

SHELTER

Homelessness in a growth economy: Canada's 21st century paradox

A REPORT FOR THE SHELDON CHUMIR FOUNDATION FOR ETHICS IN LEADERSHIP



BY GORDON LAIRD

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A Report for the Sheldon Chumir Foundation for Ethics in Leadership

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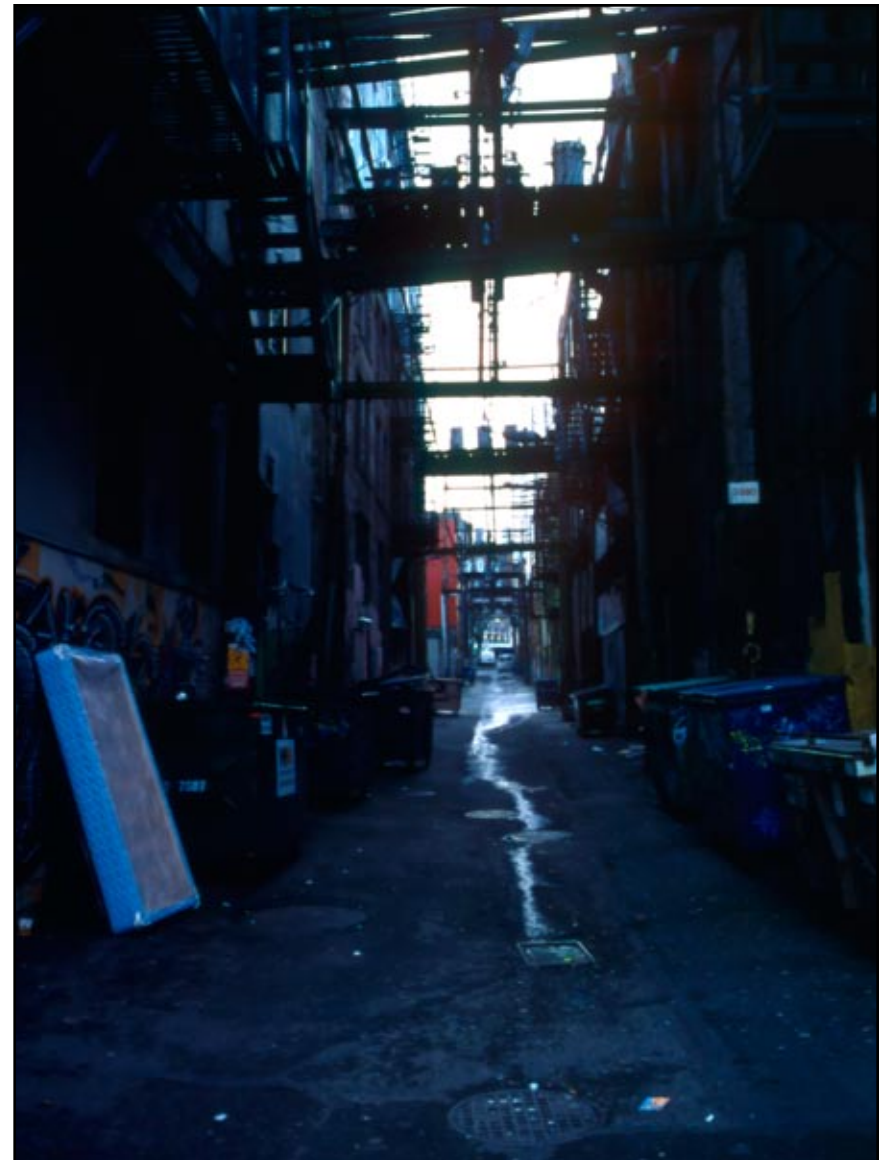
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Vancouver’s Downtown Eastside: “The people that make the decisions about the programs for this area are actually afraid to walk in it,” says Judy Graves, city outreach worker.

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Insiq Shoo, above, homeless in Iqaluit at minus 30: an estimated 19 per cent of Nunavut's population was relatively homeless in 2003.

Findings

- Housing insecurity is a national concern, an issue that affects a broad portion of Canada's population and reflects major trends in income distribution. In 2004, one in seven Canadian households – 1.7 million – spent 30 per cent or more of their income on housing and are considered to have housing affordability issues.¹ And in January 2007, the Canadian Council on Social Development (CCSD) reported that “almost one-quarter of Canadian households – more than 2,700,000 households – are paying too much of their income to keep a roof over their heads.”² The ranks of at-risk Canadians no longer occupy a small minority: Canada's “new homeless” can be found everywhere – towns, cities, suburbs.
- Street counts of homeless people have increased, sometimes at triple-digit rates: Calgary's homeless population grew 740 per cent between 1994 and 2006, for example, an average 40 per cent increase in homelessness every two years.³ In 2005, the National Homeless Initiative, the federal secretariat most directly responsible for homelessness in Canada until its closure in 2007, estimated that 150,000 Canadians were homeless.⁴ Given the rapid growth found in municipal homeless counts, some non-governmental sources estimate Canada's true homeless population, not just those living in emergency shelters, ranges between 200,000 and 300,000.⁵
- Canada's “new homeless” population is diverse: nearly one-in-seven users of emergency shelters across Canada are children⁶ – and almost one-third of Canada's homeless population are youths, aged 16 to 24 years.⁷ Although Canada's House of Commons resolved to “seek to achieve the goal of eliminating poverty among Canadian children by the year 2000” in 1989, an estimated 1.2 million children, one child in six, still live in poverty in Canada.⁸ In 2007, Greater Vancouver announced that the number of homeless senior citizens had nearly tripled between 2002 and 2005⁹ Aboriginal Canadians continue to be vastly overrepresented in homeless counts across the country. And in 2006, the CMHC reported that nearly one quarter of all new Canadians were paying “more than half their family income on rent.”¹⁰

- ▶ Poverty is now the leading cause of homelessness in Canada. The 2005 Greater Vancouver Regional District homeless count, for example, found that 66 per cent of all homeless people surveyed cited “lack of income” or “cost of housing” as the main cause of homelessness.¹¹ According to a 2006 survey by Environs, roughly half of all Canadians live in fear of poverty, and 49 per cent polled believed they might be poverty stricken if they missed one or two paycheques.¹²
- ▶ Housing affordability problems threaten both low and middle income households. While affordability in housing has improved for many Canadians, due mainly to income gains, the fortunes of the lower half of Canadians remain stagnant or have declined. Across Canada, renter households in the lowest income quarter have highly elevated – 18 times average – likelihood of housing affordability problems.¹³ As the CCSD noted in 2007, it is families who rent that are “the most likely to have to pay a disproportionate amount of their household income for shelter – almost 40 per cent of all tenant households.”¹⁴ And with home prices in Canada predicted to double in the next 20 years, middle class Canadians face housing security challenges: over 15 per cent of moderate income Canadians are already in core housing need, according to Canada’s most recent census and 54 per cent of these troubled households are also home owners.¹⁵
- ▶ Based on a core, Canada-wide homeless population of 150,000 people, as estimated by the federal government, homelessness costs Canadian taxpayers between \$4.5 and \$6 billion annually, inclusive of health care, criminal justice, social services, and emergency shelter costs. [see Appendix: The Cost of Homelessness] By comparison, the annual cost of the 2006 GST reduction, from 7 per cent to 6 per cent, totals approximately \$4.35 billion.¹⁶ The total cost of homelessness in Canada has not yet been officially determined, a crucial policy calculation that underlines the ongoing absence of a national strategy on homelessness.

Supporting a Canada-wide homeless population of 150,000 people costs Canadian taxpayers between \$4.5- to \$6-billion each year

- ▶ Canada’s decade of relative inaction on homelessness, 1993 to 2004, cost Canadian taxpayers an estimated \$49.5 billion, across all services and jurisdictions. [see Appendix: The Cost of Homelessness] Much of this expenditure represents the status quo cost of sustaining a growing population of homeless people in temporary shelters, hospital wards, welfare offices, non-profit organizations as well as the criminal justice system and mental health institutions; expenses are systemic and range well beyond the hundreds of millions spent on front-line homeless services.

- ▶ The high cost of homelessness in Canada results from the role of homelessness as a proven multiplier of societal ills: malnutrition, unemployment, addiction, mental illness, family strife and lack of income security are all intensified when an individual or household becomes homeless. As the foundation of civil society, shelter is an indispensable asset and source of well-being. Conversely, lack of shelter often poses insurmountable barriers, effectively removing people from able participation in economy and society.
- ▶ Shelter offers an opportune pathway to address long-standing problems. Rather than tolerate failure, Canada should consider the kind of integrated, results-oriented “Housing First” approach currently underway in United States and the United Kingdom. This will require high-level leadership from Canada’s federal cabinet, as well as provincial and municipal integration. It is a paradigm shift on homelessness: strategic investment as well as national leadership on housing and income security. Recent evidence from Europe and the United States – as well as Quebec, where housing priorities have not declined relative to the rest of Canada – indicate that long-term strategic commitments can radically reduce the number of street homeless, reduce the larger population of “at-risk” poor, as well as impart savings to all levels of government by reducing the scale of crisis and attendant costs.

Policy Summary

Despite Canada's status as top economic performer of all G7 countries in 2006, it continues to experience a nation-wide homelessness crisis and affordable housing shortage. Unlike the United States and the United Kingdom, who have already launched major initiatives on homelessness in recent years, Canada has neglected the issue, as well as other core issues like poverty, urban development and housing security. Instead of dealing with root causes and strategic investments, Canadian government attempted to contain the rapid growth of homelessness with homeless shelters and other short-term, crisis-based services.

This strategy has failed. Homelessness has become commonplace across Canada. From urban regions like Toronto and Vancouver to smaller centres like Thunder Bay, Iqaluit and Fort McMurray, Canada witnessed an unprecedented surge in homelessness during the late 1990s and early 2000s. Even Canada's most affluent city, Calgary, boasts the third-largest homeless shelter population in Canada. From Halifax to Iqaluit, emergency shelters and other front line services have been turning away growing numbers of homeless people, especially during the winter season.

The lack of a national strategy on housing and homelessness has become one of Canada's greatest economic and social liabilities. Across Canada, homelessness and lack of affordable housing has begun to diminish competitiveness of urban economies, add to public debt at all levels of government, as well as erode the health of our towns and cities. Existing evidence indicates that Canadian government policy from 1993 onward actually helped to create chronic poverty and housing insecurity, in conjunction with booming housing prices and faltering middle and lower class in-



The widespread and rapid growth of homelessness in Canada since the mid-1990s is unprecedented in this nation's post-war history

comes, while billions of taxpayer dollars were spent on emergency services and other short term measures that have provided little relief to the largest homelessness crisis since the Great Depression of the 1930s. Estimates in this report place the annual public cost of homelessness at \$4.5 billion, yet federal spending on affordable housing only amounted to 17 cents per Canadian per day in 2006, down from 20 cents in 1991.

The rise and fall of housing as a national priority is only now being fully understood. Until 1993, a national affordable housing strategy created over 650,000 housing units, homes which now house over 2 million Canadians. After cutting its national affordable housing program in 1993,

Canada's collective response to the boom in homelessness since the early 1990s has largely been to create homeless shelters, emergency services and other "front line" services which have managed the homeless crisis and, in some cases, facilitated the rapid growth of homelessness in Canada.

New investment in affordable housing was introduced in 2005, but without a national strategy on homelessness and housing affordability, there are no guarantees that this money will be well-spent. Meanwhile, one clear trend has emerged: poverty has become a leading cause of homelessness, trumping substance abuse and mental illness, with some cities estimating as many as half of their street homeless population have jobs.

The lack of leadership on housing and homelessness is a national failure. For the past decade, Canadian government has attempted to contain the rapid growth of homelessness with high-cost solutions. Between 1999 and 2004, the National Homeless Initiative invested \$365.5 million in projects to mitigate homelessness across Canada: roughly \$92 million each year, not including matching funds from other levels of government and in-kind contributions from not-for-profit organizations.¹⁷ While this up-front investment in

emergency funding seems modest compared to expenditure on other major social concerns like welfare, health care and Aboriginal programs, it is far from cost-effective. In Toronto, for example, taxpayers pay two and one-half times as much for homeless shelters as for rent supplements;¹⁸ other studies suggest that affordable housing or rent supplements are substantially cheaper than the full cost of emergency shelters.¹⁹

Most importantly, Canada's default strategy on homelessness – containment and warehousing of a growing underclass – has failed. It was as though we assumed that Canada's growth economy would lift the fortunes of all Canadians, yet evidence shows a growing income gap and housing affordability challenges for millions of Canadians.

Although there is yet no official estimate on the cumulative, national cost of homelessness, this report estimates that, based on federal and provincial sources, supporting a core, Canada-wide homeless population of 150,000 people within shelters and street services costs between \$4.5 to \$6 billion annually.²⁰ Supporting this estimate are a number of provincial and municipal studies that have calculated the annual cumulative cost of homelessness [see Appendix: The Cost of Homelessness].

Canada's homeless crisis underlines a profound double standard in Canadian policy: while governments across Canada strove to balance budgets and apply high fiscal discipline throughout the 1990s and into the 21st century, the same attention, analysis and long-term planning was not applied to non-market concerns such as poverty, housing and Aboriginal communities. Consequently, through a combination of budget cuts and crisis-based expenditure, profound social deficits accrued, reflecting a “perfect storm” of public and private factors, including systemic reductions in social assistance and unemployment insurance, the ascent of part-time labour among the underemployed, as well as under-investment in proven solutions like transition housing, affordable housing and community economic development.

Therefore, Canadian governments helped create today's homeless crisis by neglecting several risk groups simultaneously: from mental health survivors prematurely discharged during the 1980s and 1990s, to children and youth growing up on Canadian streets, to urban Aboriginal communi-



Tent City, Toronto, 2002: Phil Serazan fixes the roof of his shack.

ties were all but abandoned by most levels of government.

After a decade of inaction on homelessness that cost close to \$50 billion, as estimated by this report, Canada still spends heavily on managing a crisis of housing, income and social welfare. Based on shelter intake surveys, a growing percentage of people are homeless through economic circumstances, not substance abuse or mental health, and many already have jobs. Consequently, high-cost emergency resources are often wasted on many homeless people who don't require extensive supervision or support.

In this respect, Canada's 21st century homelessness epidemic is easily understood: many are simply working people and families who need affordable shelter. The vast majority, approaching 80 per cent in similar American estimates, are needlessly homeless. And this single fact represents an opportunity to rapidly decrease homelessness in Canada, as many under-

housed and homeless would succeed in a concerted Housing First effort.

Housing is a major factor in Canada’s growing income gap. While street counts of homeless people have grown across Canada, many Canadians have, according to the CMHC and housing industry researchers, enjoyed relative affordability gains thanks to increases in housing value and historically low interest rates. Affordability gains and growing homeowner equity in the midst of a homeless crisis is a symptom of Canada’s income gap, which has grown significantly: according to a December 2006 Statistics Canada report, the median net worth of the lowest 10 per cent of households fell by roughly \$7,500 (in 2005 dollars) between 1984 and 2005, while families in the top 10 per cent increased their share of total wealth by \$659,000 in the same period.²¹

With many Canadians spending a greater proportion of household income on shelter, housing insecurity has become a broad concern. Evidence points toward growing numbers of middle class homeowners who are experiencing affordability problems, afflicted by a combination of large mortgages, single parent status, static or declining incomes. The 2007 prediction by CIBC World Markets that average Canadian housing prices will double by 2026 underlines the severity of this trend.

Canada unwittingly spends billions on homelessness, yet there are surprisingly few gains to show for this expenditure. It is now much more fiscally responsible to engage homelessness and invest directly than to neglect it. Effective solutions to homelessness will not merely fortify welfare systems and emergency shelters, but respond to new policy and economic realities. There are several aspects to Canada’s shelter solution:

1. **Awareness and Recognition.** Poverty, affordability challenges and reduced government support has increased and diversified Canada’s homeless population: homelessness and affordability problems are affecting more and more Canadians. This means Canada’s “new homeless” – youth, new Canadians, the working poor, seniors and low-income families – are under-housed for surprisingly similar reasons. Addressing

homelessness in the 21st century inevitably means anti-poverty strategies, affordable and alternative housing solutions as well as other prevention measures to address specific at-risk populations in specific circumstances (such as northerners, single parents, Aboriginal people).

This report estimates
that taxpayers
funded a decade of
relative inaction on
homelessness that cost
nearly \$50 billion

2. **Political Leadership.** Homelessness must become a federal priority, addressed as a major generational challenge that both connects millions of Canadians and engages a surprising range of public and private interests. Whether it’s the immorality of increasing usage of emergency shelters by children, families and seniors, or the estimated \$4.5 to \$6 billion annual cost of homelessness, most Canadians seem to agree, according to polls, that the status quo is unacceptable.

3. **A National Strategy.** Following the general example set by the United States, England and other western nations, Canada should create and implement an integrated affordable housing and homelessness strategy

on a time frame that operates independently of election cycles and bureaucratic interests. Moreover, to become successful, it must integrate multiple ministries and levels of government to ensure minimum standards of income security and appropriate support both for existing, core homeless populations as well as a growing pool of at-risk Canadians; harmonization has been a challenge in the United States, for example, where gains on homelessness supports have been countered by medicare cutbacks that undermine the fortunes of low-income Americans. Combined with strategic investment of homeless resources, a Canadian strategy must also act on preventative measures such as stabilizing the decline of many low-income Canadians who under-housed. However, as outlined in this report’s conclusion, if Canada were to copy the current United States strategy verbatim, we might run the risk of over-treating chronic homeless populations and neglecting Canada’s diverse and growing group of at-risk people who are becoming the “new homeless.”

4. **Invest.** As part of a long-term solution, Canada will need to consider investing \$2 billion annually on affordable housing, rent supplements and poverty mitigation programs. Canada should continue to fund front-line homeless shelters and services, as many are already under-funded, but ultimately aspire to downsize Canada’s emergency shelter system. Existing data suggest that it is possible to save billions with an effective strategy – and, at the very least, it is ultimately clear that indiscriminate spending on the immediate and hidden costs of homelessness is irresponsible governance. Canada should attempt to track savings on new investment, to provide data for planning and ensure success. Money invested in homelessness is not alms or charity and Canada should recognize this.
5. **Reap immediate gains to build momentum.** Incremental improvements could realize large gains – in effect, reversing the tipping point reached during the previous decade – simply because the majority of

homeless and housing insecure Canadians are ready for housing. Most are capable, working Canadians. And few are satisfied with the status quo: the appetite for change is large across Canada, from top civil servants to the homeless themselves. Canada could implement proven solutions almost immediately: rent subsidies to provide affordable housing in market rentals, for example, as well as welfare payments and minimum wage indexed to inflation to help ensure guaranteed annual income that does not force low-income Canadians to choose between food and shelter. Policy innovations such as removing capital gains tax on property donations to stimulate affordable housing development and aggressive fund-matching for independent affordable housing and cooperative housing projects are ideas from Canada’s NGOs that, among others, deserve attention. We must act on homelessness and poverty not only because it is the right thing to do, but also because it makes sense. This is a unique opportunity for public policy and non-partisan political action.



Signage from Canada’s streets (left to right): Granville panhandling; Danforth protest; Downtown Eastside memorial

6. Revitalize the non-profit sector. The crucial counterpart to a national strategy is NGOs and charitable agencies continuing to provide innovation on poverty, housing, and homelessness. Yet not-for-profits and social agencies across the country – independent civil society incubators that frequently develop alternatives to poverty and homelessness – have been constrained by restrictive government contracts and sporadic funding arrangements. As many service agencies will attest, governments are not shy about squeezing funding recipients for paperwork and undermining successful programs with delays or protocol. Shelter is the cornerstone of civil society – the nexus of the marketplace, household economics and government policy – and Canada’s NGO sector is uniquely positioned to access and innovate on this front.



A young family visits the Iqaluit’s only food bank and soup kitchen

7. Housing First. In the past, paternalistic attitudes towards low income and homeless people assumed that candidates for income assistance and affordable housing needed to improve themselves and exhibit middle-class characteristics before housing was granted. Housing First, properly applied, assumes that housing is a prerequisite to economic, social and personal well-being. Therefore, shelter – independent, social, supportive – comes first in any successful recovery from homelessness.

In the immediate future, Canada must deploy a crisis reduction strategy to reduce the number of core long-term homeless people, who require the majority of resources; and second, enact preventative measures to keep a growing population of at-risk Canadians from becoming homeless.

While addictions and mental health are common concerns among the homeless, poverty is the leading cause of today’s homelessness and housing affordability crisis. Canada’s “new homeless” are families, women, new Canadians, students and children – a broad demographic whose common trait is poverty. Canada should immediately recognize this fact with targeted income supplements, rent subsidies, transitional housing and social housing should be deployed to improve housing security. Finally, Canada should pioneer new ways to restore baseline income security to Canadians, especially those at greatest risk for experiencing affordability problems.

Canada requires a shift in public consciousness to support governments and non-governmental agencies in the long-term work necessary to solve Canada’s homelessness crisis. Many Canadians know their homeless shelters are overflowing with people, for example, yet this has not translated into a strong political will to change the status quo. Most would agree that Canada’s homelessness crisis is undesirable and unfortunate, but when does it actually become intolerable? What is the role of leadership and public life in supporting and creating future solutions?

01 – INTRODUCTION

Shelter, from Alms to Asset

In May 2006, Canada made some unusual headlines. After deliberations in Geneva, the UN Committee on Economic, Social and Cultural Rights (UNCESCR) delivered a firm but harsh rebuke of Canada’s record on poverty and homelessness. The Committee urged Canadian governments to “address homelessness and inadequate housing as a national emergency,”²² and sternly noted Canada’s repeated failure to meet its international treaty obligations in providing basic policy and resources to protect a growing population of disadvantaged citizens.

It was a stinging critique of domestic social policy from an international body that usually praises Canada. In clear language, the UNCESCR asked Canada to reinstate or increase “social housing programs 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.”

The UN committee, which evaluates all member nations who signed a 1977 covenant on human rights, did find progress in a number of areas, noting Canada’s improved employment rates, slight decrease in national poverty levels, improved Aboriginal infant mortality and education rates, equal pay legislation, health-care spending and increased foreign aid. But Canada’s homeless came under close scrutiny, as presenters noted the effects of a large income wage gap and a growing, intransigent underclass. It made particular note of long waiting lists for subsidized housing; inadequate minimum wage levels; social assistance rates that raised income to only 50 per cent of poverty levels; high levels of homelessness and hunger; and unfair treatment of the unemployed.

In 2001, only 39 per cent of unemployed Canadians were eligible for Employment Insurance benefits, the committee noted, something not unrelated to Canada’s poverty and homelessness crisis, where children make up an estimated 40 per cent of the country’s food bank users. Moreover, federal



Surrey, 2004: Whiz camps on the edge of Vancouver’s suburbs

transfer payments to the provinces for post-secondary education, social assistance and social services, said the committee, are lower now than they were in 1995.²³

The UNCESCR was surprised by the apparent paradox of Canada's strong economic performance as top G7 nation in overall economic performance in 2005 and 2006²⁴ and its substantial underclass. "Despite Canada's economic prosperity, ... 11.2 per cent of its population still lived in poverty in 2004," noted the UNCESCR. "[And] poverty rates remain very high among disadvantaged and marginalized individuals and groups."²⁵

So concerned about Canada was the world's leading human rights body, it asked the Canadian government to report on progress annually, instead of every four years, even though Canada maintains high scores in the UN's own Human Development Index. "There was very much a sense of frustration," reported Hamilton anti-poverty lawyer Craig Foye, who attended the hearings in Geneva. "The committee was saying, 'Look, we made these recommendations in 1993 and in 1998 and you seem to have ignored them.'"²⁶

Most of all, the UNCESCR asked Canada for an effective plan on homelessness: "a national strategy for the reduction of homelessness that includes measurable goals and timetables." Curiously, it took an international human rights tribunal to state the obvious fact that Canada, indeed, has no plan to deal with poverty, affordable housing or homelessness.

Canadian non-profits and advocates have, however, been clear on this point. "Canada remains one of the few countries in the world without a comprehensive affordable housing strategy and permanent funding," noted child poverty advocates Campaign 2000 in a November 2006 report. "Close to 1.2 million children – almost one child out of every six in Canada – still live in poverty."²⁷

Unprecedented Homelessness

The widespread and rapid growth of homelessness in Canada since the mid-1990s is unprecedented in this nation's post-war history. The federal government's National Homelessness Initiative estimated that approximately 150,000 Canadians are currently homeless; activists and advocates estimate that national homeless counts range between 200,000 and 300,000

Canadians with no fixed address.²⁸ Based on data collected in 2005, Statistics Canada counted 1.7 million households that spend 30 per cent or more of their income on shelter, a threshold of expenditure associated with affordability problems. Earlier analysis by the CMHC on 2001 census numbers echoes these findings. While government surveys do not include all homeless people, since the homeless are hard to enumerate, it is the most comprehensive measure of Canadians experiencing moderate or severe affordability problems – and for whom the possibility of becoming homeless is defined by a missed month's rent or a lost paycheck. These same households also experience nutritional problems with regularity, since food is often sacrificed in order to pay rent.

Shelter has become one of the defining social issues of Canada's new millennium.²⁹ As incomes within sections of Canada's middle and lower classes have become stagnant, the cost of housing for both renters and homeowners has increased dramatically, and

combined with more than a decade of government neglect on homelessness and housing affordability issues, shelter poses a major challenge for the future. Statistics show that Canada's 21st century homeless crisis is a symptom of deepening poverty – but it also reflects a broader and less visible erosion of housing security for a broad spectrum of Canadians: the working poor, seniors, immigrants and students. Consequently, homelessness can now be

The United Nations human rights committee was so concerned about Canada's lack of progress on homelessness and poverty that it asked the Canadian government to report annually, instead of every four years

found in Canada’s suburbs, on university campuses, across the Arctic, even in front of the Parliament buildings in the nation’s capital.

In the Vancouver area, for example, homelessness continues to spread out of the city into neighbouring small towns and municipalities. While downtown Vancouver has the highest number of homeless people in shelters, a 2003 survey of the Greater Vancouver Regional District (GVRD) found there were more “street homeless” in the largely suburban community of Surrey than in any other municipality in the region, including Vancouver itself. In January 2004, the GVRD region doubled its estimate on the number of homeless people. And in June 2006, an estimated 11,000 people were on the waiting list for subsidized housing across British Columbia.³⁰

Canadian cities, towns and rural communities are harbouring a new kind of underclass – one that includes the declining fortunes of a surprising number of suburbanites as well as the hard-living drug addicts on Vancouver’s Downtown Eastside. Millions of middle-class Canadians are increasingly at-risk for homelessness, part of the spread of mass homelessness since the early 1990s. In fact, over 15 per cent of middle-class Canadians already experience affordability problems, according to Canada’s most recent census.³¹

Without a national policy, traditional political and social institutions have been unable to moderate this crisis: homeless camps and overcrowded emergency shelters are now commonplace. In Toronto, home to Canada’s largest homeless population, admissions to homeless shelters rose by 75 per cent between 1988 and 1998.³²

Yet the main response to homelessness over the last decade has been explicitly welfarist: Canada has unwittingly poured money into emergency response in an attempt to contain homelessness. Instead of addressing poverty and other major factors, Canada built emergency shelters – an estimated two to three new shelters opened every month in Canada during the late 1990s.³³

Most federal spending under the first phase of the National Homelessness Initiative between 1999 and 2004, approximately \$365 million was spent on emergency shelters, transitional housing and support services.³⁴ Conversely, almost all of the funds spent annually on affordable hous-

ing between 1993 and 2003 has been to sustain existing units.

Consequently, rates of homelessness have been rising double digits in many cities since the mid-1990s, leaving many social services, shelters and affordable housing stretched to the limit. It is one of Canada’s greatest contradictions: growing homelessness in the midst of a prosperous economy.

Despite a sustained period of public surpluses and private profits, many of Canada’s poor are, in fact, getting poorer. Based on April 2006 Statistics Canada data, researcher Judith Maxwell notes that “outside of Alberta and Saskatchewan, there has been little improvement over the last decade in the share of full-time workers earning very low wages.”³⁵

Even though Canada’s overall rate of poverty declined slightly between 1996 and 2001, as of 2006, the fortunes of low-income Canadians were still declining: “total income (before tax) to the bottom 40 per cent of Canadian families has fallen from 15 per cent to 14 per cent, while their share



Protest at fundraising dinner for the Calgary Homeless Foundation

of taxes paid has risen from 5.5 per cent to 6.3 per cent,” reports Maxwell, a research fellow with Canadian Policy Research Networks.³⁶

With employment and housing costs pushing many Canadians deeper into poverty, Canadian government helped precipitate a homeless crisis by stepping away from programs and policies that provided support to poor Canadians, the mentally ill, and those with insecure housing. Instead, many of Canada’s provincial and municipal governments cut social programs and downsized affordable housing budgets throughout the 1990s and early 2000s, in line with a decade-long federal freeze on affordable housing that began in 1993. The year 1993 is significant in the history of housing in Canada: in the mid 1980s, approximately 20,000 units of social housing were built annually, and between 1994-1998, only 4,450 units were constructed.³⁷

Throughout the 1990s, the cost of shelter increased. In 2006, the average price for a new home reached \$500,000 in some centres.³⁸ Vacancy rates dropped between zero and two per cent in a number of major cities: Edmonton’s apartment vacancy rate fell from 4.5 per cent to 1.5 per cent in the first six months of 2006,³⁹ for example, while Vancouver, Victoria, Montreal and Quebec City have seen apartment vacancy rates under 2 per cent each year since 2001.⁴⁰

In other countries, especially in Europe, a historic shortage of affordable rental accommodation have caused national alarm. But until recently, Canada’s affordable rental shortage has continued and intensified with little official recognition, save for market studies performed by the CMHC. By December 2006, the rental apartment vacancy rate in Canada’s 28 major centres dropped to an average of 2.8 per cent, with the lowest vacancy rates at Calgary (0.5 per cent), Victoria (0.5 per cent), and Vancouver (0.7 per cent).⁴¹ By some accounts, a vacancy rate of 2 per cent is considered a zero vacancy rate, because turnover in units and suites that require maintenance cause baseline numbers of vacancies; therefore a rate of 0.5 per cent, for example, suggests that people are desperate enough to take units that are not clean

or in good repair. Rental accommodation has also become more expensive: in 2006, most Canadian cities reported absolute rent increases from 4.4 per cent in Vancouver to 19 per cent in Calgary, with Toronto sustaining the most expensive rentals in the country.⁴²

As housing markets boomed in many Canadian towns and cities, creating new wealth in the form of home equity for existing homeowners, the very same economic trends made housing less affordable. Consequently, housing underlines the deep cleavages that mark Canadian society.

As the United Nations committee noted, housing in Canada is a national paradox: on one hand, positive GDP trends, government surpluses, and private sector profits have positively benefitted many homeowners. Canada’s poor are increasingly insulated from the benefits of economic growth. Conversely, many Canadians have not been directly impacted by the homeless crisis, thanks in part to a coordinated system of shelters and emergency response services that manage and partially obscure the worst effects of homelessness. One aspect of Canada’s social strata has risen, while another falls.

Homelessness has diversified in ways that continue to surprise. Gone are the days when the large majority of homeless were older single men: families, women and children crowd emergency shelters at increasing rates.

Downward mobility is now a mainstream concern, with housing a critical factor in the futures of many. Roughly half of all Canadians live in fear of poverty, according to a November 2006 poll by Environics, with 49 per cent polled either strongly or somewhat believe that they’d be poverty stricken if they missed one or two pay cheques.⁴³ And in May 2006, the Canadian Real Estate Association announced that for the first time in history, the average price for a home across Canada had surpassed \$300,000.⁴⁴

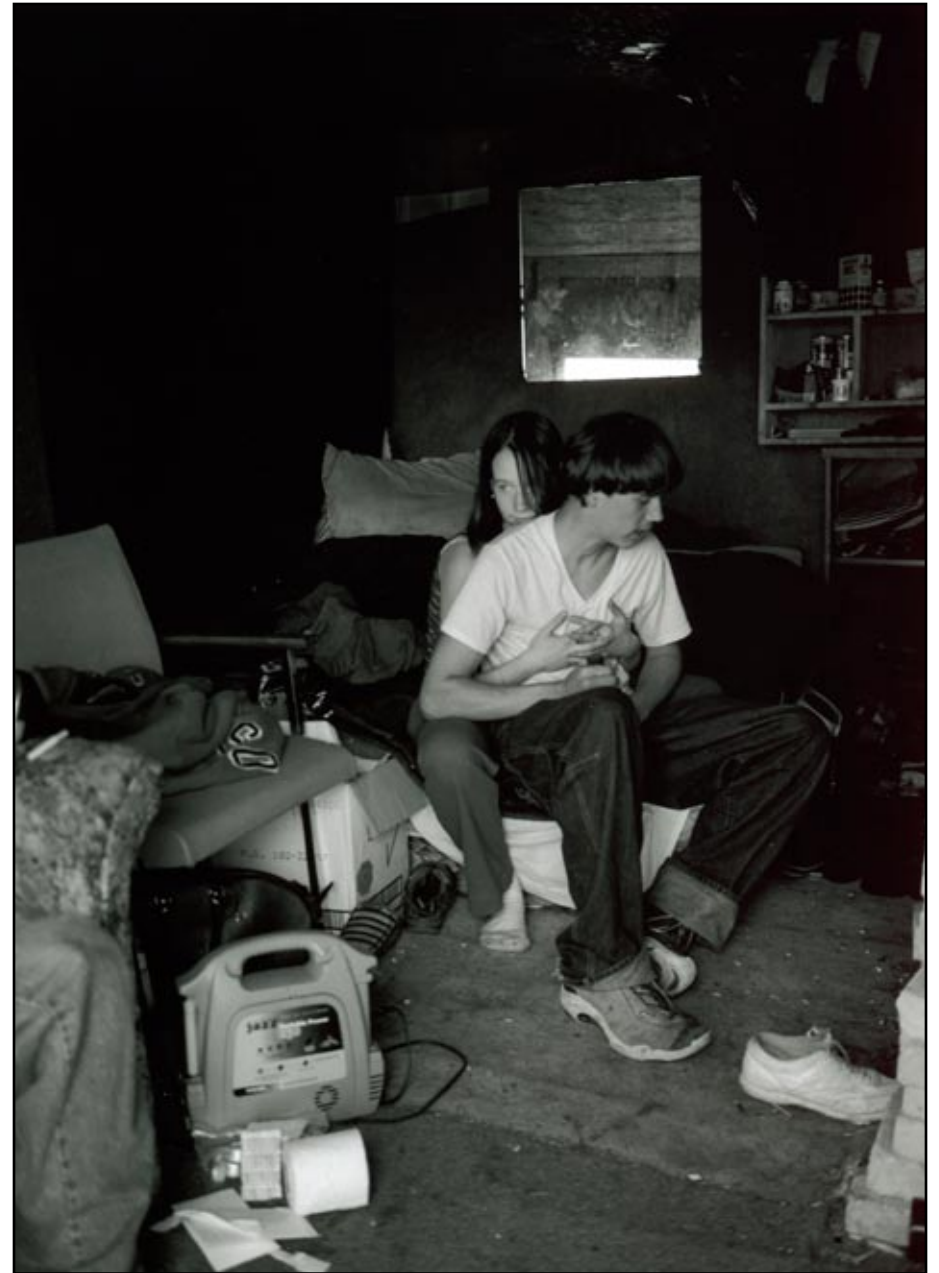
Over 15 per cent of middle class Canadian households experience affordability problems, according to Canada’s most recent census – 54 per cent of these are also home owners

National Strategy Needed

While Canada has not met new challenges posed by housing and homelessness, there has, however, been recent investment in affordable housing. After a decade-long moratorium on housing investment, federal spending resumed in 2003 and by 2006 had increased to \$2.03 billion in 2006, slightly higher than pre-moratorium levels of \$1.98 billion in 1993. Federal funding to assist homeless shelters, transition houses and other front-line services has been renewed. But advocates argue that Canada's new affordable housing budget actually represents a 25 per cent decline when adjusted for inflation, since average shelter costs increased by more than 20 per cent between 1993 and 2006.⁴⁵

A one-time expenditure of \$2 billion might seem like a lot of money, but without a national strategy that addresses core issues like income security and housing affordability, it may be of limited benefit: with a average cost estimate of approximately \$155,000 per new unit of housing, Canada's 2006 housing expenditure might yield 13,096 new affordable units in a country where at least 1.7 million people face affordability problems. By contrast, the U.S. Interagency Council on Homelessness now administers a 10 year plan to end chronic homelessness under the current Bush Administration with an annual budget of \$4 billion.⁴⁶

It's not just about new money, of course: one-time funding allocations for affordable housing do not constitute a national housing strategy. Canada continues to warehouse its underclass on a temporary basis, often at a greater per capita cost than would deliver a rent subsidy or affordable housing. For example: the daily cost of maintaining a bed in some shelters (transition beds for substance abusers, for example) is comparable to some of Canada's low-security prisons, roughly \$80 per day; no-frills dormitory accommodation runs between \$20 and \$50 per day. In 2006, the Wellesley Institute determined that Toronto taxpayers pay two and one-half times as much for homeless shelters as for rent supplements. "Shelters cost ten times as much as social housing," notes the *Blueprint to End Homelessness in Toronto*. "A plan to move half the sheltered homeless into homes would require 1,850



Tent City, Toronto, 2002: homeless teens Jessica and James



Ottawa, 2004: Mary panhandles in front of Parliament Hill

rent supplements and would cost the city \$15.5 million annually. That would be offset by the expected \$43 million in shelter savings.”⁴⁷

Another reason why housing and homelessness requires a federal strategy is that poverty has become a major causal factor in homelessness. Dealing with Canada’s growing income gap is essential to addressing both housing affordability and homelessness. Two Canadian provinces have already made progress: Newfoundland, Canada’s first government to index welfare payments to inflation; and Quebec, the only province where child poverty rates have been consistently declining since 1997.⁴⁸

Poverty rates in the rest of Canada are static at best: “Even with a booming economy, Alberta’s child poverty rate is double digit and has fluctuated between 14 per cent and 15 per cent since 1999,” reported Campaign 2000 in November 2006. “Newfoundland and Labrador, with a child poverty rate of 23 per cent, introduced a poverty reduction strategy in June 2006 with financial investments, a long term plan and commitments to measure progress. British Columbia remains the province with the highest child poverty rate at 23.5 per cent.”⁴⁹

The cost of homelessness is greater for people who are not easily warehoused, such as youth, children and families, who comprise a growing percentage of Canada’s homeless: in 2001, the cost of keeping a youth in a shelter was estimated to be between \$30,000 to \$40,000 per year – roughly \$95 per day.⁵⁰ There are additional cost-benefit reasons for investing in families: putting that same youth into detention, according to Canada’s Department of Justice in 2001, can cost over \$250 a day, or \$100,000 a year.⁵¹ Parts of our criminal justice system are, in function, an extension of our homeless shelter system.

An Evolution in Public Life

One thing is certain: Canada already spends billions on homelessness. Based on provincial and local cost studies as well as the 2005 federal estimate of 150,000 homeless in Canada, this report concludes that the nation-wide public cost of homelessness ranges from \$4.5 billion to \$6 billion annually. [see Appendix: The Cost of Homelessness] By comparison, the annual cost

of the 2006 GST tax cut, from 7 per cent to 6 per cent, totals approximately \$4.35 billion.⁵² The estimated cost of homelessness is still less than annual spending on programs for Aboriginal people – \$9.1 billion each year – although well above the \$2 billion cost of the 2006 child care benefit.

In total, this report estimates that homelessness from 1993-2004 cost almost \$50 billion: money spent on crisis management, emergency shelters, criminal justice, municipal resources and healthcare with surprisingly few gains.

A business case is emerging for governments to start fighting poverty on an investment basis: Canada cannot afford to maintain a status quo based largely on crisis management. Rent subsidies and adjustments to minimum wage have become new tools for immediately reducing poverty-induced homelessness across Canada. Moreover, Canadians are becoming aware of the importance of non-profits and volunteer organizations within their communities – and the need to improve the health of these bodies after years of cutbacks and neglect so that they continue to deliver innovative solutions.

Governments, non-profit agencies and citizens face many new challenges. The preponderance of involuntary part-time employment and growth of working poor across North America have strained existing social services in every jurisdiction. And specific to Canada, the unclear division of responsibility on housing between various governments – or, as some argue, the unwillingness of the federal government to take strong leadership – complicates the dissemination of solutions and has often left municipalities largely responsible for homelessness within their own communities.

The looming possibility, one that has not yet received full consideration from all sides of the political spectrum, is this: if we want to address Canada's poverty and homelessness crisis, we need to re engineer the welfare state and revitalize the role of citizens in the care and cultivation of their com-

munities. We require an evolution in governance and civil society that would move beyond advances in public life made during Canada's first century.

Meanwhile, we spend blindly on symptoms, despite the fact that many of our housing troubles are arguably rooted in failure to recognize necessary social investments and outdated social policy. Social assistance has become a begrudged obligation in recent years and this has tainted the

response to homelessness. Funding patterns confirm this; many governments cannot seem to dodge homelessness and chronic poverty fast enough.

But that's the first mistake: presuming that shelter is first and foremost a question of alms, charity or assistance. If anything, our slow-burning homeless crisis underlines the fact that shelter is an asset, something that grounds our economy in the everyday lives of its citizens. Safe, affordable and healthy housing is a holistic and preventative tonic that, like nothing else, can keep people from slipping into the nether-world of deep poverty.

And it is a nether-world: across Canada, there are pockets of third world conditions within our cities, on our First Nation Reserves, and in smaller centers across the North. Not everyone makes it out of

these places alive, and many never fully recover their former lives after cycling through shelters, street living, welfare offices, agencies and drop-in centres.

Shelter is the foundation of civil society – and we are only fully realizing this more than a full decade after homelessness began to boom across the country. Warehousing the homeless and disciplining the poor will be hard habits to break. Many homeless people themselves are fed up with the routine of poverty. We need governments, especially our federal government, to meet them halfway. We need a national plan on housing and homelessness.

A business case is emerging
for governments to start
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02 – IQALUIT

Discovering Canada's hidden homeless

Inusiq Shoo had been wandering the streets for months. He passed his days traversing Iqaluit's small downtown core, from the Arctic College cafeteria to the local hunter's lodge and several indoor shopping centres scattered across the former Hudson's Bay Company settlement. It is winter in Nunavut and Shoo had been homeless for nearly a year.

Despite the bitter cold and an uncertain future, it is polar bear, ring seal and caribou that fill his imagination. Shoo was born on the land north of Iqaluit, and hunting is how he wants to set things straight. "I'm pure Inuk – I hunt animals. We learned hunting from our parents," he explains, a homeless man yearning for the open ice.

All around us are the telltale signs of a boomtown: shiny new trucks, luxury hotels. A construction binge has kept many locals flush with cash, following Nunavut's 1999 launch into self-government. But the new capital strained to keep up with the influx of people imported from the south to help run the new territory, and northerners who have moved here from other parts of the Arctic, looking for opportunity as traditional hunting pursuits founder.

And if Iqaluit's population keeps growing at a rate three times the national average, say local officials, it will reach one million by 2075. This northern boomtown that wrestles with a more immediate problem, partly fueled by its own tremendous growth: according to 2003 estimates, up to 1,000 of Iqaluit's 6,500 residents – approximately one in seven – are without adequate shelter of their own.⁵³

For the last decade, homelessness and overcrowding has been common among Inuit, Dene, Innu, Cree and Inuvialuit communities across Canada's North, a place where people often lived independently on Arctic tundra and boreal forest until the 1960s or 1970s. "Half of [Nunavut's]



This northern boomtown that wrestles with a more immediate problem, partly fueled by its own tremendous growth: according to 2003 estimates, up to 1,000 of Iqaluit's residents – approximately one in seven – are without adequate shelter of their own

Inuit live in overcrowded conditions and 38.7 per cent of them are considered in Core Need, meaning they do not live in and cannot access acceptable housing," noted the government of Nunavut in its Ten-Year Inuit Housing Action Plan in 2004. "The Inuit of Nunavut are locked in a housing crisis that is worsening daily as the population booms and existing housing stock ages. ...3000 public housing units are needed immediately just to bring overcrowding in Nunavut on a par with the rest of Canada."⁵⁴

Thousands of kilometres from the nearest major Canadian city, Iqaluit represents a new frontier in homelessness. Here, housing insecurity and homelessness have become a mass issue, affecting a broad range of people, from the working poor to the chronically homeless. “Northerners are sleeping in tents at 40 below,” CBC reported in November 2006. “[And] others are simply couch surfing at the homes of family and friends to avoid the extreme temperatures.”⁵⁵

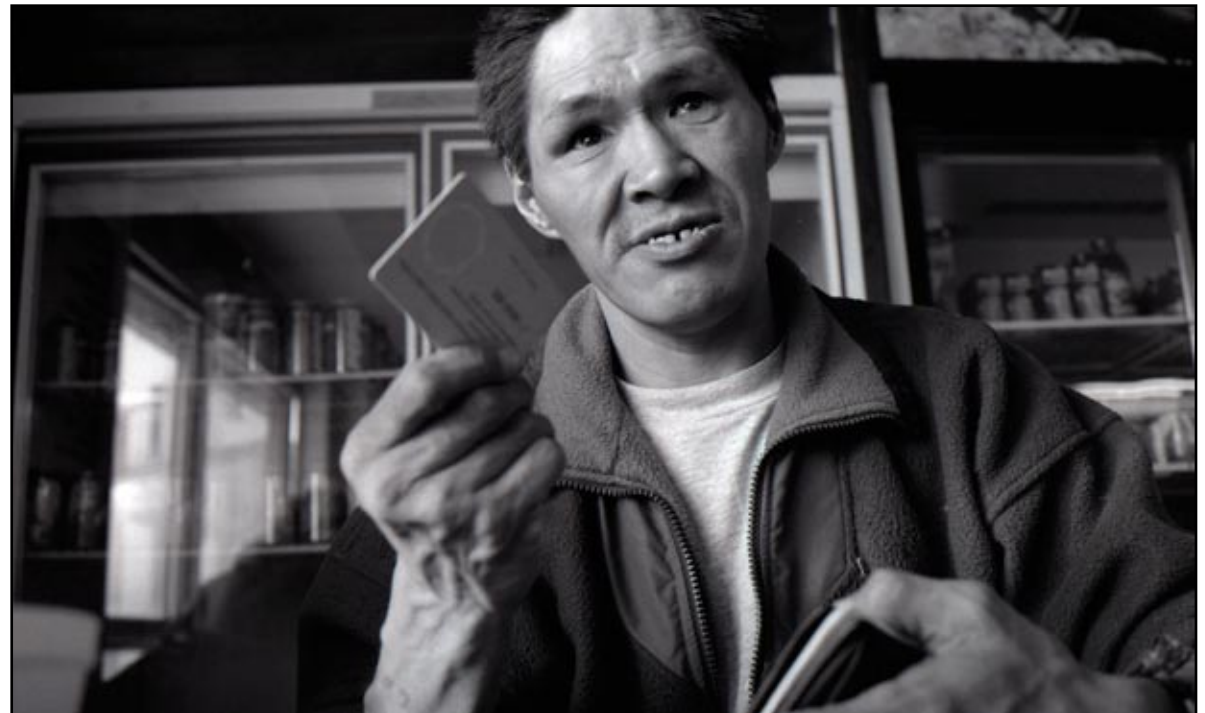
In Iqaluit, it’s a striking scene: Inuit hunters who can expertly navigate pack ice and track polar bears now jockey for bunk beds at an over-booked homeless shelter. With upwards of 10 per cent of Nunavut’s population waiting for social housing, it is believed that thousands more live in transient, sub-standard conditions. The statistics that exist suggest a hidden crisis: across Canada, 1.7 per cent of households report having more than one resident per room – a reasonable rate compared to other OECD countries. But in Nunavut, this figure skyrockets to 25 per cent. Nunavut’s minister of health and social services, Ed Pico, estimated in 2003 that 19 per cent of Nunavut was either homeless or under-housed.⁵⁶

“The demand for housing grows every year,” says Susan Spring of the Iqaluit Housing Authority. “But the number of homeless is hard to define.” Much of Iqaluit’s new housing – condos and suburban-style homes – goes to newly arrived professionals and government employees. Ever since the federal government stopped funding social housing in 1993, demand for affordable housing across the north – as in many Canadian cities – has exploded. Nunavut is now so far behind that it would need to build 300 new units each year in order to shelter the growing number who lack permanent housing. In 2002, just two new units of social housing are confirmed for Iqaluit; 61 different families and individuals are competing for residency.⁵⁷ In 2003, only a single duplex was built and the waiting list

had increased to 86.⁵⁸ By 2006, a rotating list of 96 families and individuals waited on Iqaluit’s list for social housing. Despite provincial and federal commitments to reinvest some \$900,000 in capital upgrades in Iqaluit alone, “we could use ten times that money,” says Spring. “The \$200 million from the Feds [spent annually across Canada] unfortunately won’t go very far.”

Despite the pristine tundra and ice that surrounds it, Iqaluit is no paradise: drugs flow freely from the south, the crime rate is exploding and paid work is scarce for those without education. According to local RCMP, the number of reported robberies almost doubled between 1999 and 2000, as did break-and-enters, spousal abuse and car theft.

In February 2004, just prior to territorial elections, Nunavut logged the highest violent crime rate per capita in Canada, something police at-



Homeless Inuit hunter Inisiq Shoo finds shelter in the Nunavut Arctic College cafeteria

tributed to alcohol abuse and overcrowding.⁵⁹ Even compared to some troubled Indian reserves in the south, the level of violence in Nunavut comes as a shock: a few weeks before I arrived, a delivery driver from “the Snack” restaurant was beaten with a hammer and robbed on the doorstep of a nearby home. Trouble with housing, poverty and substance abuse run against traditional culture, something that many attribute to the alarming growth in suicide; by 2004, Nunavut also had the highest suicide rate in the country.⁶⁰

Up here, even poverty is expensive. One Inuit family lived in a plywood shed near the beach, warmed only by an electric space heater that cost them \$1,000 a month in utilities. And those Inuk who still pursue hunting – a hedge against expensive city food and southern vices – increasingly run up against gun control laws, a fur market damaged by animal rights activists, expensive gas and rising living costs.

“Sometimes it is cheaper for them to buy food from the Northmart,” says David Audlakiak, manager of the local Hunters and Trappers Organization, or HTO. “After thousands of years of surviving on the land, this is what happens.” He sees how hardship, rapid cultural change and too few alternatives push some Inuit over the edge. “Our families have limited supplies to share—only hot coffee and bannock sometimes,” he says. “We feel like we are unwanted children.”

Among the Hidden Homeless

Nunavut resembles the rest of Canada in more ways than one: shelters cannot often meet with demand; and their clients are disproportionately Aboriginal.⁶¹ In Nunavut, where many communities are still majority Inuit, those who are homeless are usually locals; in Iqaluit, many homeless are

The hidden homeless actually represent the vast majority of people who access crisis and emergency services in Canada: one study estimates that only 7 out of 100 people on the streets are permanently or absolutely homeless

Aboriginal people from other communities.

The North leads Canada in “hidden homelessness.” These are not the chronic homeless on full display on sidewalks and alleyways, but people often described as relative homeless: those who live in cars, sleep on couches, crash in porches and church basements, often changing address as circumstances change. This is very much the case in the North where street people are actually a small percentage of those without shelter. “More than 80 per cent of Canada’s homeless are improperly housed or on the verge of eviction,” notes Toronto-based research non-profit Raising the Roof.⁶²

The hidden homeless actually represent the vast majority of people who access crisis and emergency services in Canada: one study estimates that only 7 out of 100 people on the streets are actually permanently or absolutely homeless.⁶³ The majority exists in a transition zone of working poor, itinerant housing,

that has, until recently, been largely invisible to policy-makers.

Hidden homelessness, in turn, tends to obscure other problems from view, such as domestic violence, substance abuse and malnutrition. Besides Nunavut’s high per capita rates of suicide and violence, tuberculosis has also manifest here at 14 times the national rate – no small thanks to homelessness and substandard housing.⁶⁴ But it can also be found in Toronto, where TB has also made a comeback. Moreover, there is yet no dedicated shelter for homeless women in Iqaluit, although the town’s domestic violence shelter began accepting homeless women in 2006.

Across Canada’s north, homelessness is becoming a lot less hidden. In Iqaluit alone, there are an estimated 150 homeless women, many with children, researcher Rian Van Bruggen told CBC in January 2007. “Extraordinary measures are sometimes taken to bring homeless people indoors so they will not die,” noted *Homelessness in the Territorial North*, an October 2006 report prepared for the federal government. “These measures range from the invisible – such as residents bringing a person in overnight so he or she will not

freeze – to the formal and highly politicized.”⁶⁵ [See sidebar, Homelessness in the Territorial North]

“Nunavut is alone, among the territories, in that the main solution to its homelessness problem is so clear,” the federal report concludes, suggesting that the main solution to homelessness is more housing. And, as Iqaluit’s John Thompson notes, the “\$300 million spent by the Conservative government to improve housing across the North is only enough to keep pace with growth, and not nearly enough to solve the problem of overcrowded housing.”⁶⁶

If anything, the federal document affirmed local leaders and advocates who had long been warning about the growing housing crisis. With Nunavut’s population boom expected to continue, *Homelessness in the Territorial North* estimates that “between 1,181 and 2,243 new units will be needed in Iqaluit alone by 2022.”⁶⁷

Homeless Hunters

I first met Inusiq Shoo in February 2002 at the Iqaluit HTO, a one-room hut in the middle of town that serves as a meeting place for local hunters. A few days earlier, one of the first polar bear kills of the season was celebrated up and down Frobisher Bay. The Inuit-run lodge was gearing up for another bear hunt: hunters poured over maps, filled out paperwork. Others sipped coffee and planned their next trip onto the ice. Shoo was filling out a form with the help of Audlakiak, an Inuk from Cambridge Bay.

After some jail time in Yellowknife and several years in and out of Iqaluit’s drunk tank, Shoo was trying to cobble together enough money for his own snowmobile. He quit drugs and drinking several years ago. But if he wanted to hunt independently again – to be a real hunter – he’d have to finish filling out the Northern Affairs assistance application. And he needed Audlakiak’s help because he was still learning how to read, a skill he failed to pick up in residential school.

The paperwork was the least of his worries. It was winter in Iqaluit and Shoo was still homeless. Permanent housing, thanks to lengthy waiting lists for social housing, was still months away. So he would spend another



David Audlakiak, manager of Iqaluit’s Hunter & Trapper Organization, “There’s not one person in this room who hasn’t had to go to social services for help,” Audlakiak says. “There are contaminants being discovered in our ocean. Governments make it hard for us to hunt. What’s next?”

winter at the shelter, wandering the streets by day. “It was so hard to quit, a lot of lost time,” he says of the decade he spent drinking, glue sniffing and in prison.

En route to check Shoo’s email at Nunavut’s Arctic College, we walk headway into a polar gale that whips through Iqaluit’s downtown core. “When I went back out hunting and I listened to the wind, something calling you,” he says, as snow blows across the sky. “I know I am happy out on the ice. Because I don’t worry about anything.”

After a few days at the HTO, I discover that several more hunters I have been chatting with over coffee are either homeless or on welfare. Others live two or three to a room with relatives and some get by with a meager income and social housing. “There’s not one person in this room who hasn’t

had to go to social services for help,” says Audlakiak. He used to work at the Oqota Emergency Shelter, Iqaluit’s only homeless facility, and admits he was homeless himself for a short spell. He is angry that many Inuk, though resourceful, are faced with a dwindling set of options as they become dependent on city food, shelter and government assistance. As HTO manager, Audlakiak is witnessing what he believes to be the slow collapse of the Inuit hunting economy. Between social problems and rising costs, many hunters no longer work the floes. Some have even forgotten how.

“Snowmobiles can cost \$10,000 up here,” he says. “Why do you think so many of us are on welfare? Animal hunting couldn’t support our lifestyle, so we become totally dependent on welfare. This has devastated us.” All this is at a time when disturbing levels of mercury and DDT continue to move up the food chain and the effects of climate change wreak havoc with ice floes and polar bear hunts. “One thinks the land to be very plain, not much to harvest: but my kin learned to exist in this hard kind of climate,” Audlakiak says. “But there are contaminants being discovered in our ocean. Governments make it hard for us to hunt. What’s next?”

Hunters struggle to stay working. For months, Shoo has been sleeping at the Oqota shelter and taking literacy courses during the day. He’s determined to get his own snowmobile so he isn’t dependent on handouts. “My dream is to have a big freezer and hunt seal and caribou—and give food to elders. That’s what I want, to be out on the ice...”

Across Canada’s North, from Alberta’s boomtown of Fort McMurray to tiny settlements at the edge of the Arctic Ocean, housing and poverty are chronic concerns. While specific income supports exist for northerners, federal initiatives have often not factored the extra cost of building, maintaining and providing housing services in the North. There

are dramatic contrasts in household income as well. In 2006, Indian and Northern Affairs measured the income gap between Inuit and non-Inuit households. Between 1980-2000, it was more than \$25,000 for multiple family households – especially multiple family and female lone-parent

families: Inuit households of these two types reported incomes that were approximately 73 per cent less than non-Inuit households.

Anyone who reads Northern News Service or CBC North News will be familiar with stories chronicling the tribulations of Innu from Davis Inlet; the struggle of Whitehorse’s Salvation Army to stay open; or that the average cost of housing in Yellowknife is 150 per cent more than the Canadian average.⁶⁸ In 2004, the NWT government estimated that “4,015 households – 29 per cent – had some sort of housing problem and 2,260 households were in core need – 16 per cent.”⁶⁹

The irony is that these very same concerns are playing out in many of Canada’s major urban centres, where housing costs are

booming, charities and non-profits are suffering, and homeless populations continue to grow, despite the incidence of a number of positive economic trends.

Some northern communities are blessed with strong community ties that translate into direct action on poverty and housing. For example, there’s a community food freezer in Tuktoyuktuk – offering free traditional food instead of a food bank – as well as the strong tradition of Northern cooperatives that place local and regional concerns at the forefront, and countless unheralded initiatives that support the less fortunate within communities, reflecting traditional values still present. “If people get caribou, they share it. It’s just the way people are. We take care of our own,” says Hunters and



Every evening, a rush for beds at Iqaluit’s homeless shelter

Trappers Committee chair Evelyn Storr in Aklavik, a town at the far western edge of the Mackenzie delta in the NWT.⁷⁰

“If somebody is not able to go out and hunt for themselves, whoever has been out and got food tries to help out,” Colin Okheena of Holman Island says. “It’s just always been part of our tradition to share with other people, especially when it’s fresh food, or a fresh catch.”⁷¹

Many northerners who are active on the issue of poverty and homelessness have commented on how Canada’s current status quo on housing suffers from duplication, bureaucracy and short-term planning. “I would like to explore a whole new model of governing,” said Karen Hoeft of Yellowknife’s Salvation Army and homeless coalition at a 2004 housing conference in Iqaluit. “Homeless people have a tendency to fall between everyone’s jurisdiction which is why they are homeless.”

“For me, it’s never only about money, it’s how we spend money,” argued Hoeft, echoing a growing criticism about how housing resources are poorly allocated. “The North can show the rest of the country how to do it – it has not been isolated with individualism.”⁷²

Homeless at Minus Forty

Full-to-capacity emergency shelters in wintertime pose a real emergency, and Nunavut’s charities, governments and volunteers have been stretched for almost a decade. For example: Iqaluit’s John Howard Society (JHS) fed three meals to 90 adults and children daily, until lack of funding and the condemnation of its building closed the kitchen midway in 2001. A temporary kitchen run by a local philanthropist offered a single daily meal thereafter, and plans are afoot to combine shelter facilities with food and support services. The short life of many charities and service organizations in the North shows how deep the crisis has become and how charitable contributions and government grants cannot often be relied upon to operate effective services.

Like many other places in Canada, there’s a daily rush for emergency shelter as the sun begins to set. In minus 35 twilight, homeless Inuit line up outside the Oqota Emergency Shelter for bunk beds and a warm meal. Most days at 5:50 p.m., it is the same thing: as night sets in, anyone who can-

The short life of many charities in the North shows how deep the crisis has become

not find space with friends or relatives arrives here on the doorstep. Gordon Barnes, manager of Oqota, says he turns people away almost every other evening: the 14 beds of Iqaluit’s tiny homeless shelter usually fill quickly, especially during the long cold months of winter. A southerner who first came north 20 years ago, Barnes settled in Iqaluit to pursue his dream of becoming a social worker. He married into a local Inuk family and helped found the Oqota shelter in 1998, after Iqaluit’s existing shelter closed its doors due to under funding.

Between 1999 and 2002, Barnes reports that his occupancy rate increased 75 per cent, something that underlines the estimate that as many as 1,000 people in Iqaluit lack proper shelter. The number of chronically homeless is closer to 300 say government sources: these are the ones who are most likely to cycle through the bunks of Oqota. “Here in this town, no matter how resourceful you are, it sometimes doesn’t pan out,” he says, cradling his infant son in one of the shelter’s bunk-rooms. He’s seen houses where people sleep in shifts, too crowded for everyone to sleep at once. Other people sleep in furnace rooms, between doorways, covered porches and even inside the RCMP entrance. His own house is cramped by his own admission: three bedrooms for six people.

“Sometimes people wait a year–up to two years–for social housing. We even have a staff member who doesn’t have a place of his own.” Iqaluit’s only emergency shelter could fill a second building with people–especially women and children, who are often the first to suffer the consequences of poverty and under-housing.

“My father-in-law has 8 people living in his two bedroom house,” says Jay Wisintainer, former JHS director. “People have to beg here and there to stay. People have died frozen on the streets.”

The construction of affordable rental units has been delayed by cross-Canada funding cutbacks on new social housing. Lack of funding is

[verbatim]

HOMELESSNESS IN THE TERRITORIAL NORTH

Report Prepared for the Housing and Homelessness Branch, Human Resources and Social Development Canada, October 2006

“...By all accounts, the extent, trajectory, and spin-off consequences of homelessness in Nunavut are truly dreadful, and indeed difficult for some Southerners to believe. The evidence is overwhelming and the Author has never found occasion to make such blunt a pronouncement in a report.

...In Whitehorse, homeless people are sleeping under tarpaulins along the river bank. When the authorities move them away every couple of weeks, they move into caves in an area known as the “clay banks”. When moved from there, they migrate back to the river (the flowing river gives off some heat along with the danger of high humidity). People are also living in shelters that they have constructed in the woods. These are not to be confused with people who wish to live on the land as their ancestors did. These are people who have constructed a shelter because they have no other place to live. Indeed, it was pointed out that these people would probably not identify themselves as homeless persons. These shelters are their homes but few Canadians would consider such structures ‘meant for human habitation.’

In Yellowknife it was reported that the homeless try to get bank machine cards so they can find shelter in the entrances to bank machines. The Yellowknife shelter for men sleeps up to 24 on mats on the floor each night in addition to those lucky enough to have a bed. There is no proper shelter for youth (16 to 19 years old) so the drop-in centre is staffed all night long in order to allow homeless youth to sleep in the



Fatigue at Iqaluit's food bank and soup kitchen

chairs or on the floor. The provision of mats would constitute being a shelter and exceed the licensing regulations.

In Iqaluit, some homeless sleep in empty containers, in unlocked cars or in the enclave of ATM machines. Recently, a young mother with a very young baby was found to be sleeping at an ATM machine - there are no homeless shelters for women in Iqaluit. The men's shelter has only 20 beds and there are no areas for mats on the floor.

“On the street homelessness” may not be as obvious as in the south because in order to find shelter from the cold, northern homeless need to find more private places to get warm than the public places available in the south. In Iqaluit, there are no sidewalks, warm air vents, public places to put tents or temporary shelters and no alleyways. In the summertime, some homeless families do pitch tents and camp with other people.

There are authenticated instances of Northerners without a fixed address living in tents for as long as 20 years. This is not a traditional Aboriginal manner of nomadic occupation, but encampment in tents in one locality. It is difficult to consider a tent a fixed abode.

Lack of shelters leads many young people to trade sex for shelter. Girls as young as 13- 14 are prostituting themselves, trading sex for warmth, perhaps just for the night, then they must move on. Young boys are doing the same thing but the cultural prohibitions against homosexuality and pedophilia make it very difficult to discover. Respondents in Iqaluit reported the case of a young woman who had agreed to trade sex for shelter. It is not known whether she changed her mind or if the incident occurred once sex had been exchanged, but an altercation ensued and she was put out during the night. Because of the extreme cold she reportedly suffered frost bite injuries to her hands and feet.

Many households are overcrowded to the point that people must share beds and sleep in shifts. School-aged children are expected to do their homework in these conditions. Often they find it next to impossible to keep up with their studies. In numerous cases, abusers, both physical and sexual, return to be housed with their victims because there is no other accommodation available. Living conditions are squalid and proper food preparation practices are ignored.

...An almost non-existent housing market, near-total dependency on federal transfers, and high rate of income assistance dependency, clearly require the investment of very large sums in order to increase the supply of social housing. Nunavut is alone, among the territories, in that the main solution to its homelessness problem is so clear: much more social housing must be built. The problems and solutions in the other territories are more multivariate.”

from “HOMELESSNESS IN THE TERRITORIAL NORTH: STATE AND AVAILABILITY OF THE KNOWLEDGE,” Report Prepared for the Housing and Homelessness Branch, Human Resources and Social Development Canada, Andrew Webster, October 2006

“The big issue in my life now is homelessness,” says Barnes, as we drive through the darkness.
 “Things are not moving fast enough”

the main barrier: Oqota itself almost shut its doors twice in 2001 because its cash flow dried up.

After Barnes left in 2004, his replacement ended up working without pay in 2005 due to a series of government funding delays. In April of 2005, the local society that ran Oqota, the Ilitiit Society, faced up to insurmountable insolvency – some \$250,000 in debt – and shelter operations were handed over to the Salvation Army by Iqaluit’s city council. In 2006, the shelter moved to a slightly larger location, upgrading its bed-space from 14 to 18 beds.

Despite the chaos behind the Oqota shelter’s funding and management, it’s not unusual for its residents to make good for themselves. Inusiq Shoo eventually qualified for social housing – after almost a two-year wait – and launched Iqaluit’s only food bank, the Niqinik Nuatsivik Food Bank, a homegrown operation that raises money and distributes food as quickly as donations arrive.

In December 2006, Iqaluit’s food bank itself became homeless. The Niqinik Nuatsivik Food Bank was evicted because its donated rental facilities were condemned, the second time it had been displaced due to poor housing. “If we have to shutdown, we will have one last opening and give out as much of the food as we can, and then we will give it to other food banks in the territory,” said chairperson Jen Hayward.⁷³ By March 2007, it had been temporarily rehoused in Iqaluit’s Arctic Winter Games Arena – but not before doubling its openings to service the 125 people who visit the bank each week.

By 6:30 p.m., Oqota is full for another cold winter evening. A local hotel has sent over extra food from the restaurant and residents dig into a hot meal as an African wildlife documentary blares on cable TV. Outside, the

temperature drops again as Barnes, who at the time was also driving a taxi part-time, is called out for a pick-up. But it’s no taxi run: we arrive at a nearby house to meet a woman, sobbing and wrapped in blankets.

We rush her to the hospital, no questions asked. And we return to the shelter in silence. “The big issue in my life now is homelessness,” says Barnes, as we drive through the darkness. “Things are not moving fast enough.”

In the end, Ilitiit Society chairperson, Bill Riddell, announced in May 2006 that the non-profit charity that had founded Oqota was also selling off its shelter for troubled youth and abandoning efforts to establish a United Way, a project that locals had talked about for years. “We need to think about another way of doing it,” Riddell said.⁷⁴

After years of struggling with funders, taxes and expenses, Riddell claimed the demise of his organization is a cautionary tale for all. “Everyone who depends on the government for money is at risk,” he said.⁷⁵



Iqaluit’s former food bank and soup kitchen, left, and the town’s famous igloo church, right

03 – OTTAWA

The National Underclass

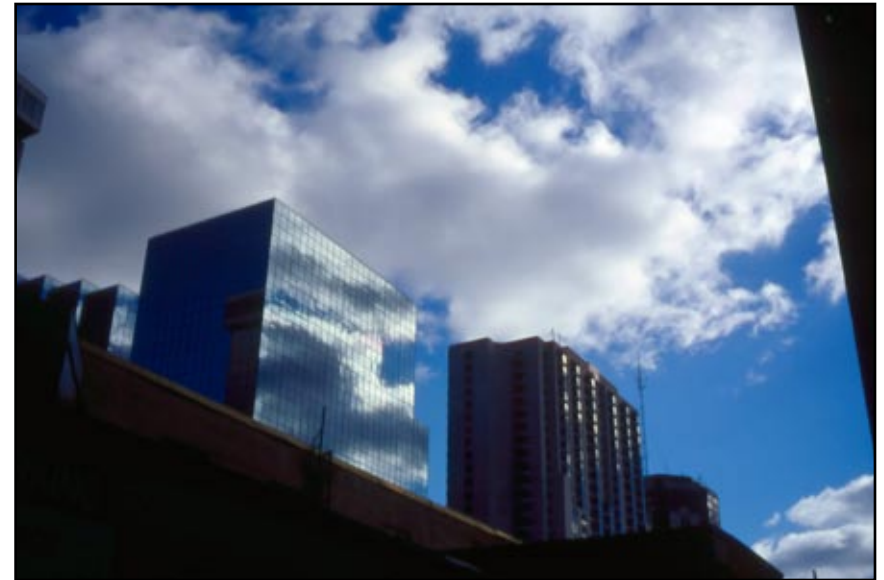
Anne Golden wonders why, exactly, am I sitting in her Ottawa office. Back in 1999, the Conference Board of Canada’s president published a report on housing and homelessness for Toronto’s Homelessness Action Task Force, known widely as the Golden Report. It was one of Canada’s most comprehensive and respected documents on homelessness. So why am I asking about a report that is nearly a decade old?

The thing is, so little has changed in the interim, the report is almost as current in 2007 as it was in 1999. So there’s really very little, says Golden, to add. “The problem is not going away because we haven’t dealt with the poverty issues, the institutional issues, the housing issues,” she says. “The report led to some changes. Some community programs were improved, about \$750-800 million a year, that was because of my report. But, all of the housing recommendations were ignored. The rent supplement recommendations were ignored; the recommendations about income were ignored.”

Indeed, major recommendations stand out from the Golden Report like they had been written yesterday. For example: “The service system is biased towards emergency and survival measures. Despite a general agreement that not enough attention is devoted to preventing homelessness, no political will to change is in evidence. Managers and service providers understandably focus on stop-gap solutions to immediate crises. This crisis mentality is reflected in the annual pre-winter panic to find additional, temporary shelter beds.”⁷⁶ Toronto’s Homelessness Action Task Force did not intend their report to be highly relevant so far into the future, but it is.

Ottawa is one of those fascinating places where the political heft and collective brain-trust is huge, yet change itself is often measured in decades. Homelessness may not be a top priority in the nation’s capital, but it is there. Mary, a homeless woman I met across the street from Parliament Hill, was one of the 8,664 people who used Ottawa’s homeless shelters in 2005.⁷⁷

In hindsight, the 1990s will likely be remembered as a lost decade for homelessness and poverty reduction in Canada: not only was federal sup-



The 1990s will likely be remembered as a lost decade for homelessness and poverty reduction in Canada: not only was federal support for affordable housing eliminated in 1993, whole sectors of government actually helped create Canada’s homeless crisis

port for affordable housing eliminated in 1993 (partially reinstated a decade later), whole sectors of government actually helped create Canada’s homeless crisis. From the culling of Unemployment Insurance into a surplus-generating fund that excluded many formerly eligible workers (thereby forcing more people on welfare rolls) to provincial-level cuts to income supports and services to the eclipse of homelessness as a priority within ministries and crown corporations (such as the CMHC, housing advocates claim, which followed

the federal lead and downsized its objectives on homelessness), Canada conducted an unsuccessful experiment in abandoning leadership and funding at a time when whole segments of the population became less secure.

That no official source has yet estimated the full cost of homelessness in Canada suggests that part of the problem is one of policy and leadership, as much as lack of new funding for housing alternatives and support programs. With the exception of Nunavut, which is the only Canadian jurisdiction with a designated minister for homelessness, homelessness and housing are sub-portfolios within government. Indeed, while the federal government offers a community planning and funding program as well as some matching provincial funds for affordable housing, there is yet no integrated, inter-governmental strategy on affordable housing or homelessness.

Barring any other announcements or initiatives, Canada's federal status quo on homelessness remains unchanged. And by 2009, when funding programs at the Homelessness Partnering Strategy (formerly the National Homelessness Initiative) runs out, Canada will have spanned a full decade of federal action on homelessness, predominantly emergency response, and without the benefit of a national strategy.⁷⁸

The lack of a coordinated national plan, in turn, propels government back towards short-term crisis management. Some jurisdictions are still attempting to legislate poverty out of existence. In B.C., for example, aggressive welfare cuts from 2004 until 2007 have not only reduced welfare rolls, but helped to increase homeless counts in the Greater Vancouver Regional District, reported one 2006 study.⁷⁹

Canada's leadership woes are probably best exemplified by former Prime Minister Paul Martin. Before presiding over an unprecedented dismantling of Canada's housing apparatus in 1993 as Minister of Finance, Martin posed as an advocate of affordable housing while in official opposition. "The housing crisis is growing at an alarming rate and the government sits there and does nothing," charged Martin when he published a special Liberal Task Force On Housing report in May 1990. "The lack of affordable housing contributes to and accelerates the cycle of poverty, which is reprehensible in a society as rich as ours."⁸⁰

A History of Disengagement

Canada's housing policy since 1993 has largely been a devolution of decisions, supports and housing to marketplace mechanisms.⁸¹ Nowhere has this been more apparent than at the Canadian Mortgage and Housing Corporation (CMHC), Canada's federal housing agency. During the 1980s, the CMHC coordinated "significant levels of social housing activity" introducing almost 18,000 units of non-profit, Aboriginal and rent supplement housing in 1989 alone.⁸² But by the late 1990s, following a rewriting of Canada's housing act, a series of devolution agreements with provinces and territories transferred administration of over 50 per cent of the CMHC's social housing portfolio. Meanwhile, the agency increased its mortgage and market-based businesses, resulting in significant revenues from direct participation in housing sales while its role in affordable housing waned.

Only in recent years has the CMHC emerged from a long period



Ottawa, 2003: A homeless man pushes a cart of belongings across the Rideau towards Hull

In Canada, affordable home ownership is big business. In 2004, 45 per cent of all home buyers – some 500,000 Canadian families – were required to buy a total of \$1.6 billion worth of mortgage insurance

where, under the guidance of federal governments from Chretien’s Liberals onward, has Canada’s federal housing agency all but walked away from affordable housing and homelessness. Yet the CMHC built up a core housing business that, in 2006, resulted in its first-ever \$1 billion surplus. Currently, profits generated by the CMHC are folded into general government revenues.

The CMHC has become so profitable in recent years that it is now viewed as a potential privatization target. The “CMHC, a Crown corporation charged with making housing more affordable and accessible, is making about \$1 billion a year in profit and is sitting on a \$5-billion reserve of retained profits,” reported *The Globe and Mail* in October 2006. “Those reserves are expected to rise to \$9.5 billion within four years,

according to the agency’s corporate plan.”⁸³

“The Crown corporation was created in the 1940s so that the state’s access to cheap capital could be leveraged to make mortgages and home ownership affordable for most credit-worthy Canadian residents,” noted the *Globe*. “About 96 per cent of the agency’s profit comes from mortgage insurance.”⁸⁴

To its defence, the CMHC claims that one-third of its mortgages are for people or organizations that the private sector wouldn’t touch.⁸⁵ Moreover, current legislation prohibits usage of CMHC’s housing profits to subsidize or finance its affordable housing and Aboriginal housing divisions, leaving its mortgage insurance and securitization divisions to produce profits that disappear into general government revenues. And, largely from its pre-1993 legacy, the CMHC still manages and supports existing social housing for about 633,000 households.

Critics counter that the CMHC has a captive market; most low-asset buyers have no other choice than to purchase CMHC insurance. “Federal legislation requires any home buyer with less than a 25 per cent down payment to purchase mortgage insurance in order to protect banks and other lenders from the risk that home-buyers will default on their payments,” one housing industry observer noted in 2006.⁸⁶

In Canada, affordable home ownership is big business. In 2004, 45 per cent of all home buyers – some 500,000 Canadian families – were

[verbatim]

Why Canada Needs a National Affordable Housing Strategy

Federation of Canadian Municipalities

“CMHC estimates Canada will need 45,000 new rental units each year for the next 10 years just to keep up with current demand; at least half of these will have to be affordable units. At the same time, construction of new rental units has plummeted from 25,000 to fewer than 8,400 per year in the last decade. Demolition and conversion eats away at the affordable rental stock, while many affordable houses crumble.

[...] A comprehensive response involving all orders of government, builders, developers, lenders and non-profit housing organizations, will significantly address immediate needs and provide the basis for a sustainable, long-term solution.

A Three-part Strategy

1) A 10-Year Flexible Federal Capital Grant Program

Grants would be provided to support local initiatives to produce affordable units. Grants, along with municipal contributions and cost reductions, would reduce the financing required for projects, reducing costs and rents for low-income tenants.

2) Measures To Attract New Investment

- Tax measures: These would include an offset of the Goods and Services Tax on new rental housing development, allowing rental investors to qualify for the small-business deduction, restoration of

required to buy a total of \$1.6 billion worth of mortgage insurance.⁸⁷

“In fact, there is probably no more lucrative line of insurance in Canada than mortgage insurance,” reported *Canadian Business* magazine in 2005. “In 2003, auto insurers took in \$15.8 billion in premiums and paid out \$12 billion in claims – a pay-out rate of 76 per cent. Life and health insurance firms paid out at approximately the same level. [...] And CMHC? According to its annual report, last year it earned \$1.1 billion in premiums from home-buyers and paid out \$51 million in claims – a pay-out rate of less than 5 per cent.”⁸⁸

In other words, the CMHC’s record-breaking profits come largely from mortgage security fees paid by middle and lower income Canadians on higher-risk “high leverage” financing: effectively, as a government-backed facilitator of debt, the CMHC’s makes its largest slice of profit from the Canadian homeowners who might be most at risk for affordability problems, since their mortgages are large and, by virtue of having a smaller down payments, are most certainly medium or modest in household income. In recent years, these fees have been reduced, yet federal profits from housing continue to disappear into general government revenues.

The CMHC’s special status as a Crown corporation – with over \$300 billion in mortgages and mortgage securities guaranteed “full faith and credit” by the federal government – underlines its success, yet its profits do nothing to serve directly Canadian homeowners and renters. “The CMHC is basically acting as

a bank, not a cooperative or a social bank, but a real bank,” argued Bloq MP Christian Simard in 2005. “In fact, nothing forces the CMHC to produce a surplus. For years, CMHC did not produce any surplus but only did what it was intended to do. However, [the] CMHC had two insurance policies: it kept a huge reserve fund for contingencies and it paid the government \$21 million to be insured against possible losses. That was double insurance and double payments too, and the situation allowed CMHC to accumulate a completely outrageous surplus.”⁸⁹

While the CMHC provides an important financial service to Canadians who might otherwise have no other alternative, so do payday loan companies: both take up clients who would be or are rejected by corporate banking services and, in the process, pocket significant profits – although the CMHC clearly does not enjoy the legal limit of 60 per cent interest fees allowed payday loan companies.

That this status quo continues – and that Canada would consider privatizing its mortgage guarantee service, along with CMHC’s other business services – shows how little Canada has progressed on housing policy. As some critics have argued, at minimum, the CMHC should collect significantly less profit from Canada’s newest, high-debt and potentially most vulnerable homeowners, as opposed to a business plan that allowed high-leverage guarantees to help fund its near \$1 billion surplus in 2005.

It is not clear what the future holds for affordable and Aboriginal housing at the CMHC, should it be privatized, nor is it clear what re-

CCA pooling to encourage capital reinvestment in new properties and the creation of Labour Sponsored Investment Funds.

- Means to strengthen CMHC’s role: These would include customized mortgage underwriting for non-profit developers; reduced-cost CMHC mortgage insurance; affordable housing goals for CMHC’s mortgage-backed securities business; use of CMHC profits to fund the federal component of the national housing strategy; and policy changes to allow equity in existing social housing to be leveraged.

3) Provincial/Territorial Shelter and Rental Assistance Initiatives

Provinces and territories are targeted for these initiatives as they are already active in income assistance programs. However, where provinces prefer to participate in a capital investment initiative that option would be encouraged. Provincial and territorial governments are asked to enhance income support programs and provide rental assistance to include the working poor, by:

-Enacting shelter allowances, including initiatives to address inadequate levels of shelter support within existing welfare programs; and

-Providing rent supplements stacked onto units receiving capital grants, to lower the level of grant required to produce affordable housing.

<http://www.fcm.ca/english/documents/afford.html>

sources will be put toward new housing alternatives. But, as others have argued, if the CMHC's mortgage guarantee business was privatized, it would eliminate its conflict of interest on the issue of housing, since its economic interests and operation would be less harmonized with commercial banks and the real estate industry.⁹⁰

Ottawa Rediscovered Housing

With a 2003 grant of \$1 billion from the federal government, the CMHC finally resumed direct participation in affordable housing, working with provinces and territories to choose strategies and program mechanisms. Another \$295 million was introduced in 2005 to encourage new housing in Aboriginal communities. And another \$256 million was announced in December 2006 to support the CMHC's ongoing renovation program for low-income households, "which help seniors and persons with disabilities remain independent in their homes, and preserve the housing for people who are at risk of homelessness."⁹¹

While there is yet no national strategy on housing and homelessness, there has been new investment promised for Aboriginal housing and affordable housing projects. Only since 2002 has federal and provincial money been allocated to new affordable housing: most of the money spent on affordable housing between 1993 and 2002 was to subsidize and maintain existing housing, a requirement that is diminishing and now leaves more room for new housing.

In June 2005, Canada's Parliament passed a bill that authorized a one-time allocation of \$1.6 billion for affordable housing projects, of which \$1.4 billion was finally made available in September 2006. Administered to provinces and territories in the form of a trust, this one-time expenditure is the largest re-investment since 1993. It will be allocated over three years

Over the last decade,
the federal government
positioned itself as
a publicly-funded
philanthropist that gives
money but is not ultimately
responsible for outcomes,
standards or long-term
solutions

until 2008-2009 and includes northern housing (\$300 million), off-reserve Aboriginal housing (\$300 million) as well as the national Affordable Housing Trust (\$800 million).

Some provinces, such as Ontario, have only recently announced plans – as late as March 2007 – to invest its share of what have become known as the "late-Martin" Liberal-era housing funds, still valued at roughly \$1.8 billion. That Ontario would experience almost two years delay in allocating its \$392 million share of federal housing funds speaks to the inefficiencies of Canada's federal system in dealing with chronic social concerns such as poverty, homelessness and lack of affordable housing.

Following the 2006 federal election, Prime Minister Harper pledged that government would also set aside, on an "experimental" basis, \$200 million annually in 2007 and 2008 as federal tax credits, administered by

the CMHC, the federal government's national housing agency, to encourage developers to build or refurbish affordable rental units.⁹² Other programs, such as an Energuide program supporting energy efficiency in affordable housing, were simply eliminated.

In December 2006, the federal government announced the Homelessness Partnering Strategy (HPS) that will spend \$270 million dollars between 2007 and 2009. This program replaces the Supporting Communities Partnership Initiative (SCPI), the core funding program of the National Homelessness Initiative (NHI) and proposes to invest roughly the same amount of money over a similar time frame. What has changed most is the name. Founded in 1999 under the aegis of the National Homelessness Initiative, the Supporting Communities Partnership Initiative funded services and shelters that, according to its own estimates, continue to serve more than 250,000 homeless Canadians annually. Although the federal agency has been frequently described as an inadequate response, many providers of emergency services cannot operate without its support, partially because provincial and municipal funding, with the exception of Quebec, have not

proven dependable funders of what is often deemed a federal responsibility.

Totalling nearly the exact amount spent by the previous Liberal government, \$256 million will again be spent to aid people at-risk of becoming homeless, continuing a CMHC program to support low-income homeowners with home repairs and landlords who provide affordable housing. But Canada's 2007 throne speech and budget did not provide any discernible leadership on housing and homelessness.

“The 2007 federal budget entirely ignores Canada's nation-wide affordable housing crisis and homelessness disaster, and is light when it comes to other social determinants of health,” argues Michael Shapcott, senior fellow at Toronto's Wellesley Institute. “Federal Finance Minister Jim Flaherty's budget speech is entirely silent on housing and homelessness, even though at least 1.5 million households (more than 4 million women, men and children) are officially classified as being in “core housing need”, and hundreds of thousands of Canadians experience homelessness annually.”⁹³ Notably, and to the disappointment of many, the newest federal program spans only two years – evidence of stop-gap policy – where advocates and agencies were lobbying for a five-year funding span.

Yet compared to the last decade of absentee governance under the Chretien-Martin Liberals, the Harper government's Homelessness Partnering Strategy of 2006 is nevertheless welcome news to many front-line homeless services, shelters and supporters. “It's good news,” says Cathy Crowe, a long-time homeless advocate and Toronto street nurse. “The old program was due to sunset in March. And given what has happened with so many other cancelled programs – like the Child Tax Benefit – it was a significant win.”

“Sure, it's definitely still about managing homelessness,” says Crowe of Canada's new program, in March 2007. “There is more emphasis on transition housing, as well as new emphasis on jobs and training. But with this, there is still the concern that these new programs will compete for the same limited funds with existing services that provide human essentials like food and shelter.”

Compared to Other Countries, Canada Lags Behind

Canada's current federal funding spans multiple years and multiple budgets, totaling over \$2 billion in various programs spanning from 2005 to 2009. But on an annual expenditure basis, this \$2-billion-plus allocation is more modest than it seems, spread across the better part of a half-decade. Some advocates contend that, while additional funding will provide some relief, Canada must do more to make even a small dent in the huge housing deficit created by a decade of declining affordable housing stocks.

Compared to other developed nations, Canada lags behind. The U.S. Interagency Council on Homelessness now administers a 10 year plan to end chronic homelessness under the current Bush Administration with a 2007 budget of \$4.1 billion.⁹⁴ The effectiveness of current American strategy on homelessness is under debate [See: Conclusion], although it is clear that overall expenditure on housing programs within the federal department of housing has increased, from \$6.7 billion in 2006 to an estimated \$7.3 billion in 2008.

Moreover, Americans now have a national estimate of the number of homeless people: in January 2007, the National Alliance to End Homelessness found that there were 744,000 homeless people in the United States in 2005, the first national estimate in the United States in a decade.⁹⁵ “A little more than half were living in shelters, and nearly a quarter were chronically homeless,” reported the CBC. “A majority of the homeless were single adults, but about 41 per cent were in families.”⁹⁶

“Having this data brings all of us another step closer to understanding the scope and nature of homelessness in America, and establishing this baseline is an extremely challenging task,” said Alphonso Jackson of the US federal Department of Housing and Urban Development. “Understanding homelessness is a necessary step to addressing it successfully.”⁹⁷

There is a clear commitment to ending homelessness in England and elsewhere in Europe. In some places, housing is actually considered a right. “The strategy, on the one hand, is to work on preventing homelessness by identifying people who are at risk and giving them a range of supports to

help make sure they don't lose their housing," says York University professor Stephen Gaetz.⁹⁸

Since housing insecurity affects a broad range of people, solutions are meant to be diverse and scalable. "When people are absolutely homeless, they work to get people out of this situation by focusing on giving them support in terms of housing, health, income and social relations—and not just one of those supports, all of them," says Gaetz. Other G7 countries are putting considerably more effort into prevention and "are moving away from the emergency response of warehousing people in shelters."⁹⁹

England's 2002 Homeless Act constitutes a major "change in the way that homeless services are delivered," reports Shelter, a leading UK charity. "The focus should shift away from crisis management to a strategic response based on early intervention and support services to help those who have been re-housed sustain their new homes."¹⁰⁰ Under the aegis of its Homelessness Directorate, England allocated the equivalent of \$2.1 billion in 2004-2005 in expenditure to local authorities tackling homelessness as well as new housing.¹⁰¹ According to the terms of its 2002 Homeless Act, some 137,220 were counted as homeless in England in 2003.¹⁰²

European Union governments, in particular, are more likely to link action on poverty with housing and homelessness. In 1999, the UK committed to halving child poverty in England by 2010 and eradicating it by 2020. In an independent survey published in 2007, "Solving Poverty," Canada's National Council of Welfare examined England's efforts. "The proportion of children living in a household at-risk-of-poverty has gone from being among the highest in Europe at 27 per cent in 1997/98 to 22 per cent in 2004/05,

closer to the EU average of 20 per cent," it notes. "A million pensioners and 800,000 children have been lifted out of relative poverty since 1999."¹⁰³

In 1997, Ireland launched a 10 year National Anti-Poverty Strategy, which strove for specific targets and successfully reduced poverty. "The rate of people experiencing consistent poverty dropped from 15.1 per cent in 1994 to 5.2 per cent in 2001," reports the National Council of Welfare. "In the year between 2003 and 2004, the rate for children under age 15 dropped from 12.2 per cent to 9.5 per cent."¹⁰⁴

Moreover, action on poverty, affordable housing and homelessness in successful countries has also coincided with strong economic growth, whereas in Canada it has often been argued that income security and affordable housing are "too expensive."

"In the European examples, it is also important to note that poverty reduction and social investments are working hand-in-hand with strong economic performance," concludes the National Council of Welfare. "It is the case as well that many other countries with decent working conditions and measures to support families with children, for example, are also strongly competitive economically."¹⁰⁵

As some European countries significantly decreased poverty during the 1990s and early 2000s, Canadians continued to struggle with homelessness. Yet Canada has boasted one of the greatest records of public surplus in OECD history. With its 2005-2006 surplus estimated to be \$8 billion, Canada has not posted less than \$3.1 billion in surplus since 1997, peaking at \$18.1 billion in 2000-2001.¹⁰⁶ As commentators have noted, this surplus record was partially funded by UI/EI surpluses and social program cutbacks, which accelerated Canada's income gap.



Ottawa, 2004: Mary panhandles in front of Parliament Hill

Vast Improvements Possible

The Golden Report made waves in 1999 because it argued that Canada's homeless crisis was largely created through policy decisions. Intentionally or not, much of the growth in homelessness has been unnecessary, the result of bad choices and poor strategy. In fact, says Anne Golden, "it strikes me that there aren't too many other issues that we can so clearly trace to policy. Things we have control over."¹⁰⁷

Most importantly, vast improvements are possible – partially through strategic re-allocation of existing resources, and partially through a long-term re-investment of new funds that would forestall the greater expense of a sustained crisis. "Homelessness can be prevented for many people and ended for many others," says Golden. "Our research on who is homeless makes it clear that the chronically homeless take up about half of the hostel beds and use half the available services at any given time. By providing the supportive housing that we know allows people with chronic mental illness and/or addiction problems to live in stable settings, we can 'solve' almost half the housing problem."¹⁰⁸

It doesn't have to be complicated, she argues. "The reason why it's not going away is that we are not addressing the issues," says Golden, with some exasperation, possibly because she's had to give the same answers to the same questions for years. "So, for instance, one of the major causes of homelessness is poverty. In Calgary, where a significant percentage of the homeless, in fact, are poor, they're working poor, and their incomes are too low, single men largely, to rent housing."

The root causes of homelessness, in her view, are poverty and lack of affordable housing. "We have eliminated the stock of cheap housing. For instance, the rooming houses that these people used to live in don't exist anymore, because for zoning reasons. Plus, the landowners themselves weren't making money on it, even at \$400 a room, or they could make better use of that land by building condos on it and making more money. So the stock has dried up at the same time as the poverty is increasing."

"Basically you have the growth of poverty and growth of concentration of poverty in cities like Toronto, like Montreal, Ottawa, Hamilton,

"Our research makes it clear that the chronically homeless take up about half of the hostel beds and use half the available services at any given time. By providing the supportive housing that we know allows people with chronic mental illness and/or addiction problems to live in stable settings, we can 'solve' almost half the housing problem." – Anne Golden

Calgary, and an under supply [of housing]. We are not addressing either side. In 1993 we stopped the provincial [housing] program and we froze welfare rates. For almost 10 years, people have had no increases, so poverty is increasing, [housing] supply is less, people who are poor are moving in because of the magnet affect of the city – that's where the shelters are available so they come to where the shelters are. So you have all these things converging."

The demographic of homelessness has, however, changed. "You can't think of the homeless as a category. Those who have mental illness or addictions, for example, in the 1960s we used to institutionalize those people. Since 1960s we have de-institutionalized those people and that policy is facilitated by [prescription] drugs – yet no one helps these people manage the drugs, never put into place in the system of community support that was supposed to countervail against these policies."

The main challenge, in fact, is that homelessness is an amalgam of Canada's toughest social issues, spanning multiple levels of government, policies, and huge expanses of geography. Nevertheless, many of the causes of homelessness are known and, as Golden argues, our crisis is largely self-

inflicted because we have failed to follow through on addressing root causes. “We haven’t dealt with the poverty issues, the institutional issues, the housing issues,” says Golden. “And if you don’t deal with them, in fact the problems get worse.”

Anne Golden isn’t the only one who feels that Canadian government has been largely absent from housing and homelessness in the midst of crisis. The frustration among researchers, bureaucrats, advocates and even some elected officials here in Ottawa is palpable. “The Golden Report is still up to date, years after the fact,” says Jeff Evenson of the Canadian Urban Institute. “That’s because almost nothing has been done, with the exception of federal partnership programs and a few other things. But the root causes – poverty, short supply of affordable housing – still stand.”

Reviewing Recent Canadian Efforts

Interviewed in 2005, Bill Cameron, former executive director of the federal government’s National Homelessness Initiative (now the Homelessness Partnering Strategy), contends that federal efforts have been undersold. During its first phase as Canada’s lead response to homelessness, NHI worked with 55 communities to create local homelessness plans, based on an evaluation of need and existing capacity. Community advisory boards advised on funding proposals, consulting with stake-holders and targeting areas of greatest need.

By and large, Canada’s first major response to homelessness under the NHI produced a series of community plans and a great many shelter beds: 8000 new beds, 212 transitional and affordable housing units. The second phase, from 2003 to 2007, expanded its focus on emergency response and “try to bring more people into transitional housing, to break the cycle of homelessness.” Phase two invested \$320 million until 2006, totaling \$677 million over six years.

Cameron admits that phase one received criticism for its focus on shelter beds, but that’s what communities needed most at a time of growing rates of homelessness. The remainder of the program will be “a more holistic phase, involving the private sector, deeper partnerships – a lot more matur-

“We need to help build a sustainability plan,” says Bill Cameron. “The last thing we need is to leave people dependent on federal funding”

ing and growth – along with a new research component.” There is a specific Urban Aboriginal Component, reflecting the high percentage of homeless Aboriginals in Canada: as much as 70 per cent of the emergency shelter population in Edmonton and 75 per cent in Winnipeg, not to mention a surprising number of Inuit sheltered in Ottawa.¹⁰⁹

Often caught between communities managing a crisis and the rest of Canada, for whom homelessness is not necessarily an emergency, Cameron finds that there’s a large gap of understanding, one that mirrors the growing poverty gap within Canadian society. “What people don’t know about is the magnitude of homelessness,” reflects Cameron. “That a large number of people in shelters are working, many families live in shelters, as well as new Canadians and Aboriginal people.”

“People don’t understand the root concerns. The income issue, mental health. It’s staggering,” says Cameron. “We need transitional facilities for the absolute homeless. There are some very nice shelters – in Edmonton or Calgary, for example – and they’ve been criticized for being too nice. [But] affordable housing is clearly the issue. And especially transitional facilities: with support and skills, they’ll move forward in life.” Like many who work within the homeless effort, Cameron reports that a large percentage of homeless people have the capacity to live independent, self-sustaining lives. “Probably 20 per cent are chronic, another 20 per cent are episodic; and 60 per cent have worked, have skills and can move on.”

While a majority of homeless people are ready for housing, lack of investment year-to-year is a challenge. “Our biggest long-term problem is sustainability – and the long-term cost,” says Cameron. “We need to help

build a sustainability plan. The last thing we need is to leave people dependent on federal funding.”

As the National Coalition on Housing and Homelessness (NCHH) argued in December 2005, Canada’s overall lack of strategy on housing has made programs like the NHI less effective in responding to homelessness. “After four years it has become clear that the federal government’s program is not working,” it argued, noting that federal-provincial efforts “produced only 10,000 of the proposed 40,000 homes” and “complex federal/provincial requirements have resulted in the majority of the funds being tied up bureaucratically, rather than being put to direct use at the community level.”¹¹⁰

Expecting a modest federal secretariat to solve homelessness in Canada is unrealistic. It has been mildly successful at building infrastructure, funding research and establishing community action plans across Canada. It has most certainly saved lives by building shelter capacity, thereby protecting many homeless Canadians during winter months.

Canada’s homelessness and poverty problems have grown due to factors well beyond the federal homeless secretariat’s control, such as the erosion of income security – especially in provinces like Ontario, Alberta and British Columbia. And where provinces have abdicated responsibility for investment in housing and poverty solutions, federal ministries have often not supported communities and municipalities directly.

Lack of responsibility creates considerable inefficiency – reflected by the \$4.5 to \$6 billion annual cost of homelessness, as estimated by this report. [See Appendix: The Cost of Homelessness] For example: most provincial governments inadequately fund welfare, often making it impossible for recipients to access shelter in urban rental markets that have soared beyond welfare shelter allocations for monthly rent. Yet some of these same people wind up in homeless shelters that have been funded by all three levels of Canadian government. Taxpayers pay at least twice to not solve homelessness.

Recently, the federal government has exhibited a pattern of biannual funding binges – always shorter in duration than an average election cycle – that take the place of national strategy and standards, which results in uneven or unsustainable investments in homelessness. Essentially, the federal government (and more than a few provincial governments) has positioned

Most provincial governments inadequately fund welfare, often making it impossible for recipients to access shelter in urban rental markets. Yet some of these same people wind up in homeless shelters that have been funded by all three levels of Canadian government. Taxpayers pay at least twice to not solve homelessness

itself as a publicly-funded philanthropist that gives money but is not ultimately responsible for outcomes, standards or long-term solutions.

This has often left municipalities, the private sector and communities scrambling for operational funding. “It’s not very difficult to get money for bricks and mortar,” observes Kathleen Cairns, professor of applied psychology at the University of Calgary. “It’s possible to apply to multiple different places to have a new building made or to renovate an existing building.”

“What is very difficult is to get anything like sustainable funding for the operation of those facilities. So, for example, we have in the shelters unfunded beds, right, beds, which have to be closed because there’s no sustainable operating funding. We have unfunded beds in the women’s emergency shelters.”

The community planning process of the NHI/HPS is meant to address these sorts of chronic shortfalls, yet part of the problem is structural. These factors and causes exist beyond the purview of any community plan: action on homelessness is planned locally to address issues and solutions that are often the domain of provincial or federal powers. Conversely, multiple and often conflicting federal-provincial jurisdictions can make it difficult

to coordinate initiatives and funding. Governments themselves often divide homelessness among several portfolios.

The Paradox of Affordability

Depending on who you ask, the total number of households considered to be seriously at-risk for homelessness and affordability problems ranges between 1.5 million and 2.7 million households. After the CMHC made major corrections to its 2001 census numbers in 2005, decreasing its estimate of at-risk households to 1.5 million, more than one-quarter of all renter households in Canada were still spending 30 per cent or more of their income on shelter.¹¹¹ In November 2006, Statistics Canada found that a total of 1.7 million Canadians spend 30 per cent or more on shelter, an increase from CMHC's 2001 census analysis.¹¹²

In January 2007, the Canadian Council on Social Development (CCSD) applied Statistics Canada's Low Income Cut-off measurement (LICO) to 2001 census data and found that "almost one-quarter of Canadian households – more than 2,700,000 households – are paying too much of their income to keep a roof over their heads."¹¹³

Yet it is families who rent that are "the most likely to have to pay a disproportionate amount of their household income for shelter – almost 40 per cent of all tenant households."¹¹⁴ According to the CCSD's Urban Poverty Project, more than 13 per cent of Canadian families lived at or below the poverty line in 2001. "There's no question that urban poverty is a core reality in Canada," says CCSD President Peter Bleyer. "Not only are 38 per cent of all unattached Canadians poor, they are living in urban areas where their chances of finding a decent and affordable place to live have been compromised. Canada has failed to develop a national vision that supports community solutions."¹¹⁵

Canadians have seen substantive improvements in affordability since 1996: competitive renter markets in centres like Toronto, Montreal and Calgary have improved the lot of many tenants, especially middle-income earners able to take advantage of new rent-to-own programs with private de-

velopers, as well as previously unheard of benefits like free internet and cable, even several month's free rent.

Home ownership continues to be a major determinant of housing security. Thanks largely to improved incomes within upper and middle demographics, income-indexed housing affordability in Canada improved slightly between 1996 and 2001, although it has not recovered to 1991 levels. "In Canada as a whole, affordability improved for both owner and renter households, with the proportion spending 30 per cent or more of before-tax income on shelter declining from 1996 to 2001, but not falling to 1991 levels," noted the CMHC in a 2003 report.¹¹⁶ Most recently, historically low interest rates have boosted affordability for home-buyers, despite significant increases in new and resale housing prices. Yet affordability gains for many homeowners are largely based on unusually low debt costs, which has an obvious weakness: if the interest rate returns to its 8 per cent historic average, some who financed themselves at 4 per cent will experience affordability problems.

Affordability is a relative measure, especially in a country with a booming real estate market. Housing market growth, in part fuelled by availability of debt and mortgage financing, augments existing inequities. While many homeowners benefit from low interest rates, the national pool of private affordable rental stock remains small and affordable rental vacancy rate remains low, less than one per cent in many cities.

Variability in housing markets, along with the statistical fogging caused by a growing income gap across Canada, makes the study of housing, income and homelessness difficult. Between a floating population of absolute homeless, a larger number of relatively homeless people and ongoing variables that affect affordability, Canada does not have a full picture of housing and homelessness. Nor does it have a firm handle on how these new realities affect many Canadians in radially different ways, from poverty to affluence.

Canada lacks integrated data on nutrition, housing and poverty, for example. Malnutrition is a real threat to low-income households. "Over 10 percent of our population – approximately 3 million people – cannot count on a healthy diet," concluded the Dietitians of Canada in a 2005 report.

“They lack the funds to purchase sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active healthy life.”¹¹⁷

Centres of deep poverty and homelessness in Canada show profound geographic, political and economic cleavages. As Andrew Jackson noted in 2004, segregation and isolation of Canada’s underclass is linked to housing markets and a growing income gap. “Housing markets largely determine where households are located in relation to other socioeconomic groups,” he writes. “And this spatial sorting by income will be greatest when the housing system is most market-driven, and when the distribution of income and wealth is most unequal. At the extreme, sorting can become segregation and isolation from the mainstream in ghettos for the very poor on the one hand, and secession of the affluent from the social mainstream on the other.”¹¹⁷

How housing impacts Canada, positively and negatively, is not something Canadians fully yet grasp. “What’s missing is national-level research,” says Paul Roberts. “How big is the problem? The federal government doesn’t

have a good handle on how big an issue this is because they don’t have the full data.”

Housing and the Income Gap

Deep in Ottawa’s suburbs stand several nondescript bi-levels. Bicycles and toys, dot the backyards of eight units, all side-by-side. This is the most recent Habitat for Humanity project, a unique result of non-profit innovation, community volunteerism and sweat equity. Habitat operates in most major Canadian cities, marshaling resources to fund and organize for affordable housing. In this case, families put \$700 as a down payment and, with considerable sweat equity, are now well on their way to owning their own unit, a \$60,000 piece of equity.

Despite demand for the units, the project had to be scaled back during the pre-construction phase because of local complaints on zoning that



A Habitat for Humanity project in suburban Ottawa: the result of non-profit innovation, community volunteerism and sweat equity

would have allowed 14 units instead of eight. Neighbours didn't want too much affordable housing nearby, even housing owned by its occupants.

This kind of not-in-my-backyard reaction is one of many challenges that can threaten an affordable housing project: with fewer units on the same amount of land, the overall per-unit cost increased, making it more difficult to achieve affordability goals. Moreover, steep property taxes across Ottawa – sometimes \$2000 to \$3000 per household – already makes ownership difficult for many households. And the cost of land, much like the rest of Canada, often pushes accessible units to the fringes of cities, beyond the range of regular public transport. This inevitably increases transportation costs, as homeowners are often forced to purchase one or more autos and therefore carry additional debt, insurance and expenses. To promote affordable housing, Ottawa initiated a zoning requirement that calls for a target of 25 per cent of all housing starts to be affordable to all households in the lowest 40 per cent of income, as well as “permitting second suites in a greater range of residential zones, setting out a housing first policy for surplus municipal lands, encouraging alternative development standards, and encouraging density incentives in return for the provision of affordable housing.”¹¹⁸

Income lies at the very heart of Canada's housing crisis: a sizable portion of the population has yet to see the benefits of the economic growth that has created booming housing markets. Housing security for specific groups actually decreased, reflecting income polarities within the economy.

Many low income Canadians face static and limited wages at a time when shelter, energy and transportation expenses have grown. “The number of earners in higher income brackets – those earning \$80,000 or more a year, and especially those earning \$100,000 or more – soared during the 1990s,” noted Statistics Canada in a 2003 report. “At the same time, the number of individuals making less than \$20,000 a year accounted for four out of every 10 people with employment income in Canada. This is essentially the same proportion as in 1990.”¹¹⁹

The median income of Canadian families was unchanged between 1990 and 2000. Yet “the long-term trend is an increase in the poverty gap – it has grown from about \$3,600 in 1995 to \$3,900 by 2000,” notes the CCSD in its 2003 Personal Security Index. “This increase of approximately \$300

is not huge, but it is likely very significant for those people living on low incomes.”¹²⁰

The national scale of income insecurity is reflected in the fact that almost 1.5 million Canadians work full-time for low wages.¹²¹ According to 2001 census data, “the richest 10 per cent of our population has seen its income grow by a whopping 14 per cent, while the bottom 10 per cent has seen only a slight increase of less than 1 per cent.”¹²²

In December 2006, TD economics released a report detailing Canada's growing income gap. “While total wealth in Canada has been rising,” it concluded, “the highest quintile of families received 71 per cent of the increase in wealth.”¹²³

On average, the greatest security and income gains are enjoyed by Canadian households who already own a house – and whose housing asset has appreciated considerably. Conversely, low income, lack of home equity in renter households and homelessness are now more closely linked than ever.¹²⁴ The income gap means one thing for certain: housing is becoming a major determining factor in economic outcomes for the 21st century, a dividing line between those who prosper and those who don't.

An Uncertain Middle Class

In addition to affordability challenges, phenomena of low savings rates and record-high personal debt presents a troubling undercurrent within the economy. The much-valued equity, stability and wealth accumulated by the middle class of previous generations is less evident in today's households.

Shelter expenses are becoming less sustainable. “Assuming a two per cent annual inflation rate, house prices in Canada are expected to double by 2026,” said CIBC economist Benjamin Tal in April 2007. “This increase, of course, will not be symmetrical – with large cities seeing even larger increases in home valuations.”

Consumer debt, coupled with the impetus to accumulate greater debt due to housing prices, poses a growing threat to Canada's middle classes. “Since 1984, the amount that Canadians borrowed, on average, to buy homes and consumer goods increased from 56 per cent of their total

disposable income to 98.4 per cent by 2002,” notes the CCSD. “The largest contributor to the increased indebtedness of Canadians is the size of their mortgages – which increased from 38 per cent of disposable income in 1984, to 68.5 per cent by 2002.”¹²⁵

Housing prices, stagnant incomes, the rising cost of living and unprecedented levels of consumer debt all pose new risk for both renters and homeowners. For example: starting in 2003, the average Canadian household held more debt than annual income.¹²⁶ By 2006, the debt-to-income ratio reached 123.1 per cent, meaning “Canadians owed \$1,231 for every \$1,000 in after-tax income.”¹²⁷

And while there are approximately 74 million credit cards in Canada – three for every Canadian over the age of 18 – low unemployment rates and relatively low interest rates have helped to keep personal bankruptcies in check.¹²⁸ The rate of personal bankruptcies actually fell 6.4 per cent in 2006 across Canada, although the number of consumer proposals, where pre-bankrupt consumers successfully negotiate settlements with debtors, went up 6.7 per cent.¹²⁹

Consumer confidence is tentative: “37 per cent of Canadians worried that they wouldn’t be able to sustain their current lifestyle in 10 years time,” according to a January 2007 study by Mackenzie Investments.¹³⁰ Moreover, 79 per cent of respondents said they feared that “if shopping continued to be viewed as a recreational activity, Canadians could face a crisis where they spend too much with little regard for the future.”¹³¹

And while access to debt financing has become a major determinant of financial success for most Canadians – namely, the ability to finance house purchases – income and debt challenges pose a major liability for many Canadians. Because housing is usually the single greatest expense in a household, ongoing changes in affordability and availability of housing can have drastic effects, such as the growing phenomena of housing-induced poverty and homelessness in Canada. “While many households struggle with two or three part time jobs to make ends meet; these efforts are overwhelmed by high shelter costs,” notes the CHRA in a 2003 parliamentary brief. High rents ‘crowd out’ the available income remaining for other necessities – essentially fueling a problem of housing induced poverty.”¹³²

Markets for both owners and renters are failing to provide full spec-

trum of price options, yet most governments have elected to observe market failure rather than form policy and invest in alternatives. “The federal and provincial governments withdrew from social housing in the 1990s,” says Paul Roberts. Incentives and grants for affordable housing almost disappeared. “This sent a signal to the market. A speculative real estate market, along with changes in social housing policy worked against each other – with dire results.”

Indeed, one of the most worrisome trends are middle class Canadians struggling to make ends meet. “Some of the middle class is dropping down,” says Roberts. “Their economic fortunes have not carried. Across Canada, you have markets that are booming but one’s ability to survive in that market is diminished.” According to the CMHC, of the 269,500 homeowners who experienced severe affordability problems in 2001 – paying 50 per cent or more of income on shelter – nearly 80 per cent had mortgages.¹³³

Canadians Most at Risk

Specific demographic groups have become much more vulnerable to homelessness and housing affordability problems: single parent families, Aboriginal people, the elderly, students and new Canadians. And what these groups share most in common is sub-standard income, regardless of how class and income is measured.

In 2003, Statistics Canada found that “a clear generational divide has opened up in the labour market with younger groups on a lower earnings track than older, more experienced groups. The falling fortunes of youth from all backgrounds became clear in the 2001 census. The pattern was worse for all younger groups, with those in their 20s actually experiencing back-to-back declines in earnings in each of the last two decades.”

These results are consistent with earlier Statistics Canada research showing that the earnings of young men has veered downward: “The generation of men who came of age during the late 1980s and 1990s started their careers making less than their counterparts who came of age during the

“Marriage breakdowns and single motherhood are key causes of poverty and inequality,” noted the Caledon Institute in 2006

1970s, and made much slower progress for at least the first 10 years of their working lives.”¹³⁴

Aboriginal people are vastly over-represented in homeless street counts and homeless shelter beds across Canada. Although the continued shortfall in housing for First Nations across Canada is roughly 80,000 units, many Aboriginal people live in urban environments, where access to housing and income supports can be limited, at best.¹³⁵ An indication of the unique status of Aboriginal people on housing comes from the CMHC’s 2006 Housing Observer: “in 2001, only 45 per cent of all Aboriginal households owned their homes compared to 67 per cent of non-Aboriginals.”¹³⁶ Moreover, Canada’s Aboriginal population grew by 22 per cent between 1996 and 2001, “significantly outpacing that of non-Aboriginal Canadians (3.4 per cent).”¹³⁷ Housing and homelessness weighs heavily on a young, fast-growing Aboriginal population that is considerably more at-risk for poverty, affordability problems and homelessness.

Conversely, single parent families of all backgrounds are more at risk. As the CMHC reported in its 2006 Housing Observer, income, or lack thereof, is a central characteristic of one-parent families: “the lower the income, the higher the proportion of one person households, lone parent households and seniors, and the lower the proportion of couples with children.”¹³⁸ Single parent families facing affordability challenges are usually led by women, reflecting the statistically significant lower incomes of women across Canada. “Marriage breakdowns and single motherhood are key causes of poverty and inequality,” noted the Caledon Institute in 2006. And the proportion of single person households among Canada’s highest income group (households reporting incomes over \$85,000) is four per cent, while Canada’s lowest in-

come group (households under \$20,000) is 62 per cent single households.¹³⁹

The overall risk of poverty, homelessness and mortality for women is significant. According to a 2004 study published in the *Canadian Medical Journal*, homeless women 18–44 years of age are 10 times more likely to die than women in the general population. “Being a homeless single woman under the age of 45 years is associated with a greatly heightened risk of death,” noted the study. “In most cities, the mortality rate of younger homeless women achieves near parity with that of younger homeless men. For younger homeless women, programs to address addictions, HIV infection and mental health issues are potentially life-saving interventions.”

Yet long-term trends of income, poverty and affordability have not been fully addressed in Canada. Instead, homelessness has been addressed in simplified form – literally, people on the streets requiring emergency services and temporary shelter. “The federal homelessness secretariat doesn’t want to see the affordability issue,” says Roberts. To be fair, he says, “it’s a dynamic issue: there are a lot of people who are homeless but not because they don’t have a job. Not only homelessness, but slipping standards of housing, of overcrowding, people living beyond their means.”

“There is no average, it’s very heterogeneous,” says Roberts. “The way in which we deal with the issues have to be multifaceted. It’s not enough to just build social housing. We need better documentation, particularly on risk groups and places like the North, urban Aboriginals and the like. We’re accepting large numbers of immigrants, yet support services are not there for them.”

Housing insecurity and homelessness has become a mass issue. “A large segment of population is left behind or left out of major processes,” says Roberts. “For example, the two things that affect poverty most are job loss and divorce – a large portion of society is affected. [Yet] decisions are being made by people voted in by political parties. All of these things conspire to make it easier for people to be excluded.”

04 – TORONTO

Ground Zero

So what happens when governments and citizens turn away from the dark corners of our cities? The people in those dark places form their own communities and encampments, usually hidden in ravines, alleyways, under bridges. And sometimes, they strike camp out in the open.

People have camped among the trees and ruins of Toronto's derelict waterfront for decades, but the sheer scale of Tent City set it apart. From the late 1990s until September 2002, this small camp on the contaminated land of an old iron foundry grew rapidly, right in sync with an unprecedented surge in homelessness across Canada.

It drew all kinds of people and all kinds of attention. Something so visible, unorthodox and utterly lacking political clout was bound to draw fire, a squatter's camp that became an uncomfortable reminder of a much larger homeless crisis. In its final year, Tent City struggled amid an onslaught of media coverage, an influx of newcomers, the ravages of addiction, and the looming possibility (some said inevitability) of closure.

All the while, residents lived their lives: some worked, idled, or made art; some sold drugs or sold themselves; several were found dead in their shelters; some found love, got married, and, in at least one instance, had a baby; some disappeared, or left, never to return. Many agreed that, for all its problems, Tent City was still better than overcrowded homeless shelters, welfare bureaucracy, and an estimated 12 year wait for social housing. And there were some, whose spirits were bold enough, who simply didn't want to live anywhere else. Tent City was a place that was all about freedom, dignity and abundant supplies of \$5 crack.

Graced with perpetual homeless camps since the 1990s, Toronto has become significant in two ways: first, it represents the largest single mass of homeless people in Canada; and second, it displays the first and probably most chronic failure of the containment and management response proffered by governments across Canada. The Greater Toronto Area (GTA) and Toronto in particular, became a catchment area for dispossessed people

across central Canada: some 31,985 homeless people (including 4,779 children) stayed in a Toronto shelter at least once during 2002, according to the City of Toronto's 2003 Housing and Homelessness Report Card.¹⁴⁰ Toronto's first street count in June 2006 found street and shelter homeless populations to be 73 per cent male, 16 per cent Aboriginal and numbering at least 5,052. With only one per cent of Toronto's general population being Aboriginal, it's no understatement that First Nations over-populate the streets of Canada's economic and cultural capital.¹⁴¹

Here, as elsewhere, homelessness is the new Indian reserve, not only because Aboriginals are highly over-represented among the ranks of the homeless, but also because policy, especially during the 1990s, came to resemble that of 19th century Canada. Quite literally, it is in major centres like Toronto that our response to homelessness most clearly recalls Victorian so-



Tent City, 2002: having lived around Toronto's harbour lands for nearly two decades, Dave worked as a steel cutter in a nearby scrapyard and lived in one of Tent City's first shacks.

cial practice – a return to the days when paupers, criminals and the mentally ill were often warehoused in the same poor houses that resemble the modern emergency shelter both in form and function.

Some Canadians deplored the social Darwinism and stopgap charity of Victorian times from the outset. In 1912, Dr C. Hodgetts, Medical Advisor at Canada’s federal Commission of Conservation, published a report that constitutes one of Canada’s first significant policy surveys on urbanization, health and housing. And, like the Golden Report of 1999, his observations and recommendations still appear surprisingly current. “We have been doing nothing to better the homes of our people,” writes Hodgetts. “It is from the standpoint of the health of the people that the all-important question of housing must be approached. [...] Housing conditions should be regulated and supervised in a strong and almost imperative manner by a central, national health authority. By such means, much may be done towards conserving the nation’s most valuable asset.”¹⁴²

Like the poorhouses of yesteryear, the modern homeless shelter is, quite literally, the last stop for Canadians who have fallen out of other systems and supports. “We see clients with Alzheimer’s, because their families can’t find a seniors’ home and just can’t cope,” reported one shelter director

in 2006. “We see mentally challenged clients with schizophrenia, because the families just can’t do it and they don’t have anywhere to turn.”¹⁴³

Canada’s homeless has not been well served by the one-size-fits-all approach that characterizes the modern welfare state. And with its overcrowded, TB-ridden emergency shelters, Toronto is the place where, more than most other Canadian centres, you can witness an echo of Victorian social policy. Within Canada’s homeless landscape, encampments like Tent City provide some insight into why so many people reject conventional shelters and social services.

Inside Tent City

A red Camaro tears along the potholed main street of Tent City, leaving clouds of dirt and screaming residents. It is 10 a.m. and the crack dealers have already done business. They will return, rolling slowly into drop-off spots, as will the Christian evangelists and nervous-looking johns in their nondescript cars. The dust settles and a shirtless resident pushes a load of fresh-cut firewood in an old shopping cart; nearby, three locals quarrel, probably over sto-



Tent City’s urban pastoral, left to right: abandoned camper; communal watering hole; pathways along water’s edge

len food or beer. A wild-eyed shirtless man starts throwing patio furniture and people scatter.

“Total anarchy,” mutters Rainer Driemeyer, a longtime resident and community elder known as Dri. Piles of scrap lumber, broken appliances, discarded condoms and newspapers surround us as we survey the makeshift neighbourhood. There are surprisingly few tents left; most of the 100 semi-permanent residents have built their own shacks, some with multiple rooms, heat and purloined electricity. Dri recalls a time when outsiders didn’t dump construction waste, when drug dealers didn’t call, when wildflowers sprung up beside the first few homesteads.

“Before, it was magic, we’d pick up our own garbage and you’d see the nature everywhere,” he says. “Now, after five years, we still don’t have any security and the place is a mess. At least the bulldozers haven’t arrived yet.” There are unwritten rules that govern Tent City. One learns not to walk too close to certain shacks, for example, lest the owner charge after you for trampling over his non-existent front lawn. Always wait for an invitation to enter someone’s shelter; lamp oil, batteries and firewood are welcome gifts. And never take photos without permission.

Privacy is a commodity here: residents will chase you off with a baseball bat, nosy journalists included, if certain manners and mores aren’t adhered to. “What you have to understand is that there is no security of tenure,” explains Dri. “It’s the lack of knowing that everything you have is going to be there when you get back.

Your mental condition changes if you don’t have that.”

Before us is the inner channel of Toronto’s harbour, a long concrete seawall covered with poplar trees and piles of rubble that crumble off into the deep water below. Several shacks stand nearby, like miniature cottages looking out over the industrial waterfront. It is an odd mix of elements: quaint hobo shanties, lush overgrown trees, a beautiful lake, and piles of contaminated soil underfoot, an urban oasis steeped in heavy metals, arsenic and PCBs.

Nearby, someone lugs a large cathedral window back to their shack, another salvaged piece of house in a neighbourhood that never stops growing. As always, construction is a non-stop activity—fixing, building, and renovating. Lumber is scavenged, wood stoves are laboriously carted in and roofing is procured from piles of construction waste. But don’t mistake these shelters for home. Behind the substance abuse, neighbourly feuds, bullying and petty crime that mark Tent City’s lesser moments, deep insecurity pervades most everything. The experience of being homeless inevitably changes people, sometimes driving them to unlikely extremes, whether they live in a camp, emergency shelter, a minivan or someone’s garage.

And yet, this is one of the great paradoxes of Tent City. Despite its tough exterior and sketchy location, it can seem more secure and generous than any homeless shelter. It is a real community, however imperfect. “I’ve

[verbatim]

Housing Policy for Tomorrow’s Cities

David Hulchanski

“Changing federal government policies on affordable housing have played a major role in the affordable housing shortage and extent of homelessness seen today:

- 1938-1949 – The National Housing Act was established in 1938 but not implemented until amendments were made in 1949.
- 1949-1963 – the federal government was not significantly involved in the provision of social housing. During this period, only 12,000 public housing units were built, largely to offset public criticism regarding the lack of housing for low-income Canadians.
- 1964-1984 – The federal government built 200,000 public housing units and established a variety of housing initiatives, including non-profit and co-op housing programs, as well as native housing.
- 1984-1993 – A withdrawal of the federal government from providing housing assistance for low-income Canadians.
- 1993 – All funds for social housing were cut from the federal budget. Most provinces followed suit.

- 1999 – A National Homelessness Initiative was established as a cross-departmental program to provide funding to assist communities in addressing homelessness at the local level through the Supporting Community Partnerships Initiative (SCPI).
- 2002 – An Affordable Housing Partnerships Initiative (AHPI) agreement was signed by Canada Mortgage and Housing Corporation and Alberta Seniors, Housing Division. This federal-provincial agreement provides funding over five years to help increase the supply of affordable housing in the province.
- 2006 – The SCPI initiative was renewed for the period 2003 to 2006.
- 2006 – A new Homelessness Partnering Strategy (HPS) [replacing SCPI] has been created under the auspices of the National Homelessness Initiative, and



never felt more safe in my life than at Tent City,” claims one resident, as Dri tours me through the camp.

Here, when night falls, people tend to abide one another. “You think there’s anywhere else where someone will take a shivering person in and warm them and feed them?” asks another, sweeping her hand over her cluttered outdoor kitchen. “In Parkdale? Or Rosedale?”

This is a generation of people that have lived nearly a decade in unstable housing or completely homeless. Between the 1991 and 1996 censuses, for example, 100,000 more Ontario households began paying at least half their income on rent – a small city of newly high-risk people – even before federal and provincial cuts to affordable housing kicked in. Demand for shelter has been unprecedented: in 2003, 71,000 households were on the waiting list for social housing in Toronto alone.¹⁴⁴

Tent City is Everywhere

The real story of Tent City is its ubiquity. Once you get past the media cliché of Tent City – castaways living lawlessly in a contaminated post-industrial wilderness – there remains very little that is unique about the broader circumstances that drew hundreds to its burnt-out front gates at the base of Toronto’s Cherry Street. It is the dawning of a phenomenon in Canada not seen since the Great Depression: the spread of mass homelessness and the growing inability, or un-

willingness, of our political and social institutions to stop the crisis.

In fact, temporary encampments still surround Toronto like the spokes of a great wheel, mini-squats all up the Don River Valley, hidden camps near concrete silos on the waterfront –all virtually identical to the anonymous homeless dives and squats that have sprung up across Canada.

Compared to the mass of people in trouble across Canada, it seems small by comparison. Just like most people in shelters across Canada, “a lot of people here have had things go wrong in their lives,” Dri admits, pointing to the small forest at the back of the property where newcomers often camp beneath plastic sheets. “But I’m worried that we’ll all soon forget that shelters are really meant for emergencies, not for living in.” That’s what made Tent City so fascinating and confusing: residents had rejected homeless shelters and other official supports for a lawless patch of soil.

For some residents like Marty Lang, Tent City was a refuge from the despair and filth common to many of Canada’s overcrowded emergency shelters. “To the politicians who think they can force people to sleep in a shelter, I would say: ‘Have you ever walked at 11 PM at night and talked to the people who are out there in their sleeping bags and asked them why they aren’t inside?’ Well, it’s because of tuberculosis, and other new epidemics, like bedbugs,” he said. “And Out of the Cold spaces are for one night only. They might have eighty people for the eve-



Previous: Tent City plowed under, Left: springtime in Tent City, 2002

ning and there are no shower facilities. People coming in, just lying down in their clothes.”¹⁴⁵

Many residents simply became tired of migrating around Toronto in an effort to procure food and shelter. Perhaps the least understood part of Tent City – and of homeless Canada in general – is the huge and largely invisible flow of transient people within cities. A core group of homesteaders settled Tent City, but hundreds more pass through only for a day, a week, or a few hours. Then they disappear somewhere else, like ghosts. They sleep in the bushes and trees, hidden away under plastic or

plywood. The lucky ones will house-sit an existing shanty with permission of the owner or neighbour, enjoying the luxury of added warmth and protection from the elements.

On a hazy Sunday morning, Boni Champagne boils up some coffee for her neighbours. A few people chat outside around an oil-drum stove; cooking pots, tools and dried goods sit on a nearby table. It looks like an old-time trapper’s camp, except that the prostitutes down the road are fighting again. Curses and shrieks punctuate

our fireside conversation.

After living here six months, Boni draws a great many visitors, not the least because she’s a trained drug counselor. “One of the reasons I won’t live in a shelter is because I used to work in one,” she says. “It’s a system of guards and prisoners that ends up with mental health issues on both sides – burn-out is maxed everywhere.”

Boni has lived on both sides of the poverty divide. Only a year earlier, she spent her last Christmas in a Toronto apartment. Between student loans and rent increases, she soon found herself behind on payments and was evicted. “I came out of a 10 year marriage, then went to school, paid my bills, held three jobs, and wound up in Tent City,” she says, still surprised. “I went by the book. I did everything I was supposed to.”

The consensus at Tent City is that Canada’s social safety net – and its shelters, oppressive rules and workfare – is just as likely to reinforce poverty as anything else. Boni’s neighbour Jim, who built Tent City’s makeshift church, argues that the only sensible alternative at this point in time is to become as independent as possible. “Here, you got your own space. Disease and violence is way down compared to shelters. You live in a shelter, they boot you out. Even holidays. Even rain and snow. And you’re screwed – you got no money and you need a meal.”

“We never go hungry down here,” says Jim. “Church groups bring down food. People share. Food banks aren’t far away.”

A 21st Century Indian Reserve

The fierce independence that lurks in homeless encampments across Canada is telling. Many residents are rebelling against Canada's welfare system in a way that recalls two centuries of Aboriginal protest. As a Metis woman with no fixed address, Boni isn't convinced that Canada has much changed from the days of Indian Agents, work-for-food programs, social neglect and heavy-handed government control. The historical recurrence is striking: Indians, Metis and homeless people have a surprising amount in common. "My grandfather put down on Crown land and claimed it," she says. "That's what is happening here."

Research on homelessness shows that native people continue to be over-represented in urban homeless populations. In some Canadian cities, more than 70 per cent of the homeless are Aboriginal. "We did a homeless count, a random sample of about 350 people who were homeless," says Wayne Helgason, of the Social Planning Council of Winnipeg. "We found that over 75 per cent of the people in shelters, requiring intervention or on the street, were Aboriginal people."¹⁴⁶

Economic insecurity, poverty and fractured community are no longer exclusive to Indian reserves and inner-city slums. These conditions have taken hold across Canada, creating an army-sized underclass.

What remains is an assembly line approach to poverty, something

Right: Toronto's Regent Park, Canada's first social housing project. Home to 7,500 people, seven in ten of all households here remain beneath the poverty line. Current plans for a complete rebuilding of the site include mixing social and market units as well as re-integrating the area with the rest of Toronto in an effort to avoid repeating a half century of ghettoization. Scholar Sean Purdy describes "a spectacular process of social polarization from the 1950s to the 1990s [where] Regent Park residents became trapped, not by the welfare or public housing system itself, but by the glaring lack of affordable public and private shelter spaces, [...] low welfare benefits and related social services, and a shrinking labour market."



The fierce independence that lurks here is telling. In fact, many residents are rebelling against Canada’s welfare system in a way that recalls two centuries of aboriginal protest

that inevitably cycles people through an archipelago of short-term emergency shelters. The problem is that we invest in institutions, not people, leaving broader issues of poverty and homelessness woefully neglected. Emergency shelters are “the Indian reservations of the 21st century,” says Boni.

“We infantilize these people,” she says of the shelter-based system. “We take independent people who lose everything. Limit their freedoms, feed them, give them therapy. But we don’t give them last-month’s rent, nor do they get to choose where they live, even if they do get social housing.”

“So we end up with a mental health case who wants to tell everyone to go screw themselves,” says Boni. “That’s the story of Tent City.”

The Canadian impulse, reminiscent of the sustained crisis at many Indian reserves, has been to contain poverty, despite continued failure. The Indian Affairs legacy is also tremendously inefficient: Canada spends billions on its social services and welfare programs, yet for many, it’s a no-win situation. When Boni earns enough to start paying off student loans, for example, she’ll probably lose her welfare benefits – which, in turn, will make it nearly impossible to pay damage deposit and make rent. It is a vicious cycle that compounds poverty, inevitably squandering public monies on shelters and emergency services that could be more effectively spent on rent subsidies and housing alternatives.

“The poverty industry,” as it is known among many homeless and activists, has come to resemble the very prison and Indian Affairs bureaucracies that assumed that indigent Canadians possessed certain character, moral or racial flaws that prevented them from becoming regular citizens. The solution was penal, herding people into poor houses or Indian reserves as an inducement to become new members of Canada’s middle class. Identifying systemic causes of misfortune, tracking the cost of warehousing and pos-



Boni Champagne: “It’s all about land, the same peasant land fights that have gone on since Christ was a carpenter.”

ing solutions that allow for greater self-determination were low priorities for Canada’s original Indian Act bureaucracy.

Conventional social housing, seen by many as the solution to Canada’s homeless crisis, can also be problematic; Toronto’s Regent Park, Canada’s first and oldest social housing project, is also Canada’s leading example of failure in social housing. Many Indian reserves were founded on an early system of social housing, yet dysfunction remains prevalent. “The trouble with social housing is that people still don’t own the place or have a stake in it,” Boni argues. “At least people here own their shacks—and many people can live more independently than we give them credit for. They have to learn how to be independent.”

During Canada’s 20th century, social housing often performed the same function of today’s homeless shelter: it became a place to warehouse

The real lesson of Tent City is that funding and institutions are only part of the answer. “Remember, it was the experience of Tent City that made many people ready for housing,” says Boni. “People need options, need to be able to make choices”

low-income Canadians. Intentional or not, ghettoization was frequently the outcome.

Producing more housing choices, more alternatives, for Canadians is the way of the future. For example: it sounds incredible, but abandoning the shelter system for more autonomous interim housing might actually be a step in the right direction for some people. “You can’t house everyone right away,” says. “So you let people set up how they are comfortable and people can make their own shelters – and then they make their community and learn how to solve problems.”

It’s a notion possibly more radical and direct than the Housing First strategy. Ultra-low-cost housing, such as self-contained and pre-fabricated shelters – such as the trailers and mini-homes unsuccessfully proposed for Tent City – have yet to gain interest or approval from government. And outright squats, or any other unofficial effort to reclaim derelict housing, remains illegal in Canada. Nevertheless, the small shantytowns and encampments that flourish within many of Canada’s cities hold clues to new kinds of self-regulating communities and affordable housing.

As people gather around Boni’s bonfire, Tent City represents more than just another problem to be solved. There is innovation amid the hardship, a strong desire for change. Many homeless live off the grid precisely because it offers an alternative to institutionalization, even if that means going without heat, potable water and personal security. It all begs the question as

to if there should be shelter options for people besides emergency shelters, social housing, transition housing and the streets.

“As you can see, the costs [of homelessness] are huge which is why some of us have deemed it the poverty industry,” says Champagne. “If the shelters closed tomorrow I would guesstimate with 7,000 beds in Toronto plus programming, there would be at least 10,000 front line workers, programming staff and administrators thrown out of work.”

After Tent City

The end for Tent City was quick and undignified. When hordes of private security officers and Toronto police suddenly arrived on the morning of September 24, it was clear that someone wanted to set an example, to make sure Tent City never happened again.

It was a para-military operation, an urban invasion force, replete with heavy equipment and armed backup. “All of a sudden a security guy broke down my door and dragged me out in my underwear,” one shocked resident told a Canadian Press reporter. Other people were only allowed back on the property to collect valuables if they allowed security guards to take their pictures and names.

But even after all the trees and shanties had been razed, something unexpected happened. Following the political and public relations fiasco in the wake of the eviction, a special rent supplement program for Tent City residents was launched. Brokered by city staff, the program has allowed more than 100 former squatters to live in their own apartments.

The amazing thing, says Boni, who now lives in the same Parkdale apartment building as Dri and several other urban refugees, is that people some claimed could never be housed have become utterly domestic. Dri regales visitors on the wonders of indoor plumbing, while others host open houses and parties for their neighbours. “One guy who has not been housed since age 16 now has doilies under candy trays at home,” says Boni. “It’s immaculate. Because people had to haul wood, haul water, they took care of

themselves. Now, they dust and clean.”

Tent City’s rent supplement program, which in February 2005 was made available to all of Toronto through the city’s Streets to Homes program, applied the Housing First strategy. As it applied to Tent City alumni, if they are working users pay a fixed 30 per cent of their income; for the unemployed there is a sliding scale. City officials say that subsidizing rent in this way is better—and cheaper—than keeping someone in a shelter. With few evictions to date, the rental subsidy has been a clear success. “Eighty-nine percent of the households remain housed (and another 11% are likely to be re-housed) eighteen months after the initiation of the program,” according to a June 2004 study. “Among those housed, 38% of households continue to reside in their original accommodation, while 55% have moved once.”¹⁴⁷ And according to verbal reports in March 2007, the program continues to be a success.

The real lesson of Tent City is that funding and institutions are only part of the answer. “Remember, it was the experience of Tent City that made many people ready for housing,” says Boni. “I think we can empty most of the shelters in one or two years, but people need options, need to be able to make choices.”

Abandoning homeless shelters altogether won’t likely happen anytime soon. In the future, designing flexible, less institutional shelter alternatives will be a significant challenge within the new reality of hard drug commerce

in crack cocaine and crystal meth. Drugs could have easily spelled the end of Tent City if Home Depot had not razed the site. As evidenced in cities across Canada, a growing street population is pure fodder for highly-addictive and destructive chemicals, and efforts to moderate the effects of today’s more aggressive street drugs is a major challenge not just in terms of addictions treatment, but also in terms of criminal justice, urban planning and community economic development.

And while Tent City was sometimes dominated by drug dealers and users, it grew into the local economy alongside residents with legitimate day jobs and others dependent on social services and charity. Drugs became an economic alternative, as elsewhere, and to assume that homeless populations are defined by addictions is incorrect, since homelessness can cause depression just as it can inspire drug use. Many of Tent City’s alleged “low function” or “hard to house” people, for example, made successful transitions into rent subsidized apartments. Given the opportunity, and with meaningful support, a great many homeless people are able to surpass expectations.

The deep urban decay on display in Tent City nevertheless underlines the harsh reality of street life in Canada. That Canadian towns and cities have allowed the emergence of lawless zones where drug commerce and prostitution flourish is one of the great negations of policy responsibility in post-War Canada. These for-

One Big Mess

Fighting over Affordable Housing

Funding and policy on housing is often subject to provincial-federal squabbles, as exemplified by the strange limbo that froze hundreds of millions of affordable housing dollars between May 2006, when Canada’s federal government announced \$1.4 billion in affordable housing funding, and March 2007, when Ontario finally announced budget plans to deploy its \$312 million share of the funding.

Ontario plans to spend the majority of its funds on income supplements, not actual affordable housing. Much of Ontario’s “housing” money will pay 27,000 low-income families \$100 monthly, which actually more resembles income subsidy than housing program. Given that an estimated 1.6 million Ontarians are living in poverty and that \$100 is not expected to ensure housing security for households who do receive the subsidy, the potential result is a cloned welfare program that spreads affordable housing money across a broad population in the form of cash income supplements. It’s hardly innovative.

But Ontario, according to some advocates, isn’t about innovation these days. “At a time when 600,000 Ontario households are in ‘core housing need’, the 2007 Ontario budget merely recycles federal housing dollars that were authorized in 2005. Two years later, the province has finally announced that it will allow the federal dollars to be spent, but there is no new provincial dollars,” says Michael Shapcott of Toronto’s Wellesley Institute.



Tent City at its peak before eviction, left, & after, fenced & cleared

gotten zones often isolate more affluent neighbourhoods, as well as overlap with the creation of large homeless shelters. Evidenced in most Canadian cities, vice, homelessness and street crime are increasingly concentrated into a small territories of decline – again, echoing Canada’s Indian reserve system – where lesser citizens are subject to varying degrees of violence and self-government. Some areas, such as in Vancouver’s Downtown Eastside, are already attempting to salvage neighbourhoods through community economic development, supported living and harm reduction strategies as an alternative to law-and-order solutions attempted and discredited in many American cities.

Self-government and personal responsibility pose both risks and rewards for the homeless. “I don’t think it’s okay to live in illicit squats – but, personally, Tent City was one of the greatest experiences of my life,” Boni says. It was the unlikely beauty of the place – the cultivated gardens, art installations, and collective bonds – that always came as a surprise. “I liked the physical labour – chopping wood, building things. You moved with a rhythm of time, the cycles of the outdoors. There was a community that we all miss, however crazed it was.”

Today, at first glance, the site offers little evidence of its former inhabitants. The whole place was bulldozed flat, leaving a desolate lunar landscape circled by galvanized steel fence and barbed wire. It’s an apocalyptic parking lot, still toxic underneath its gravel surface and fringed with stern “No Trespassing” signs. Besides a few orange fire hydrants, the only landmark is a gaudy advertising banner that stands at its eastern edge; it proffers a new driving range for golfers who might happen to drive by.

But just outside the fence, there are small clues to the stories and dramas that unfolded here – a prescription slip for Prozac; a pair of socks; a grocery list; a broken flashlight. Nearby, a billboard under the Gardiner Expressway trumpets Toronto’s upcoming home improvement show, tempting homeowners with en suite bathrooms and Italian tile. Off in the distance, someone pushes a shopping cart full of clothes up Cherry Street.

Former resident Marty Lang passed away in February 2007. As Cathy Crowe reports, Lang’s humour, survival skills and political savvy marked him as a Tent City veteran. “I’d like to take the federal minister of housing out for a tour to show him or her where so many people are sleeping because they’re homeless,” said Lang. “I’ll tell you what, I’ll get two blankets, if you want to sleep out tonight.”¹⁴⁹

05 – CALGARY

Poverty Amid Affluence

On a weeknight in a Vietnamese restaurant in north-east Calgary, a group of Canadians gather to celebrate. In the crowd there are doctors, lawyers, graduate students, scientists, among others and most are here to accept another distinction: they are now pipe fitters, too. Before coming to Canada, many in this class of graduates in the trades training program at Momentum, an innovative community economic development organization in Calgary, had careers or trades in their home countries. For those many new Canadians whose foreign credentials are unrecognized – and for those seeking well-paid trades jobs – career change is a practical option. Previous graduations have turned out carpenters, plumbers and welders.

Most had subsisted in what has become a hidden caste system in Canada, where new Canadians, discovering that their credentials often mean nothing here, often become trapped in dead-end menial jobs to make ends meet. Some, such as those who successfully completed Momentum’s five-month pre-apprenticeship training program can now enter well-paid careers in the areas of construction and manufacturing trades.

The scale of this issue is staggering. In 2004, 31 Momentum participants trained and found full-time employment after completing the agency’s Trades Training program; in the same year, a Parliamentary report announced that Canada had the highest per capita immigration rate in the world, welcoming 235,824 people in 2004 alone.¹⁵⁰

But what are we bringing immigrants into? “The economic situation of new immigrants to Canada showed no improvement after the turn of the millennium,” reported Statistics Canada reported in January 2007, “despite the fact that they had much higher levels of education and many more were in the skilled immigrant class than a decade earlier.”¹⁵¹

Consequently, new Canadians are among those most at risk for affordability issues and overcrowding. As the CMHC reported in its 2006 Housing Observer, of those new immigrants to Canada who are renting, “almost a half lived in affordable accommodation or had savings equivalent

to more than a year’s rent payments, [but] nearly one quarter were paying more than half their family income on rent and had savings of less than three months rent. Almost one quarter were experiencing overcrowding.”¹⁵²

Low income is almost automatic for newcomers. “During the 1990s, most experienced low income at some time during their first decade in Canada (about 65 per cent),” reported Statistics Canada in 2007. “And by the early 2000s, skilled class entering immigrants were actually more likely to enter low income and be in chronic low income than their family class counterparts, and the small advantage that the university educated entering immigrants had over, say, the high school educated in the early 1990s had largely disappeared by 2000, as the number of highly educated rose. What did change, was the face of the chronically poor immigrant; by the late 1990s, one-half were in the skilled economic class, and 41 per cent had degrees (up from 13 per cent in the early 1990s).”¹⁵³



Calgary’s Drop-In Centre is one of Canada’s largest homeless shelters; in spring 2007, 40.2 per cent of all residents here reported that they work more than 32 hours a week.

“The prosperity that Alberta is experiencing is not universal,” says Calgary city councillor Joe Ceci. “And without housing, it is a hollow achievement”

Moreover, recent immigrants earn substantially less than their Canadian-born counterparts even after 10 years in the country.¹⁵⁴ This fact comes as little surprise to Nidal Abuhaija, who has a degree as an agricultural engineer from his homeland in Jordan.

In 1998, he arrived with his wife at the Calgary airport. There was nothing, he says, in the way of transition services or assistance. It was a struggle. “When I came to Canada, after six or seven months, I met lots of people here who are coming from different countries,” says Abuhaija. “Most of them are doctors, lawyers, engineers – yet most of them will work for cleaning, and in warehouses.”¹⁵⁵

The best job Abuhaija could find was making \$10 an hour working in a Calgary warehouse. “Go right now: all the taxi-drivers, all the warehouse workers, they often have some education degree, yet they are not recognized.”

But in October 2002, he entered Momentum’s program and studied to apprentice as a journeyman pipe-fitter, studying five months full time with additional English, Math & Science upgrades and other training as part of the program. At the end, Abuhaija graduated, was placed for work apprenticeship at a large industrial company and was offered full time employment not long afterward.

And Abuhaija also bought a house within a year of starting Momentum’s trades program, thanks to steady employment that his new skills provided. “I say thank God I got my training,” he says. “Now I can do whatever my kids need.”

“It was hard to buy a house making \$10 hour, impossible,” he says. “But after my training, I make \$19 an hour, and with experience and my [pipe

fitter journeyman] ticket, I make \$33 an hour.”

Incredibly, Abuhaija went from a low-wage household income of \$18,000 during his first nine months in Canada to earning almost \$100,000 as a trades person in 2006. In other words, he has nearly tripled his wages four years after completing a non-profit training program that costs its funders \$15,000 in tuition for each student.

Abuhaija has worked hard, with shift work and overtime, but in the end, and with help, it was worth it. “The first two years in Canada, every night I was thinking I should go home,” he says. “But right now, if someone offered to let me work anywhere in the world, I would never move from here. My kids go to school. My neighbours are nice. I have work.”

It’s just one example of what Canada’s non-profit sector is doing, every day, to improve the outcomes of people who might otherwise become just another statistic. And it also stands as an example of what can happen when the right investment is made at the right time: lucky for Abuhaija, he found Momentum’s program before his low-wage reality caught up with him.

“It’s not just about the money, either,” he says. “Warehouse work has no future: but as a tradesman, even if the market drops, I can still work anywhere.”

Booming Homelessness

The Alberta dream of housing and good work that Nidal Abuhaija found can be elusive. Toronto may be Canada’s homeless capital, but the nation’s fastest-growing city, Calgary, boasts Canada’s fastest-growing homeless population. Calgary’s municipal homeless counts increased 740 per cent between 1994 and 2006, sustaining an average 40 per cent absolute increase in homeless people every two years, a population that has sometimes grown at 10 times the rate of Calgary itself.¹⁵⁶

The Alberta Advantage is selective, at best: Calgary counted some 296 homeless visible minorities in 2006, along with 145 homeless families. During 2000 alone, shelters served approximately 11,000 different people. On a per capita basis, Calgary has an incidence rate of homelessness great-

er than that of Toronto or New York City, according to Calgary’s planning department.

And in 2007, the Calgary Drop In Centre released a study that suggested that a significant proportion of the city’s homeless already have jobs. At the Drop In Centre, one of Canada’s largest emergency homeless shelters, 40.2 per cent of all residents reported that they work more than 32 hours a week. Moreover, 16.8 per cent reported working at a scheduled part time job of 10 to 32 hours per week and 32.7 per cent also perform casual day labour.¹⁵⁷ A majority of the employed homeless cannot afford market prices for rental accommodation, with some 51.4 per cent reporting that they could afford \$400 to \$800 in rent within a city whose average 2006 rent was \$851 per month, where rates on all existing rentals went up 19.5 per cent since 2005.¹⁵⁸

This is a boom town with booming homelessness, where even homeless people sport castoff lap tops in an effort to get ahead. Calgary boasted the nation’s third-largest shelter population in Canada in the 2001 census, despite historically low unemployment rates and a booming economy. A similar homeless count in Edmonton during the fall of 2006 found 2,600 homeless, up 20 per cent from two years earlier; Aboriginal people accounted for 986 of those counted, the largest over-representation per capita.¹⁵⁹ Fort McMurray’s homeless population increased by 24 per cent over the same two-year period.¹⁶⁰

How did this happen? Like many Canadian provincial governments, Alberta cut housing and social programs in line with a federal freeze on social housing during the 1990s. But Alberta kept growing and its cities became more expensive and, consequently, vacancy rates for affordable housing dropped to between zero and one per cent. Locals as well as newcomers, some who travelled across the country at the prospect of opportunity, fell into a trap of rising housing costs and unbelievably low vacancy rates.

Confronted with growing homelessness during the fall of 2006, when some Alberta shelters were routinely turning away close to 100 people every night, Alberta’s outgoing premier argued that government had done enough. “Our contribution seven years ago was nil,” said Klein early in November

Alberta is a cautionary example of how public leadership can make or break the status of whole segments of society: Canada’s richest province had the means to address homelessness throughout the 1990s, yet its leadership elected instead to neglect the issue

2006. “We’ve pumped \$20 million into the homeless situation since then ... so I think we are doing enough, yes.”¹⁶¹

Typically, Klein was more contrite a few days later when, on the occasion of an annual fundraising benefit for the Calgary Homeless Foundation, he announced \$16 million in new funding for homelessness in Alberta. “The struggles of the homeless and the working poor in places like Calgary and Fort McMurray are unfortunately more of a challenge today than ever,” said Klein to a packed crowd of well-heeled Calgarians, some teary-eyed at this being one of Klein’s last official events as premier of Alberta. “It’s a great concern to see that half of Calgarians that are homeless right now have a job, but are simply not making enough money to afford appropriate accommodation.”¹⁶²

Alberta is blessed with a booming economy and record-setting government revenues, yet the province has neglected welfare benefits, social services and affordable housing to the point where a huge homeless problem is the only possible outcome. As the average value of a house in Calgary increased \$1,150 every day during June 2006, Klein spent his last months in office on policy holiday, glibly admitting that his government had no plan to navigate the province’s booming economy, let alone address homelessness.¹⁶³

This combination of wealth and mindful neglect has resulted in Canada’s most profound income gap and largest population of working homeless. In Calgary, for example, it is possible to make \$12 an hour as a casual day labourer and still be without housing. At Alberta’s \$7 minimum

wage, city officials estimate that would require the wages of 2.1 workers working full time to afford a one bedroom apartment at market prices in 2006. It's a harsh rewriting of the western myth that anyone with the desire to work hard will be blessed with opportunity.

Even the middle class is having trouble: in December 2006, the CMHC announced that the deterioration of Calgary housing affordability has been “both severe and rapid” with the average cost of home ownership indexed to income increasing as much as 20 per cent in a single quarter during 2006. “In fact, the average price of a detached bungalow in Calgary surpassed that in Toronto for the first time ever,” notes the CMHC. “The eye-popping price growth in Calgary (reaching gains of 50 per cent to 60 per cent) has moved up so quickly that the current pace of price appreciation is simply unsustainable.”¹⁶⁴ Not long after, Alberta clocked Canada's largest annual increase in resale housing prices in recent history: a 35 per cent price jump in real estate price listings between January 2006 and January 2007, an increase that more than doubled any other Canadian province.¹⁶⁵

Alberta is a cautionary example of how public leadership can make or break the status of whole segments of society: Canada's richest province certainly had the means to address its affordable housing shortage and homelessness crisis throughout the 1990s, yet its leadership elected instead to decrease income supports and download funding responsibilities such as emergency shelters onto the non-profit sector – all in the name of eliminat-

ing a deficit that Alberta's rich oil and gas royalties would inevitably take care of anyway.

Alberta is a wealthy jurisdiction where working people are forced to choose between food and shelter on a regular basis. According to the 2005 Hunger Count, a national survey of food bank usage in Canada, Alberta

boasts the highest percentage of employed people who use food banks in the country.¹⁶⁶ And while youth represent about 25 per cent of Alberta's general population, among food bank clients in the province they constitute 43.1 per cent of all users.¹⁶⁷ Moreover, those without jobs in Alberta face some of the lowest welfare incomes in Canada, as measured against the poverty line, both lowest in Canada for sole-parent families (average welfare income in Alberta is 48 per cent of the poverty line) and second-lowest for single adults (25 per cent).¹⁶⁸ Social services in Alberta allocates \$460 a month for shelter, yet market rents for a one bedroom apartment are often well over \$1000 in a province with no rent control legislation.

“The booming Alberta economy, combined with low vacancy rates and lack of affordable housing has created

a whole new class of homeless individuals – the working poor,” says Susan McGee, executive director of the Edmonton Joint Planning Committee on Housing. “It is obvious by the past two counts that solutions for housing are necessary, beyond shelters.”

Interestingly, Alberta's leadership, including many cabinet ministers, hail largely from middle or working class backgrounds themselves. Indeed,



Calgary protesters crowd a homeless benefit featuring Alberta's former premier Ralph Klein. “We are making concerted efforts to address the problem [of homelessness],” said Klein in 2002, responding to protesters. “Probably more than any other jurisdiction in the country.”

one of the fascinating things about Alberta's former premier is that he could have been a textbook homeless guy. Raised in a broken working-class family, Ralph Klein dropped out of school early in favour of menial jobs, all the while developing an alcoholic thirst that would come to haunt him.

It is often those who come from Canada's margins – the under educated, the drunken, the rebellious, the unlucky, the mentally ill – who find themselves on the streets. Instead, Klein blazed one of the most successful and unlikely careers known in Canadian politics: it's the story of one man living the Canadian dream, only to ensure that others, in the name of intemperate economic growth, are bound to failure.

"The prosperity that Alberta is experiencing is not universal," says Calgary city councillor Joe Ceci. "And without housing, it is a hollow achievement."¹⁶⁹

The Alberta Disadvantage

Alberta is woefully short on support for families in crisis. In 2006, Calgary's Inn from the Cold Society temporarily housed over 300 different families in various churches and synagogues around the city; the agency confirms several instances where single moms have arrived with newborn babies from local Calgary hospitals, fresh from giving birth. Medical staff don't know where else to send them.

Alberta's deep poverty is at least partially the result of negligent provincial policy, which some advocates have rightly described as Canada's longest-running unofficial class war. Betting hard on the curative powers of economic growth, the government ignored the effect of inflation and growth on welfare benefits, social services and affordable housing – to the point where homelessness and housing problems became inevitable. In Edmonton, the number of people turned away from over-capacity homeless shelters and treatment centres increased by 137 per cent between 2004 and 2006. Canada's richest province has been chronically short on resources: Alberta's two major cities report 7,100 people on waiting lists for social housing.

The hard truth is that, until 2007's Task Force on Affordable Housing, Alberta's default policy on affordable housing and homelessness has been

that of wilful neglect. The province has shown an ability to spend on homelessness – it simply chooses high-cost, low-yield strategies. One 2003 study, for example, placed the external, societal costs of homelessness in Calgary and Edmonton alone at \$114 million annually.¹⁷⁰ As Lorette Garrick, a board member of Edmonton Joint Planning Committee, told Alberta's Task Force on Affordable Housing in February 2007, there is a clear business case for taking action on homelessness. "To house a person in a psychiatric hospital costs between \$200 and \$600 daily, or between \$72,000 and \$220,000 annually," she reported. "To house the same mentally ill homeless person in a one-bedroom apartment with a high level of support would cost between \$100 and \$150 daily, or \$36,000 to \$55,000 annually—a significant saving."¹⁷¹

Evidence from England and the United States shows that it is inevitably more expensive to manage homelessness than to make an effort to eliminate it. As a 2005 study from the City of Calgary concluded, "An investment of \$1 in preventive social services has been found to yield up to a \$7 return in avoided costs such as policing, justice, addiction treatment, and in increased productivity in employment and contribution to the community."

Even the cumulative public cost of maintaining an average homeless adult in homeless shelters, emergency rooms, social services and front-line agencies—estimated between \$30,000 and \$40,000 annually by the B.C. government—far exceeds the cost of actually placing someone in housing. "A small one-bedroom apartment with minimal support services costs \$11,100 to \$13,700 a year," says Garrick. But good luck trying to find trying to find accommodation. "In Edmonton alone, it is estimated we need an additional 1,500 units of transitional and long-term supportive housing over the next five years. That's 300 units a year for the next five years."

Homelessness, if anything, debunks Alberta's collective self-image as a fiscally conservative province defined by efficient governance. For example: when 300 homeless spent over a month camping in the grandstands of the venerable Calgary Stampede during unseasonably cold temperatures in November and December 2006, a solution was found: warehouse them somewhere else. With a one-time grant from the provincial government, Calgary renovated an old furniture store, slated for tear-down in 2007, as temporary

emergency shelter – a temporary solution with a \$1 million price-tag.

Outside Calgary’s annual homeless benefit, Dan Dufrense walks by. He’s cofounder of the Alberta Coalition Against Poverty. The security guards stir – is he planning to barge in and shout slogans at Calgary’s A-list? No, he’s looking for a washroom. After living homeless in Calgary for four years, Dufrense settled into a downtown rooming house. And, like many other low-income Canadians, Dufrense must criss-cross the city on foot to access services, food and support that are crucial for subsistence.

French-Canadian and socialist, Dufrense does not exactly fit the Alberta stereotype. And he doesn’t hide his anger about what he claims is the gross hypocrisy of Alberta’s ruling class. “One of the sponsors tonight is the Calgary Stampede,” he says, noting that over the last decade, the Stampede board has bought up

most of the land and rental properties in Victoria Park, one of Calgary’s preeminent low-income neighbourhoods. A casino will be built there in 2007, the first project in a major redevelopment of the area that will include parking, galleries, event space and condominiums – and plans, at last report, lack any market-based or subsidized affordable housing.

“What are they doing there?” Dufrense spits, thinking of the white Stetsoned crew from the Stampede whooping it up with Klein. “They are tearing down houses where I live, in Victoria Park, putting people out on the street.” The Stampede Park development spans eight square blocks of razed housing that was bought up and torn down by the non-profit corporation behind Calgary’s annual cowboy festival. The Stampede, however, does work with Habitat for Humanity to sponsor a new home each year, as well as Calgary’s Homeless Foundation on an-

nual fundraising and events.

This does not impress Dufrense. “Shelters are often full to capacity,” he says, with a tired look. “This is Canada’s richest province – where does the money go?”

With at least 250,000 more people expected to settle here within a decade, Calgary can expect growth of all kinds. It has been 20 years since the last significant construction of affordable housing and there is now much agonizing over the future. As elsewhere in Canada, the least powerful level of government is making the most visible effort to address housing affordability and homelessness: so far, municipalities have led the way. In 2006, the City of Calgary committed to building 600 new units of affordable housing within five years; Edmonton, using a different strategy, plans to increase its affordable housing supply by 2,500 units over the next five years using fixed rate rental supplements.



Calgary’s low-income neighbourhood of Victoria Park has lost most of its affordable housing over the last 20 years, largely through buyouts and teardowns by the Calgary Stampede, which began a 43-acre, \$300 million expansion in 2006 that includes condos, entertainment and art galleries.

Yet Alberta's cities do not possess the taxation or legislative powers to execute major housing projects independently. Provincial and federal resources must nevertheless be tapped, and this intergovernmental dynamic, the classic Canadian hierarchy of overlapping jurisdictions called federalism, has caused many housing initiatives to die on the table, either through delays, intergovernmental wrangling, or through sheer disinterest on the part of senior governments.

Non-Profits to the Rescue

Change, as it often does, comes down to individuals. Calgary's John Currie, former board member of the Calgary Homeless Foundation, is a Calgary business executive who helped coauthor Toronto's Golden report on Homelessness and now works with the Calgary Land Trust to develop affordable housing. "Not much is working," he admits to a October 2006 town hall meeting in Calgary's downtown core. "The work that the Homeless Foundation has done over the last eight years has been successful with respect to temporary housing but [developing] long term housing has been very challenging."

Solutions to housing and homelessness not only require procurement of cash and resources, but advocates must also attempt to overcome a formidable status quo of policy, political and public opinion. Currie notes the recent success of the United States under a George Bush-appointed Democrat named Philip Mangano, executive director of the U.S. Interagency Council on Homelessness. "They have political will, focussed resources and a 10 year plan," says Currie. "There are now 225 municipalities and they are getting results. All of this indicates that if the community comes together, then incredible things are possible."

"Instead, the Calgary Homeless Foundation spent seven years fighting about funding with the province," he says, referring to repeated troubles in getting emergency shelter beds funded in the face of overwhelming demand. "I worry about the work that I'm doing."

Across Canada, non-profits, service agencies and charitable foundations are reaching a breaking point. Governments leaned heavily on their ser-



"Shelters are often full to capacity," says Dan Dufrense. "This is Canada's richest province – where does the money go?"

vices after a decade of cutbacks, allowing non-governmental organizations (NGO) to assume many government responsibilities, such as many services crucial to homeless people, in a piecemeal fashion. This would not be so bad if funding and policy was not exceedingly piecemeal as well. Or if NGOs weren't often so busy managing former government projects and services, such as major affordable housing projects, that they are often unable to innovate and sustain themselves.

The absence of a national housing strategy underlines the lack of coordination and support to Canadian NGO. For example: charities that attempt to fundraise for new construction of affordable housing may not be using their resources wisely, especially in an overheated economy like Alberta where construction costs have gone up more than 20 per cent. "Building affordable housing at \$165,000 a unit is not the way to go," says Currie. "Over the long term, we could buy apartment blocks, abandoned schools, integrate rent subsidies and creative zoning for basement suites."

In fact, many barriers that projects face are provincial and federal, not local. This is the case across Canada: municipalities and city-based NGOs like the United Way constitute the *de facto* brain trust and leadership on poverty and homelessness in Canada, even though none possess the legislative or taxation powers to make reforms. So what happens is that charities and NGOs struggle partially because government income support is often so low that, forced with a choice between eating and having shelter, many people cannot sustain themselves and rely on NGOs to help them out. Governments, in turn, often skimp and low ball NGOs on funding, frequently limiting them to short term contracts and imposing unilateral conditions. With homeless shelters maxed out in Calgary, for example, the NGOs that provide emergency services are well aware of the dependence of government on their crucial role, yet cannot hold their partners accountable and are hard-pressed to gain long-term funding commitments. The condition of NGOs, therefore, curiously mimics the condition of Canada's homeless: underfunded, beholden to government inaction, and weary from the crisis.

Lack of strategic engagement and government accountability also means that the smallest glitch in legislation and policy can easily block worthy projects. With the Calgary Land Trust, for example, Currie notes that there are available land donors that would gladly kick-start affordable housing with gifts of land and buildings but federal tax legislation imposes a capital gains tax on property donated for housing – a powerful disincentive on valuable gifts – yet the same donor could give land to the Nature Conservancy and gain a tax write-off. This, says Currie, is proof that Canada values wild-life more than homeless people. And it is a mundane but effective barrier to developing affordable housing.

“There's more land than we need – surplus government land, donated land – but we need leadership,” he says. “We're maintaining the status quo here in Calgary and maintaining it very well. It's no longer just a crisis but a catastrophe. It's an obscenity.”

If the last decade has proven anything, it is that charities, governments and communities working on an ad hoc basis, and sometimes at cross purposes, do not yield lasting results. Waiting for improvements to self-manifest, betting on random acts of charity and kindness, all of this will end in failure. “Unless there is a public push, politicians are not going to put solu-

tions out there,” concludes Currie. “Unless we have a political swell, all we'll get are platitudes.”

In 2004, the International Downtown Association, a Washington based group, commissioned a study that concluded if Calgary's homeless population continues to grow at its present rate, it would double in five years.¹⁷² Dave Feehan, of the Association, argued that Calgary could become a ‘shining model’ in addressing homelessness – but that “business leaders must either match or exceed the amount spent on helping the homeless” and partner with government to address the issue. “Of all the problems that any business leader has to face in his or her day, homelessness is not going to be at the top of the list,” admits Feehan. “But if you can show a business leader how homelessness affects his or her bottom line, then you have a different story. And I'm not saying there aren't altruistic people in the business community, I'm saying that when you can combine altruism and self-interest, that's a potent combination.”¹⁷³

Yet some of Calgary's downtown business community have actively campaigned against the homeless, resulting in a series of municipal bylaws that attempt to manage homelessness through stringent enforcement. This has resulted in homeless people being charged under environment legislation for “infractions” like spitting on the street. The class war aspect of the city reached a shameful peak in October 2006 when CBS's 60 Minutes investigated the phenomena of exploitative “bum-fight” videos, one of which featured some Calgary teens attacking a homeless man sleeping on a downtown alley. After beating him senseless with a steel pipe, they broke a bottle over his head, all mindfully videotaping the attack.

As Jim Gray, a prominent Alberta business leader, admitted these are indeed dark times for Canada's richest province. Facing yet another pre-winter scramble for emergency shelter funding in December 2006, Gray wrote, “How will they survive the winter? This annual exercise is dehumanizing for them and a terrible embarrassment for the rest of us. ...[Yet] in addition to the compelling compassionate and moral reasons for developing an aggressive 10 year plan [on homelessness], there is a strong economic case as well.”¹⁷⁴

Given Alberta's exponential growth pattern, the lack of a plan on housing and poverty poses a significant public and private liability.

“Considering that our total homeless population has increased by one-third in two years, it is fair to assume the cost could double in the next five years,” says Gray. “Executing a 10-year plan will require substantial investments. But the money will be spent according to a strategy that, in the long term, will deliver both improved quality of life and reduced annual costs.”¹⁷⁵

Invoking the spirit of prairie populism and the Social Gospel movement, Gray frames a challenge that echoes the defining moments of the 1930s. “The true test of character is the help and compassion that the vast majority extends to that minority who, for reasons almost always beyond their control, find themselves disadvantaged and marginalized.”¹⁷⁶

Charity Falls Short

It’s a little known fact that the first meeting of the CCF-NDP was held in Calgary. Here in Canada’s neo-conservative stronghold, a group of farmers, activists, and do-gooders gathered to launch a movement that would eventually precipitate medicare and the Canadian welfare state. Certainly, it was an ideological moment, reflecting the rise of social democracy in the 20th century. But in many regards, it was a highly practical response, a push for governance that extended out of the ideas of Canada’s Social Gospel movement and the dysfunction of Canadian society during the Great Depression. Back in the 1930s, a social safety net based on charitable giving – alms for the poor – was not achieving its desired goal of saving thousands of Canadians from destitution. The status quo was failing and many turned to government for leadership and investment.

Many Canadians are reaching the same conclusions today, except, curiously, the culprits appear to be both welfarism *and* charity. Both public and private institutions have failed to meet the challenge, resulting in profoundly unsatisfactory outcomes. Concurrent acts of charity have been insufficient to address systemic issues like the erosion of income and housing affordability – and the welfare state has incrementally become a major contributor to the very problem that it was invented to solve, not the least through its natural monopoly on social assistance that knowingly undermines recipient’s ability to afford market rents.



Workers wait for casual labour jobs at Calgary’s cash corner: city officials estimate that it would require 2.1 workers working full time at minimum wage to afford a one bedroom apartment at market prices in 2006.

Which is why, on the eve of Ralph Klein’s last homeless benefit in November 2006, Calgary’s housing activists are not protesting outside the doors of the posh event, but, instead, meeting elsewhere to brainstorm solutions and scheme independent, sustainable housing alternatives. Rather than wave pickets at the status quo, they research housing trusts, green building techniques, successful case studies, and, perhaps most importantly, create financially independent organizations and agencies in the process. “It’s not affordable housing, but diverse housing” says one activist at a meeting of the Calgary Housing Action Initiative. “How do we transform things so we don’t come to a housing crisis again?”

It’s an interesting turn of events: the people with the least resources have become the most pragmatic. A few years ago, some of these people were

Homelessness in a growth economy is a difficult challenge. “Rapid increases in rents mean many vulnerable Albertans will fall even further behind,” reports the Edmonton Social Planning Council

the ones standing outside Calgary’s annual homeless benefit, protesting the province’s disregard for housing and poverty issues.

At tonight’s meeting, there’s talk of a community investment fund, which is an ethical investment vehicle that provides modest financial returns along with social benefits accrued from the usage of capital to finance housing. Besides private investment strategies, new models for housing co-ops are being investigated, offering both affordable and market housing on a stand-alone basis. Dependence on public support for operating funds is no longer desirable. “We can’t rely on government funding,” says Grant Neufeld, Coordinator of the Calgary Housing Action Initiative. “It’s fine for capital costs, for financing a start up, but we need to self-sustain.”

In the same spirit, Jim Gray and several other corporate leaders announced the Calgary Committee to End Homelessness in January 2007 to help develop an American-style 10 year plan to abolish homelessness. Homeless advocates such as Dermot Baldwin, executive director of Calgary’s Drop-In Centre, hoped that this group, which contains some of most powerful CEOs in the West as well as municipal and non-profit leaders, might have the clout to help make the kind of change that has previously eluded provincial and federal governments. “You put all of those people together in one room and you’ll come up with decisions and the immense power to take out obstacles we struggle with every day,” says Baldwin. “It’s encouraging, I think.”¹⁷⁷

There’s a new kind of energy as people make plans, emboldened by the notion that housing alternatives need not be government largesse or charity. With business leaders sounding like activists and activists engaging the tools of business, the indictment of the status quo is unequivocal. In February 2007, under the leadership of Alberta’s new premier Ed Stelmach, the Alberta Affordable Housing Task Force was launched to investigate short and long-term housing solutions; submissions and presentations poured in from across

the province. “So much has changed in the last few years,” says Susan McGee. “There has been a huge increase in homelessness – but, more recently, there has been a lot more attention from the provincial government. With the Task Force, we’re hopeful.”

“There is no single cure,” argues Grant Neufeld. “We need to do a whole range of things: rent control is part of the package, but also tax incentives to ensure the inclusion of affordable housing. Most of all, we need diversity, integrated diverse housing across the board, to involve not just the city but private, co-op housing, co-housing, the whole gamut of possibility. I believe we need to move toward ownership for everyone, allow people to invest in their home and community, even for people on disability and income support programs.”

Addressing Homelessness

After more than a decade of record growth in homelessness, Alberta’s first major response came in April 2007 when the Stelmach government introduced \$100 million in new funding commitments for affordable housing in its 2007 budget, with \$447 million for affordable housing over the next three years. Yet Alberta’s Tories rejected or only accepted in part more than half of the 19 different recommendations made by the Alberta Affordable Housing Task Force, including rent controls – a recommendation that premier Stelmach rejected even before the Task Force made its report public. Task force members had recommended nearly \$500 million in annual affordable housing investment – roughly five times the annual investment in the 2007 Tory budget – and the province’s stated goal of 11,000 additional units of affordable housing would actually cost \$1.8 billion in new construction.

However, compared to previous budgets and with new efforts such as the Calgary Committee to End Homelessness, Alberta appears to be on the verge of a turnaround. A new Homeless and Eviction Prevention Fund as well as an expanded rent supplement program are welcome new additions.

Yet all of this new activity is potentially undermined by the province’s unwillingness to either update welfare payments to real-time living costs or provide more effective protection from skyrocketing rents. As elsewhere in Canada, systemic policy shortfalls are fuelling homelessness. Social assistance payments in Alberta, for example, are not indexed to inflation and have not increased since 1993. Approximately 26,000 Albertans are on social assistance

and the 2007 budget granted them a five per cent increase: single parents with two children who are not expected to work will see their monthly support go from \$1,030 to \$1,083; payments to disabled Albertans increased by only \$50 at a time when \$200 to \$300 monthly rent increases have become common occurrence.

More than elsewhere in Canada, Alberta's outdated welfare rates and low minimum wage will continue to contradict efforts to reduce homelessness, since most of the province's homelessness is poverty-driven. Yet there is still strong internal opposition to addressing income security. For example: even though provincial and national data show Alberta's severe affordability crisis in housing, a 2002 provincial study concluded that Alberta's social assistance rates were sufficient, and Alberta's government announced that it couldn't afford to increase rates. "We're just not in the position financially to do that," said then-Minister of Employment and Human Resources Clint Dunford. At the time, MLAs including Dunford had just received their third salary raise in two years. (Alberta MLAs remain the third-highest paid in Canada, after politicians in Ontario and Quebec, notes the Canadian Taxpayer's Federation.) Alberta will actually spend far more on cost over-runs on its 2007 budget than it will addressing poverty and homelessness: compared to an annual \$100 million affordable housing budget in 2007, Alberta will spend roughly \$1.47 billion to pay for cost escalation on all capital projects in the province's overheated economy, with



Site of former low income rental housing razed for development in Victoria Park. "The eye-popping price growth in Calgary (reaching gains of 50 per cent to 60 per cent) is simply unsustainable," reports the CMHC.

another \$1 billion set aside for additional cost over-runs.

Homelessness in a growth economy remains a difficult challenge. "Rapid increases in rents and other living costs mean many vulnerable Albertans will fall even further behind," noted the Edmonton Social Planning Council in April 2007. "Similarly, community agencies that contract with the provincial government will continue to struggle... This lack of priority to people services is unfortunate in a province that continues to run multi-billion dollar budget surpluses."

06 – VANCOUVER

New Frontiers

Whiz, as he calls himself, drags a Home Depot shopping cart out of the bush near the Gateway sky-train station. It is dusk and we leave his makeshift camp site, a torn pup tent amid scattered clothing and garbage, and set out across an abandoned lot, passing a small wooden cross that remembers a murdered street worker named Dottie. We are looking for food.

Whiz has been on and off the streets for the last decade. What strikes him now is the growing number of people in the playgrounds and parks of suburban Surrey, sleeping rough. “It’s busier, for sure,” he says. “You look in the trees and bush, you’ll find them. Out here, you got to be careful not to trip on someone.”

We roll past the pawnshops and convenience stores, towards the Front Room, one of the few 24-hour drop-in centres that serve the 2.1 million people of Greater Vancouver. As we approach the building, others with backpacks and shopping carts emerge from the darkness for the evening meal, prepared and served tonight by a local church. This and another shelter, a total of 55 beds, some only open during the cold season, service a sprawling municipality with a population larger than Vancouver.

Here, on a nondescript street in Whalley, an old suburb on the edge of Vancouver, is the new ground zero for homelessness in Canada. To the amazement of many, the annual count number of people living outdoors or in shelters here in Surrey nearly doubled in 2003. It’s elsewhere, too: Port Coquitlam and Moody are now busing homeless people to New Westminster for shelter and services. And the Salvation Army in Maple Ridge can barely keep up with demand, say shelter workers.

“There has been significant growth in the number of homeless counted region-wide, almost doubling from 1,121 persons in 2002 to 2,174 persons in 2005,” noted the Greater Vancouver Regional District (GVRD) in its 2005 Homeless Count.¹⁷⁸ “More homeless people were found on the street ... than in shelters and the number of street homeless has grown by 235 per cent or 800 persons since the last count in 2002.”¹⁷⁹



Surrey homeless: “You look in the trees and bush, you’ll find them,” says Whiz. “Out here, you got to be careful not to trip on someone.”

Homelessness is spreading not only geographically, but demographically. In 2007, the GVRD found that the number of homeless seniors had nearly tripled: between 2002 and 2005, the number of older homeless people went up 276 per cent.¹⁸⁰ Front-line workers suggest that the true number of homeless seniors in Greater Vancouver is actually much larger, because many seniors do not live in shelters where surveys are taken. “They’re people that typically that would not be on the street, in the Downtown Eastside,” says Val MacDonald of the Seniors Services Society. “They’re people who always lived in an apartment, or lived in a home, and due to circumstances beyond their control, they’ve become homeless, and there’s couch surfing, they’re living in their vehicles.”¹⁸¹

The people eating dinner here in Surrey’s Front Room are former

students, unemployed workers, addicts, seniors and abused women. And many will stay the night. People sleep sitting at tables, heads down, and others squeeze into whatever available floor space remains; the lucky ones get one of 36 spaces in bunk-rooms on the second floor. Sixty slept here last night. But the week before, during a cold snap, saw almost one hundred – most crammed into a room not larger than the size of a modest downtown condo.

Linda Syssoff, director of programs at the Front Room, admits that while they won't turn away anyone, even addicts and drunks, they cannot help everyone, either. "We try as best we can, but the numbers are growing higher," she says. On some days, their needle exchange, health clinic and drop-in, all run under the auspices of South Fraser Community Services, are pushed to the limit.

Once again, it's a 21st century incarnation of the Victorian poor-house: the sick, the poor, the unlucky, all crammed together in a single large room. For the terminally sick, it is an AIDS hospice; for the mentally ill, it is a psych ward; for the unemployed, it is a job search and computer station. And sometimes it is an emergency ward, with staff forced to perform triage and minor procedures before the ambulance arrives.

As elsewhere in Canada, those who qualify for social assistance are forced to make tough choices. "If you spend your money on housing, well, you don't eat," says Linda. With most local basement suites starting at \$500, "there is really no affordable housing." As of 2002, B.C.'s provincial welfare shelter allowance was \$325 per month, a rate that had not changed in 12 years.

"Service providers and shelters are all saying that their numbers have spiked," explains GVRD planner Verna Semotuk about the dramatic increase in homelessness since 2002. "We're now seeing some of the results of [social assistance] cuts made two years ago."

With its many successful cooperatives and history of social housing, British Columbia was once considered a Canadian leader in affordable housing.¹⁸² As Tom Barrett reported in *The Tyee* in November 2006, the province had demonstrated success with Homes BC, a program that had built non-market (subsidized) housing. Between 1994 and 2001, "Homes BC had put up the cash for 61 projects – a total of 3,841 units – in Vancouver," Barrett

notes.¹⁸³ Yet in October 2001, the program was shelved as a new Liberal government began to freeze both social assistance and social housing. And by the time provincial support for social housing was announced again in 2006, another housing crisis was well under way, and Vancouver alone was estimated to be as many as 3,200 units short.¹⁸⁴

Homeless in the Suburbs

The suburbanization of homelessness in Surrey is part of a broader trend: incomes have been declining in Vancouver, relative to the rest of Canada, while rents and housing have become progressively less affordable. Troubled resource and manufacturing sectors offer fewer jobs. In February 2007, the Canadian Real Estate Association declared British Columbia to be Canada's most expensive province with average resale home prices surpassing \$400,000, up 12.9 per cent in 2006 from a year earlier (although not beating Alberta's single-largest increase of 35 per cent between 2005 and 2006).¹⁸⁵

Moreover, the introduction of a "training wage" in 2001, which allows employers to undercut existing minimum wage rates by two dollars per hour for new workers, placed additional pressures on B.C.'s working poor. And in 2002, the B.C. government introduced sweeping changes to social assistance, introducing new rules and standards that either delayed or disqualified assistance for a significant number of people. It was, and continues to be, one of the most aggressive legislative changes to social assistance in Canada, although many provinces, including Alberta and Ontario, continue to pay shelter subsidies at well under the actual cost of available market housing.

Some argue that British Columbia's experiment in welfare reform accelerated the province's housing crisis by suddenly removing or reducing assistance to thousands. Since 2002, "the number of people receiving assistance dropped by 42 percent," reports the Pivot Legal Society in its 2006 report, *Cracks in the Foundation*. "This drop was not the result of the reintegration of social assistance recipients into the workforce, but was rather a reflection of the acceptance of fewer applicants into the system. In June 2001, 90 percent of people who applied for social assistance were accepted; in 2004

however, only 51 percent of applicants were successful.”¹⁸⁶

As Seth Klein noted in November 2007, those who managed to gain access to social assistance are still likely to come up short. “People without a disability receive less today, in straight dollars, than they did 12 years ago,” he notes. “Add inflation to the mix, and [welfare] rates today are 20 to 26 per cent lower.”¹⁸⁷

As the epicentre of a British Columbia’s housing crisis, Greater Vancouver is harbouring a growing underclass, an expanded poverty zone, one that’s just as connected to the declining fortunes of suburbanites in Surrey as to the hard-living addicts from the Downtown Eastside. And, as seen elsewhere in Canada, this underclass persists, to a surprising degree, largely unaffected by positive economic growth.

Peter Fedof, program manager at Hyland House, Surrey’s second homeless shelter, says that he noticed things started to change not long before British Columbia changed its system of social assistance. “Somewhere around that time, we were full, chronically full,” he recalls. “I’m now over 100 per cent on a monthly basis.” The increase in homelessness was unmistakable, as Surrey only has one-tenth of the shelter beds available in downtown Vancouver and a small fraction of its front-line services.

“I’ve been trying to understand what’s been going on,” says Fedof, looking out at the trees and steel gates that surround his shelter. “I think it’s the economy, the jobless recovery. But quite a few of our people here are already working, consistently working.” Indeed, 70 per cent seek shelter at Hyland due to economic circumstances or family trouble; only 20 to 25 per cent of all beds are filled due to addiction or mental health.



“I’ve been trying to understand what’s been going on,” says Peter Fedof. “I think it’s the economy, the jobless recovery. But quite a few of our [homeless] people here are already working, consistently working.”

The emergence of the working homeless is one piece of the puzzle.

The other piece of the puzzle, one that has received scant media attention, is the relative growth in households considered to be at-risk for homelessness over the last decade. It is something that is happening all across Canada, with almost one-quarter of Canadian households – more than 2,700,000 households – paying 30 per cent or more of household income to keep a roof over their heads.¹⁸⁸ With real estate prices continuing to climb across Greater Vancouver, affordability trends are worrisome: in 2002, the GVRD found an 82 per cent increase between 1991 and 1996 in those households who pay 30 per cent or more of household income for shelter, in GVRD’s northeast from Coquitlam to Belcarra; and a 62 per cent increase in at-risk households south of Fraser, from Surrey to Langley.¹⁸⁹

Moreover, it is households who by most appearances would be considered middle class that make special mention – a group that includes retired seniors, new Canadians as well as single parents – if only because many are both employed and/or already own their housing. “At-risk households were more likely to be families with children, and a significant share were female led lone parent households. They were also more likely to be living in a single detached house which they owned,” noted the GVRD. “More

at-risk households in the Northeast Sector reported employment as their major income source (55 per cent) compared to elsewhere in the region.”¹⁹⁰

Some municipalities have only recently begun to address troubles within their own communities. And some, like Surrey, witnessed active resistance against the issue. “A few years ago, we weren’t discussing this issue publicly,” admits Annie McKittrick, a planner with Surrey Social Futures Society.

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“Municipalities said we don’t deal with this issue. But they came around”

“Municipalities said we don’t deal with this issue. But they came around.”

The public learning curve on the new face of homelessness is steep, even for leaders. Liberal Premier Gordon Campbell blamed Vancouver for its own homelessness and, in particular, the tent city protest at False Creek in 2003. “This is a Vancouver problem” claimed the premier. “There’s not a problem in Surrey, there’s not a problem in West Vancouver, there’s not a problem in Port Moody, because they enforce their bylaws.”¹⁹¹

The premier’s suggestion, at least at the time, was that Vancouver’s imposing homeless population, drug problems and street crime was the result of political laxity or unwillingness to uphold the law. And while the loss of civility on streets across urban Canada is clearly problematic – from Edmonton’s crystal meth addicts to aggressive panhandlers in Toronto – the solution is more than law enforcement or bylaws governing public behaviour. Although many American jurisdictions, most notably New York, have experimented with strict penalties on petty crime and bylaw infractions, yet policing the poor has most often resulted in relocating undesirable populations within an urban area, as opposed to actually reducing street homeless and restoring civility. Many Canadian cities continue to experiment with policing the poor with full knowledge that valuable public resources are being spent to criminalize homelessness and chase low-income people around their cities under the pretense of public order.

In British Columbia, for example, Victoria has seen a dramatic increase in homelessness, estimated to number as many as 1000 people in 2006. Yet Victoria enforces a street camping bylaw, which results in police moving people from resting place to resting place. It’s a no-win situation says Jill Cader, a Victoria homeless woman, because there are only so many shelter beds available. “During the summer, they cut back because they feel it’s nice

enough to sleep outside,” she told CBC news in 2006. “There’s the contradiction. It’s nice to sleep outside, so they cut back funding for the beds. Yet if people sleep outside, they’re arrested.”¹⁹²

As governments scramble to make sense of homelessness, front-line workers like Peter Fedof are losing patience. “I would advocate that the three levels of government need to communicate,” says Fedof. “And the community needs to realize that the issue is poverty. We need to own that issue.”

All around us are the green streets of Surrey and gleaming strip malls, gateways to the middle class. But few, it seems, are completely immune. “It doesn’t take much to get there,” he says, noting how many homeowners are struggling to stay solvent. “What happens when the mortgage rate jumps two per cent? We could have a worse problem than the Downtown Eastside.”

Inside the Downtown Eastside

Judy Graves shudders as we walk past an alley on Vancouver’s Downtown Eastside. There’s a splash of colour at our feet. “I still find that really disturbing: 25 years and I cannot get used to blood on the sidewalk.”

Vancouver’s notorious neighbourhood, deemed the poorest postal code in Canada, hosts thousands of homeless people, drug addicts, prostitutes, drunks, low-income renters, as well as more than a few charities, missions, social agencies, police and, not too far underneath the surface, traces of organized crime. It is a complicated and often unpleasant place.

The poverty, addiction and violence found here – although often graphic and extreme – is now elsewhere. Kelowna, in the heart of B.C.’s retirement region, has an estimated 400 homeless. As witnessed in Surrey, the rest of Greater Vancouver is increasingly connected with Hastings and Main. If you look close enough, you can see a place that’s not isolated in its decay, but highly networked within a broader, evolving phenomena of poverty, homelessness and addiction.

The shrinking stock of affordable rental units is a major factor in homelessness across the GVRD, especially the Downtown Eastside.¹⁹³ And while new units are scheduled, not the least because of efforts to clean up

[verbatim]

Jim Leyden, homeless advocate:

“So much money could be saved if you just allowed the person to sleep inside where it was warm, to have a shower and to have a decent meal. There is a type of government that’s missing, and that is the government that looks at the larger picture instead of micromanages.

“They micromanage through ministries, and the alcohol and drug issue is a classic example that... there was a major study in San Francisco that for every dollar you spend putting an addict into treatment you save seven. It doesn’t mean the addict gets clean and sober. It just means that while that addict is in treatment, he is not committing the crimes that require him to go to court, to go to jail, to go to prison. He doesn’t require the \$20-\$30 an hour, whatever it is, probation officer. His amount of time spent in emergency wards, and that applies to the homeless as well, there’s twice as many homeless people per capita admitted to emergency and they stay in there longer because it takes longer to treat them. So, it’s kind of that micromanaging that kills...”

Larry Campbell, former mayor:

“Shelter is a stop gap that should only be used, or only necessary for absolute emergencies, and now we accept it as the norm, I mean we’ve accepted emergency shelters as a home, and it is not a home, it is not a home. I refuse to accept that.”

“...From my point of view, addressing these problems is a lot more important than balancing the budget, because if we deal with these problems its going to be a lot easier to balance the budget because you have people who are working, who are not draining on your healthcare system, on your social services system, and are productive.”



Outreach worker Judy Graves – “25 years and I cannot get used to blood on the sidewalk.”

Vancouver for its Olympics in 2010 with an estimated 2.3 million visitors from around the world, the Downtown Eastside continues to fester. Years of inaction have created challenges far greater than anyone has yet seen in a Canadian city. At the very least, the connection between loss of low-income housing and homelessness, public disorder and visible poverty has become more clear: between 2003 and

2005, Vancouver lost 514 low-income housing units and, conversely, the number of homeless people rose by 663.¹⁹⁴ “Based on projected rates of low-income housing unit loss and construction, rising rental rates and immigration,” concludes the Pivot Legal Society, “by 2010, Vancouver will see its street homeless population triple to over three thousand people.”¹⁹⁵

It wasn’t all that long ago that the

Downtown Eastside resembled less troubled Canadian urban neighbourhoods. Graves, a long-time outreach worker with the Housing Centre at City Hall, recalls the humble beginnings of Canada’s most notorious community. “When I started working here, the neighborhood was really not bad,” she says as we walk the side streets south of East Hastings. “And then after 1986 our coworkers started getting attacked in the alley at night, everything changed. We became a world class city, and concurrently we got a world class drug trade.”

But as much as she loves this place, she feels that it’s been over-sold as the wellspring of the GVRD’s social ills. “Just because this is a bigger city and because it is served up on the half shell on the downtown Eastside, people come here because it is so easy to do media,” she says. Just last night, she toured another television reporter around Hastings and Main. “But the bigger issues are actually outside of Vancouver in the smaller municipalities. In Surrey, for example. Surrey is huge.”

Youth and Aboriginals are a big part of this new wave of regional homeless, just as students and middle class homeowners face major affordability challenges. “We’re seeing a large number of people having to drop out of college and university because they cannot get decent housing,” she says. “Even security guards at UBC are finding the students sleeping overnight in the buildings, just crashed.”

At one time, Vancouver’s image of homelessness was the old men who frequented the taverns of Hastings. But today, the demo-

graphic has fractured and diversified. “Most of the people lying on the street are under 35,” says Graves, sadly, as we pass by another doorway cluttered with people and sleeping bags. “It seems to take people much, much longer to actually establish themselves now. It’s taking people now into their 30s and sometimes into their 40s to get to the point where they can establish a home base apartment and a job they can count on. It’s really a big change.”

As Judy Graves shows me the neglected corners of the Downtown Eastside, a question emerges: why is it that governments tend to treat homelessness as an individual affliction, pumping money into individualized emergency response, when the drugs, homelessness and poverty are increasingly connected elsewhere?

“The people that make the decisions about the programs for this area are actually afraid to walk in it,” says Graves. “So they [are not] thinking in terms of how people live and what they would like.” The issues of the Downtown Eastside are not unlike those of a developing nation, where foreign aid workers parachute in from more affluent neighbourhoods, drug money is exported through a complex and illicit network and natural resources – in this case valuable downtown real estate – sometimes falls prey to offshore speculation and control.

Prostitution and drugs are major commerce here. “Yes, crystal meth is a serious problem,” admits former city councillor and

[verbatim]

Cracks in the Foundation

Pivot Legal Society, September 2006
www.pivotlegal.org

“Visible poverty and public disorder affect everyone, but the solutions are not as simple as increased policing and enforcement. The Charter of Rights and Freedoms still allows homeless people to sleep on the streets, beg for money, and carry all their belongings around with them. Even the law will not stop public defecation when there are no accessible toilets, a daily dilemma for many people. The solution to the housing crisis in Vancouver must address not only the symptoms, but also the underlying causes of homelessness.

...There are five core recommendations. Government must:

- 1) actively protect, maintain, and improve the existing low-income housing stock, through vigilant enforcement of existing regulations and bylaws;
- 2) adjust welfare rates to reflect the rising price of rental accommodation and the cost of living;
- 3) create a more effective and accessible residential tenancy dispute resolution process;
- 4) allocate funding to meet the official target of 800 units of affordable housing a year for the next four years; and,
- 5) create market incentives for businesses and developers to incorporate low-income housing in new developments.”

“Our problem is that we are Balkanized into municipalities that all just want to solve their little perception of the problem,” says Al Mitchell. “We don’t have a regional solution”

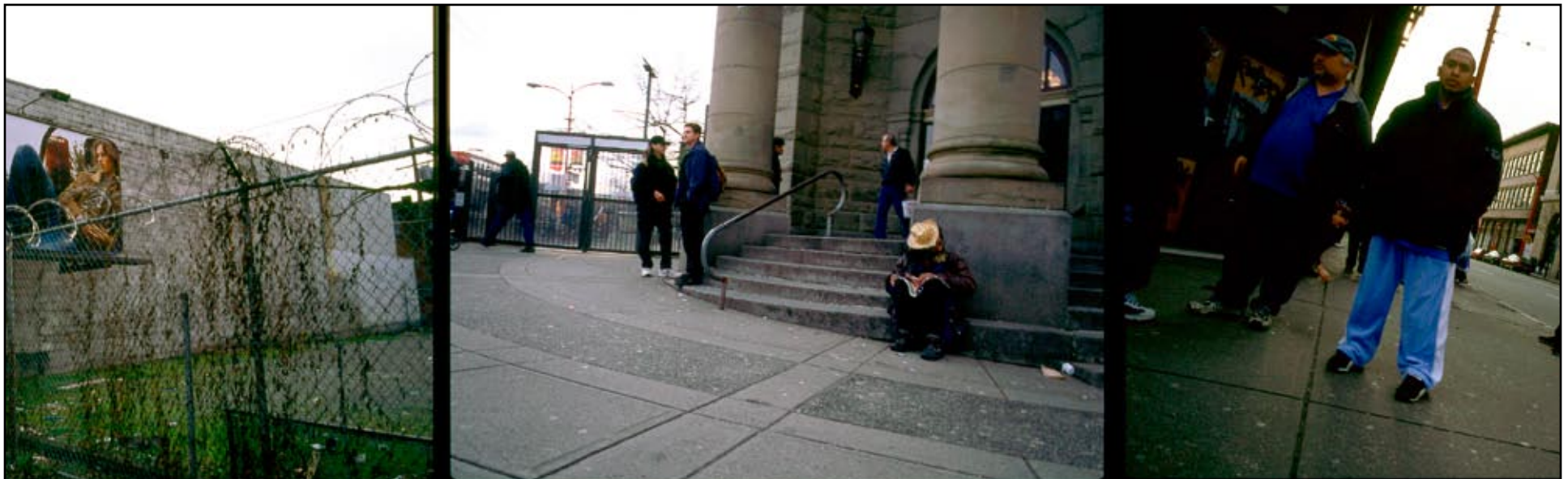
Downtown Eastside resident Jim Green. “Yet pimps and drug dealers appear to operate with impunity in our city. What’s the solution?”¹⁹⁶

“Pimps get young kids hooked on drugs and turn them out in the sex trade to pay for their habit,” he explains. “The police know this, but the courts are clogged, it is very hard to get a conviction and the police feel frustrated. We have to work with ‘equivalencies,’ accomplishing the goal with indirect means. To help solve child prostitution, for example, we can bust the johns. If the girl is 13, the guy goes away to jail. If not, maybe he walks, but he won’t come back and it will discourage others. If we can’t rely on the courts, we have to find other

ways to get rid of the pimps preying on the most vulnerable kids in our city.”¹⁹⁷

Likewise, municipal, federal and provincial governments create artificial borders and arbitrary rules that do not reflect the changing realities of crime, poverty and homelessness on display in the GVRD. Over at the Lookout shelter on Alexander Street, manager Al Mitchell vents his frustration. “They will send us somebody from Surrey to Vancouver to stay here, for example, but they won’t provide them with the means to get back out for an appointment,” he says. “People are working at their little mandate and their end of the world, and as soon as you reach a geographic boundary, it’s like they stop thinking there’s a problem anymore.”

Talk with enough shelter workers and it quickly becomes apparent that the number one barrier to homeless solutions isn’t lack of resources, it’s leadership. “Is it a surprise that 20 to 30 per cent of my people here in Vancouver are coming to me from Surrey, or a youth shelter is running 70 per cent Surrey kids in Vancouver?” wonders Mitchell as he greets the evening rush. “Our problem is that we are Balkanized into municipalities that all just want to solve their little perception of the problem. We don’t have a regional solution.”



The Poverty Industry

Besides the shocking and blatant street trade in opiates and amphetamines, the amazing thing about the Downtown Eastside is the number of people and organizations who have mobilized to help. There are countless missions, representing the most arcane religious denominations, plus a long list of charities and non-profits and government organizations that provide all manner of service and assistance.

The “poverty industry” is a recurrent phrase that describes the evolution of the welfare state into a maze of institutions, well-paid jobs and random acts of kindness. This is literally the condition of the Downtown Eastside, which overflows with all kinds of storefront missions, impromptu donations and charities. And, as with other parts of Canada, many people here have begun to question the seemingly scattershot provision of aid and charity. And while you won’t necessarily hear this from high-minded newspapers and progressive politicians, you’ll hear this complaint, with increasing frequency, from the homeless themselves.

Sitting quietly in downtown’s Oppenheimer Park, a couple from Coquitlam considers an uncertain future. They traveled downtown in search of food and psychiatric help. And after a full day’s effort, all they have is a bag of stale doughnuts, a few cans of liquid nutritional supplement and several doses of Valium. “You go to a church and they say, we’ll help you once, and

don’t bother us, we don’t have a regular food bank,” says David Daigneault, who suffers from a panic disorder. “Then the [social] worker says well go down into Vancouver, go down to the Eastside. Then mental health says, go down to the Eastside, that’s where all the money’s being poured in because they are cutting back everywhere else. And this is what we’re going through.

It’s just not fair, right?”

He can hardly contain his frustration at the system. College educated with a background in international development, David and his wife Wanda Horne articulate their desire to escape welfare altogether. “It’s like every little group down here is out for themselves, and every little private group is trying to get their piece of the pie, and none of these places are connected,” he says. “And until, in my opinion, for whatever it’s worth, until that starts happening, this problem is always going to be there.”

Getting ready for the long trip home to Coquitlam, and another week filled with waiting rooms, forms, personal data and social workers, Daigneault says they’re fed up with the routine of poverty. “We should be caring for each other, I mean there should be support groups, not just shallow organizations like the Living

Room or Harbor Light or somewhere else where you walk in and you’re treated like a number.”

Warehousing the homeless and disciplining the poor will be a hard habit to break. “I mean, what did they do with Leprosy once upon a time?” he asks. “Stick them on an island in the middle of nowhere. And we are still



Above, David Daigneault and Wanda Horne – “I mean, what did they do with Leprosy once upon a time?” he asks. “Stick them on an island in the middle of nowhere.”

going through this.”

When the federal government eliminated its social housing program in 1993, only B.C. and Quebec soldiered on, building social housing until British Columbia retreated from poverty and housing issues in 2001. And now, after B.C.’s freeze on affordable housing begins to thaw, popular debate has returned to the social housing question.

Locally, there is much enthusiasm and innovation: new developments are underway, such as the Woodward’s project which includes 200 units of affordable, non-market housing amid 536 market-priced units.¹⁹⁸ Former city councillor Tim Lewis cautions against hasty construction – “we would fill up almost all the housing to be built with people coming in from other areas and we’d be supporting the issue across B.C.” – but agrees that a number of immediate provisions, from legalizing secondary suites to dipping into the city’s endowment fund for housing capital, are all necessary.

Jim Leyden, a longtime homeless advocate, argues that the city could simply require developers to include affordable housing in all new developments, as opposed to the current strategy of selective incentives and tax rebates. “You would use the increased value of the downtown properties as a lever to make it happen,” he argues. “If you build any kind of complex, a part of what you build must be social housing. So it spreads it out across the city.”

There is even some talk of increased rent subsidies. “We can simply provide renters with the money they need,” says Lewis. “The shelter allowance is \$375 monthly and should be at least \$700. There’s no market that supports cur-

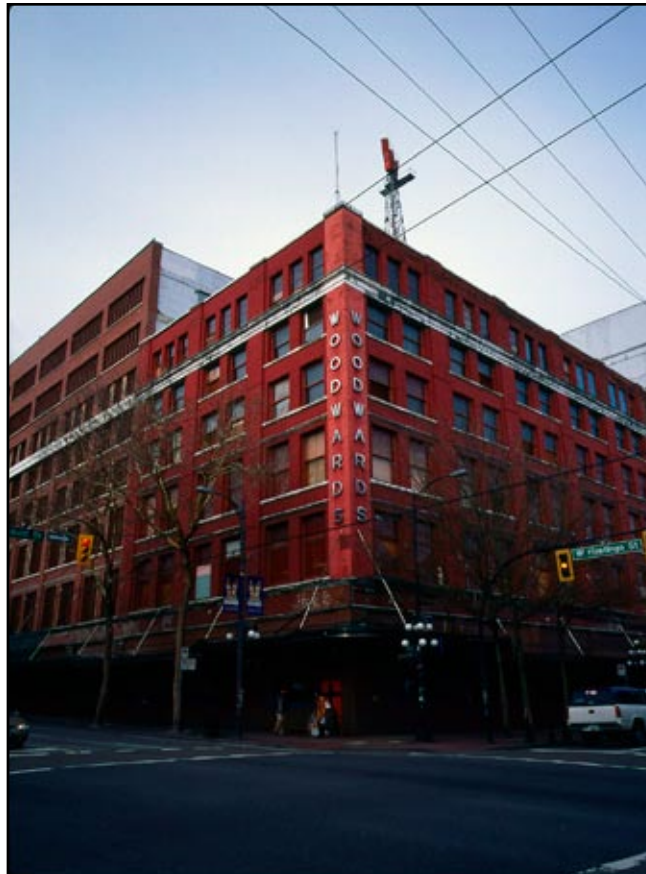
rent pricing.” (According to one Vancouver City report, only 19 per cent of rooms rent for \$325 or less, the welfare shelter allowance for a single person in 2005.)¹⁹⁹

Others are opposed to rent supplements, noting that subsidies can reinforce inflated rental prices and doesn’t deliver the long-term asset that social housing represents. “I think we need both the bricks and mortar and the rent supplements,” says Linda Mix, a community legal worker at the Tenants Rights Action Coalition. “Not everyone needs to live in social housing. The waiting list here is 3 to 5 years to get into non-profit housing, whereas if they were just able to get a rent supplement, they could rent an ordinary apartment. We need the whole continuum of housing.”

Part of the challenge is changing the institutional reality: in the welfare business, the customer isn’t always right. “I’ve lived in the Downtown Eastside for 33 years,” says Jim Green. “And everyone is the world’s expert on how to fix the poor. But the poor’s knowledge is often discounted. That’s why we have hundreds of thousands of dollars wasted on the downtown to test theories.”

Nevertheless, as many have argued, British Columbia could benefit from a broad range of alternatives, including market incentives for developers to incorporate low-income housing into new developments; increasing welfare shelter allowances; and reforms to the Residential Tenancy Act.

In December 2006, the GVRD estimated that it will cost \$250 million a year to successfully address the region’s homeless crisis. The backlog in affordable housing, combined with deepening pov-



Renewal in Vancouver’s Downtown Eastside: the Woodward’s project with 200 units of affordable housing to be built amid 536 market-priced units

erty, is reflected in severe urban and suburban decay across the GVRD. From Whalley to the Downtown Eastside, these are easily among Canada’s troubled neighbourhoods. “We can’t afford this kind of increase in homelessness,” argued Pivot’s Dave Eby in 2006. “We are currently spending \$51 million dollars per year to maintain people on the street. Government calculations show it would be much less expensive to simply build new supportive housing.”²⁰⁰

Housing Recovery

In 2006, Vancouver Mayor Sam Sullivan introduced Project Civil City. As an initiative that targets crime, homelessness and aggressive panhandling, Project Civil City is Vancouver’s plan to cut by half the incidences of homelessness, open drug dealing, aggressive panhandling and other public nuisances in time for its 2010 Olympic Winter Games. Mayor Sullivan argued the new ticketing system shows how the city “can be more innovative and efficient in addressing public disorder.”²⁰²

Past excursions into law-and-order solutions have many advocates and residents more than a little suspicious; ²⁰³ the rancor caused by Sullivan’s plan is testament to how divided Vancouver has become.²⁰⁴ Yet Sullivan’s plan poses over 50 different initiatives, including social housing, harm reduction for addicts, as well as caring for mentally ill people. “It is estimated that there are about 500 people with significant mental illnesses on the streets of Vancouver,” noted Sullivan in December 2006. “These people should be supported in a structured way.”²⁰⁵

Following Vancouver, the B.C. provincial government has re-engaged with homelessness and affordable housing. In February 2007, to the surprise

of many, the Liberal government announced a new budget which featured major housing initiatives, such as a \$250 million Housing Endowment Fund, as well as a tax break for first-time home buyers. And, not the least, the Liberals increased shelter allowances for social assistance by \$50, which had been pegged at \$510 monthly for individuals for more than a decade. Stagnant social assistance rates, as with many provinces, were seldom adjusted for inflation – and were increasingly blamed for causing homelessness, since many B.C. cities no longer had units that could be found for less than \$500.

Titled “Building a Housing Legacy,” British Columbia’s 2007 budget was praised by municipal leaders like Sullivan, which included the immediate funding of 300 shelter beds and transitional beds, calling it “one of the largest investments in social housing in history.”²⁰⁶

Housing advocates, reported Vancouver’s online journal *The Tyee*, saw things differently. “They fumed that the 10 per cent personal income tax cut was billed as a main component of the B.C. Libs’ housing strategy,” reported editor David Beers. “They found meagre the promise of a mere 250 new social housing units built in B.C. over the next two years – to be charged to Ottawa. They wondered how, for people living on social assistance, a \$50 boost in shelter allowance was supposed to change their living circumstances in any serious way. And they noted

that a lot of the funding is aimed to increase beds in shelters or “transitional” housing, with relatively little going for just plain affordable housing.”²⁰⁷

As Marc Lee of the CCPA argued, the B.C. government delivered tax cuts as a leading alternative to its housing crisis, leaving certain only the creation of more emergency shelter beds and temporary supportive housing. “The



“Not everyone needs to live in social housing,” says Linda Mix, above left. “We need the whole continuum of housing.”



Worker at Downtown Eastside's United We Can, a bottle depot operated by local residents.

budget commits to a mere 250 new social housing units over two years," he writes, "a far cry from the 2,000 per year that was built back when the federal and provincial governments were in the game (before 1993)."²⁰⁸ And at the pace of today's status quo, concludes Lee, "it will take 17 years to house the homeless of Greater Vancouver."²⁰⁹

Others, like Jim Green, emphasize organic solutions over conventional measures

of government, such as funding. Money is important, but waiting around for government to issue the perfect solution may be a mistaken expectation.

Many homeless and low-income Canadians have valuable, entrepreneurial skills, yet they lack the means to more fully realize their potential. "I see a guy opening cab doors in Yaletown for tips – here's a guy trying to work

– and we might think of this person as a nuisance," said Green while campaigning for mayor in 2005. "I want to find some way to harness that energy of jobless, homeless people who want to contribute to society or offer a service."²¹⁰ This is a resource that no government can budget or legislate: an inherent desire for hope and betterment, the promise of future potential more clearly enjoyed by Canada's middle and upper classes.

Like most of the rest of Canada these days, finding a middle path between policing the poor and amorphous welfarism is Vancouver's main challenge. Criminalizing homelessness doesn't work, but the status quo – replete with scattershot charities, epidemic drug abuse, fickle government policies and continued warehousing of poor people – doesn't work either.

"The thing is, we need to find ways to allow people to help, weed out the aggressive behaviour, and cut down on panhandling," says Green. "The solution shouldn't be highly structured. It should be simple, but should harness human potential."²¹¹

The Olympics and Beyond

For better or worse, the impending 2010 Olympics will change housing in Vancouver. On April 2007, the province announced plans to purchase 11 single occupancy residence hotels in Vancouver and Victoria as well as fund supportive housing units across Greater Vancouver, totalling \$80 million. It was the largest single acquisition of housing stock in B.C. history, which

is expected to provide nearly 1000 units of affordable housing. “I think today is the day that we begin to turn the tide on homelessness; this is a wonderful day,” said Vancouver mayor Sam Sullivan, noting that the city had hoped to acquire and convert the same amount of housing in ten years.

“It’s good that the province purchased these hotels,” said Mark Townsend, director of Vancouver’s Portland Hotel Society, which manages 500 units in the city’s Downtown Eastside. “Because it provides some stability, and buys the city some time to work on a comprehensive plan. If these hotels went into the private market, they’d be lost forever.”

However, celebration might be premature: a Vancouver city staff report estimated in January 2007 that 2,200 units of housing are needed in the next 10 years in Vancouver alone. If Vancouver can address the dual pressures of Olympic development and a slow-burning affordable housing crisis is secondary to the fact that housing and homelessness has become a major issue beyond greater Vancouver.

As Judy Graves notes, the issue of housing spans British Columbia, and are fundamentally unconnected to the Olympics. “The problems we’re having with homelessness are not really caused by the Olympics. They are caused by increasing property values,” Graves told CBC in April 2007. “And we see this in areas in parts of the province not impacted by the Olympics like Vernon and Kamloops and Kelowna, where they’re really having large problems with homelessness right now.”



Right, memorial in Surrey field for murdered street worker

07 – CONCLUSION

Ending the Crisis

A few blocks from one of Canada’s largest emergency shelters in downtown Calgary, there is another meeting about homelessness. But this isn’t just any luncheon, it’s an extravaganza: Philip Mangano, the American “homeless czar,” the much-lauded Executive Director of the United States Interagency Council on Homelessness is speaking. Appointed by US President George Bush in March 2002, Mangano has worked with over 220 municipalities and 320 local jurisdictions across the United States to develop and implement 10-year plans to end chronic homelessness. And, depending on who you ask, he’s either the last great hope for solving homelessness in North America. At the very least, Mangano is someone who is very effective at convincing governments to commit to 10-year plans.

From Vancouver to Red Deer and beyond, Mangano has enthralled sold-out Canadian audiences hungry for alternatives to Canada’s homeless status quo. So frequent have his visits to Canada become, one could easily mistake him for the federal minister responsible for housing. In 2006, Mangano clocked more noteworthy Canadian appearances on homelessness than many of his Canadian counterparts.

Not that you would want to be a Canadian politician appearing next to Mangano, who has become an international spokesperson on homelessness. Compared to Canada’s performance, the US government appears to be experiencing a turnaround: in 2006, it was announced that for the first time since the 1990s, the number of American street people had decreased. Single-year decreases ranged “from 30 percent in Miami and 28 percent in Dallas to 20 percent in Portland, Ore., and 13 percent in New York,” reported the *San Francisco Chronicle* in 2006. “In all, 30 jurisdictions reported declines in their homeless populations, including the 28 percent dip recorded in San Francisco a year ago and a 4 percent drop reported in Denver.”²¹² As of early 2007, 224 American cities and counties had committed to enacting 10-year

If American action on homelessness means anything, Canadians can afford to listen closely – even if it means admitting that George Bush’s America can teach Canadians something about social justice

plans in partnership with state and federal governments.

While the United States has not yet achieved the kind of success reported by England, which began concerted efforts to reduce deep poverty and homeless as early as 1997, it is becoming singular for tackling the issue with the kind of abolitionist gusto one would not expect from a nation already boasting an estimated 744,000 homeless people. “Our goal,” he tells his expectant Canadian audience, “is to not merely manage or cope with this disease, but to put an end to this more, spiritual, social and economic disgrace.”

Mangano has stirred controversy on both sides of the border. Some accuse him of attempting to download homelessness onto local authorities under the guise of 10-year plans; others praise him for effectively bringing strategy on housing and homelessness into the 21st century.

“While Mangano has been piling up frequent flier points visiting every part of the U.S. to convince state and local governments that they need to take up the responsibility for a ‘housing first’ policy for the homeless, his political boss – President Bush – has been gutting the U.S. federal government’s funding for housing,” argues Wellesley Institute fellow Michael Shapcott. “Canadians know all about federal cost-cutting and downloading when it comes to housing. We’ve had billions of dollars in funding cuts, and downloading, by the federal government over the past two decades, followed by hundreds of millions in funding cuts, and downloading, by the Ontario government over the past decade. [But] what we don’t have in Canada is such

a slick and effective salesman for downloading and cost-cutting as Mangano, someone who makes municipalities feel good about bad federal policy.”

Nevertheless, Mangano leads a charge against homelessness that is still years ahead of Canada. And if American action on homelessness means anything, Canadians can afford to listen closely – even if it means admitting that George Bush’s America can teach Canadians something about social justice.

Before being appointed by Bush, Mangano himself was a career Democrat, but one committed to non-partisan solutions, something cultivated through years of working on anti-poverty and homelessness amid Boston’s soup kitchens. Following George Bush’s 2002 commitment to eradicate homelessness within 10 years, the core of the new American strategy is, according to one US commentator, an attempt to place “the most dysfunctional homeless people in the country – that 10 percent to 20 percent who are continually on the street with addiction or mental problems – quickly into permanent ‘supportive’ housing with counseling services to help them get healthy.”²¹³

Why focus on so-called “chronic cases”? Simple: they’re the most expensive and use up the greatest portion of resources [See Appendix: The Cost of Homelessness]. If these people can be removed from dependence on high-value services, explains Mangano, it frees up significant resources to invest in everyone else – and each homeless person housed offers a savings incentive to both taxpayers and government. It is a business plan, as Mangano readily admits, concerned mainly with reducing suffering, lost potential and expenditure for the vast majority of people whose experience with homelessness is unnecessary. “We want to change the equation of homelessness – housing first, and this can be our nexus point,” says Mangano. “What helping service



Iqaluit in February: homeless wander the streets after the local emergency shelter closes for the day

can be better delivered on the streets than in one’s home? None.”

Conceived in 1988 by the Los Angeles-based agency Beyond Shelter as part of an effort to rapidly house increasing numbers of homeless families, the strategy of “Housing First” represents a major change in national strategy in North America since governments first began funding and building

homeless shelters and emergency response systems. The default response to homelessness is still very much on display in most Canadian cities, one that seeks to temporarily house people in emergency shelters while attempting to address economic, housing and personal issues.

“It really seems there was a paradigm shift a couple of years ago,” says American homeless advocate John Parvensky, president of Colorado Coalition for the Homeless. “You can’t just spend all your time getting people ready for housing by trying to clean them up first or keep them forever in shelters. You have to house them first. And that has changed everything.”²¹⁴

In Canada, the “streets first” strategy of processing and warehousing people prior to finding employment and housing is dated at best: today’s homeless person, on average, is likely to already have some degree of employment and/or capacity for independent living. It is, at best, a one-size-fits-all solution that many claim is part of the problem, especially since temporary institutionalization of people in shelters can worsen one’s fortunes, health and mental health. Yet the reality of employment and housing has changed, and the growing income gap across North America is testament to this new paradigm of economic entrapment.

Housing First is “rapid re-housing” says Nan Roman, president of the US National Alliance to End Homelessness. “Results are better if you put people into housing first and then work on supports,” she says. “It can be cost effective and work for almost everybody. Trying to end people’s poverty,

Housing First in Canada

Launched in February 2005, Toronto's Streets to Homes program has assisted more than 1000 people to move from the streets directly into their own homes; 87 per cent of these people are still housed. The program follows the "Housing First" philosophy developed – and increasingly proven – in the United States: "Some people believe that homeless people have to graduate through a series of steps to achieve the goal of housing: street to shelter, then shelter to housing. Streets to Homes assumes that barriers to success in life – including poor job skills, addictions, and poor mental and physical health – can best be tackled when you have a place to call home." Workers assist homeless people with ID, applying to subsidized housing wait lists, accessing rent supplement programs, as well as anything else that could help move people directly into housing. Some 65 per cent are currently housed in private market housing, which underlines both the high demand for subsidized housing as well as the strategic importance of rent subsidy programs which enables renters to afford basic market priced units.

Yet some housing activists allege law-and-order tactics to remove homeless people from view have been happening in Toronto under the pretense of a progressive agenda represented by Streets to Homes, including the ban on sleeping in Nathan Phillips Square,

"Our goal," Mangano tells his Canadian audience, "is to not merely manage or cope with this disease, but to put an end to this more, spiritual, social and economic disgrace."

address all of their issues, is part of what got us into this in the first place." In other words, the welfarism of the 20th century was arguably too fixated on providing equality of outcomes through large institutional means, and often did so poorly, rather than addressing the specific, practical needs of individuals required to escape poverty and welfare dependence. Housing too often came last.

In the eyes of some advocates, this failure in welfarism calls for the kind of ambitious restructuring that one usually sees in the private sector. "What does business have to do with homelessness? Everything – because the soft social services approach of the past did not work." Mangano argues that efforts to combat homelessness have been needlessly scattershot, lacking purpose and accountability. "We have to go beyond the nonsense of homelessness to the commonsense and dollars and cents of homelessness," he argued in 2006 to a national meeting of American political and policy leaders.²¹⁵

Again, the business analogy raises red flags for some. Indeed, running government like a business – such as excessive and arbitrary welfare and social service cuts throughout the 1990s enacted in the name of efficiency – is exactly what helped a place like Alberta to become a continental hotspot for homelessness

growth. Yet Mangano maintains his only agenda is to break the stalemate of chronic homelessness. "Usually we dissipate resources across the breadth of a problem," he explains. "What does that do? It creates no change. You reify the status quo and things only get worse. But when you invest, you expect a return on that investment. You can concentrate resources to create change in the most visible aspect of the problem."

Instead of building more shelter beds, teams of social workers now go out into American cities to try to recruit core homeless into subsidized apartments and supportive housing. "We need to reject the punitive approach. Many US cities have tried but failed," Mangano continues. "We discovered that no one level of government could end homelessness. Federal investment should be informed by data and research, not by conjecture, feelings or here-say – data driven, performance-based and results oriented."

And thanks to new social science and technologies that allow for better tracking and analysis of health, criminal justice and social services, it has become possible to gain a much higher-resolution view of homelessness and its true cost. Policy makers now have far more advanced data that makes results-oriented social policy more possible. This, in turn, can provide alternatives to large institutional approaches to

poverty and housing that may better help specific groups, such as youth, families and Aboriginal people, all of whom have specific needs.

The American strategy is focussed on the chronically homeless. “We found that long-term homelessness was often complicated with things like disability, addictions, mental health, or HIV,” says Mangano “[Consequently,] long-term chronic homeless people comprise 20 per cent of the homeless population but use 50 per cent of the resources. This is expensive. That’s why we did cost-benefit analysis.”

Mangano cites the story of Million Dollar Murray, made famous by Malcolm Gladwell’s coverage in the *New Yorker* in February 2006. As the story goes, two frustrated police officers tracked the costs of three chronically homeless individuals living in Reno, Nevada: two accounted for \$120,000 and \$200,000 in hospital expenses, respectively, within a year. Amazingly, the third – “Million Dollar Murray”

– tallied more than \$1 million in annual expenses for hospitalization, incarceration, detox treatments, and ambulance rides. As Reno Officer Patrick O’Byran quipped: “We spent \$1 million not to do anything about him.”²¹⁶

Only slightly less notorious is the account of a 1998 San Diego study, which tracked 15 chronically homeless street people for 18 months. Total cost of health, mental, substance abuse, law enforcement and temporary incarceration was \$3 million, at an average cost of \$200,000 per person.²¹⁷ Mangano stresses the opportunity cost of the situation, a status quo that spends heavily on failing outcomes. “We could have rented them oceanside condos with seaside views and hot tubs – and it still would have been still less expensive,” he says. “After they had spent \$3 million on those 15 people over 18 months, those people were still on the streets.”

How exactly did a few people manage to spend so much? Long-term homeless sometimes

premature closure of emergency shelter beds – and, echoing Tent City’s demise, sweeps of the city’s many shanties that included outreach workers accompanied by bylaw enforcement officers. “While 700 people have been housed since January 2005 through Streets To Homes, rent supplements are no longer part of the plan. Citing budgetary constraints, Streets now simply seeks rental apartments that are affordable given a subject’s provincial welfare or disability benefits,” reported *NOW Magazine* in July 2006.

An estimated 410 emergency shelter beds have been closed in Toronto since 2004, with 88 of these beds lost due to lack of funding and 227 beds displaced through building redevelopment. There is concern that these shelter beds have been closed in haste; Toronto’s Council Fire, a well-known aboriginal culture centre, closed its 50 overnight shelter beds due to a funding shortfall. However, some closures, such as those at Toronto’s Knox Church, which participated in Out of the Cold program for young people, eliminated 50 beds simply for lack of demand – and not, as some advocates claim for lack of funding or political will. “The reality is, up until a few years ago we would regularly accommodate 25 to 35 kids on our gym floor. But once the Streets into Homes program came into effect, we saw our numbers decline rapidly so that, by last winter, we had fewer than five kids sleeping over most nights,” wrote Vicki Wood of Knox Church in February 2007.



Toronto: site of former Rooster Squat, a homeless camp inside abandoned concrete silos.



Ottawa: self-sustained affordable housing by Habitat for Humanity.

have physical and mental health issues that extend far beyond the pale of most citizens. As James Dunford, the city of San Diego's emergency medical director, told the *New Yorker*: "If it's a medical admission, it's likely to be the guys with the really complex pneumonia. They are drunk and they aspirate and get vomit in their lungs and develop a lung abscess, and they get hypothermia on top of that, because they're out in the rain. They end up in the intensive-care unit with these very complicated medical infections. ...Meanwhile, they are going through alcoholic withdrawal and have devastating liver disease that only adds to their inability to fight infections. There is no end to the issues. We do this huge drill. We run up big lab fees, and the nurses want to quit, because they see the same guys come in over and over, and all we're doing is making them capable of walking down the block."²¹⁸

It is a chilling view on an important aspect on homelessness, one that is highly relevant in Canada. Yet the "chronics," as they are sometimes called, are in the minority: most homeless people do not incur the same kind long-term liability to health, criminal and social institutions.

Growing scrutiny of core homeless populations – people who often fit the stereotype of an unwashed, dysfunctional homeless person – has dom-

inated renewed American discussion on homelessness. Yet there are important concerns not addressed by Gladwell or other American commentators that should give Canadian observers pause. In the application of Housing First strategy, does focussing on the toughest, most chronic and expensive cases of homelessness ultimately distort the issue?²¹⁹ Much homelessness is not actually street homelessness, neither visible nor chronic. Moreover, "hidden homelessness" is growing fast in previously unlikely places: suburbs, small towns and Canada's north.

Even though the "new homeless" are less frequent users of shelters, they are a significant policy concern precisely because of broad systemic failures that make it more difficult for even some middle class people to sustain secure income and shelter. In other words, if low-visibility homeless and at-risk households do not gain greater stability through preventative measures (such as national anti-poverty strategies) then, inevitably, some of these people will become tomorrow's core homeless, especially children and youth. "Prevention is the hardest to do and [it is] the most neglected," admits Nan Roman. "We also run the risk of incentivizing in our efforts – pulling people into the homeless system in order to get housing."

So while Mangano's efforts are lauded in the United States, some municipal, non-profit and state officials are concerned about strategy and the implications of a federal government explicitly committed to action on homelessness, but evidently less interested in the overall fate of low-income Americans. "Focusing on the more hard-core people is neglecting the plight of homeless families," reported the *San Francisco Chronicle* in 2006. "In some communities, families constitute at least half of the homeless population. In San Francisco, they constitute up to 20 percent."²²⁰ Indeed, of the 744,000 estimated homeless people in the United States in 2005, the National Alliance to End Homelessness found that a quarter were chronically homeless and about 41 per cent were also in families.²²¹

The US National Coalition for the Homeless is skeptical that homelessness overall is actually declining. "The 10-year plans are an excellent step forward, but at the same time we need to remember the existing needs of everyone, to not cannibalize other funding while we do this thing for the chronics," says Zach Krochina, economic justice policy coordinator, in 2006.²²²

The US government is far from harmonized on anti-poverty strat-

egy. As the *New York Times* reported in March 2007, federal rules intended to keep illegal immigrants from receiving Medicaid has instead de-insured thousands of low-income United States citizens who lack proper documentation. In a private health system, it leaves households to either pay for expensive health services or make use of limited public services for routine health needs that are often better-suited to emergency care.²²³ The state of Georgia, for example, has 100,000 “newly uninsured” children of low-income families. “Many of these children have missed immunizations and preventive health visits,” reports one pediatrician. “And they have been admitted to hospitals and intensive care units for conditions that normally would have been treated in a doctor’s office.”²²⁴

The deficit of affordable housing in the USA remains high: in 2007, the National Low Income Housing Coalition found that there are only 38 affordable and available rental units for every 100 extreme low income renter households in the United States, creating a nation-wide affordable housing shortage of over 5.6 million units.

And while \$4.1 billion in the 2007 US federal budget for homeless programs is significant compared to Canada, the Bush government undermined the status of low income Americans by cutting roughly \$3 billion from Medicaid in the same budget. Federal housing dollars were also cut by \$600 million in 2006, then regained \$900 million over 2006 levels in 2007 under Congress motions. And “under the President’s 2008 budget, total funding for programs would fall to a level that is \$4.6 billion – or 11 percent – below the 2004 funding levels, adjusted for inflation,” reported the Washington-based Center on Budget and Policy Priorities in June 2007.²²⁵

It’s a complicated picture, complicated further by the fact that one of the largest U.S. housing subsidies is “mortgage interest deductibility,” worth \$80 billion in 2006 – and more than half went to the richest 15 per cent of the American population. “The feds are making our job much harder,” said Seattle Deputy Mayor Tim Ceis in 2006. “We are getting doublespeak from the Bush administration.”²²⁵

To be fair, homeless leaders like Mangano hardly control the inner workings of the White House and cannot be blamed for the sort of budgetary and policy shortcomings that is often evident in Canada’s own treatment of low-income, Aboriginal and new Canadians.

To those Canadian leaders who would adopt Mangano’s strategy verbatim, “Housing First” is certainly a welcome slogan, but is it right for Canada?

There is a convincing business case for eliminating homelessness, yet perhaps the greatest challenge of the 21st century will be to integrate this kind of cost-benefit analysis and targeted strategy with public values, ethical action and national social programs

Is it possible to enact a homelessness strategy based on cost-benefit business planning, yet ensure preventative assistance and fair treatment for everyone? It is a real question: here in Canada, for example, universal access and broad-based programs that address poverty and other issues inevitably create some degree of waste – the bane of good business strategy – precisely because of scale and universality. Eliminating waste and needless spending from social supports is important, yet the most potentially effective way to promote income security are accessible income supports and social services, which need to be provisioned systematically. There is an effective business case for eliminating homelessness, yet perhaps the greatest challenge will be to integrate this kind of cost-benefit analysis and targeted strategy with public values, ethical action and national social programs.

Moreover, there are concerns that American 10-year plans unduly burdens cities and local authorities with too much responsibility to eradicate homelessness. This is a particularly relevant concern if only because state- and federal-level income, housing and medicare supports are integral to fighting poverty and will severely undermine local homelessness efforts if neglected. This is already a concern in Canada where existing efforts to combat homelessness are hampered by unreasonably low shelter allowances within welfare and disability payments: one aspect of government cuts corners on social assistance, while other aspects struggle with increased cost and challenges of growing homelessness.

And, finally, it remains to be seen if targeting long-term homeless people under America’s Housing First strategy will occur at the expense of the working poor, low-income families and the part-time homeless. Mangano’s business case

[Verbatim]

Made in Canada success

Campaign 2000, Letter to Chair of the Federal Council of Ministers, July 21, 2006

“There are effective ‘made-in-Canada’ examples of success that can point us in the right direction: the Canada Child Tax Benefit, Newfoundland and Labrador’s Action Plan to Reduce Poverty and Quebec’s Anti-Poverty legislation.

– Impact studies from the federal government show that annual increases in the Canada Child Tax Benefit [which ended February 2007] are making a real difference in reducing the severity of poverty for a significant number of families.

– Premier Danny Williams’ commitment to achieving the lowest poverty rate in Canada by 2010 is courageous and admirable. In its recently released Action Plan to Reduce Poverty, the government of Newfoundland and Labrador adopted a long-term, comprehensive strategy, including income supports, community services and labour market measures. The government of Newfoundland and Labrador’s vision clearly articulates the assumption that reducing poverty is about both improving the well-being and life chances of people living in poverty and ensuring



Above: Toronto, Tent City site after eviction; next page: Al Mitchell & guest, Vancouver’s Lookout shelter

for abolishing core homelessness first is well-founded but potentially incomplete: perhaps it deserves to be carried to a larger conclusion, because it is cheaper, as growing mounds of research attest, to keep low-income households out of crisis and in their communities, hopefully with the chance for advancement and stability. What can Canada do to ensure that prevention is effective? Since the mid-1990s, Canadian advocates championed a one per cent solution: in

order to gain housing security, Canadian federal government should invest one per cent of annual federal budget into housing as part of a long-term solution. Recent American and European research does nothing if not support the idea of investing against homelessness and poverty. Perhaps we merely need to heed their advice.

What neo-abolitionists like Mangano offer everyone is a much-needed emphasis on strategy, possibility and action. One cannot

legislate homelessness and poverty away, even though some Canadian cities still enforce discriminatory bylaws, and so change itself is part of Mangano’s measured radicalism. “By creating change, you re-moralize the community,” he says. “Because if you can create change on the most intractable aspect, you begin to tip the issue – engage and overcome the entirety of the social problem.”

The point is to try new things. In New York, for example, “they had a very difficult group of homeless people they couldn’t reach no matter what they offered,” Mangano recalls. “So I said, Take some of your money and rent some apartments and go out to those people, and literally go out there with the key and say to them, ‘This is the key to an apartment. If you come with me right now I am going to give it to you, and you are going to have that apartment.’ And so they did. And one by one those people were coming in.”²²⁶

Canadians, however, cannot expect to start closing emergency shelters anytime soon. “It requires bridging funds,” says Nan Roman, of the need to fund emergency shelters and other front line services while deploying Housing First strategies. “You just can’t take money from the shelters. It can take five years or more.”

In March 2007, Louise Casey, the official who led England’s strategy on homelessness, met with local and state leaders in Washington as part of Mangano’s US Interagency Council on Homelessness. As the West’s first “homeless czar” in the late 1990s, she admitted that Bush’s America is making progress. “Where they are in

the US is where we were around 1997, when the government said: ‘Enough is enough.’”²²⁷

Early on, England’s strategy to reduce numbers of homeless outdoor “rough sleepers” consulted with local housing councils and invested modest resources – and managed to reduce numbers of street homeless by as much as 75 per cent. “But what I have been saying is: Don’t wait 10 years, do it now,” says Casey. “Attitudes need to change. We need to shock people. This is a big problem and something needs to be done about it.”²²⁸

As for Canada, Mangano is diplomatic. “Canada is not so much behind,” he tells me, after he finishes speaking to a standing ovation. “There is appetite, clearly, to do something different on the issues. And we’re all sharing ideas. Canada is well-positioned to make a dramatic turn-around in the next few years.”

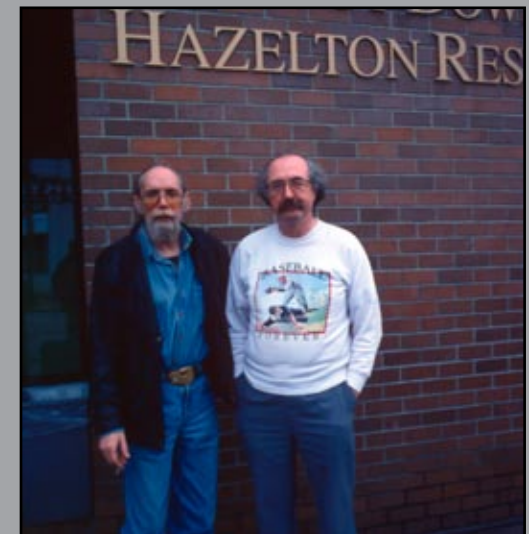
The Canadian Way

The consequence of having a largely reactive system of homelessness and poverty mitigation – millions poured into shelters, criminal justice, counseling and social assistance – is that there is significantly less money available for developing alternatives. And without a national strategy on housing and homelessness, there is much risk for repeating past mistakes and spending blindly on short-term fixes and emergency responses.

It is more than just a single policy, or a decision about public spending. Homelessness is a problem constructed largely from the escala-

a prosperous future for all residents in the province. We look forward to monitoring the impact of this plan, which includes among other measures expanded eligibility for prescription drugs, elimination of school fees, indexed increases to income assistance programs and expanded early learning and child care services.

– Quebec’s Anti-Poverty Legislation, its on-going commitment to build and sustain affordable and social housing and its seminal Family Policy, which includes an affordable, universally accessible system of early learning and child care services, an expanded parental leave program and an enhanced child benefit have combined to help drive down the child and family poverty rate consistently during the past five years. Quebec now has one of the lowest child and family poverty rates in Canada.





Jim Leyden, homeless advocate, Vancouver: “So much money could be saved if you just allowed the person to sleep inside where it was warm, to have a shower and to have a decent meal.”

tion of other problems and the explosion of homelessness across Canada raises profound questions about the role and function of our welfare state, non-profit organizations and the private sector. In short, our social fabric – including income supports, mental health services and charitable organizations – is failing and a homelessness crisis is a major symptom. Consequently, the pervasive spread of homelessness offers us a unique opportunity to study public and private efforts to combat poverty – and, possibly, to suggest some ambitious reforms.

In some ways, it is simple: Canada can choose to invest an average of \$2 billion annually to save \$4 billion, and bolster urban economies, keep hundreds of thousands of Canadians healthy and productive as well as ensure productive futures. Or we can simply continue with the status quo and hope that things correct themselves, although after nearly 15 years since the original

1993 federal retreat from housing, Canada has succeeded mainly in increasing homelessness.

Not repeating past mistakes should at least be a first line of defense. Governments across Canada curtailed social assistance or allowed rates to fall in the face of inflation since the early 1990s: directly, for example, through the elimination of unemployment insurance benefits and reduced welfare payments; and indirectly, through punitively low minimum wage rates or tax incentives that ignore renters and those on social assistance. Conversely, the de-institutionalization of many Canadians with mental health issues from the 1970s onward, often without sufficient community support, as well as the rise of aggressive street drugs like crack cocaine and crystal meth during the 1990s made significant contributions to Canada’s core homeless population. General cutbacks to social services and health during the 1990s intensified homelessness within existing at-risk mental health and addiction populations and decreased the effectiveness of efforts to manage the medical aspects of these issues. We can no longer afford to neglect our at-risk populations.

Tomorrow’s Canada

Across Canada, the limitations of yesterday’s solutions are now apparent. First, homeless shelters seem to have little effect on actually reducing homelessness: rather, they help reduce the number of street deaths and can make people slightly more comfortable in their state of homelessness. It is true that shelters can help stream people into agencies and programs that can, in turn, work with them to surmount obstacles to housing. But overall, shelter construction appears to be a poor way to control homelessness.

“Canada must modernize its social security system to meet the heavy demands of our changing economy, society and political system,” argued the Caledon Institute of Social Policy in June 2006. “Conceived in the 1930s and 1940s and built largely in the 1950s, 1960s and 1970s, our social programs require radical rethinking, reconstruction and (because some parts were never built) construction: We need a new ‘architecture’ of social policy for the 21st century.”²²⁹

Housing is a foundation stone for civil society and this report’s findings indicate that housing security is critical to Canada’s future. As Derek

Any political party wishing to govern Canada in the 21st century must reckon with Canada's shelter question: neglected, it poses a liability, yet there are profound political gains available for those who might champion solutions

Burleton of TD Bank Financial Group argued in 2003, “an inadequate supply of housing in a community can be a major impediment to business investment and growth.”²²⁹

As a 21st century urban nation with 80 per cent of its population living in towns and cities, Canada's housing strategy must be broad-based. Reducing the load of the working poor, the struggles of new Canadians, the growing percentage of downwardly mobile youth, all these issues pose substantial challenges to the way in which government is provisioned – and, likewise, how companies and non-profits operate and conduct themselves. Private-sector incentives for affordable housing have not been fully investigated; campaigns to affect living wage policies within workplaces, partnering business and government to eliminate low wages that condemn the working poor, have only seen limited application. Non-profits continue to labour under unilateral and constricting funding arrangements with federal and provincial governments that often sabotage the delivery of essential services, support and shelter.

Certainly, there is broad desire for change. Many Canadians are quite familiar with the dynamics that cause homelessness: household debt, urban decay, and rising shelter costs impact a broad majority of the nation's population. Therefore any political party wishing to govern Canada in the 21st century must reckon with the scale of Canada's shelter question: neglected, it poses a liability, yet there are profound political gains available for those who might champion solutions.

Opinion polls indicate acute public awareness. There is public support for the notion that homelessness can and should be addressed. According to one 2005 Pollara survey, “over half of Canadians feel that the high cost of housing is contributing to more people being homeless. The vast majority of Canadians – 81

per cent – believe the number of homeless people in Canada can be reduced, while almost two-thirds – 63 per cent – of Canadians feel homelessness has increased over the past three years.”²²⁹

And there is desire for change on the streets as well. The 2006 Toronto homeless count found that, when asked, most homeless people want homes, not charity or emergency shelters. As CBC reported in June 2006: 86 per cent of Toronto homeless people surveyed said they would like to find a permanent home; 84 per cent said assistance finding affordable housing would get them off the street. “There are some surprising things,” said one city official. “I think it was a surprise to everyone how reliant the homeless are on drop-in centres. I think it was also a surprise how many folks use the health care system and the extent the health care system is used.”²³⁰

There are a number of specific solutions and alternatives that could be part of an effective national strategy:

Income Security. Possibly the most direct way to stem homelessness and housing insecurity is to relieve low-income Canadians from making hard economic choices between food and shelter. At the very least, Canada should index welfare, shelter and social assistance to inflation. If Newfoundland can do it, one of Canada's least affluent governments, why not everyone else? An overwhelming amount of data supports the argument for minimal income supports as prevention against homelessness.

As one Alberta study found in 2006, “fully 94 per cent of respondents cited not being able to afford a damage deposit for housing as the main reason or part of the reason they were homeless. Other factors contributing to the current homeless episode were financial circumstances including unemployment (52 per cent), substance addiction (23 per cent), and domestic violence (11 per cent), as well as disability, mental health problems, and physical health issues.” Again, this report is clear on past mistakes: Canadian government has actively manufactured homelessness by ensuring that existing income supports make it difficult and often impossible for welfare recipients to afford basic market rents in many Canadian cities.

Develop alternatives. Traditional home ownership is becoming unaffordable for many Canadians – witness the advent of the 50-year mortgage in Canada – yet many would still benefit from the stability and equity that ownership can con-

fer. The condoization of many Canadian urban centres has helped meet some of this need for more affordable ownership, yet many condominium developments are no longer as affordable themselves. Moreover, market housing frequently neglects developing smaller, affordable units, or fails to diversify developments and provide broader price choice to potential homeowners; many new “affordable” condos are upgraded rental units that had previously housed middle and low income tenants. Current CMHC incentives to housing developers to build affordable owner units are a good start, but the actual affordability of lightly-subsidized market-priced housing in growing Canadian cities is still quite limited. A more aggressive and diversified strategy is required to meet demand for affordable rentals and owner units and address market failure. Such a strategy would develop both market and non-market units, along with rent-to-own options, and would offer incentives for households, builders and municipalities.

Invest in Affordable Housing. Canada’s nearly decade-long hiatus from affordable housing has created a huge backlog of demand. And in light of this failure, responsibility falls upon government to provide leadership and investment. Recognizing past mistakes, most would agree that social housing, configured in large developments, is undesirable. Traditional social housing still has a strong role, although the per unit cost of new construction – reaching an estimated \$165,000 in larger cities – and the delay in construction should be considered. Alternatives such as independent housing trusts, mixed income cooperatives, even non-traditional interim shelters proposed for Tent City are all relevant. Many cities report that in addition to shortages of affordable housing, both social and market, there is an acute shortage of transitional and supportive housing for higher-needs Canadians; this housing, in particular, will require steady public support.

Municipal policy reform. This would include zoning for new basement suites, providing inspection and code to protect renters. Incentives to mix affordable housing into new developments. For example: Ottawa is experimenting with a minimum requirement for affordable housing; Calgary is proposing to relax restrictions on secondary units in new neighbourhoods; Vancouver champions an ambitious social housing program. It should be noted that the de-funding of Canadian social programs occurred in tandem with the ongoing suppression of municipal powers: local jurisdictions have been subjugated by federal and pro-

“Canada must modernize its social security system to meet the heavy demands of our changing economy, society and political system,” argues the Caledon Institute. “Conceived in the 1930s and 1940s, our social programs require radical rethinking. We need a new ‘architecture’ of social policy for the 21st century”

vincial powers for decades, which has arguably been at the expense of innovation and integration of housing and income security for all Canadians. As Canada continues to urbanize, governments must confer greater powers, freedoms and funding to cities and municipalities, beyond existing NHI/HPS programs, as part of a national strategy. This should be done without further downloading of responsibilities without funding.

Rent supplements. An immediate and increasingly popular solution, especially given that many Canadian housing markets suffer from affordability issues more than an actual short supply of housing. In other words, Canada has plentiful housing in some areas, just not enough affordable housing – a scenario that can be addressed with rent supplements. “We estimate that 25 per cent to 50 per cent of multifamily [new construction] end up as a rental,” says David McIntyre, of Boardwalk, Canada’s biggest landlord. “The market is creating thousands and thousands of units. What we have is an affordability problem. That is real.”

Rent supplements make up the difference between affordability and market rents. The only agreed way to do rent supplements is to allow the renter to be able to freely choose accommodation and to not park supplements with any single unit or landlord. “Subsidies allow speed, choice, no NIMBY, no ghettoization and little intrusion on the housing market,” says McIntyre.

As a June 2004 study of Toronto’s pilot rent subsidy program for former Tent City residents concluded, “Rent supplements should be one important com-

ponent of an affordable housing strategy. The program is particularly viable at this juncture because of the high vacancy rates in Toronto. In this market, housing can be located quickly and the rent supplement program offers the possibility of reducing homelessness. Should the vacancy rates decline over the next few years, it would likely be much more difficult to find appropriate landlords.”²³¹

For people who have been homeless for extended periods, such as those who were living at Toronto’s Tent City, rent subsidies offer savings with “costs of \$11,631 per person per annum [versus] accommodation and supports in the shelter system, estimated at \$16,156 per year.”

Moreover, as Tent City’s alumni have continued to defy expectations of the “hard to house” by mostly staying housed and out of high-value treatment and emergency services, stable housing – particularly market rentals, chosen by the subsidized renter – could be an important short- and medium-term housing alternative across Canada, if only because it can bring people into existing market housing literally overnight. This is where the Housing First strategy holds great potential. “Housing has created a ripple effect in people’s lives,” concludes a report on rent supplements, *From Tent City to Housing*. “It was not possible to factor into this study the likely cost benefits to the system of participants who returned to school, sought work and entered rehabilitation programs.”²³²

Build upon existing research and program success. Federal and provincial governments need not strike multi-year studies of homelessness and affordable housing in order to formulate effective strategy. Much work has already been done, both by NGOs and researchers, as well as a growing body of international work, as noted previously.

In 2006, the Wellesley Institute published *The Blueprint to End Homelessness in Toronto*, which outlined a 10-year, \$837 million plan. It stands as a potential model for a Canada-wide plan on homelessness, in addition to 10-year plans from the United States as well as the UK and Europe.²³² *The Blueprint to End Homelessness* is relevant to the rest of Canada simply because Toronto’s urban circumstances can be found across Canada. The *Blueprint* posed 1,850 rent supplements for Toronto at a cost of \$15.5 million annually – and this cost would be offset by an expected \$43 million in annual shelter savings. Other aspects include eviction prevention, and an inclusive planning process, rent and energy banks, as well as ongoing emergency relief. “The return on investment in reduced program spending, along with increased property, income, sales and payroll taxes, would significantly off-



set the new spending,” noted the report, echoing recent American strategies.²³²

Summary

To conclude, homelessness in the early 21st century encompasses issues and trends that weave throughout Canadian society:

- Poverty is a common factor in new homelessness. The development of a large income and wage gap continues to threaten “at risk” Canadians, even during a time of strong wealth creation. The diversification of poverty and homelessness in Canada has resulted in a major demographic shift in homeless Canadians from the single male clients that once dominated homeless shelters. Women, children, students, immigrants, the mentally ill and the formerly

If neglected, housing insecurity will continue to spread across Canada, fueling the relatively new phenomena of suburban homelessness, accelerating urban decay, and, in the face of record-setting housing prices, ensure the general economic erosion of millions of Canadians

middle class are all part of the homeless population of most Canadian cities.

- ▶ Lack of national leadership has confused both public and private response to issue, resulting in propensity toward short-term crisis management over long-term strategic investment. Until recently, for example, the bulk of federal funding has been applied to crisis management – homeless shelters – not systemic reforms or strategic solutions. The result is a national patchwork of programs and standards, some of which do little except to manage homelessness and its causes. The federal government has positioned itself as a publicly-funded philanthropist that gives money but is not ultimately responsible for outcomes, standards or long-term solutions.
- ▶ The \$4.5 to \$6 billion annual cost of homelessness in Canada, as estimated by this report, is systemic: the expense of warehousing the homeless over the past decade has spilled over into emergency services, community organizations, non-profits, the criminal justice system – all have incurred extra expense in responding to unprecedented growth in homelessness. Extra cost associated with homelessness have largely been hidden within the budgets of public and private service providers, and therefore the cumulative cost of Canada’s homeless and “at risk” populations remains unknown. Why

the total cost of homelessness in Canada remains officially undetermined, along with a current estimate of the number of homeless people in Canada, and inter-governmental strategy on housing affordability and homelessness, underlines the aforementioned deficit in leadership and policy.

- ▶ Consequent strain on stakeholder organizations – NGOs, non-profits, agencies, public health providers – has diminished the effectiveness of independent innovators on homelessness and poverty, often due to government pullback, resulting in organizational fatigue and less effective civil society response on critical issues.

The provincial and federal government response to homelessness over the last decade has been conflicted, sometimes bordering on outright neglect. In practical terms, absenteeism on housing and homelessness has exacerbated efforts to reduce poverty in Canada.²³³

Canada can no longer afford high incidence of homelessness. A paradigm shift is required, not unlike the evolution in Canadian social policy from the 1930s to the 1960s.

Why? Because, left unattended, the crisis will become worse for many of those currently homeless, thereby creating a deeper and more entrenched underclass. And if neglected, housing insecurity will continue to spread across Canada, fueling the relatively new phenomena of suburban homelessness, accelerating urban decay, and, in the face of record-setting housing prices, eroding the economic well-being of millions of Canadians.

APPENDIX I: The Cost of Homelessness

While national research on the cost of homelessness is limited, provincial and municipal studies have studied and begun to address the real cost of homelessness. It is upon this existing body of research that this report bases its estimates.

This report's estimate on the annual cost of homelessness combines the latest federal estimate on the number of Canadians absolutely homeless – 150,000 – with the leading Canadian estimate of the average cost of each homeless individual – \$30,000 to \$40,000 per person per year.

The National Homeless Initiative, the federal secretariat most directly responsible for homelessness in Canada, estimated in 2005 that 150,000 Canadians were homeless, based on “street and shelter counts ... at a minimum, approximately 0.5 per cent of the population in any given Canadian community will be homeless.”²³⁴

For this report, the per person annual public cost of homelessness was estimated to be \$30,000 to \$40,000 per person per year based on “The Costs of Homelessness in British Columbia,” a 2001 study on the costs of homelessness for B.C.'s former Ministry of Social Development and Economic Security.²³⁵ This is probably the most often-cited estimate on the per person annual cost of homelessness.

As the authors conclude: “When combined, the service and shelter costs of the homeless people in this study ranged from \$30,000 to \$40,000 on average per person for one year (including the costs of staying in an emergency shelter). The combined costs of services and housing for the housed individuals ranged from \$22,000 to \$28,000 per person per year, assuming they stayed in supportive housing. Thus, even when housing costs are included, the total government costs for the housed, formerly homeless individuals in this study amounted to less than the government costs for the homeless individuals. Providing adequate supportive housing to the homeless people in this sample saved the provincial government money.”²³⁵

Therefore, based on a core, Canada-wide homeless population of 150,000 people, as estimated by the federal government, homelessness costs Canadian

taxpayers between \$4.5 and \$6 billion annually, inclusive of health care, criminal justice, social services, and emergency shelter costs.

Based on this annual estimate of the cost of homelessness, this report estimates that Canada's decade of relative inaction on homelessness, 1993 to 2004, cost Canadian taxpayers an estimated \$49.5 billion, across all services and jurisdictions.

Furthermore, this report's estimates may be low for the following reasons:

- As noted previously, the US Interagency Council on Homelessness has gathered data that indicates that even a cost estimate \$40,000 per homeless person per year may be conservative. The University of California in San Diego tracked 15 chronically homeless people and discovered that they had consumed \$3 million USD, \$200,000 USD each, in public services over an 18 month period, roughly \$140,000 CDN per year, per person.²³⁶
- The federal estimate of homeless people in Canada was 150,000 in 2005.²³⁷ Advocates have estimated as many as 300,000 may be homeless, partially because Canada's “hidden homeless” – those without fixed address but temporarily housed or sheltered – are often homeless in absolute terms, although they may not be counted in street and shelter surveys taken by many Canadian municipalities.
- Canada's 2001 census found 702,600 Canadians who spent more than 50 per cent of household income on shelter and are considered to be most at-risk for homelessness. Numerous studies have determined that many homeless individuals and households actually fall back and forth between homelessness and housing, which creates a fluid or rotating population of homeless that is, in reality, larger than those identified in municipal street and shelter counts. Therefore, Canada's “hidden” or relative homeless – a variable segment of the 702,600 Canadians who, in 2001, experienced severe affordability problems – may not be properly represented in this estimate. Moreover, in light of the substantial growth of many municipal homeless counts since 2001, the federal estimate of 150,000 homeless and subsequent estimates may prove conservative.
- The original B.C. report estimate of \$30,000 to \$40,000 cost per homeless person per year has not been adjusted for inflation to 2007 dollars. As an

indication of rising costs, more recent cost studies expenses exceeded aspects of previous estimates. In 2005, Steve Pomeroy authored an “Analysis of Alternate Responses in Four Canadian Cities” for the National Secretariat on Homelessness. Pomeroy concludes: “Supportive housing can be more cost effective than an array of emergency services (confirming findings from earlier research undertaken in 1998 and 2000). The current average costs per person per year (based on existing facilities) across the four cities (Toronto, Vancouver, Montreal and Halifax) were: \$66,000 to \$120,000 for institutional responses (prison, detention, and psychiatric hospitals); \$13,000 to \$42,000 for emergency shelters (cross section of youth, men’s facilities, women’s facilities, family facilities, and shelters for victims of violence); \$13,000 to \$18,000 for supportive and transitional housing, and \$5,000 to \$8,000 for affordable housing without supports (singles and family).”²³⁸

Finally, the United States Interagency Council on Homelessness compiled its own data in 2006 to share with Canadian policy makers. The scale and cost of homelessness in many American surveys is surprising, and has helped to spur consensus toward strategy-based solutions. Here are some additional examples, all funds in American dollars:

- Portland, Oregon “followed 35 homeless individuals placed in housing supported by ACT [street support] teams. Pre-enrollment health care and incarceration costs \$42,075 per person. Post-enrollment health care and incarceration costs, plus supportive housing cost is \$25,776 per person. Annual cost savings per person: \$16,299.”²³⁹
- Boston Health Care for the Homeless “tracked 119 persons experiencing chronic homelessness for 5 years and found that they collectively had 18,000 emergency room visits at an average cost of \$1000 per visit.”²⁴⁰
- Asheville, North Carolina “analyzed 37 homeless men and women over a period of 3 years and found that these individuals cost the city and county more than \$800,000 each year,” including jail, EMS services and hospital costs.²⁴¹

APPENDIX II

How Many Poor People? Depends Who You Ask

Depending on who you ask, the total number of households considered to be seriously at-risk for homelessness and affordability problems – who spend 30 per cent or more of household income on shelter – ranges between 1.5 million and 2.7 million households. The CMHC made major corrections to its 2001 census analyses in 2005, decreasing its estimate of at-risk households to 1.5 million from 2.2 million.²⁴⁷ In November 2006, Statistics Canada found that a total of 1.7 million Canadians spend 30 per cent or more on shelter, an increase from CMHC’s 2001 census analysis.²⁴⁵

Finally, in January 2007, the Canadian Council on Social Development applied Statistics Canada’s Low Income Cut-off measurement (LICO), to 2001 census data and found that “almost one-quarter of Canadian households – more than 2,700,000 households – are paying too much of their income to keep a roof over their heads.” Most importantly, noted the CCSD, it is families who rent that are “the most likely to have to pay a disproportionate amount of their household income for shelter – almost 40 per cent of all tenant households.”²⁴⁸

The main difference between these accounts is that the CMHC is more purely income-based, whereas the CCSD has applied the LICO to its analysis, which identifies those who are substantially worse off than average, relative to actual living costs and market realities. “The LICO has many benefits,” notes the CCSD. “It is a fair and valid measure, consistently defined over time. It is adjusted for inflation, changes in Canadian spending patterns, household size, and community size. In that way, LICO measures the amount of income that it takes to live and participate as a citizen in Canada.”²⁴⁸

The CMHC’s measurement of the number of at-risk households in Canada is clouded by its revision of federal census statistics. Between 2003 and 2005, as noted above, the CMHC made significant adjustments to its 2001 census analysis: its 2005 correction lowered the number of income-challenged

households from 34.6 per cent of the population to 25.7 per cent. It was noted that “some households had been mis-classed” and that core need had been overestimated.²⁴⁷

Other estimates of poverty incidence exist. A few studies, such as “Poverty in Canada: 2006 Update” by Vancouver’s Fraser Institute apply a self-defined “basic needs approach” which attempts to define poverty through an absolute measure of basic subsistence costs.²⁴⁹ But it was with some skepticism that many Canadian researchers regarded the Fraser Institute’s conclusions that “the proportion of Canadians living in poverty fell 4.9 per cent in 2004, the lowest level in history.” Incredibly, the Fraser Institute claims that “child poverty rates nearly halved between 1996 and 2004.”²⁴⁹

If there is a consensus, it is that poverty (and measures of poverty) have become more complex and dynamic in the last decade. Many households are falling in and out of poverty, just as a substantial although unverified number of Canadians fall in and out of sporadic homelessness. Income and housing security are fluid trends and, increasingly, unconnected to the positive gains of top income Canadians.

It is partially because of divergent income trends – Canada’s steadily growing income gap – that current measures of housing affordability continue to beguile and complicate. For example: in May 2004, the CMHC announced that affordable housing conditions improved across Canada. “The proportion of Canadian households experiencing core housing need declined from 17.9 per cent in 1996 to 15.8 per cent in 2001, according to an updated analysis of 2001 census data. The situation improved for both homeowners and renters, with the greatest overall improvements in housing conditions in Quebec, the Yukon Territory, New Brunswick, and Manitoba.²⁴³ “The improvement in housing conditions reflects Canada’s healthy economy,” said CMHC’s Douglas Stewart, Vice President, Policy and Planning. “Solid employment and income growth, combined with low mortgage interest rates and modest increases in shelter costs enabled more Canadians to meet their housing needs.”²⁴⁴

CMHC’s rosy picture of housing in Canada is not universally held. Some advocates opined that, in the face of growing homeless counts across Canada and competing statistics, the CMHC’s analysis of affordability frequently runs parallel to the real estate industry itself, with which the CMHC does much business –

nearly \$1 billion in profits in 2005, mostly from its government franchise selling mortgage insurance necessary for real estate transactions.

Affordability, as often defined within financial and housing sectors, is oriented towards home buyers and dependent on the relative cost of debt as determined by interest rates and average household incomes – an analysis that is often not particularly relevant to the needs of low-income renters. A mix of historically low interest rates and high average incomes in large affluent cities like Toronto, Calgary and Vancouver therefore tends to mask the housing realities of lower-income Canadians, leading to skewed estimates of average affordability in these markets. The CMHC’s rental market report, which offers national statistics on vacancy rates and average monthly rents, is a much more specific and useful tool for students of affordable housing.

One future challenge will be to include new economic and social realities into housing policy and analysis. In December 2006, for example, Statistics Canada outlined some trends within the Canadian economy that cloud affordability statistics, namely Canada’s growing income gap. While housing affordability improved for many Canadians between 1996 and 2001, household income of wage earners aged 25 to 34 actually decreased by 50 per cent between 1984 and 2005; those who gained income over the same period were almost exclusively homeowners. Consequently, nearly 40 per cent of renters in major Canadian cities experienced affordability problems in 2005, and one in five renter households in Canada spends more than 50 per cent of their income on shelter.²⁴⁵

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