

GIMME SHELTER!

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Homelessness and Canada's Social Housing Crisis

by Nick Falvo



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Homelessness and Canada's Social Housing Crisis

by Nick Falvo

The CSJ Foundation for Research and Education

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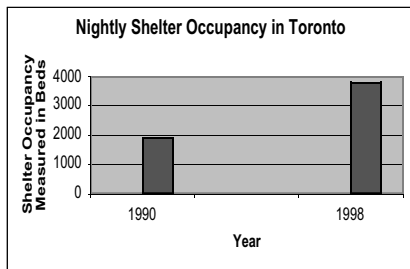
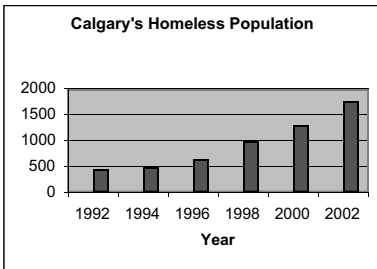
On May 21, 2002, residents of Canada's largest city woke up to a shocking dose of reality. The headline of *The Toronto Star* that day read: "Secret Video Exposes Plight of Homeless." The article reported on a video taken with a hidden camera at one of Toronto's most crowded homeless shelters. The bodies of homeless men and women were shown jammed together. It was noted that United Nations standards for refugee camps require 4.5 to 5 square metres per person, yet the video clearly showed four people sharing an area of the same size at the Toronto shelter.

In addition to being Canada's largest city, Toronto by some accounts has more homeless people than all of Canada's other big cities combined. This paper looks at homelessness and housing policy in Canada as a whole, but it pays particular attention to Toronto, surveying the growing extent of homelessness as well as some of its social costs. Also considered are some of the political and economic causes that underlie homelessness, and how the drastic reductions in the creation of social housing units since the early 1990s, and the significant changes made to income-support programs across Canada, have led to the current crisis in homelessness. Barriers to employment for homeless people will then be considered, followed by a surprising revelation about Canada's tax system. In conclusion, I highlight three strategies for responding to Canada's growing homeless populations.

The Growing Problem of Homelessness

While accurate measures of the number of homeless people are generally hard to come by, we do have very clear indications that homelessness is a growing problem in Canada.

The only jurisdiction in Canada that literally “counts the homeless” on a recurring basis is the city of Calgary. Since 1992, officials there have picked one night in mid-May where they methodically count those who are sleeping either at a homeless shelter or outside. While this count does not include the many thousands who are doubling up with friends and/or living in inadequate housing, it does allow officials to see whether the numbers are shrinking, staying the same, or growing over time.



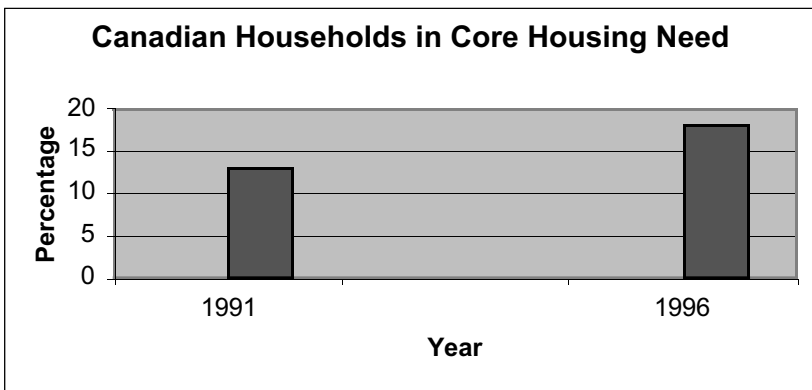
Source: The City of Calgary Community Strategies, *The 2002 Count of Homeless Persons* (Calgary: The City of Calgary Community Strategies, June 2002).

Source: Stephen W. Hwang, “Homelessness and Health,” *Canadian Medical Association Journal* January 23, 2001: 229.

In May of 2002, the sixth consecutive count was completed. The results thus far are shocking: they show an increase of almost 400% in just a ten-year period. In Toronto similarly, homelessness has risen dramatically, with nightly shelter occupancy in Toronto nearly doubling between 1990 and 1998, and the total number of people staying in Toronto's emergency shelters increasing from 22,000 in 1988 to almost 30,000 in 1999, a rise of 40%. Particularly troubling is the fact that, during this same period, the number of children staying in Toronto's shelters increased by 130%. Finally, lengths of stay in Toronto's shelters have been increasing since 1988. Families, for instance, stay in Toronto's shelters, on average, four times longer now

than they did in the late 1980s. Unsurprisingly, Toronto is now considered to have more homeless people than the rest of Canada's major cities combined. But this increase is being seen across Canada as well.

Another indicator of homelessness is the percentage of households in "core housing need." In this situation, households live in housing which is either in need of major repairs, does not have enough bedrooms, or costs more than thirty per cent of before-tax household income. Households in trouble also "have to spend thirty percent or more of their income to pay the average rent of alternative local market housing that meets all three standards."¹



Source: Peter Spurr, Ian Melzer and John Engeland, "Special Studies on 1996 Census Data: Changes in Canadian Housing Conditions, 1991-96," *Socio-Economic Series 55-5* (Ottawa: Canada Mortgage and Housing Corporation, 2000) 2.

The percentage of Canadian households in core housing need jumped from 13% to 18% between 1991 and 1996, and at last count, there were over 1.7 million Canadian households in such circumstances.² In Ontario, the figure went from 11.2% to 18.5%, which means that the percentage of Ontarians in core housing need increased by 65% in the last 5-year period for which we have statistics. And even more distressing is the fact that the percentage of Aboriginals in core housing need is almost double that of non-Aboriginals.³ By 1998, with these figures in mind, homelessness had reached such crisis proportions that the mayors of Canada's major cities declared it a "national disaster."⁴

Social Costs of Homelessness

One of the most vivid illustrations of the extent to which homelessness is a problem can be seen in how quickly homeless people die. In an article in the 26 April 2000 edition of the *Journal of the American Medical Association*, Dr. Stephen Hwang, of St. Michael's Hospital, reported on death rates among homeless men. Using a sample of almost 9000 men who had used Toronto's shelters, the number of deaths and causes of death were tracked from 1995 until 1999. The results were appalling. Among them:

- The mean age of death was 46 years.
- The mortality rate for homeless men in the 18-24-year-old range was more than eight times that of their non-homeless counterparts.
- Homeless men are approximately nine times more likely to be murdered than their housed counterparts.

Such results are not limited to Toronto. For example, the mortality rates for homeless youth in Montreal are nine times greater for males, and thirty-one times greater for females, when compared with the rates for non-homeless youth in the province of Quebec.⁵ Indeed, researchers in Montreal followed 479 homeless youth, aged 14 to 25, from January 1995 until August 1998. By the last phase of their research, thirteen had died.⁶

Homeless people also tend to be in much poorer overall health than the general population. The 1992 *Street Health Report* found that:

- The number of homeless people with arthritis/rheumatism is more than double that of the general population.
- The rate of emphysema/chronic bronchitis among the homeless is roughly 5 times that of the general population.
- For asthma, the rate is almost 3 times that of the general population.

- The rate of epilepsy among homeless persons is over 6 times that of the general population.

Putting some of the above into perspective, Dr. Hwang makes the following point: "Homeless people in their forties and fifties often develop health disabilities that are more commonly seen only in people who are decades older."

More recently, researchers surveyed one hundred and thirty-six homeless drug users in Toronto and found the HIV rate in their sample to be over fifty times that of the general population.⁷ Other research also tells us that the rate of active tuberculosis among Toronto's homeless population is roughly ten times the rate for Ontario as a whole.⁸ Indeed, two years ago, a tuberculosis outbreak hit Toronto's shelter system. It is believed to have been the first time a TB outbreak has hit a homeless shelter in Canada. As of early November 2002, twelve cases of active TB had been confirmed at one shelter, and three other genetically related cases had been confirmed at another (all but one of the infected individuals were Canadian born). Five of these individuals have since died,⁹ although it is impossible to know the true long term impact of this particular outbreak, as many other residents at these shelters may have been infected, and then moved on to different shelters, possibly infecting others.

On a regular basis, homeless people experience high rates of: sexual victimization (especially women), physical assault, police harassment, lack of shelter beds, poor food quality, inadequate hygiene facilities, lack of privacy and security, forced movement, and rampant theft.¹⁰

A 1998 Toronto study found that over half of all female street youth become pregnant, with the average onset of first pregnancy being just over 16 years.¹¹ All told, an estimated 300 babies are born to homeless women each year in Toronto.¹²

Recent Canadian research¹³ compared children who are inadequately housed with children who are adequately housed. The following variables were considered: overall health; rates of asthma; motor skills and

social development; language skills; emotional health and levels of anxiety; hyperactivity and inattention; and levels of aggression. In all of these areas, rates were found to be substantially worse for inadequately housed children.

To fully appreciate the scope of the problem, it is sometimes best to listen to real life stories, such as that told by Ann Fitzpatrick at an October 2000 housing rally in Toronto. Fitzpatrick works with the Children's Aid Society of Toronto (CAST) and spoke passionately about the plight of one particular single mother with four children. Two of the children had "special health needs." and the family had been in a shelter since August, with no prospect of moving soon. The baby had twice suffered with pneumonia, in addition to regular ear infections. Both a social worker as well as pediatricians advocated for this family to get social housing.¹⁴

But social housing is allocated on a first come, first served basis. The waiting list is now at least seven years long. The family had moved five times in the previous nine years. And the mother's name was taken off the social housing waiting list twice because she was unable to respond to letters that had been sent to previous addresses. Fitzpatrick put it bluntly:

Families involved with CAST who have housing problems cannot focus on other goals including: counselling, parenting classes, drug treatment, employment, connecting with community supports/programs, education follow up. Housing is the preoccupation until basic needs are met...[In the meantime], other goals are on hold. Parents also struggle, since their children begin to exhibit signs of stress and strain under the housing conditions: the children's behaviours can be difficult to manage, and can set up conflicts between parents and children that are not easy for the parent to deal with...Can you imagine your children coping with day to day life living in a tiny motel room, jammed with four beds, sleeping a family of five—all their life belongings filling up garbage bags, and suitcases filling available floor space?¹⁵

A recent study revealed that, in 2000, the family's housing situation was cited as a factor in one out of every five cases where children ended up in CAST's care.¹⁶

False Economy

What is even more tragic than the life circumstances of homeless people is the fact that it is much cheaper to have people live in decent, affordable, subsidized housing than it is to have them live in homeless shelters. In a background paper for the Mayor's Homelessness Action Task Force, researchers calculated that the cost of keeping one person in a homeless shelter is in the \$30-\$43 per night range,¹⁷ while the cost of having one person live in a pre-existing, private, self-contained, one- or two-bedroom apartment, in a secure building, was calculated to be \$22-\$30 per night.

Even a brand new, self-contained, one- or two-bedroom apartment (run on a non-profit basis) would cost an average of only \$36 per person per night—roughly the same as the cost of keeping someone in a homeless shelter.

It is also more expensive to provide health care services to people when they are homeless than when they are housed. In one study, homeless people were admitted to hospital approximately five times more frequently than non-homeless people.¹⁸ Moreover, a 1998 article in *The New England Journal of Medicine* compared hospitalization costs of homeless people with hospitalization costs for housed individuals in New York City. Once in hospital, the homeless patients stayed, on average, more than four days longer per admission, and the cost of these additional days averaged US\$4,094 for psychiatric patients, US\$3,370 for AIDS patients, and US\$2,414 for all patients.¹⁹

The word "homeless" now seems as much a part of the Canadian lexicon as "moron."

—Best-selling Canadian author, Linda McQuaig

To deal with the previously mentioned TB outbreak, Toronto's Public Health Department alone has been forking out at least \$500,000 annually.

The average cost of placing a child into the temporary care of the Children's Aid Society of Toronto (CAST) is \$40,761. With roughly 450 CAST cases where housing was a factor in 2000, CAST estimates the cost for those admissions at \$18 million annually.

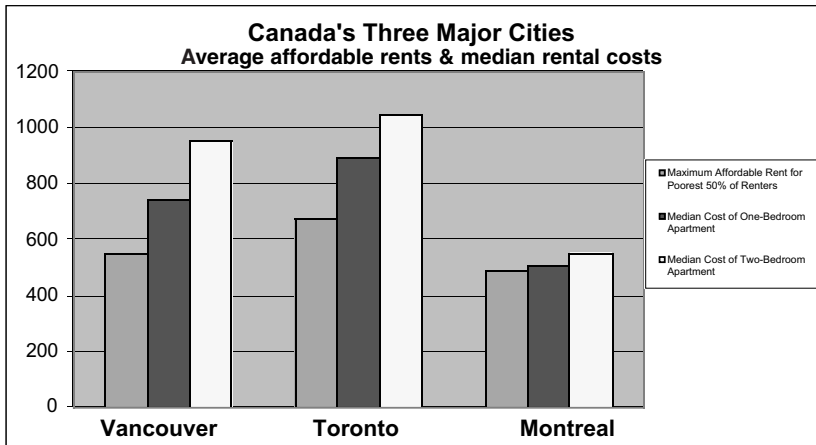
Demand and Supply: The Politics of Homelessness in Canada

Housing analyst Greg Suttor sums up why we have an affordable housing crisis in Toronto:

To summarize the affordability trends of today's City of Toronto over the past 15 years: the 1980s saw average annual increases of some 5,000 tenant households who could not afford market rents, with about 1/3 of this increase accommodated in new social housing. The early 1990s saw average annual increases of some 12,000 tenant households who could not afford market rents, with barely 1 in 10 accommodated in new social housing...**The reason there is virtually no private rental construction today is economics. Buildings can only be built at high-end rents of \$1400 to \$1600 a month—affordable for tenants with an annual income of roughly \$61,000, well above the average annual for tenants, which is \$41,000. (emphasis added)**

This phenomenon of supply not meeting demand in the rental housing market is not unique to Toronto. Rather, it is a national trend that becomes very apparent when one contrasts what low-income households can afford, on the one hand, with the cost of rental housing, on the other. The point is illustrated in the following chart.²⁰

Consider for a moment what the following graph means for low-income households in Toronto. The poorest sixth of renters—representing roughly 125,000 households—in Toronto can afford a maximum of \$290 per month for rent. The next sixth—representing another 125,000 households—only \$474. Even the next sixth can only afford a maximum of \$685. Meanwhile, average monthly rent for a two-bedroom apartment in Toronto is \$1027, which only the wealthiest third of Toronto renters can afford.²¹



Source: Statistics Canada and CMHC. Thanks to The Centre for Urban & Community Studies, University of Toronto as well as Michael Shapcott for this information.

Not surprisingly, waiting lists for social housing are growing. The Toronto Social Housing Waiting List, which is drawn on by all of the city's social housing providers, sees 1,400 new applications per month. Yet, the number of households on the list that actually get housed each month is much smaller—only 348 between January 1999 and November 2000. Therefore, Toronto's waiting list for social housing jumped from 51,428 to 63,110 during this time—an increase of 23% in less than two years.

Thus, it is clear that the housing affordability problem requires government intervention.²² And from 1964 until 1993, the federal government did provide leadership in the creation of social housing.²³ During this period, an average of 20,000 social housing units per year were built, with the federal government providing the lion's share of the total funding.

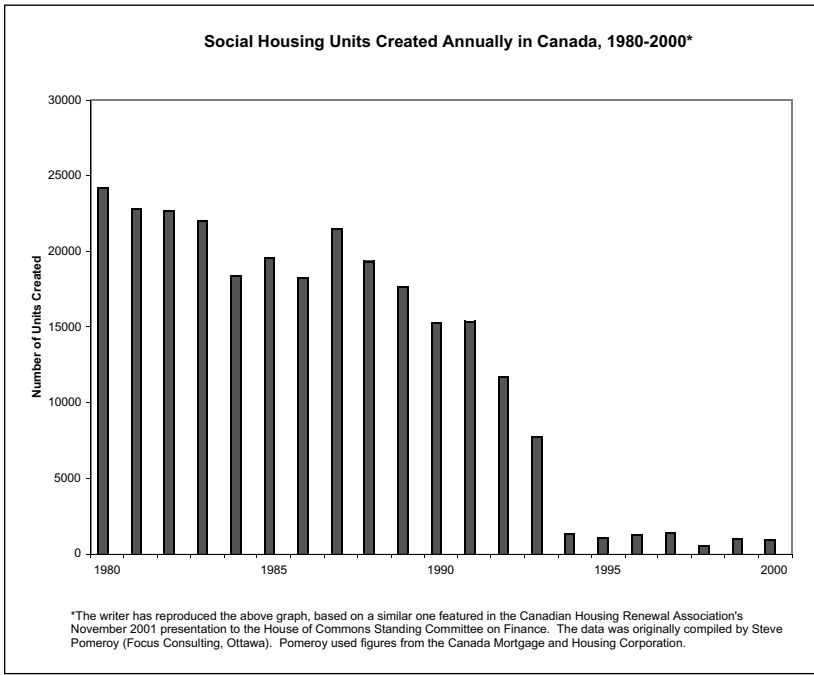
Since the 1980s, however, the number of new units built each year has declined. Indeed, beginning with the Mulroney government's first budget, the federal government would begin to announce a series of funding cuts to social housing. Then, in April 1993, the federal government announced its decision to terminate involvement in the creation of any new social housing commitments all together, freezing its social housing expenditures at roughly \$2 billion annually.²⁴

In addition to this seriously diminished national role in social housing, annual expenditures on housing by Canadian provinces and territories have declined. Indeed, at its height in 1993-1994, provincial-territorial housing spending stood at just under \$2.1 billion annually. By 1999-2000, this figure had dropped to just over \$1.5 billion, marking an annual reduction in overall provincial-territorial housing spending of roughly twenty-three per cent.

As a result of this withdrawal from social housing on the part of senior levels of government, by the year 2000, only 940 new units of social housing were built in all of Canada. The graph below serves as an illustration of this federal withdrawal from social housing.

For many years, affordable housing advocates have been pressuring senior levels of government to start, once again, creating new social housing units. Slowly but surely, some headway is being made. In March 1999, for instance, the Prime Minister designated one of his ministers as “Federal Coordinator on Homelessness.” And, by November 2001, the federal government had committed to spending a total of \$680 million over a five-year period on new housing (the official name of the agreement in question is the Affordable Housing Framework Agreement).²⁵

It was signed by federal, provincial and territorial housing ministers in Quebec City. Under the agreement, all of Canada's provinces and territories agreed to provide “matching funding” of some sort. The federal government is now required to negotiate separate deals with each province and territory, detailing how exactly the money will be spent in each jurisdiction. In what was likely a political compromise, the agreement gave the provinces considerable latitude in terms of what they must now do. Unfortunately, many provinces have taken advantage of this “wobble room” and done very little. In fact about half of the provinces have since *reduced* their annual funding for social housing. With the exception of Quebec, no province has committed to substantially increase funding for social housing.²⁶



Finally—and very regretfully—a great deal of the funding flowing through this agreement is expected to result in the creation of housing that is affordable only by moderate-income households, and not by lower-income households.

More recently, John Manley's first budget as federal finance minister announced more new money for affordable housing. The Manley budget announced \$64 million/yr. in new affordable housing, \$128 million/yr. for the Residential Rehabilitation Assistance Program (RRAP), and \$135 million for the Supporting Community Partnerships Initiative (SCPI). In the past, neither RRAP nor SCPI funding was considered to help a great deal in the creation of new social housing units. However, some are now beginning to view both programs in a more favourable light, due to changes that were made to RRAP in the late 1990s, and due to the fact that some groups have managed to use SCPI funding to create "long-term transitional" housing.

While all of these recent developments are seen as positive for their symbolism (i.e., the federal government is now back in social housing), they are too little and too late. In fact, the additional units planned will not even meet the increase in demand for affordable housing over the next few years.

Income Assistance in the New Economy

When American researchers recently followed three hundred and ninety-seven homeless people over a fifteen-month period, they found that income support and subsidized housing were “the two most important” factors involved with people moving from being homeless to being housed in a stable fashion.²⁷ This likely comes as no surprise to many readers. Nor is it hard to comprehend that the cuts that senior levels of government have made to virtually every form of income assistance in Canada—most notably unemployment insurance, welfare and disability benefits—have compounded the problems of the Canadian labour market, and hit the poor and the working poor the hardest.

For example, due to drastic changes in unemployment insurance (UI) coverage made by the federal government, the percentage of unemployed workers receiving regular UI benefits fell significantly, from 74% in 1989 to 36% by 1997. (In Toronto, only 24% were covered by 1997.) Moreover, the number of total hours of work required for new entrants to be covered by UI has increased from 300 hours to 910 hours. Finally, the length of the benefit period for those fortunate enough to actually qualify for UI was cut in half between 1989 and 1996.²⁸ All told, roughly 1.2 million unemployed Canadians do not qualify for UI today. Approximately two thirds of these people would have qualified ten years ago. Most claimants who have been cut off had been earning less than \$15,000/yr.²⁹

Two authors have recently argued that, as a result of “economic restructuring” and the changes to unemployment insurance, the percentage of Canadians having to rely on social assistance increased from 5.5 per cent in the 1970s, to 7 per cent in the 1980s, and to 9.5 per cent in the 1990s.³⁰

Compounding the problem are the cuts to the federal government's annual cash transfers to the provinces for social assistance, which are now considerably less than they were prior to the mid-1990s.³¹ Consequently, individuals now collecting social assistance tend to receive much less in monthly benefits than they would have one decade ago.³²

The impacts of such cuts on housing are direct. As sociologist Michael Ornstein has estimated, the 21.6 % cut in welfare benefits introduced by the Harris government in 1995 pushed roughly 67,000 Ontario families out of their rental housing.³³ And since these cuts, there has not been a single adjustment to monthly benefits to take inflation into account. The result is that the annual "purchasing power" of an Ontario welfare recipient is now 35% less than what it was in 1995, effectively costing the poor any chance at affordable housing.

Finally – and making it crystal clear that the above changes to income supports have had a very significant impact on homelessness – a 1999 study by the Income Protection Working Group estimated that up to 60 per cent of people staying in Toronto's homeless shelters would have qualified for the unemployment insurance benefits, workers' compensation benefits and/or disability benefits that were in existence one decade previously.³⁴

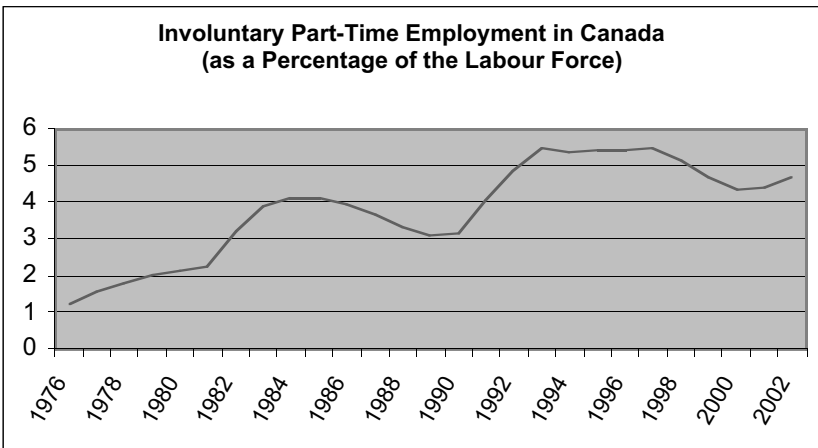
Why Can't Homeless People Just "Get a Job"???

From time to time, one hears the above question being asked. In light of some encouraging trends in Canada's labour market of late, it is probably being asked now more than ever. After steadily worsening from 1980 until 1997, Canada's overall employment situation has improved very significantly since 1997. As economist Jim Stanford recently pointed out, "currently we have the highest employment rate in history, the highest participation rate in history, and a moderate unemployment rate."³⁵

But what most of the employment indicators do not reveal is the growing number of Canadians at the bottom of the socioeconomic

ladder who are becoming *underemployed*. One way of measuring underemployment in Canada is to consider the number of Canadians working part time that would prefer—and are available—to work full time. Such people are considered to be “involuntary part time workers.”

The involuntary part-time employment rate refers to the percentage of the labour force that is working part time involuntarily. As can be seen in the following graph, the involuntary part time employment rate – though cyclical – has roughly quadrupled in Canada since the mid-1970s.



Source: Labour Force Survey 2002. Statistics Canada. Thanks to Mike McCracken of Informetrica Limited for sharing this information.

Another useful consideration is the fact that roughly forty-five per cent of Canadian workers are said to be “precariously employed.” Those who are precariously employed are also known as “contingent workers,” or are known to be working in “flexible non-standard jobs.” In addition to inadequate income, non-standard workers have very little job security, few – if any – benefits, and inferior working conditions. There are more than 1.2 million workers in the greater Toronto area who fall under this category. In the fall of 2000, the Contingent Workers Group (now known as Toronto Organizing for Fair Employment) released a report that surveyed 205 such workers in

Toronto.³⁶ Over 69% of respondents reportedly earned less than \$18,000/yr.; 72% said they would prefer a permanent job; 38.5% were the sole earners in their respective households; and in cases where the respondent was not the sole income earner in the household, 40.7% of the other household earners were precariously employed.

The extraordinarily insecure nature of today's labour market was further highlighted in a recent survey of Toronto welfare recipients who had managed to get off social assistance. The survey found that 77% of those who had gotten off welfare did indeed work at some point during the year, but that most who did were no better off financially with the paltry amount of work they got.³⁷

But if the precariousness of today's labour market isn't bad enough, the homeless face additional challenges. From 1999 until 2001, this writer worked at LabourLink, a temporary-employment program for homeless people in Toronto. During this time, he saw first hand that people who lack adequate housing face tremendous barriers to employment – most notably, a lack of transportation, the inability to purchase basic amenities (including food and steel toe work boots),³⁸ being in poorer overall health, not having a telephone and being constrained by shelter curfews.

One incident at LabourLink was particularly frustrating. We had a worker named Ken (not his real name) who was quite skilled in renovation work. He'd been living at a Toronto shelter and was very eager to find full-time work. When we arranged for him to do some work for a contractor, the contractor liked Ken's work so much that he offered him a full-time position. Ken accepted.

Shortly thereafter, Ken got off shift one night and wanted to take a shower when he returned to the shelter. However, there was only one shower for ninety residents, and Ken became frustrated when the man ahead of him was still showering forty-five minutes later. Ken complained to staff. Staff showed little concern. Ken argued with staff.

Ken ended up being barred from the shelter, a not uncommon practice.

He went to another shelter that same evening, but this one was too noisy to actually *sleep* in (the large-screen television blared all evening, and the lights stayed on). Ken did not get any sleep that night and was in no condition to work the next day, and did not. He was not able to get a decent night's sleep the following night either. Soon, the contractor who had offered him the full-time position lost interest in Ken. This marked the end of what should have been a golden opportunity.

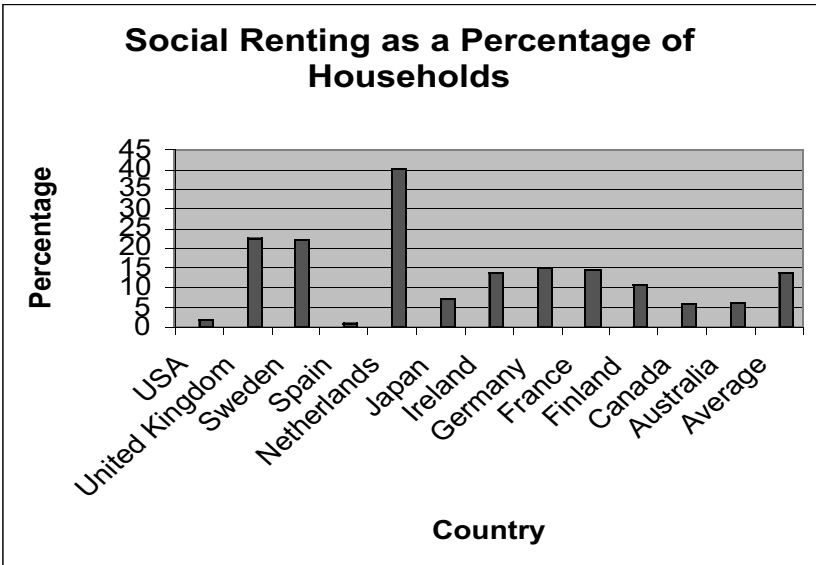
A major issue we faced at Labourlink was the fact that there simply are not enough jobs to go around. We did our best to connect workers to jobs. Yet at the end of the day, there were almost always more eager homeless people available for work than there were jobs.

Housing Apartheid in Canada

Ottawa researcher Aron Spector made a shocking revelation in the November 1997 edition of *Policy Options*. He compared the average per-unit subsidies for public and non-profit co-operative housing in Canada, with the average tax benefits received by every Canadian homeowner because of the preferential tax treatment that accrues to an individual who invests money in his or her house. Spector found the average annual subsidy for public and non-profit co-op housing to be \$4,276, and the average annual tax benefits for a Canadian homeowner were \$4,901.

Canada's rate of social renting is currently less than half the OECD average.

In other words, through our tax system, the federal government provides a sizeable annual subsidy to every Canadian homeowner, but is unwilling to provide a more modest annual subsidy to poor Canadians so that they may live in social housing. Here in our own backyard, Canada supports a perverse form of housing apartheid!



Source: A.J.M. Freeman, A.E. Holmans, and C.M.E. Whitehead, “Is the U.K. Different? International Comparisons of Tenure Patterns,” (London, U.K.: Council of Mortgage Lenders, August 1996) 11.

By international standards, Canada also has some catching up to do. Whereas only 5% of Canadian households live in social housing, the figure for many European countries is significantly greater. Indeed, from the above graph one can see that while Canada beats the U.S.A. and Spain in terms of social housing as a percentage of households, we lag behind the majority of countries, with our rate of social renting less than half the OECD average.

Building Solutions

(i) 1% Solution

One of the single most positive developments on the affordable housing front in Canada over the past five years has been the “1% Solution” campaign. Canadians from coast to coast can be seen sporting buttons with the “1%” symbol. The “1%” corresponds to a dollar figure³⁹ that each level of government—federal, provincial, territorial and municipal—should aspire to spend on affordable housing as a percentage of overall expenditures.

The specifics are as follow:

- The 1% Solution campaign was launched in 1998 by the Toronto Disaster Relief Committee (TDRC), and is based on research done by one of TDRC's founding members, Dr. David Hulchanski, a leading academic expert on homelessness and affordable housing.

- Dr. Hulchanski's research revealed that, in the mid-1990s, the various levels of government in Canada were spending approximately 1% of their budgets on housing.

- The 1% Solution calls on all levels of government to return to their housing expenditures of the mid-1990s. This would entail an additional \$2 billion/yr. from the federal government, and an additional \$2 billion/yr. from the provincial and territorial governments combined.⁴⁰

(ii) Housing Bill of Rights

In May of last year, Vancouver M.P. Libby Davies introduced a private member's bill calling on the federal government to enact a Housing Bill of Rights. Among other things, such a bill of rights "would entrench in law the right to affordable housing for all people." By affordable, the bill requires that such housing "does not cost more than thirty percent of the occupants' pre-tax household income..."

If this bill were ever passed, the federal government would be legally obliged to develop a national strategy that would likely result in the creation of over 20,000 new social housing units each year. The financial cost of such a national housing strategy would likely be in line with what the 1% Solution is calling for .

To be sure, the 1% Solution and a Housing Bill of Rights are, in effect, two sides of the same coin. The first project puts pressure on each level of government to reach a certain financial commitment on affordable housing. The other would make the federal government legally responsible for every person in Canada to have affordable housing.

(Incidentally, it has been estimated that a national housing strategy of this kind could be expected to create approximately 80,000 jobs in the construction industry per year.)

As things currently stand, affordable housing is viewed as being the responsibility of various levels of government. Cities have certain levers at their disposal that can increase the affordable housing stock.⁴¹ So do the provincial and federal governments. It is therefore not uncommon to see different levels of government blaming one another for a lack of progress on affordable housing.

The beauty of a Housing Bill of Rights is that it serves as a solution to this never-ending finger pointing. If the federal government were to ensure passage for such a bill, primary responsibility for affordable housing would fall squarely in the lap of the federal government. This is only fitting, in light of the growing realization that homelessness is a *national* disaster.⁴²

A housing bill of rights may seem like a pipe dream to some. Yet, a similar piece of legislation has just been passed by the Scottish parliament, after receiving all-party support. Known as the “Homelessness Bill,” this legislation will give all Scots the right to housing by 2012.

(iii) Participatory Democracy

Canada's homelessness crisis has developed and festered in large part because we have nickel-and-dimed social supports that ought to have been viewed as sacred. Accordingly, in order to dig ourselves out of this crisis, we must start reinvesting in key areas—most notably in social housing and in income supports. Guaranteeing affordable housing to all Canadians requires billions of dollars in new social spending.

But to make this happen will require an equally effective long-term strategy for addressing the homelessness crisis, and above all it will mean Canadians demanding more input into the annual budget-making process at all levels of government. At present, the Canadian

public has very little direct input into annual budget-making exercises, and none at all at the federal level.⁴³ It doesn't have to be this way.

Since 1989, for instance, "participatory budgeting" has been used in various parts of Brazil. As of June 2000, roughly one hundred municipalities and five states in Brazil had utilized some type of participatory budgeting, and annually some twenty thousand Brazilians participate.⁴⁴

When it comes to participatory budgeting, Canada could actually go even further than Brazil. Indeed, there is no good reason why Canada could not have participatory budgeting at the *national* level (in addition to other levels of government). If we had participatory budgeting at the federal level in Canada, those participating in this process

could draw on expert technical advice and guidance from, among others, Department of Finance officials. Imagine — bureaucrats working directly for citizens!

Control over budgets is the ultimate power in a democracy. While governments and states may proclaim a campaign or goal, without funding allocation it's an empty promise.

— Catalyst Centre

The entire participatory-budgeting process could follow already-existing Treasury Board guidelines for participatory consultation. Indeed, Treasury Board guidelines that call for this type of a participatory process already exist, but at present

these are only *voluntary*, and only the minister responsible for each federal department decides if their department will follow the guidelines. There is no reason why these cannot be enforced, and the Treasury Board decision-making processes made more open.

Furthermore, whereas participatory budgeting in Brazil is done only to determine how public money ought to be *spent*, Canadian jurisdictions could become the first in the world to involve participatory democracy in a way that would decide how revenue could be generated. Naysayers may point to the technical challenges involved in revenue generation, and in budget making in general.

But let us not forget that the vast majority of politicians—including finance ministers—are not economists either.

Some headway is already being made on participatory budgeting in Canada. For example, the Toronto Participatory Budgeting Network (TPBN) is striving to have 10% of the Toronto municipal budget decided via a participatory process by 2010, hence the group's "10 x 10" campaign. By contrast, the city of Porto Alegre (Brazil)—generally considered to be the birthplace of participatory budgeting—currently has 20% of its budget decided through a participatory process.⁴⁵

It Doesn't Have to be Complicated!

Homelessness is sometimes made out to be a highly complex phenomenon that requires a highly complex set of policy prescriptions. For example, after being created in January 1998 by the Mayor of Toronto, the Mayor's Homelessness Action Task Force deliberated for a full year. Task force members drew on research laid out exclusively for them in twenty-six background papers. In the end, one hundred and five recommendations were made, and they were to be heeded by all three levels of government and by dozens of agencies. Faced with such a barrage of information, most observers could be forgiven for finding the debate a tad inaccessible.

But to paraphrase the tacky bank ad, "It doesn't have to be this complicated"! To be sure, the issues of who will pay for social housing and how are hot-button issues with politicians and voters alike. Yet if Canadians can think of solutions to homelessness with the above three strategies as reference points, building social housing does not have to be complicated at all.

Concluding Remarks

Canada's homelessness disaster is so pervasive that even the business community is starting to take notice and looking to the federal government for leadership. In a June 2000 policy statement, the Toronto Board of Trade stated:

For Toronto's business community, homelessness affects the size of our productive and motivated workforce. It has an impact on tourism and business, particularly the retail sector. Unless it is addressed, homelessness will reduce Toronto's global competitiveness...While there are many factors that contribute to homelessness, the Board believes there is a direct relationship between homelessness and the shortage of affordable housing...The federal government must take a leadership role in developing a comprehensive, co-ordinated national housing policy with the clear goal of creating new, affordable rental housing.⁴⁶

Unfortunately, this message was lost on The Home Depot, a company that is ironically in the business of selling home improvement products. In September of 2002, the company hired private security guards to remove a hundred homeless people who had been living on vacant Home Depot land in the Toronto portlands, some for nearly for five years.

The hardnosed and unceremonious removal of the residents that included bulldozers tearing down makeshift homes, the erection of a three-metre high barbed wire fence, and perimeter guards on shift twenty-four hours a day, was so barbaric and Dickensian that the plight of the homeless drew unparalleled and widespread community empathy.

Despite the public outcry from the Toronto community, the duplicity of business and local and provincial politicians continued. Once again politicians got on the homeless bandwagon, and talked of the need for all levels of government to provide funding and for community supports. But talk is cheap, and all we have seen from different levels of government are promises for more money.

Homelessness does not just affect the homeless. It is a societal problem. It requires bold action and leadership from the federal government, and it needs concerned citizens to remind our governments that homelessness is a national disaster that has no place in a country as prosperous as Canada. Recently, many Canadians have been doing just that, and we have seen incredibly effective organizing in local communities across Canada. But the overwhelming scale of the homelessness disaster and housing crisis means that the small progress that has been made is barely noticeable. More action will be needed.

Still, I remain hopeful. For if Canadians can keep in mind the basic principle that housing is a fundamental human right then perhaps we can imagine a time where scenes like that of The Home Depot are never repeated. And perhaps we can also imagine a time where people do not have to continually shout, 'Gimme Shelter'.

1. Peter Spurr, Ian Melzer and John Engeland, "Special Studies on 1996 Census Data: Changes in Canadian Housing Conditions, 1991-96," *Socio-Economic Series 55-5* (Ottawa: Canada Mortgage and Housing Corporation, 2000) 1.
2. Interestingly, these statistics do not include many groups, including—but not limited to— "Native households," recent immigrants, people who have just entered the labour force, seniors, students, "people who in the previous year were unemployed, laid off or on strike for long periods," people living in "institutions," people living in rooming houses, or the homeless ["Special Studies on 1996 Census Data: Canadian Housing Conditions," *Research Highlights—Socio-economic Series Issue 55-1* (Ottawa: Canada Mortgage and Housing Corporation, 2000) 1 and 4]. While the reasons for excluding these groups may be understandable from a technical standpoint, one cannot help but wonder to what extent excluding these groups may end up understating the problem.
3. The housing conditions for Aboriginals in Canada, on the whole, are much, much worse than those of non-Aboriginals. For more on this, see Ark Research Associates, *The Housing Conditions of Aboriginal People in Canada* (Ottawa: Canada Mortgage and Housing Corporation, 1996), and "Chapter 4: Housing," in Royal Commission on Aboriginal Peoples, *Report of the Royal Commission on Aboriginal Peoples—Volume 3: Gathering Strength* (Ottawa: Minister of Supply and Services Canada, 1996).
4. The mayors were responding to the Toronto Disaster Relief Committee's "State of Emergency Declaration."
5. Stephen Hwang, "Homelessness and Health," *Canadian Medical Association Journal* January 23, 2001: 230. These numbers are based on original research findings from Elise Roy, Jean-François Boivin, Nancy Haley and Nicole Lemire, "Mortality Among Street Youth," *The Lancet* July 4, 1998: 32.
6. Régie Régionale de la Santé et des Services Sociaux, *Le "Défi de l'accès" pour les jeunes de la rue: Avis du directeur de la santé publique sur la mortalité chez les jeunes de la rue à Montréal* Décembre 1998: 1-2.
7. Sarah Vance and Stefan Pilipa, *Homelessness, Drug Use & Health Risks in Toronto: The Need for Harm Reduction Housing* Spring 2002: 7.
8. A. Majury, A.E. Simor, L. Yuan, F. Jamieson, L. Louie, G. Broukhanski, S. Pollock, and R. Gould, "Molecular Epidemiology of Tuberculosis Among the Homeless in Toronto, Ontario, Canada." The paper was presented in poster form at the 37th Interscience Conference on Antimicrobial Agents and Chemotherapy, Sep 28 – Oct 1, 1997, Toronto.

9. In only one of the cases was the person's active TB deemed the "official cause of death" [Personal correspondence with Ross Smith (Toronto Public Health), 5 November 2002].

10. In the *Street Health Report*, more than one in five of the women interviewed reported having been raped in the previous 12 months. Forty per cent of those surveyed also said they had been physically assaulted in the past year, and more than half of these people reported having been assaulted more than once in this time. The *Street Health Report* revealed that Street Health nurses frequently treat homeless people who come to clinic with police-inflicted injuries. Ten per cent of the homeless people surveyed for the report stated that they had been physically assaulted by police in the previous year. More than one third of those who reported having been assaulted by police said this had occurred more than once.

11. Sheri Findlay, Karen Leslie, Reuven Jhirad and Derek Stephens, "Pregnancy in Toronto's Street Youth," presented at the Pediatric Academic Society Meeting, New Orleans, May 1998.

12. Allison Dunfield, "Homeless births rising, worker says," *Globe and Mail* May 9, 2002: A22.

13. Andrew Jackson and Paul Roberts, "Physical Housing Conditions and the Well-Being of Children." Background Paper on Housing for *The Progress of Canada's Children 2001*. The paper is available online at: www.ccsd.ca/pubs/2001/pcc2001/housing.htm.

14. In Canada, social housing generally refers to "all forms of publicly assisted housing: public, non-profit and co-op..." (Jeanne M. Wolfe, "Canadian Housing Policy in the Nineties," *Housing Studies* January 1998). A major reason why social housing is so crucial is that the rent is generally kept in line with the tenant's income, making it affordable. The exact amount that one must pay depends on the jurisdiction in which one lives, as well as the situation one is in. In Toronto, a single adult (with no dependents) on welfare gets \$520 month to live on (i.e., this amount must cover shelter, food and other basic amenities). If an individual with this income were to obtain social housing, she or he would typically be charged \$325 a month for rent. Likewise, a single adult (with no dependents) receiving disability benefits in Toronto would have a monthly income of \$930. This person would typically be charged \$414 a month in rent.

15. Ann Fitzpatrick, "Homelessness – Winter 2000: The State of the Disaster". Housing Rally sponsored by the Toronto Disaster Relief Committee. October 26 2000. It is sometimes argued that some homeless people simply cannot maintain housing, even if it is available to them at an affordable rate. From the present writer's personal experience, it generally isn't a question of *can*

certain individuals be housed, but *how* they should be housed. For more on this, see Sarah Vance and Stefan Pilipa, *Homelessness, Drug Use & Health Risks in Toronto: The Need for Harm Reduction Housing* Spring 2002.

16. Shirley Chau, Ann Fitzpatrick, et al. "One in Five: Housing as a Factor in the Admission of Children to Care". Centre for Urban and Community Studies, University of Toronto. Research Bulletin No. 5 November 2001.

17. In exceptional circumstances, the cost of keeping a person in a shelter can be much greater than this. When there was talk of using Toronto's Fort York Armoury in May 2002, the city's acting commissioner for community services estimated that it would cost "\$100 per person per night to use it as a temporary emergency shelter."

18. Jon V. Martell, Rae S. Seitz, Janice K. Harada, Joel Kobayashi, Vern K. Sasaki, and Clifford Wong, "Hospitalization in an Urban Homeless Population: The Honolulu Urban Homeless Project," *Annals of Internal Medicine* 15 February 1992: 300.

19. Sharon Shalit et al. "Hospitalization Costs Associated with Homeless in New York City". *The New England Journal of Medicine* June 11 1998: 1734-40.

20. Though this chart plots information for just three cities in Canada, Jack Layton illustrated this same concept graphically for six Canadian cities in his book, *Homelessness: The Making and Unmaking of a Housing Crisis* (Toronto: Penguin, 2000). To be sure, Layton compares the costs to operate new rental housing, average market rent, and what a typical low-income family can afford in the following cities: Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax. See Figure 5.2 on page 143 of the book.

21. Michael Shapcott, *Backgrounder from Housing and Homelessness Network in Ontario (HHNO) on new Ontario housing program* July 31, 2002: 3.

22. To be sure, it is estimated that between \$50,000 and \$75,000 is now required to create one affordable housing unit in Canada. For those who may question whether building affordable housing addresses homelessness, it may be useful to consider quantitative research done south of the border. Using U.S. data from the 1980 Census of Populations and the U.S. Department of Housing and Urban Development's study of homelessness (1984), American researchers used regression analysis to evaluate the influence of various structural factors on the rates of homelessness in U.S. metropolitan areas. They found, among other things, that the rate of homelessness in the U.S. is negatively correlated with the amount of low-cost housing that is available. Thus, jurisdictions with more low-cost housing tend to have lower rates of homelessness. As an illustration, the authors report that increasing the amount of

affordable housing in an American jurisdiction by 1 per cent will, on average, decrease homelessness by 2.2%. Likewise, increasing the amount of affordable housing by 8 per cent will, on average, decrease homelessness by 17 per cent (Marta Elliott and Lauren J. Krivo, "Structural Determinants of Homelessness in the United States," *Social Problems* February 1991: 122). For more recent quantitative analysis showing the strong link between homelessness and the housing market, see John M. Quigley, Steven Raphael, and Eugene Smolensky, "Homeless in America, Homeless in California," *The Review of Economics and Statistics* February 2001: 37-51.

23. Prior to 1964, the federal government's role in the production of social housing was very limited. To be sure, fewer than 1000 units per year, on average, were created during the previous two decades throughout Canada. It was in 1964 that amendments were made to the National Housing Act, resulting in the federal government playing a much larger role (David Hulchanski, *Housing Policy for Tomorrow's Cities* (Ottawa: Canadian Policy Research Networks, December 2002) iii.

24. It should be noted that this \$2 billion figure pays for the long-term mortgages, subsidies, and maintenance costs for the roughly 550,000 social housing units that had been built prior to the 1993 freeze (Merrill Cooper, *Housing Affordability: A Children's Issue*. CPRN Discussion Paper No.11. (Ottawa: Canadian Policy Research Networks, 2001) 22. For more on the federal government's withdrawal from social housing, see the following section of David Hulchanski's December 2002 paper: "Period 3, 1984-93: From a Small Federal Role in Housing, to No Role At All" (pp. 10-12).

25. Most of the analysis here concerning this agreement and the recent Manley budget comes courtesy of various e-mails, reports and articles written by Michael Shapcott.

26. National Housing and Homelessness Network, "Province-by-Province Update: Nine of Ten Fail to Make the Grade," May 14, 2002.

27. Cheryl Zlotnick, Marjorie J. Robertson and Maureen Lahiff, "Getting Off the Streets: Economic Resources and Residential Exits from Homelessness," *Journal of Community Psychology* Vol. 27, No. 2, 1999: 209-224.

28. Canadian Labour Congress, *Left Out in the Cold: The End of UI for Canadian Workers*.

29. Canadian Labour Congress, *Unemployment Insurance Bulletin* February 2002: 1 & 3.

30. Paul Hobson and France St. Hilaire, "The Evolution of Federal-Provincial Fiscal Arrangements: Putting Humpty-Dumpty Together Again, in Harvey

Lazar (ed.), *Canada: The State of the Federation 1999-2000, Toward a Mission Statement for Fiscal Federalism* (Kingston: Institute of Intergovernmental Relations, 2000) 167.

31. See Table 2 in Hobson and St. Hilaire (p. 176).

32. In Ontario, for instance, a couple with two children collected over \$20,000 per year for the first half of the 1990s. Now, that same family would receive just over \$13,000 per year.

33. Personal correspondence Michael Ornstein. Professor Ornstein has also given evidence to the same effects, see Affidavit of Michael Ornstein, Application Record, Volume II, Tab 15, in *Masse v. Ontario*, Ont.C. J. (Gen. Div.) Court File No. 590/95.

34. As cited in, Catherine Dunphy, "Hidden Homeless Alert to City; Benefits Cuts Have Pushed Thousands into Shelter: Study", *The Toronto Star* October 10, 1999: A1.

35. Personal correspondence Jim Stanford.

36. They were either self-employed, had temporary jobs, worked part time, worked at more than one job, or worked on jobs that last less than six months.

37. "After Ontario Works: A Survey of People Who Left Ontario Works in Toronto in 2001," Community and Neighbourhood Services, City of Toronto May 2002: 13.

38. Even when they are able to acquire such amenities, homeless people are at serious risk of having them stolen!

39. Although the focus of the 1% solution is money, affordable housing advocates have long been clear to emphasize the importance of enacting strong legislation governing rent control, tenant protection, and the protection of existing housing stock. For more on this, see David Hulchanski's 22 August 1996 presentation on rent control to the Provincial Standing Committee on General Government (Toronto: Hansard Reporting and Interpretation Services—Office of the Legislative Assembly of Ontario, 1996).

40. There are various possibilities in terms of how exactly this new money ought to be spent, if and when it is committed by each level of government. See, for example, pp. 20-26 of J. David Hulchanski, *Housing Policy for Tomorrow's Cities*—Discussion Paper No.27, Family Network (Ottawa: Canadian Policy Research Networks, December 2002). Some say that the key to building affordable housing is simply to give the private sector the regulatory environment they need to build—i.e., "no need for a large-scale social housing program, just cut the red tape!" For a critique of this approach, see Michael Shapcott, *State of the Crisis, 2003: Ontario housing policies are de-*

housing Ontarians—Ontario Alternative Budget 2003, Technical Paper #2 (Toronto: Canadian Centre for Policy Alternatives/Ontario, March 2003).

41. An October 2000 policy paper written by the Federation of Canadian Municipalities mentions various tools that municipalities can use to assist in the construction of affordable housing, such as inclusionary housing policies, linkage fees, density bonusing and the provision of land for affordable housing. However, it goes on to state: “Most of the municipal tools are complementary. Alone, they are insufficient to generate affordable housing production...Municipal governments...lack the resources to enable the larger-scale response that the affordable housing crisis demands.”

42. A great deal of federal-provincial cooperation would have to take place for such a bill of rights to ever get off the ground. This would no doubt pose a challenge. Yet, in spite of Quebec's traditional demands for control over social programs, and in spite of recent demands by provinces for there to be fewer strings attached to new funding for social programs, a housing bill of rights is still very much achievable. Indeed, close examination of recent federal-provincial wrangling shows us that, when the federal government puts a sizeable amount of new money on the table, the provinces (including Quebec) tend to negotiate in good faith.

43. For more on this, see “How the Budget is Made: An Interview with Scott Clark, Deputy Minister of Finance,” *Policy Options* January/February 1999: 12-18. In this 6-page published interview, there is no mention whatsoever of public input into the annual federal budget-making exercise. Another illustration of the absence of public input into the federal budget can be seen throughout Edward Greenspon and Anthony Wilson-Smith, *Double Vision: The Inside Story of the Liberals in Power* (Doubleday Canada Limited: Toronto, 1997).

44. Brian Wampler, “A Guide to Participatory Budgeting,” October 2000: 3. This paper can be downloaded at:
www.internationalbudget.org/resources/library/GPB.pdf.

45. Catalyst Centre, “Democracy Counts! Participatory Budgeting in Canada and Abroad,” *Alternative Federal Budget 2003 Technical Paper #4* (Ottawa: Canadian Centre for Policy Alternatives, 17 February 2003): 15-16.

46. Toronto Board of Trade, *Building Solutions: A Business Perspective on Toronto's Homeless and Housing Crisis* June 9, 2000.

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For the past five years, he has worked with homeless people in various front-line positions in Toronto, including at several shelters, supportive housing projects, a drop-in, an employment program, and a community health agency. He is currently a mental health outreach worker at Street Health.

Nick loved York University so much the first time that he has returned, this time as a part-time economics student at Atkinson College. No matter how dry the material, he has yet to give up his quest for a graduate degree in economics.