can be achieved if governments maintain their current spending levels. As Canada continues to climb out of significant governmental deficits following the recession of 2008/09, our timeline calls for ramping up the funding of new homes in three stages over the next decade:

Costs to be shared

The costs of the annual targets for Vision 2020 would be shared by the federal government, the provincial-territorial-municipal governments, and the affordable housing sector – with each covering approximately one-third of the capital costs; the governments would fund the entire cost of the repairs and affordability initiatives.

A new national housing plan with 10-year housing goals and annual targets that are reasonable and practical will drive policy, program, and investment changes that will make a huge difference to those facing inadequate or insecure housing, while not affecting the housing opportunities of the majority. The plan calls for significant investments – which will pay off in a healthier and more equitable future – but this spending will be less than 0.5% of government expenditures.

Breakdown of costs

New affordable homes: We have estimated the per-unit cost at \$180,000, and divided the contribution of \$60,000 per unit among the three major partners: federal government, provinces/territories/municipalities, and the affordable housing sector. The actual

³⁴ See Statistics Canada population projections in chapter 4 of part I.

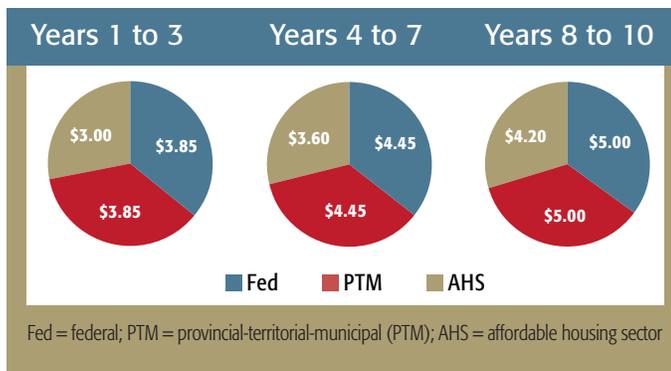
³⁵ See chapter 5 in part I on housing affordability, and the graphs in appendix one of this document.

cost will depend on local factors, including land, development, and construction costs.

Repairs to existing homes: We have estimated the per-unit cost at \$10,000. The actual cost will depend on the particular needs of each building.

Affordability measures: We have estimated an average monthly subsidy of \$360 per low- and moderate-income household in need. The actual subsidy will be geared to the needs of individual households.

The annual costs to each partner (in billions)

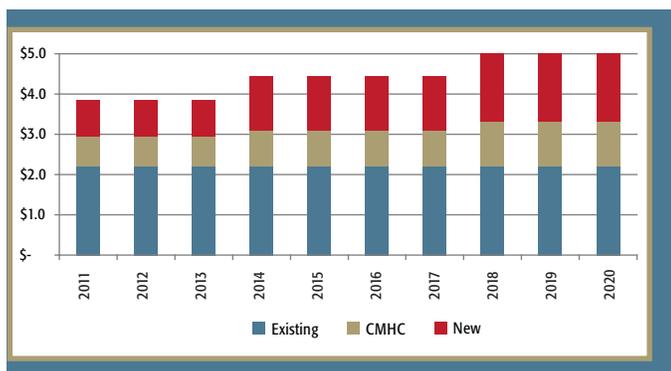


Raising federal revenues to afford the plan: Options for success

- Cancel the annual affordable housing “step-out” (the automatic annual reduction in housing investments started in 1996), and maintain 2009 funding levels over the next decade, securing \$22 billion in funding until the year 2020 – about half the \$44 billion required under the Vision 2020 plan.
- Reinvest a portion of the annual surplus of CMHC, raising \$10 billion over the decade.

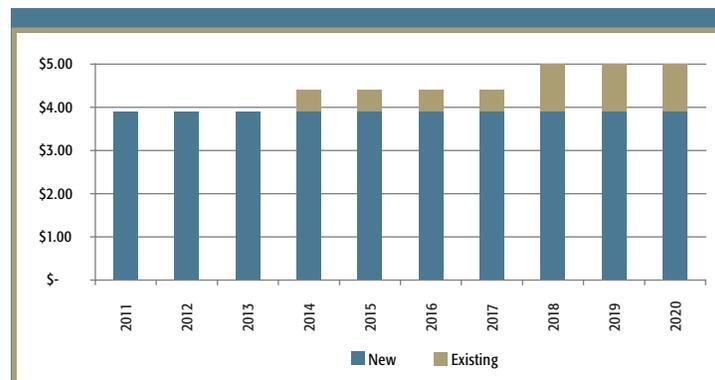
New revenues required from the federal government to support a national housing program would be \$900 million annually in the first three years, \$1.35 billion annually in the middle years, and \$1.7 billion annually in the final three years.

Federal revenues required to support national housing plan (in billions)



Raising revenues to support the plan: Options for success

Maintaining provincial housing investments over the next decade would ensure a fund of \$39 billion over the next decade – close to the \$44 billion required to support Vision 2020.



Provincial/territorial/municipal revenues required for Vision 2020 (in billions)

FEDERAL LEADERSHIP IS CRITICAL TO THE SUCCESS OF A NATIONAL HOUSING PLAN

The Alberta government has both a 10-year plan to end homelessness and a 10-year affordable housing plan, and it has already made a \$278 million down payment on these plans. Ontario has promised that it will have a long-term affordable housing strategy by the spring of 2010³⁶. Virtually every province and territory has significantly ramped up housing investments in recent years. Seven Canadian provinces have poverty reduction plans – almost all of which include recognition of the critical importance of housing.

At the municipal level, a growing number of communities have local housing plans. Local planning rules are being used creatively in a number of areas, and many municipalities not only directly develop affordable housing but also rank among the largest managers of affordable housing. For example, Toronto Community Housing is the second-largest landlord in North America.

Inclusionary housing rules – mainly at the provincial and municipal levels – can help build more affordable homes, and healthy and inclusive neighbourhoods. Hundreds of US cities already use mandatory inclusionary housing policies to ensure that a fixed percentage of all new homes are affordable. Some Canadian cities are using some form of inclusionary housing practices. The Wellesley Institute’s “inclusionary Canada” website includes case studies of inclusionary housing practices in a number of US cities, and includes other research and policy material.³⁷

³⁶ In June of 2010, the Ontario government announced that the launch of its housing plan would be delayed until the fall of 2010.

³⁷ See <http://inclusionaryhousing.ca/>

Innovative local housing projects are being developed by community-based housing providers across the country to effectively respond to a diversity of housing needs. Private sector groups are creating innovative partnerships – often with non-profits. New housing investment funds are being created in Vancouver, Ottawa, and elsewhere to provide affordable housing developers with access to capital.

With all the other partners ready to sign on, the federal government still needs to signal its commitment to a national housing plan. A comprehensive plan requires:

- targets and timelines that are based on a true accounting of national need;
- roles and responsibilities for all the partners in governments, along with the community and private sectors.
- accountability mechanisms to measure results and ensure success. Ensuring housing investments over the long term

BUILDING A NATIONAL HOUSING PLAN FROM THE COMMUNITY UP

The Wellesley Institute believes that to ensure success, a national housing plan can, and should, be built from the community up. Rather than be a series of directives issued from the top, the plan should respond to the housing realities in communities across the country. And it should provide the funding and tools to meet the diverse housing needs of Canadian communities.

The Wellesley Institute convened a roundtable of housing experts in 2006 that included people with a lived experience of homelessness, as well as academics, representatives from all levels of government, and experts from the non-profit and private sectors. Drawing on their expertise, the most current statistics, along with an historical review of housing in Toronto, the Wellesley Institute created *The Blueprint to End Homelessness in Toronto* – a 10-year housing and homelessness strategy.³⁸ Our work, and the collective efforts of many partners, prompted the City of Toronto to adopt its own 10-year housing plan in August 2009 called *Housing Opportunities Toronto*.³⁹ Meanwhile, the Wellesley Institute has been providing practical support and encouraging partners in communities across Canada to create their own housing plans.

Calgary has a 10-year plan aimed at ending chronic homelessness,⁴⁰ and so do six other Alberta communities. They joined together to convince the Alberta government to commit to a provincial 10-year plan to end homelessness, which was launched in 2009.⁴¹ The Al-

berta government has set out a target of housing 11,000 individuals and families at a cost of \$3.3 billion. The province has made a \$1 billion down payment in its 2009 provincial budget. The provincial and local plans in Alberta are tightly focused on chronic homelessness rather than the full spectrum of people who are precariously housed, but the plans provide a useful foundation.

The Ottawa Alliance to End Homelessness publishes an annual report card, which sets out in detail the specifics of homelessness and housing insecurity in that city.⁴² The Ottawa group has worked with other cities (including Halifax and Fredericton) to help them generate their own reports.

In addition, the 61 communities that formally participate in the federal homelessness strategy have developed community plans that identify homeless needs and practical solutions.⁴³

While these plans, like the report cards and Alberta plan, are focused on the needs of people who are homeless, they can form an important part of the foundation of a national housing plan.

The best national housing plan is one that is built from the community up – drawing on local expertise to identify the diversity of housing and homeless needs as well as to identify solutions. Targets for a national housing plan, and accountability for success, would be drawn from both detailed national measures and also solid community-based intelligence.

Ultimately, a national affordable housing toolkit needs to include a number of measures that address the spectrum of housing needs and equip the non-profit and private sectors, Aboriginal communities, and governments with the funding and resources that they need to achieve measureable results.

ENHANCING THE FINANCIAL AND TECHNICAL CAPABILITIES OF THE AFFORDABLE HOUSING SECTOR

To move from the current low levels of new housing production to the targets proposed by Vision 2020, the affordable housing sector needs to have enhanced financial and technical capabilities.

Innovative financing mechanisms – such as affordable housing financing funds that include a blended range of investments from traditional grants to low-interest loans to conventional financing – are required to provide the capital base.

The social real estate initiative being developed by groups in Ottawa holds great promise. The Ottawa Community Loan Fund⁴⁴ has received a seed loan from the Public Service Alliance of Canada and is

³⁸ Available at <http://www.wellesleyinstitute.com/theblueprint>

³⁹ Available at <http://www.toronto.ca/affordablehousing/hot.htm>

⁴⁰ Available at <http://www.calgaryhomeless.com/default.asp?FolderID=2178>

⁴¹ Available at http://www.housing.alberta.ca/documents/PlanForAB_Secretariat_final.pdf

⁴² Available at <http://www.endhomelessnessottawa.ca/>

⁴³ See <http://www.hrsdc.gc.ca/eng/homelessness/index.shtml>

working with Alterna credit union to create a blended social housing investment fund that will provide a range of financing for local housing developers.

Ontario's affordable housing loan fund deserves further scrutiny. The loan fund, part of Infrastructure Ontario,⁴⁵ was capitalized in 2008 with \$500 million. Since then, the fund has allocated \$119.3 million (or slightly more than 20%) in loans. The loan rules and practices at Infrastructure Ontario should be reviewed, now that they have two years of experience, to determine whether the loan plan is meeting the capital needs of Ontario's affordable housing sector.

The long-awaited capitalization of the US National Housing Trust Fund is also a development worth close observation.⁴⁶

Financing is a complex task that requires balancing multiple sources of conventional and non-conventional funding. The process of moving a housing development from a good idea to a finished project is equally complex – and also requires extensive technical support.

The technical capacity of the affordable housing sector was largely gutted (outside of Quebec) with the end of federal and many provincial affordable housing programs in the 1990s. An ambitious target requires that the affordable housing sector has the development expertise to bring the projects along in a timely way. The range of specialized skills required to move an affordable housing project forward – site selection and preparation, financial development, planning and zoning, architectural, project development, and community development – are many and varied. CMHC offers limited seed and pre-development funding. What is required is the financing and support structure to build up and maintain a technical services sector for affordable housing developers in Canada.

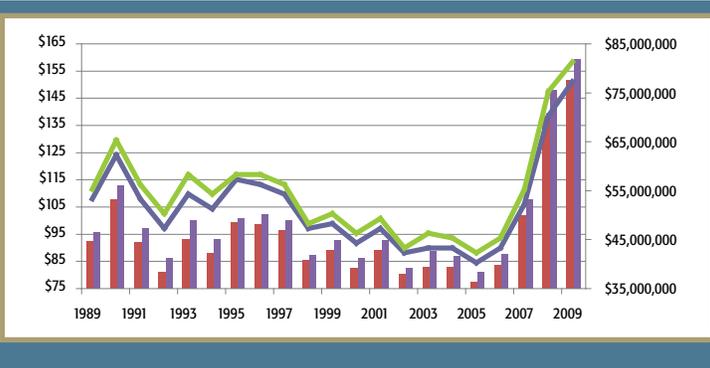
⁴⁴ See <http://www.ocf.org/en/index.php>

⁴⁵ See <http://www.infrastructureontario.ca/en/loan/housing/index.asp>

⁴⁶ See <http://www.nlihc.org/template/page.cfm?id=40>

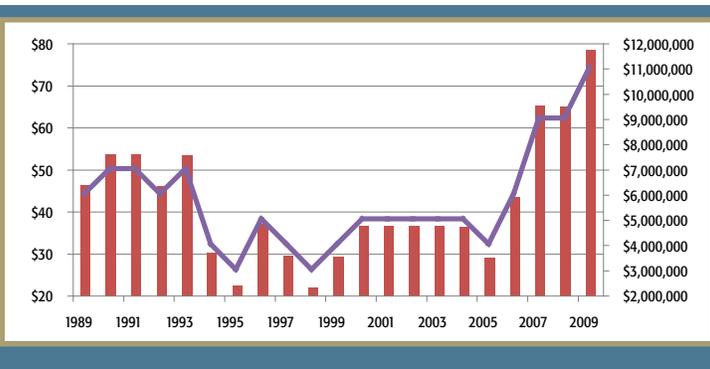
APPENDIX ONE: TRENDS IN GOVERNMENT INVESTMENT IN HOUSING

Newfoundland and Labrador housing investment



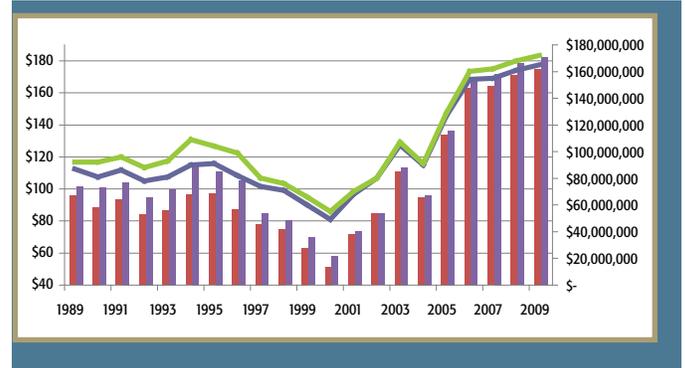
After almost two decades of stagnant spending, Newfoundland and Labrador has sharply increased investment in housing in the past two years, bringing the province into a close tie for third place (with Alberta). The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).
 (Source: Statistics Canada)

Prince Edward Island housing investment



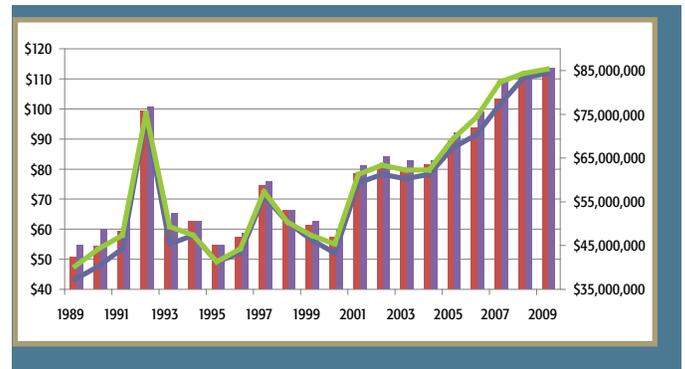
Prince Edward Island is clustered among the four provinces at the back of the provincial pack (with Manitoba, Quebec, and Ontario). Unlike the other provinces, PEI does not require municipalities to make housing investments. Housing investments in PEI began to climb in 2006 after more than a decade of stagnant investment. The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).
 (Source: Statistics Canada)

Nova Scotia housing investment



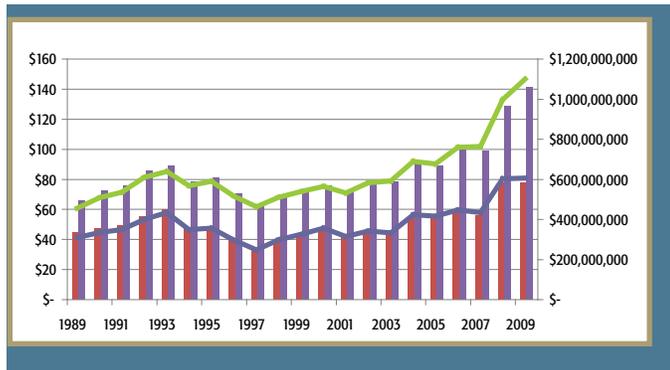
Nova Scotia is second among the provinces in per capita housing investments (third when municipal contributions are added). Provincial housing investments have been increasing steadily since 2005 after significant cuts in the mid- and late-1990s. The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).
 (Source: Statistics Canada)

New Brunswick housing investment



Housing investments in New Brunswick run at close to the provincial average. The province has been steadily increasing housing investments since 2005. The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).
 (Source: Statistics Canada)

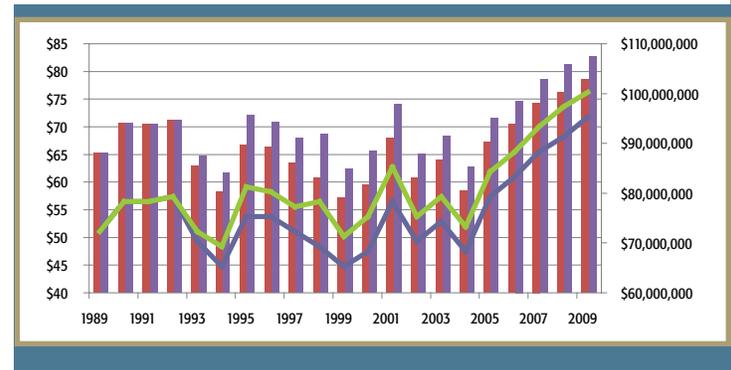
Quebec housing investment



Housing investments in Quebec have increased rapidly in the past few years – but the province remains below the national average. Quebec relies heavily on municipalities to make substantial housing investments (and is second only to Ontario in this respect). The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).

(Source: Statistics Canada)

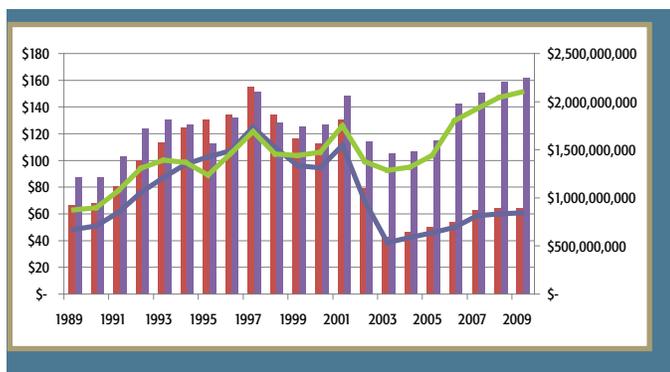
Manitoba housing investment



Manitoba is well below the provincial average in both unilateral provincial investments and combined provincial and municipal spending. After an uneven investment record through the 1990s and into the early 2000s, Manitoba started to ramp up spending in 2005. The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).

(Source: Statistics Canada)

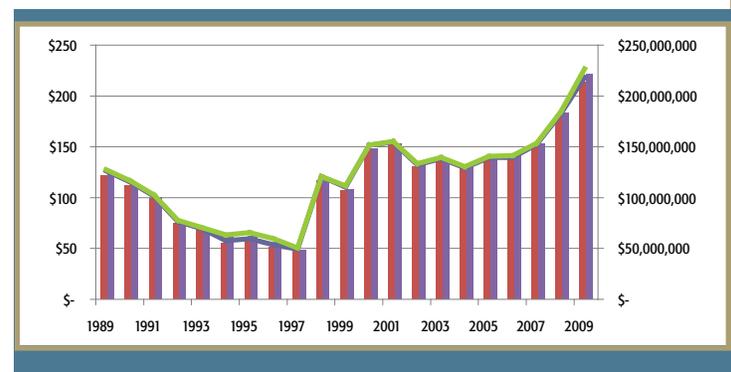
Ontario housing investment



Ontario remains the “bad boy” of Confederation – with the worst housing investment record among the provinces. At \$64 per capita, Ontario invests half the provincial average, and less than one-third of the amount invested by nation-leading Saskatchewan. Ontario downloaded housing programs and spending to municipalities and requires them to make a bigger contribution than any other province. Even with modest increases in recent years, provincial housing spending is still the lowest in two decades. The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).

(Source: Statistics Canada)

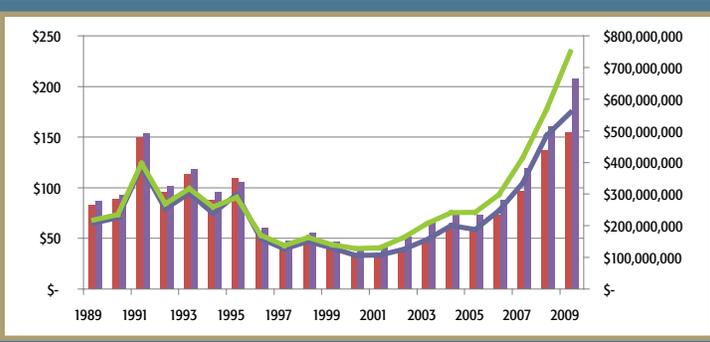
Saskatchewan housing investment



Housing investments in Saskatchewan top the country in per capita spending. Like many provinces, Saskatchewan cut housing spending in the early 1990s, but started reinvesting ahead of the rest (beginning in 1998). The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).

(Source: Statistics Canada)

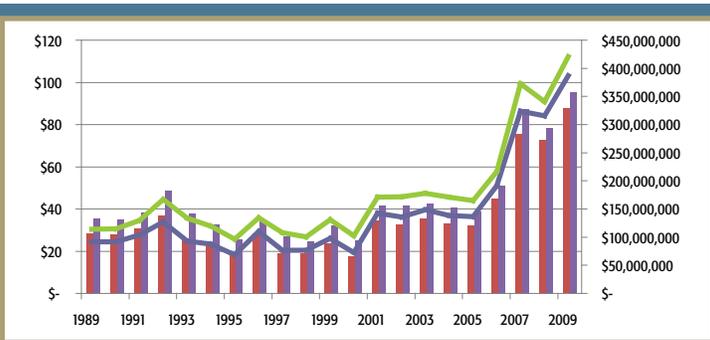
Alberta housing investment



Housing investments in Alberta have increased rapidly in the past few years – Alberta is now in third place among the provinces in per capita investment (second place, when municipal spending is added). In the mid-1990s, Alberta gutted provincial housing investments and only began to replace the lost dollars more than a decade later. The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).

(Source: Canada Mortgage and Housing Corporation)

British Columbia housing investment



Housing investments in British Columbia have been ramped up considerably in recent years, but overall, both unilateral provincial investments and combined provincial/municipal investments are well below the provincial average. British Columbia invests about half as much per capita as its neighbour Alberta. The red bar measures provincial housing investments per capita, and the purple bar measures combined provincial and municipal investments (right scale). The blue line measures overall provincial dollars (not adjusted for inflation or population growth), and the green line measures combined provincial and municipal dollars (left scale).

(Source: Canada Mortgage and Housing Corporation)

APPENDIX TWO: AFFORDABLE HOUSING FRAMEWORK AGREEMENT, 2001

A FRAMEWORK FOR BILATERAL AGREEMENTS AIMED AT AFFORDABLE HOUSING BY THE FEDERAL, PROVINCIAL AND TERRITORIAL (F/P/T) MINISTERS RESPONSIBLE FOR HOUSING ("THE FRAMEWORK")

This framework establishes the approach that will guide the development of bilateral agreements following consensus reached by FPT Ministers at Quebec City on November 30, 2001.⁴⁷

IT IS RECOGNIZED THAT:

- A. Federal, provincial and territorial governments have worked in many ways in the past to stimulate an adequate supply of affordable housing in Canada.
- B. In light of declining vacancy rates and low production of rental housing, federal, provincial and territorial governments believe there is an urgent requirement for short-term measures to increase the availability of affordable housing across Canada.
- C. While short term housing initiatives, such as the one agreed to by Federal, provincial and territorial Ministers address the immediate situation, continuing effort is required to develop strategies to ensure the sustainability of affordable housing supply in Canada.
- D. Federal, Provincial and Territorial governments agree that interventions must recognize and respect the differences in housing markets, priorities, circumstances and conditions across the country.

THEREFORE, federal, provincial and territorial governments express their common understanding as follows:

- Provinces and territories have the primary responsibility for the design and delivery of housing programs within their jurisdiction.
- Provinces and Territories require flexible programs to address their affordable housing needs and priorities.
- This initiative needs to create affordable housing for low to moderate income households.
- This short term initiative in no way diminishes Federal, provincial and territorial governments' commitment to continue to examine the need for long term sustainable improvements to the business and tax climate for affordable housing.
- Nothing in this document shall be construed to derogate from the respective governments' jurisdictional responsibilities.

Consequently, bilateral agreements between the Government of Canada and the provinces and territories will include the following program parameters:

- The initiative will be aimed at creating affordable housing supply in each jurisdiction. Affordable supply initiatives may include interventions such as construction, renovation (beyond the existing RRAP program), rehabilitation, conversion, home ownership, new rent supplements and supportive housing programs. Details of eligible programs in each jurisdiction will be as mutually agreed in bilateral agreements
- Units funded will remain affordable for a minimum of ten years.
- The maximum federal contribution is an average of \$25,000 per unit over the duration of the program.
- Federal funding can be used for capital contributions and costs to administer the initiative in Provinces and Territories.
- The administrative burden should be minimal and not adversely impact program delivery or create unnecessary levels of administrative processes or approval mechanisms.
- The federal government has committed a total contribution of \$680 million over five (5) years.
- Provinces and Territories will be required to match Federal contributions overall. Provincial and territorial contributions may be capital or non-capital in nature, and may be in cash or in kind. These contributions may be made by the Province or Territory or by a third party.
- The Federal government will recognize as matching contributions those commitments made by Provincial and Territorial governments and third parties for eligible programs, retroactive to January 1, 2001.
- Federal funding will not commence before a bilateral agreement is signed with a Province or Territory.

Dated November 30, 2001

⁴⁷ Canadian Intergovernmental Conference Secretariat. "Ministers Reach Agreement on Affordable Housing," news release, November 2001. http://www.scics.gc.ca/cinfo01/83073904_e.html

APPENDIX THREE: WHITE POINT PRINCIPLES FOR A NEW NATIONAL HOUSING FRAMEWORK

Provincial-Territorial Meeting of Ministers Responsible for Housing White Point, Nova Scotia—September 22, 2005

AN APPROACH TO GUIDE HOUSING IN CANADA BY PROVINCIAL AND TERRITORIAL (P/T) MINISTERS RESPONSIBLE FOR HOUSING⁴⁸

INTRODUCTION

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

THE VISION

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

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

THE PRINCIPLES

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

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

GENERAL PRINCIPLES

Roles and Responsibilities

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

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

The provinces and territories recognize the federal government's role in housing such as mortgage insurance, lending programs and taxation. In addition, the federal government has a pivotal role in research and knowledge transfer, promoting innovation and new technologies. The federal government will consider each province and territory as its primary delivery partner on any new and existing federal housing funding, through future bilateral agreements.

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

⁴⁸ Canadian Intergovernmental Conference Secretariat. "An Approach to Guide Housing in Canada by Provincial and Territorial (P/T) Ministers Responsible for Housing," news release, September 22, 2005. http://www.scics.gc.ca/cinfo05/860507005_e.html

Positive Outcomes

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

People Focused

- A continuum of program responses is required to successfully respond to the differing needs of households across their life courses. This comprehensive continuum of program responses consists of, among other things, housing supply and related shelter services, affordability, financing, mortgage insurance, repair, and environmental and housing regulations.
- Provincial and territorial governments require flexibility in housing programs and policies which take into account regional, community and individual needs and priorities.
- All Canadians should have fair and equitable access to housing programs.
- Federal, provincial, and territorial governments recognize that one of the highest areas of need and challenge is in providing adequate housing for Aboriginal people. It is through collaboration among governments and Aboriginal people that housing improvements for Aboriginal people living off-reserve are possible.

Engaging in Effective and Responsive Practices

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

Funding

- Federal, provincial, and territorial governments are committed to adequately housing their citizens as well as renewing their commitment to publicly funded support for housing.
- *Adequate, predictable and sustainable federal funding to Provinces and Territories is required for housing initiatives to produce long-term positive outcomes, notably for the households in need. Federal funding must recognize the state of housing and special needs of jurisdictions.*

- Federal funding should be provided directly to provinces and territories. New Federal initiatives should not require provinces and territories to cost-match or cost-share. The federal funding should respect provincial and territorial jurisdictions and priorities, be flexible to respond to their specific needs and situations, and be agreed upon within bilateral agreements between the federal government and each concerned province or territory. Federal funding will occur within the context of bilateral agreements to ensure consistency within provincial and territorial policy and fiscal frameworks.
- The federal government will recognize programs, directly funded by the provinces and territories, as cost-sharing contributions to federal housing initiatives where there is provincial and territorial cost-sharing in these federal housing initiatives.
- A provincial or territorial government, that has programming that already meets the objectives of a federal housing initiative, would be able to reinvest the federal funds not required for that initiative in another housing program, with mutually agreed upon objectives or a housing program that is consistent with the vision and principles provided in this document.

Consultation

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

Accountability

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

Other Matters

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

APPENDIX FOUR: RECOMMENDATIONS FROM UN SPECIAL RAPPORTEUR, 2009

88. The Special Rapporteur believes that the legal recognition of the right to adequate housing is an essential first step for any State to implement the human rights to adequate housing of the people under its protection. Therefore, the Special Rapporteur strongly recommends that the right to adequate housing be recognized in federal and provincial legislations as an inherent part of the Canadian legal system.⁴⁹
89. In line with previous recommendations made by the CESCR, the Special Rapporteur recommends that human rights legislation in all Canadian jurisdictions be amended to fully include economic, social and cultural rights and that they be included in the mandates of all human rights bodies.
90. The Special Rapporteur calls for Canada to adopt a comprehensive and coordinated national housing policy based on indivisibility of human rights and the protection of the most vulnerable. This national strategy should include measurable goals and timetables, consultation and collaboration with affected communities, complaints procedures, and transparent accountability mechanisms.
91. The Special Rapporteur also supports the recommendation of the CESCR that homelessness and inadequate housing in Canada be addressed by reinstating or increasing, where necessary, social housing programmes for those in need, improving and properly enforcing anti-discrimination legislation in the field of housing, increasing shelter allowances and social assistance rates to realistic levels, and providing adequate support services for persons with disabilities.
92. In order to design efficient policies and programmes, federal, provincial and territorial authorities should work in close collaboration and coordination and they should commit stable and long-term funding to a comprehensive national housing strategy. Federal, provincial and territorial authorities should also collaborate with authorities that are the closest to the need of the population such as municipal authorities, service providers and civil society organizations.
93. The authorities should take advantage of the outstanding level of academic analysis of right to housing issues available in Canada to implement the detailed recommendations contained in the Ontario Human Rights Commission report.
94. The definition of “core housing need” should be revised to include all the elements of the right to adequate housing and the federal government should collect reliable statistical data on all such dimensions.
95. The federal government, along with the provinces and territories, should commit the necessary funding and resources to ensure access to potable water and proper sanitation. This is a particularly acute issue for Aboriginal people, both on-reserve and off-reserve, and Aboriginal people should be directly involved in the design, development and operation of appropriate water systems.
96. Canada should adopt a national strategy on affordable housing that engages all levels of government including Aboriginal governments, Aboriginal people, civil society and the private sector. The strategy will require permanent and adequate funding and legislation set within a rights-based framework.
97. Canada may need to embark again on large scale building of social housing. It should also consider providing subsidies including housing allowances or access to other cost-effective ways in order for low-income households to meet their housing needs.
98. The Federal Government should work with the provinces and territories to ensure there is a consistent framework of tenant protection law that meets the standards required by human rights obligations.
99. Discriminatory practices in housing should be addressed by ensuring that victims have access to legal representation and, where a quick settlement is not reached, prompt access to hearings and remedies. Systemic and widespread discrimination should be investigated by human rights commissions and legal and practical solution implemented. Specific funding should be directed to groups particularly vulnerable to discrimination including women, Aboriginal people, the elderly, people with mental or physical disabilities, youth and migrants, to ensure they can challenge housing discrimination effectively.
100. The Special Rapporteur urges the federal authorities to adopt an official definition of homelessness and to gather reliable statistics in order to develop a coherent and concerted approach to this issue. This should be fully inclusive of women’s, youth’s, and children’s experiences of and responses to homelessness.
101. Canada should adopt a coordinated national strategy for reduction of homelessness that links the short-term measures (such as supports and temporary shelter for the homeless) with longer-term measures (to ensure the availability of permanent, affordable housing, along with income and employment supports).

⁴⁹ United Nations Human Rights Council. *Report of the Special Rapporteur on Adequate Housing as a Component of the Right to an Adequate Standard of Living, and on the Right to Non-discrimination in This Context, Miloon Kothari: Addendum Mission to Canada (9 to 22 October 2007)*, 2009. <http://www2.ohchr.org/english/issues/housing/visits.htm>. The footnotes in the original have not been included here.

102. Reducing homelessness and the number of people living in inadequate housing requires Canada to adopt a comprehensive and coordinated national poverty reduction strategy. Whilst three provinces have already taken important steps in this direction, the federal government should also be active in this area. This must include a review of the income available through social assistance and minimum wage in light of actual housing costs and a timetable for ensuring an adequate income to cover housing costs.
103. In view of the issues faced by women in regard to discrimination and inadequate living conditions as well as income disparity between men and women, the Special Rapporteur recommends that the mandate and funding of the Status of Women Canada (SWC) be fully reinstated including funding for advocacy for women's equality.
104. Sufficient income and housing assistance should be ensured to allow mothers to secure adequate housing and maintain custody of their children.
105. Federal and provincial governments should develop a comprehensive and coordinated housing strategy based on a human rights approach, in collaboration with Aboriginal governments and communities, to address effectively their responsibility to ensure adequate housing for on and off reserve Aboriginals.
106. In reserves, there is a need to commit funding and resources to a targeted Aboriginal housing strategy that ensures Aboriginal housing and services under Aboriginal control.
107. Authorities should genuinely engage with Aboriginal communities to resolve as soon as possible land claims such as in the Lubicon region so that housing problems can be resolved on a longer-term basis. In the meantime urgent steps should be taken to improve housing and living conditions regardless of the status of the land claims. Until a settlement is reached no actions that could contravene the rights of Aboriginal peoples over these territories should be taken. In that regard, a moratorium should be placed on all oil and extractive activities in the Lubicon region until a settlement. Moreover, activities of private companies on Aboriginal lands—regardless of the status of the claim—should be carried out only with consultation and approval of all Aboriginal and concerned communities. The Special Rapporteur reaffirms the importance of accountability of private actors and calls for respect for human rights in their activities, policies, and projects.
108. Federal, Provincial, Aboriginal and municipal governments should undertake gender-based analysis of Aboriginal housing concerns that is culturally relevant and developed with the participation of Aboriginal women.
109. Aboriginal women must have effective participation in decision-making—at all levels, and Aboriginal women with disabilities. For example, equitable representation of all Aboriginal women in modern day treaty negotiations and agreements could ensure that shelter and housing needs of Aboriginal women are adequately considered.
110. Implementation of matrimonial real property legislation aimed at addressing current inequalities faced by Aboriginal women living on reserves should be complemented by effective concomitant non-legislative changes such as access to justice initiatives.
111. Vancouver Olympic officials, and other authorities, need to implement specific strategies on housing and homelessness that do not rely on criminalization of poverty, and to commit funding and resources to support their targets, including the construction of 3,200 affordable homes as set out by the City of Vancouver as its minimum requirement for social sustainability and echoed in community Olympic consultation processes. The social development plan should be designed and implemented with public participation, and progress should be independently monitored.

APPENDIX FIVE: BILL C-304: A NATIONAL HOUSING STRATEGY FOR CANADA

2nd Session, 40th Parliament,

57-58 Elizabeth II, 2009

HOUSE OF COMMONS OF CANADA

BILL C-304

An Act to ensure secure, adequate, accessible and affordable housing for Canadians

Whereas the provision of and access to adequate housing is a fundamental human right according to paragraph 25(1) of the *United Nations Universal Declaration of Human Rights*;

Whereas, in 1976, Canada signed the *International Covenant on Economic, Social and Cultural Rights*, a legally binding treaty committing Canada to make progress on fully realizing all economic, social and cultural rights, including the right to adequate housing;

Whereas the enjoyment of other human rights, such as those to privacy, to respect for the home, to freedom of movement, to freedom from discrimination, to environmental health, to security of the person, to freedom of association and to equality before the law, are indivisible from and indispensable to the realization of the right to adequate housing;

Whereas Canada's wealth and national budget are more than adequate to ensure that every woman, child and man residing in Canada has secure, adequate, accessible and affordable housing as part of a standard of living that will provide healthy physical, intellectual, emotional, spiritual and social development and a good quality of life;

Whereas improved housing conditions are best achieved through co-operative partnerships of government and civil society and the meaningful involvement of local communities;

And whereas the Parliament of Canada wishes to ensure the establishment of national goals and programs that seek to improve the quality of life for all Canadians as a basic right;

Now, therefore, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

SHORT TITLE

Short title

1. This Act may be cited as the *Secure, Adequate, Accessible and Affordable Housing Act*.

INTERPRETATION

Definitions

2. The definitions in this section apply in this Act.

“accessible housing”
« *logement accessible* »

“accessible housing” means housing that is physically adapted to the individuals who are intended to occupy it, including those who are disadvantaged by age, physical or mental disability or medical condition, and those who are victims of a natural disaster.

“adequate housing”
« *logement adéquat* »

“adequate housing” means housing that is habitable and structurally sound, and that provides sufficient space and protection against cold, damp, heat, rain, wind, noise, pollution and other threats to health.

“affordable housing”
« *logement abordable* »

“affordable housing” means housing that is available at a cost that does not compromise an individual’s ability to meet other basic needs, including food, clothing and access to education.

“Minister”
« *ministre* »

“Minister” means the Minister responsible for the Canada Mortgage and Housing Corporation.

NATIONAL HOUSING STRATEGY

National Housing Strategy to be established

3. (1) The Minister shall, in consultation with the provincial ministers of the Crown responsible for municipal affairs and housing and with representatives of municipalities and Aboriginal communities, establish a national housing strategy designed to ensure that the cost of housing in Canada does not compromise an individual’s ability to meet other basic needs, including food, clothing and access to education.

Financial assistance

(2) The national housing strategy shall provide financial assistance, including financing and credit without discrimination, for those who are otherwise unable to afford rental housing.

Requirements

(3) The national housing strategy shall also ensure the availability of housing that

(a) is secure, adequate, affordable, accessible, and not-for-profit in the case of those who cannot otherwise afford it;

(b) reflects the needs of local communities, including Aboriginal communities;

(c) provides access for those with different needs, including, in an appropriate proportion, access for the elderly and the disabled, and reasonable design options;

(d) uses design and equipment standardization where appropriate to accelerate construction and minimize cost;

(e) uses sustainable and energy-efficient design;

(f) includes not-for-profit rental housing projects, mixed income not-for-profit housing cooperatives, special-needs housing and housing that allows senior citizens to remain in their homes as long as possible;

	<p>(g) includes housing for the homeless;</p> <p>(h) includes provision for temporary emergency housing and shelter in the event of disasters and crises; and</p> <p>(i) complies with standards for the maintenance of existing housing stock or for the construction and maintenance of new housing and appropriate health, security and safety standards.</p>
Priority	<p>(4) The national housing strategy shall ensure that priority in the provision of secure, adequate, accessible and affordable housing shall be given to</p> <p>(a) those who have not had secure, adequate, accessible and affordable housing over an extended period;</p> <p>(b) those with special housing requirements because of family status or size or because of a mental or physical disability; and</p> <p>(c) those who have been denied housing as a result of discrimination.</p>
Implementation of national housing strategy	<p>4. (1) The Minister, in consultation with the provincial ministers of the Crown responsible for municipal affairs and housing and with representatives of municipalities and Aboriginal communities, shall encourage and promote a coordinated approach to the implementation of the national housing strategy and may provide advice and assistance in the development and implementation of programs and practices in support of the strategy.</p>
Measures may be taken	<p>(2) The Minister, in cooperation with the provincial ministers of the Crown responsible for housing and with representatives of municipalities and Aboriginal communities, may take any measures that the Minister considers appropriate to implement the national housing strategy as quickly as possible.</p>
Conference to be held	<p>5. (1) The Minister shall, within 180 days after the coming into force of this enactment, convene a conference of the provincial ministers of the Crown responsible for municipal affairs and housing and of representatives of municipalities and Aboriginal communities in order to</p> <p>(a) develop standards and objectives for the national housing strategy and programs to carry it out;</p> <p>(b) set targets for the commencement of the programs referred to in paragraph (a); and</p> <p>(c) develop the principles of an agreement between the federal and provincial governments and representatives of the municipalities and Aboriginal communities for the development and delivery of the programs referred to in paragraph (a).</p>
Report	<p>6. The Minister shall cause a report on the conference, including the matters referred to in paragraphs 5(a) to (c), to be laid before each House of Parliament on any one of the first five days that the House is sitting following the expiration of 180 days after the end of the conference.</p>

**APPENDIX SIX:
HOUSING-RELATED RESEARCH AND POLICY WORK FROM THE WELLESLEY INSTITUTE**

Report	Authors	Summary
<p>Critical Characteristics of Supported Housing: Findings from the Literature, Residents and Service Providers August 2009</p>	<p>Bonnie Kirsh, Rebecca Gewurthz, Ruth Bakewell, Brenda Singer, Mohamed Badsha, Nicole Giles</p>	<p>This report lays the foundation for the development of principles that can be used to guide supported housing programming and that can continue to be examined in future research. It also provides a set of key characteristics critical to supported housing that can be used by supported housing programs to modify and evaluate their current programs and in the development of new housing programs.</p>
<p>Download the report here</p>	<p>http://www.wellesleyinstitute.com/files/Critical%20Characteristics%20of%20Supported%20Housing.pdf</p>	
<p>Towards Effective Strategies for Harm Reduction Housing July 2009</p>	<p>Fred Victor Centre and Jim Ward Associates</p>	<p>The project's purpose was to identify promising practices for successfully housing people who are using substances, through a harm reduction approach. This was accomplished through an investigation of Fred Victor Centre's shared accommodation housing program, a literature review, and interviews with other housing providers.</p>
<p>Download the report here</p>	<p>http://www.wellesleyinstitute.com/files/Towards_Effective_Strategies_for_Harm_Reduction_Housing_report_final.pdf</p>	
<p>Keeping the Homeless Housed: An Exploratory Study of Determinants of Homelessness in the Toronto Community July 2009</p>	<p>Action Consulting</p>	<p>This research explores alternatives to shared housing as a transitional strategy through a harm reduction approach that views chronic homelessness as a health and housing problem. This research proposes to address the lack of data using qualitative methods. The identification and description of determinants of homelessness provides a conceptual framework for understanding why and how certain initiatives and policies may succeed and others may fail.</p>
<p>Download the report here</p>	<p>http://www.wellesleyinstitute.com/files/Keeping%20the%20Homeless%20Housed%20final%20report.pdf</p>	
<p>Not for Lack of Trying: Barriers to Employment and the Unrealized Potential of Psychiatric Survivors Living in Boarding Homes May 2009</p>	<p>The Ontario Council of Alternative Businesses (OCAB)</p>	<p>The aim of this community-based research project was to engage Habitat tenants, both as researchers and as participants in focus groups, to provide qualitative evidence that would help make the case for greater resourcing of the boarding home sector in the area of employment. The research found that while an overwhelming number of tenants want to work, they are confronted with a number of systemic and personal barriers that make this goal next to impossible.</p>
<p>Download the report here</p>	<p>http://www.wellesleyinstitute.com/files/Not%20for%20Lack%20of%20Trying%20report%20final.pdf</p>	

Report	Authors	Summary
<p>Homelessness – Diverse Experiences, Common Issues, Shared Solutions: The Need for Inclusion and Accountability October 2008</p>	<p>Izumi Sakamoto, Erika Khandor, Aisha Chapra, Tekla Hendrickson, Julie Maher, Brenda Roche and Matthew Chin</p>	<p>This report brings together the findings and recommendations from eight community-based, arts-informed research studies on homelessness in Toronto. These studies represent the voices of individuals who are affected by homelessness and multiple issues of marginalization. In the life stories of these individuals, a diversity of experiences and identities emerge. While the studies featured in this report focused on different groups of people and used different research methods, the participants in these projects identified many similar issues and common experiences about homelessness.</p>
<p>Download the report here</p>	<p>http://www.wellesleyinstitute.com/files/Homelessness_DiverseExperiences_SharedSolutions_FINAL_LowRes.pdf</p>	
<p>Invisible Men: FTMs and Homelessness in Toronto June 2008</p>	<p>The FTM Safer Shelter Project Research Team</p>	<p>This report contributes to the growing body of knowledge regarding equitable access to services for transgender people. The ultimate goals of this project are to document the experiences, needs, and concerns of Female-to-Males (FTMs) in Toronto at risk for homelessness; to document the input, feedback, and concerns of stakeholders within the shelter system; to develop a collaborative project that would facilitate dialogue between all stakeholders to strategize and identify achievable solutions to the challenges that FTMs face in the shelter system; to build community-based research capacity within FTM communities; and to dramatically improve access to safer shelter for FTMs in Toronto.</p>
<p>Download the report here</p>	<p>http://wellesleyinstitute.com/files/invisible-men.pdf</p>	
<p>The Street Health Report 2007 Research Bulletins: 1: Homelessness & Hepatitis C May 2008 2: Women & Homelessness June 2008 3: Homelessness & Crack Use October 2008 4: Homelessness, Mental Health & Substance Use April 2009</p>	<p>Street Health</p>	<p>The findings of the bulletins are from a research study conducted in the winter of 2006/07 by Street Health on the health status and access to health care of homeless people in Toronto. A representative, random sample of 368 homeless adults was surveyed about health and access to health care at 26 different shelters and meal programs across downtown Toronto.</p>
<p>Download the report here</p>	<p>http://www.wellesleyinstitute.com/research/affordable_housing_research/research-bulletins-from-street-health/</p>	
<p>We Are Neighbours: The Impact of Supportive Housing on Community, Social, Economic and Attitude Changes May 2008</p>	<p>Alice de Wolff and the Dream Team</p>	<p>This report explores the relationship between supportive housing and the surrounding neighbourhood, and the inevitable issues of community safety, cohesion, and property values. It offers an invaluable community-based view of the impact of supportive housing on the surrounding neighbourhood, with key findings and recommendations.</p>
<p>Download the report here</p>	<p>http://www.wellesleyinstitute.com/files/weareneighbours.pdf</p>	

Report	Authors	Summary
<p>Private Personal Care: Homes and the “Hardest to House” February 2008</p> <p>Download the report here</p>	<p>Toronto Christian Resource Centre (TCRC)</p> <p>http://wellesleyinstitute.com/files/e-2007-05-29.pdf</p>	<p>This report surveys the housing history of tenants in private boarding homes and examines the level of care and support in these homes. The report found that the housing history of these tenants did not show a pattern of evictions and the TCRC were very surprised to find little evidence of non-profit housing in the tenants’ past.</p>
<p>Wellesley Institute National Housing Report Card February 2008</p> <p>Download the report here</p>	<p>Michael Shapcott</p> <p>http://www.wellesleyinstitute.com/files/winationalhousingreportcard.pdf</p>	<p>A review of federal and provincial funding of housing. The Report Card 2008 reveals that the federal government and eight of the thirteen provinces and territories have failed to meet the commitments for new housing funding that they made in November 2001.</p>
<p>The Street Health Report 2007 September 2007</p> <p>Download the report here</p>	<p>Street Health This report was prepared by: Erika Khandor and Kate Mason</p> <p>http://wellesleyinstitute.com/files/a-2005-06-07.pdf</p>	<p>This report provides a comprehensive overview of the physical and mental health, well-being, access to health care, and daily realities of homeless people in Toronto. The study found that the health and access to health care of homeless people is very poor and has gotten worse over the past 15 years.</p>
<p>Coming Together: Homeless Women, Housing and Social Support February 2007</p> <p>Download the report here</p>	<p>Izumi Sakamoto, Josie Ricciardi, Jen Plyler, and Natalie Wood</p> <p>http://wellesleyinstitute.com/files/a-2005-06-005.pdf</p>	<p>This is an arts-based community research project exploring how women and transwomen who are marginally housed build support networks with each other in order to survive. The research team collected interview data, and identified key themes that were then explored in the art-making process with other women/transwomen at drop-in centres across the city.</p>
<p>Effects of Housing Circumstances on Health, Quality of Life and Health Care Use for People with Severe Mental Illness: A Review April 2007</p> <p>Download the report here</p>	<p>James R. Dunn and Tania Kyle</p> <p>http://wellesleyinstitute.com/files/e-2004-03-008.pdf</p>	<p>This paper is a systematic review of published empirical studies that investigated the relationship between housing-related independent variables and health-related dependent variables. Clearly defined epidemiological criteria were used to assess the strength of evidence of the selected studies.</p>

Report	Authors	Summary
<p>The Blueprint to End Homelessness in Toronto 2006</p>	<p>Michael Shapcott</p>	<p>The Blueprint and the detailed policy framework offer more than 100 pages of information including current data on housing and homelessness in Toronto, a review of Toronto's housing history going back to 1918, and a ward-by-ward review of housing, homelessness, and poverty.</p>
<p>Download the report here</p>	<p>http://www.wellesleyinstitute.com/news/affordable-housing-news/the-blueprint-to-end-homelessness-in-toronto/</p>	
<p>Failing the Homeless: Barriers in the Ontario Disability Support Program for Homeless People with Disabilities June 2006</p>	<p>Street Health Community Nursing Foundation</p>	<p>This report describes the experiences of homeless people with disabilities who could not access the Ontario Disability Support Program (ODSP). It identifies key barriers and delays in the ODSP system and makes a number of recommendations to help ensure that homeless people with disabilities can access the ODSP benefits they are entitled to. It also highlights gaps in the overall disability benefits system.</p>
<p>Download the report here</p>	<p>http://wellesleyinstitute.com/files/a-2003-09-235.pdf</p>	
<p>Building Healthier Urban Communities: National Research Conference on Homelessness February 2006</p>	<p>Canadian Conference on Homelessness</p>	<p>One of the main objectives of the conference was to unite and integrate the diverse set of researchers, practitioners, and relevant individuals and groups involved in issues of homelessness, both nationally and at the local level.</p>
<p>Download the report here</p>	<p>http://wellesleyinstitute.com/files/e-2003-12-020.pdf</p>	
<p>The Impact of Supportive Housing: Neighborhood Social, Economic and Attitude Changes March 2005</p>	<p>The Dream Team Participatory Research Group</p>	<p>The goals of the project were to build research skills in the research team and develop a proposal on social housing. The research team was unique because it included people living with mental illness.</p>
<p>Download the report here</p>	<p>http://wellesleyinstitute.com/files/e-2004-03-033.pdf</p>	
<p>Street Health Pilot Study October 2004</p>	<p>Street Health Nursing Foundation</p>	<p>The purpose of the research project was to identify research priorities within the community of homeless and under-housed people in Southeast Toronto.</p>
<p>Download the report here</p>	<p>http://wellesleyinstitute.com/files/e-2003-12-025.pdf</p>	



Visit our website regularly for community-based research and policy on affordable housing, health care reform, health equity, immigrant health, social innovation and related areas.

Look for the Wellesley Urban Health Model – a systems’ dynamic tool to help communities navigate to better health outcomes – which is currently under development.

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