

THE STATE OF
HOMELESSNESS
in
CANADA
2016

RECOMMENDATIONS



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**Canadian Alliance to
End Homelessness**

The State of Homelessness in Canada 2016

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5. Recommendations

Modern mass homelessness in Canada is primarily the product of federal withdrawal from housing investment. For that reason, the National Housing Strategy currently under development, is a critically important initiative. We have, for the first time in more than 25 years, an opportunity to make real progress on one of Canada's most entrenched, costly and deadly social problems.

In the *State of Homelessness in Canada 2014* we put forward recommendations that would:

- eliminate chronic homelessness and reduce the length of stay in emergency shelters in Canada to less than two weeks;
- provide direct financial assistance to 836,000 poor Canadian households per year; and,
- create 88,000 new units of supportive and affordable housing over a decade.

In this report we have revised and updated our 2014 recommendations to meet or exceed these outcomes and reflect emerging best practices in preventing and ending homelessness. In the *State of Homelessness in Canada 2014* we provided a series of proposals aimed at increasing the affordable housing stock, targeted investments for episodically and chronically homeless people, and an expansion for Indigenous housing on and off reserve. In this report we renew our call for these proposals and include new recommendations emphasizing the role of the National Housing Strategy in preventing and ending homelessness.

The cost of our proposed recommendations, outlined in detail in the conclusion, is \$4,474 million in 2017/18, or \$43.788 billion over a ten year period. This represents an annual increase of \$1,818 million over what the federal government is projected to spend in 2017/18 on affordable housing. This increased annual investment amounts to an additional \$50 per Canadian. For less than an additional \$1 per week per Canadian, we can prevent and end homelessness in Canada.

TABLE 1 **Comparing cost of existing federal housing and homelessness spending to proposed investments 2017-2027 (in millions)**

Year	CMHC social housing investment	2017/18 federal investment	Total federal spending	Our recommendation
2017/18	1,202	1,453	2,655	4,474
2018/19	1,126	1,453	2,579	4,463
2019/20	1,055	1,453	2,508	4,459
2020/21	979	1,453	2,432	4,451
2021/22	898	1,453	2,351	4,440
2022/23	773	1,453	2,226	4,386
2023/24	646	1,453	2,099	4,331
2024/25	530	1,453	1,983	4,288
2025/26	424	1,453	1,977	4,257
2026/27	329	1,453	1,782	4,239
Total	7,962	14,530	22,592	43,788

If the 2016 federal budget investment sets the pattern for spending under a National Housing Strategy, we should expect to see \$22.592 billion in housing and homelessness spending over ten years. Again, this new investment is welcome, but insufficient to make meaningful progress on Canada's housing crisis. Without major new investment it is clear the National Housing Strategy will not solve Canada's housing crisis.

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We're at a unique moment in this country – the *State of Homelessness in Canada 2014* showed the roots of modern mass homelessness in the withdrawal of the federal government from housing. Now the government is re-engaging on housing with a National Housing Strategy but that strategy has to be matched with the funding required to ensure all Canadians have safe, decent, appropriate and affordable housing.

Homelessness is preventable and solvable. Canadians have mobilized to solve homelessness for neighbours dislocated by disasters in Kelowna, Calgary, Lac Megantic and most recently are working to end homelessness for those who lost their homes to fire in Fort McMurray. We've even reached across the globe to resettle 25,000 Syrians fleeing the horrors of a brutal civil war. We can and must do the same for Canadians made homeless by poverty, policy or disability.

When disaster strikes we must be ready with swift, locally driven responses that are supported by all orders of government. More than this, we need processes to prevent catastrophes from happening in the first place. We must tackle homelessness at all angles if we are to meet our goal of preventing and ending homelessness in Canada.

How a National Housing Strategy can end homelessness in Canada

Here we offer recommendations for a National Housing Strategy that would prevent and end homelessness in Canada. We believe housing is a right for Canadians. Our National Housing Strategy has to ensure that all Canadians have access to safe, decent and affordable housing, but we must act most urgently for those for whom a lack of housing is a matter of life and death.

We know the longer people are homeless, the worse their health becomes. Homelessness causes premature death, poor health and is a burden on our health-care system. Beyond the tragic human toll, we also know ignoring homelessness is extraordinarily expensive, costing Canadians over \$7 billion per year.

Solving all of Canada's housing problems at once, from homelessness to the rising cost of home ownership, is absolutely the right objective, but the sheer scale of the challenge when set against political and fiscal realities will force the government to make some difficult choices. **We believe ending homelessness must be a priority of the National Housing Strategy.**

Key recommendations

I) ADDRESSING HOMELESSNESS IN CANADA

The following recommendations focus on the role of the federal government in preventing and ending homelessness in Canada through the National Housing Strategy.

1. The Government of Canada should adopt a national goal of ending homelessness with clear and measurable outcomes, milestones and criteria

In the consultation for the National Housing Strategy the Government of Canada states that it "believes that all Canadians deserve access to housing that meets their needs and that they can afford." If this is the case, then setting a measurable, time-bound national goal of ending homelessness should be a centerpiece of its National Housing Strategy. This commitment should be supported by a plan to end homelessness, like the U.S. 'Opening Doors' plan.



To be effective, a National Housing Strategy that prevents and ends homelessness should be grounded in these principles:

- **A NATIONAL GOAL OF ENDING HOMELESSNESS**

As Canadians, we cannot accept as inevitable the homelessness of any of our neighbours. Homelessness in Canada should be rare, brief and non-recurring with clear milestones and criteria set out for defining the goal and measuring progress.

- **BROAD ADOPTION OF HOUSING FIRST**

Canadians should have direct access, without pre-conditions, to permanent, safe, appropriate and affordable housing with the support necessary to sustain it. We believe housing is a right for all Canadians. Housing First is both a philosophy that should guide strategies to end homelessness, and is also a program intervention with a strong evidence base.

- **AN EMPHASIS ON PREVENTION**

Perhaps the most important thing we can do to address homelessness is to prevent it from happening in the first place. All orders of government must be proactive in their efforts to end homelessness. This is an area where the Government of Canada can exercise leadership.

- **LOCAL LEADERSHIP ON ENDING HOMELESSNESS, WITH CLEARLY DEFINED ROLES FOR ALL ORDERS OF GOVERNMENT**

Homelessness lives in our cities, towns and villages. When disaster strikes local emergency response plans kick in, the local authority takes charge and senior governments support based on clearly defined roles. The same approach should be in place for preventing and ending homelessness.

- **EFFECTIVE PRIORITIZATION**

When someone does become homeless, we must respond urgently to those Canadians for whom a lack of housing, or housing instability is leading to great suffering. At the same time we need to acknowledge that housing is a right, and that individuals should not have to wait until their personal situation has greatly deteriorated before they get the help that they need. For instance, expecting young people to lift themselves out of homelessness may simply be preparing them to become the chronically adult homeless population of the future.

- **THE USE OF DATA TO TARGET INVESTMENT, MAKE DECISIONS AND TRACK PROGRESS**

We cannot solve a problem without understanding its scope. This means we require a national strategy for the collection of real-time, person specific information and an understanding of the unique needs and circumstances of every Canadian experiencing or at risk of homelessness.

- **BUILDING AND IMPROVING LOCAL SYSTEMS**

The National Housing Strategy supports the building of coordinated local housing and support systems that are simple to navigate, while targeting resources quickly and efficiently to the people who need it the most.

The principles outlined above provide a foundation for the NHS that positions housing as a human right for all Canadians, irrespective of income, health status, or level of need. If housing is a right, it is our obligation to provide the means, resources and support necessary to allow everyone to obtain and maintain a safe, appropriate and affordable home. In the next section we provide recommendations on how the NHS can accomplish these goals for individuals experiencing homelessness and as part of a national affordable housing framework.

2. Renew, refocus and expand the Homelessness Partnering Strategy



Federal involvement in homelessness began with the National Homelessness Initiative, announced in 1999. The National Homelessness Initiative was renamed the Homelessness Partnering Strategy (HPS) in 2006.

One of the success stories of HPS is its support of 61 designated communities across Canada. Communities are provided with funding to support a range of activities to address homelessness. In the past communities have been asked to develop community plans that are used to describe how the federal investment can be used.

TRANSFORMING CANADA'S RESPONSE TO HOMELESSNESS FROM THE COMMUNITY UP

In Canadian (and U.S.) cities that have achieved significant reductions in homelessness (for example, Edmonton, Calgary, Red Deer, Lethbridge, Medicine Hat, Hamilton) we consistently see the development and implementation of coordinated local systems. These systems feature community plans focused on preventing and ending homelessness, a Housing First orientation in all services, coordinated access processes, agreed prioritization criteria and processes, the effective use of data to make decisions and track progress and strong, dedicated local leadership. These communities are all working toward integrated systems that involve not only the homelessness sector, but mainstream services as well.

"I want to live in a world where we view access to housing, basic needs, privacy and dignity as human rights (rather than as privileges)". - Stasha

An excerpt from Homelessness is Only One Piece of my Puzzle: Implications for Policy and Practice (2015: 98)

The HPS community planning process, in 61 communities across Canada, can be the vehicle to deliver a Canadian plan to end homelessness by creating a process to develop coordinated local housing and support systems that are simple to navigate, while targeting resources quickly and efficiently to the people who need it the most.

We recommend that HPS community plans become community system plans focused on preventing and ending homelessness, within the context of a national objective to end homelessness.

A community systems planning approach to ending homelessness means creating an efficient, wide-reaching system of care that can meet the needs of all individuals facing homelessness. According to Turner (2014) a systems plan requires several key elements:

- I. PLANNING AND STRATEGY DEVELOPMENT:** Community plans need to move beyond distributing federal funding to integrating a systems framework, grounded in Housing First philosophy.
- II. ORGANIZATIONAL INFRASTRUCTURE:** essential system leadership and coordination infrastructure must be in place to meet the goals set out in the community plans.
- III. SYSTEM MAPPING:** An assessment of the existing services, against a framework of best practice in system planning, to understand where there are gaps and redundancies in the system.
- IV. CO-ORDINATED SERVICE DELIVERY:** facilitate common access points, assessment tools and flow-through between organizations and services to respond to the needs of the client.
- V. INTEGRATED INFORMATION MANAGEMENT:** Allows co-ordinated systems delivery through shared data, as well as simplified intakes and referrals.
- VI. PERFORMANCE MANAGEMENT AND QUALITY ASSURANCE:** Ensure that programs and systems are achieving optimal outcomes.
- VII. SYSTEMS INTEGRATION:** The homelessness sector works collaboratively with public systems and services such as health, child welfare, criminal justice, domestic violence and poverty reduction.

As we recommended in the *State of Homelessness in Canada 2014*, Indigenous governments, all orders of government, homeless serving agencies, local funders and people with lived experience of homelessness should be included in the development process. This will strengthen targeted strategies for specific populations, such as Indigenous homelessness and women fleeing violence.

“I would like to see a facility that would have people come in one door and have everything they need under one roof – like one-stop shopping. To the left we have doctors, dentists, psychiatrists and mental health care; on the right we have addictions counsellors, personal care workers for housing, etc. So at the end, when you walk out the last door, you’re ready for a new start.” - Richard

An excerpt from Homelessness is Only One Piece of my Puzzle: Implications for Policy and Practice (2015:66-67)

RENEW AND RESTORE FUNDING TO THE HPS

The current HPS was renewed in 2014 for a five year period until 2019. The 2016 federal budget announced a time limited 40% increase in annual HPS funding of \$55.9 million for a period of two years. Prior to this increase, funding for the critical work of Homelessness Partnering Strategy stagnated relative to inflation, and was cut in the final years of the previous government.

We recommend the government permanently restore the Homelessness Partnering Strategy to its 1999 levels and be renewed for 10 years. Accounting for inflation, this amount in 2016 would be \$349 million annually, a difference of \$158 million. Long-term funding for Canada's most vulnerable – those experiencing chronic and episodic homelessness – is needed to keep this population stably housed.

MAINTAIN COMMITMENT TO HOUSING FIRST FOR IMMEDIATE IMPACT

As one of the few existing homelessness interventions that can legitimately be called a “Best Practice” (the successful *At Home/Chez Soi* project contributed to the evidence base), Housing First is an effective, humane and rights-based approach to addressing homelessness. The Government of Canada committed to supporting communities to implement Housing First in 2013. Going forward, HPS should continue this effort, expand resources and ensure communities get adequate training and technical support to do this well.

Within the context of a National Housing Strategy, Housing First, especially when targeted to chronic and episodic homelessness, provides the government with a strategic opportunity to: make short-term reductions in homelessness while also making the longer lead time housing investments; to take immediate action to reduce emergency shelter use (a problem outlined in the National Shelter Study); and, make rapid progress on priority populations like veterans and women fleeing violence.

HPS should also invest in the development of targeted adaptations of Housing First to address the needs of specific populations. Housing First for Youth is a good example of this, and more communities should be encouraged to implement this. The knowledge base regarding how to do Housing First with veterans, Indigenous Peoples, women fleeing violence and people leaving corrections needs to be built as well.

DEVELOP AND IMPLEMENT A HOMELESSNESS PREVENTION FRAMEWORK

Homelessness prevention refers to policies, practices and interventions that reduce the likelihood that someone will experience homelessness, or for those who have been homeless reduce the reoccurrence. While there is growing acceptance that we should be doing more to prevent homelessness, how we do this and whose responsibility this is, is not as well understood.

Homelessness prevention means working upstream with broad population-based approaches that mean people have access to the income and safe and affordable housing they need to reduce the risk of homelessness. It also means addressing systems failures (child protection, criminal justice, health care)

that lead to people being dumped into homelessness. It also means effective early intervention strategies to help people in crisis. Finally, it means providing those who have experienced homelessness with the housing and supports they need to make this episode of homelessness their last. When prevention strategies are at the forefront of our response to homelessness we can prevent people from experiencing the traumatic effects of homelessness in the first place and intervene before it is too late.

A federal Homelessness Prevention Framework and investment will bring together the leadership and interaction from all orders of government and communities needed to plan and implement effective strategies that will reduce the flow of individuals and families into homelessness. Homelessness is invariably a “fusion” policy issue, in that the drivers of homelessness – and therefore the solutions – interface with multiple ministries and departments of government at the federal, provincial and territorial levels. It is imperative then for HPS to engage and work collaboratively with ministries such as Families, Children and Social Development; Health; Employment, Workforce Development and Labour; Indigenous and Northern Affairs, Status of Women; as well as the Departments of Justice and Veterans Affairs, for instance.

USE DATA AND RESEARCH TO TARGET INVESTMENT, MAKE DECISIONS AND TRACK PROGRESS

Data becomes critically important within the context of a National Housing Strategy because without it the government is potentially making multi-billion dollar investments without the data to target investments, no visibility of the impact of that investment, limited understanding of how many people are homeless in Canada, who they are, where they are, how they move through systems or a detailed understanding of their needs.

We recommend that the government develop a national strategy for the collection of real-time, person specific information and an understanding of the unique needs and circumstances of every Canadian experiencing or at risk of homelessness. This could be accomplished through an expansion of the *National Homelessness Information System*. System-wide data collection and sharing across sectors must be in place to support an outcomes-based approach to addressing homelessness.

A National Homelessness Data Strategy need not re-invent the wheel. We have excellent data system and process models in Canada including the ‘by-name lists’ being developed under the 20,000 Homes Campaign (for example, in Hamilton, Waterloo and Kingston) and the Homelessness Management Information System in Calgary. The existing Homeless Individuals Families Information System being used by HPS can also be adapted as the technological backbone of the strategy.

Research has to figure prominently in any strategy to prevent and reduce homelessness especially in making sense of the data we collect, informing decisions in government and at the community level, testing and providing strong evidence for solutions, as well as collecting good ideas from other countries that can be replicated and adapted locally. Research should be part of any strategic solution to homelessness, and should include the following elements:

I. Basic research on the causes, lived experience and solutions, makes for better policy and practice.

II. Point in Time (PiT) counts conducted on a Biannual Basis. To complement by-name lists, the Government of Canada should conduct a national PiT count every two years to collect information, populate local data systems, assist with planning and to identify individuals not using services. Participation in the national PiT count should be mandatory for all communities receiving federal funding.

III. Program Evaluation and Demonstration Projects. Instituting a culture of innovation and evaluation in the sector (including funding to support this) is important to demonstrate the effectiveness of strategies and practices. This supports the drive for 'continuous improvement', the measurement of progress, more effective planning and also becomes a means to identify effective models and practices.

IV. Knowledge Mobilization. Communities should be supported to develop mechanisms and strategies to identify effective practices and enable the sharing of them both within and between countries.

3. A new federal/provincial/territorial framework agreement that defines local leadership on homelessness and housing investment

In order to achieve meaningful reductions in homelessness, as part of its new National Housing Strategy, the Government of Canada should set clear priorities and expectations for their investment. It is critical that the provinces and territories invest in these new housing priorities as they have principal jurisdiction over many of the critical systems of care that impact homelessness and, in the end, will be the net financial beneficiaries of reduced homelessness. Finally, any new federal investment in housing has to reflect the reality that homelessness and homeless systems are ultimately local or regional in nature and as a result investment planning and allocation must also be local or regional.

There is now a renewed interest on the part of the Government of Canada to work with provincial and territorial governments as partners. We believe a new federal/provincial/territorial framework agreement on housing and homelessness is required. In our proposed framework, the federal government is responsible for setting the national direction for ending homelessness in Canada and for providing a significant investment to support the work of other orders of government and communities. In Canada, provincial and territorial governments have expanded responsibility for the funding and delivery of a broad range of health and social services (in addition to housing), many of which have a direct impact on housing stability and well-being necessary to prevent and end homelessness. Communities and



municipalities, with support from higher levels of government, should be responsible for coordinating and allocating housing investments based on the needs of their community.

An effective federal, provincial/territorial agreement on housing and homelessness should:

1. Define F/P/T and local roles and responsibilities in the national objective to end homelessness.
2. Specify agreed milestones, outcomes and performance expectations along with an agreement on regular evaluation and reporting.
3. Ensure all federal investment would be directed by local or regional system plans.
4. Ensure direct federal investment in housing prioritizes those at greatest risk including:
 - a. homeless individuals and families who are deemed to be 'high acuity' based on an agreed evidence based assessment;
 - b. chronic and episodically homeless individuals and families;
 - c. people living in core housing need with a history of housing instability or homelessness;
 - d. young people leaving public systems; and,
 - e. women fleeing domestic violence.
5. Federal investment should first be used for permanent supportive housing and deep subsidy affordable housing (up to 60% below market).
6. Ensure that federal investment for deep subsidy and permanent supportive rental housing could be used for up to 75% of capital cost. The provinces/territories would be expected to contribute the remaining 25%, resulting in 100% of capital cost being covered by public investment.
7. Ensure that the provinces cover 100% of support costs relating to supportive housing and match federal investment in Housing First programs.
8. Ensure that all orders of government articulate and implement a plan to address homelessness prevention. In particular, provincial and territorial governments should focus on prevention because they have jurisdictional responsibility for a number of areas that impact on homelessness, including income supports, health, mental health and addictions, education and child protection, for instance. Aligning the federal homelessness prevention framework and investment with the work being done by other orders of government will lead to a more coordinated approach to homelessness prevention.

4. Targeted Strategies to Address the Needs of Priority Populations



Because the homeless population in Canada is diverse, there is a necessity for special targeted investments to address priority groups. While there are many groups in need, we recommend the Government of Canada prioritize the following three populations for specific attention:

A) YOUTH

Youth homelessness is distinct from adult homelessness in terms of its causes and conditions, and therefore so must be the solutions. In 2016, the Canadian Observatory on Homelessness and A Way Home Canada released a policy brief titled: *Federal Investment in Youth Homelessness: Comparing Canada and the United States and a Proposal for Reinvestment*, calling for a targeted federal strategy and investment in preventing and ending youth homelessness. The strategies to end youth homelessness require the partnership of sometimes separate systems, including education, child welfare, youth justice and health. Age appropriate housing and supports delivered through a [Housing First for Youth framework](#) are imperative to help young people move out of homelessness and remain stably housed. These supports should reflect the diversity of young people experiencing homelessness, including the 20% of homeless youth who identify as LGBTQ2S. A comprehensive systems framework with the goal of preventing and eliminating homelessness must include youth planning. Federal investment and leadership can help communities address the problem of youth homelessness by providing them with knowledge, direction and resources necessary to achieve results.

In line with [recommendations from A Way Home Canada](#) and [the National Learning Community on Youth Homelessness](#), **we recommend** that within the National Housing Strategy there be a targeted youth homelessness strategy and investment with a focus on *housing and supports*.

We call for an annual federal investment of \$16.5 million as part of the HPS renewal.

B) VETERANS

Veteran homelessness is an area of clear federal jurisdiction. Veterans Affairs Canada is making recommendations to prevent and end homelessness among veterans. According to the latest Point in Time counts veterans make up between 5-7% of Canada's homeless population. In light of this statistic, we support the following recommendations:

- i. Housing First funding for veterans who are at risk of or who are experiencing homelessness

- ii. New affordable housing units specifically designed to support veterans, including those with addiction and/or mental health challenges
- iii. Expanded eligibility for veterans benefits beyond those who can demonstrate a direct link between military service and their injury or illness. The strategy includes greater flexibility for local offices to distribute emergency funds to veterans to keep them stably housed

The cost of preventing and ending veterans homelessness may be in the range of \$3 million annually, or \$32.8 million over ten years (adjusted for inflation). This could be cost shared between HPS and the Department of Veterans Affairs.

C) INDIGENOUS HOMELESSNESS STRATEGY

It is well established that Indigenous Peoples are more likely to experience homelessness than other Canadians (Patrick, 2014; Belanger, et al. 2012). While making up 4.3% of the total Canadian population, Indigenous Peoples form a disproportionate percentage of the homeless population in communities across the country. According to the National Shelter Study, Indigenous Peoples use emergency shelters at a rate 10 times higher than non-Indigenous Peoples. In Canada, one cannot really discuss homelessness – and its solutions – without explicitly addressing Indigenous homelessness.

We do know that the experience of colonialism (resulting in intergenerational trauma), poverty, violence (in particular, against women), as well as racism and discrimination undermine health, well-being and opportunities, as well as enhance the risk of homelessness. In light of the work of the Truth and Reconciliation Commission and the current National Inquiry into Missing and Murdered Indigenous Women and Girls, it is imperative that the Government of Canada engage Indigenous communities across the country in developing and implementing Indigenous led strategies to prevent and end homelessness.

At this time we cannot make a solid recommendation of the cost of this initiative. To support a strategy to address Indigenous homelessness, The Ministry of Indigenous and Northern Affairs may be requested to make an additional investment in partnership with HPS.

RECOMMENDATION

HPS renewal \$349 million a year; \$3.821 billion over ten years

Notes:

- This does not include costing for an Indigenous homelessness strategy.
- To support targeted investments for priority populations, additional resources may be requested from other Ministries and Departments (e.g., Veterans Affairs, Indigenous and Northern Affairs).
- Once the numbers of people who experience homelessness begin to significantly decline, this investment can be drawn down.

II) ADDRESSING AFFORDABLE HOUSING IN CANADA

The following recommendations focus on expanding the affordable housing supply for low-income Canadians and people at risk of homelessness.

1. Retain and expand existing affordable social housing stock

Many low-income Canadians live in public housing and/or co-ops and get by because they are paying rent-geared-to-income. The 620,000 units of social housing, including co-op housing, built across Canada in the 1970s and 1980s were made possible through an investment by the federal government and were covered by 25-40-year operating agreements that support capital costs and operating expenses. When administrative responsibility was devolved to the provinces and territories in 1993, the Government of Canada agreed to continue their share of funding at 1994-95 levels and only until those agreements expired. Unfortunately, for communities across Canada, the 25-40-year operating agreements are all coming to an end; by 2020 the majority will have expired. Moreover, there has been no indication to date by Canada Mortgage and Housing Corporation (CMHC) that these agreements will be renewed.



The 2016 budget allocated a short-term, two-year \$30 million dollar investment for those operating agreements set to expire before March 2018 in anticipation of a comprehensive National Housing Strategy. Certainly this investment is necessary but does not provide the kind of stability necessary for long-term sustainability.

As part of the National Housing Strategy, there needs to be new investments to retain and expand the existing affordable housing stock. As part of this effort, guarantees are needed to ensure that marginalized populations such as youth and Indigenous Peoples have access to existing and new affordable housing stock. Below are our recommendations:

I. REMOVE THE FUNDING CAP FOR THE MORTGAGE PRE-PAYMENT PROGRAM AND INTRODUCE GREATER APPLICATION FLEXIBILITY

In June 2016 the federal government announced a \$150 million program over three years to allow housing providers who were locked into long-term mortgages to renew mortgage without pre-payment or other penalties. We recommend that all eligible housing providers should have the opportunity to participate in this program by lifting the \$150 million cap and create open ended intake of applications. We support CHRA's recommendations for further plans to allow for greater flexibility within existing operating agreements, such as allowing partial prepayment, allowing the consolidation of operating agreements, and eliminating CMHC's massive reporting requirements.

II. RENEW AND EXPAND INVESTMENT IN THE INVESTMENT IN AFFORDABLE HOUSING INITIATIVE (IAH)

The Investment in Affordable Housing Initiative (IAH) serves an important function by providing funding to increase the supply of affordable housing and preserve the quality of affordable housing that already exists, which should include energy efficiency and other sustainability measures. The 2016 federal budget doubled the IAH investment by \$504.4 million for two years. We recommend a ten-year renewal at \$600 million annually, adjusted for inflation, recognizing that the current level of federal/provincial/territorial expenditures has not had any impact in reducing the percentage of the population of people living in core housing need. This investment would produce 4,000 new units of housing annually, based on a cost estimate of \$150,000 per unit⁴.

III. PROVIDE TRANSITIONAL SUPPORT RESOURCES TO HOUSING PROVIDERS NEARING THE END OF THE OPERATING AGREEMENT.

CHRA has submitted a funding partnership proposal to CMHC to offer online and in-person tools for providers to address financial, legal, social and business development issues. Specifically, the tools will support housing providers assess their viability status, propose operational and functional options and help them implement a transitional plan.

IV. CREATION OF THE CANADA HOUSING FINANCE AUTHORITY.

The goal is to create and support alternative financing mechanisms that will allow housing providers to leverage their existing assets to secure greater capital. A proposal developed by Housing Partnership Canada, would create a Canadian Housing Finance Authority (CHFA) to act as a dedicated non-profit lending institution for affordable housing initiatives, both to finance regeneration and to develop new housing projects. Focused on long-term investments, the CHFA will act as an independent entity to pool investments from multiple and diverse investors who might not otherwise be interested in funding individual housing providers. In turn, housing providers can access capital markets at a low rate to build and repair affordable housing. This lending model has found success in the UK and here in Canada, with the First Nations Finance Authority and the Toronto Community Housing Corporation. The CHFA can provide necessary financial resources to housing providers as operating agreements come to an end and encourage self-sufficiency in the sector. A downside of this proposal is that housing projects that take on debt (at market rates) will invariably require rent subsidies of some kind for low end tenants in order to offset costs. It is recommended that the Government of Canada provide an up front investment of \$100 million to establish the authority. CHRA has explored this and alternative financing mechanisms. Whichever structure the Government of Canada chooses, the focus must be on using housing providers' assets

4. We recognize that it is difficult to calculate building costs as they vary depending upon dwelling type, size of individual unit, construction type, cost of land, municipal/provincial/territorial tax benefits and incentives, size of building (single home, multi-unit etc.), for-profit/non-profit developer, municipal fees and levies etc.

to leverage capital from the private investment market or use a public authority (such as CMHC) to underwrite loans.

RECOMMENDATION

- Pre-mortgage payment program \$150 million a year;
- IAH \$600 million a year;
- Transitional support resources \$250 000 a year (five years);
- CHFA \$100 million (start up).

TOTAL:

Year 1 (2017): \$1,100 million

Ten years: \$12.045 billion

2. National Low Income Housing Benefit – a new program to assist those who face a severe affordability problem in their current accommodation.



A large number of Canadians are precariously housed, because of a severe affordability problem in this country (Gaetz, Gulliver & Richter, 2014). While poverty and the resulting housing affordability can be a problem in both urban and rural areas, it is particularly an issue in large cities, because this is where housing costs tend to be the highest (see Chapter 3 of the *State of Homelessness in Canada 2014* for elaboration). It is even the case that many people who live in so-called ‘affordable’ housing units, built under the federal Affordable Housing Initiative, may be in a difficult situation because not all units are rent-geared-to-income - rents are often pegged at 80% of markets which makes them high enough to place a strain on the household budget (Londerville and Steele, 2014:41).

In 2014 we recommended that the federal government implement a National Housing Benefit that would provide monthly cash payments directly to low-income households when accounting for income level and cost of housing. The benefit could be delivered through the income tax system and deposited directly into the recipient’s bank account, similar to ‘child tax’ benefits. Based on an earlier study by Pomeroy et al (2008) in Ontario, Londerville and Steele (2014) suggest that the housing benefit would take into account income and the cost of the housing (e.g. maximum income for a family of two adults and two children would be under \$36,000 while a single would need to make less than \$22,000). Recipients would be expected to make a reasonable contribution towards the cost of their housing – for example 30% of their income – and the housing benefit would cover 75% of the difference between the actual housing costs and the contribution.⁵ Receivers of the benefit would have to demonstrate to CRA that they are paying the rent they claim to be paying.

5. While this will dramatically reduce the number of Canadian households living with an extreme affordability problem and will greatly reduce the deprivation of households experiencing core housing need, it will not eliminate extreme housing need completely. For example, if a household is currently paying 80% of its income on rent, the Housing Benefit (because of constraints such as max rent in the formula) would be very unlikely to bring the payment down to below 50%. A family household gets only 75% of the gap between rent and 30% of income.

Londerville and Steele have calculated the cost of this housing benefit at \$871.08 million annually for renters and \$247.92 million annually for low-income homeowners (based on 2014 dollars). A further breakdown follows:

Renters	Homeowners
\$428.28 million for renter families (215,000 recipients)	\$123.37 million for families (105,000 recipients)
\$388.8 million for renter singles (360,000 recipients)	\$125.94 for singles and childless couples (106,000 recipients)
\$54 million for homeless at income tax time (50,000 recipients)	
TOTAL: \$871.08 million (625,000 recipients)	TOTAL: \$247.92 million (211,000 recipients)

The National Housing Benefit would have the effect of greatly reducing those in extreme housing need and could act as a significant strategy for preventing homelessness by keeping individuals and families stably housed. We renew our call for a National Housing Benefit as part of the National Housing Strategy.

Notwithstanding the enormous improvements the National Housing Benefit will have to the lives of many Canadians, it does present some challenges worth noting.

A. ADDITIONAL FUNDING AND SUPPORTS FOR PEOPLE CURRENTLY EXPERIENCING HOMELESSNESS.

Because of their acute poverty, it will be difficult for someone currently experiencing homelessness to access the benefit and save first and last month rent. According to Steele (2016) in that case another kind of support payment will be required to assist those transitioning out of homelessness. Indeed, the benefit will reduce but not eliminate the need for rent subsidies and other income supports. Social supports, such as assistance filling out tax forms, will also be necessary. These challenges are surmountable but only with community leadership and collaboration and innovation from all orders of government. To the extent that a National Housing Benefit displaces provincial rent supplements, provincial government should be expected to contribute displaced funding into these transition funding programs and /or new affordable housing.

B. HOUSING BENEFIT FOR YOUTH UNDER THE AGE OF 18.

Concerns regarding whether or not the housing benefit will incentivize young people to leave home at an earlier age when they still have access to housing and supports provided by parents or guardians, suggest additional conditions for those under the age of 18. One remedy is if young people under 18 are eligible for the benefit if: a) they become legally emancipated, b) their status as being homeless without recourse to return home is provided by a legal representative or housing worker.

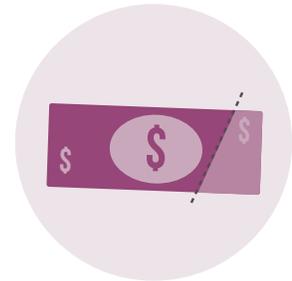
RECOMMENDATION

- \$1,164 million a year
- \$12.745 billion over ten years.

This will benefit 625,000 renters and 211,000 homeowners.

3. Affordable housing tax credit

As reported in *State of Homelessness in Canada 2014*, in order to encourage the creation of affordable housing by private and non-profit developers, we are proposing the creation of an affordable housing tax credit, modelled in major respects on the Low Income Housing Tax Credit (LIHTC) in the U.S. (Steele & des Rosiers, 2009).



According to Steele and Londerville:

“The US credit has provided housing for a wide range of clients and tenants over nearly three decades, surviving different Administrations of both U.S. political parties – proving to be remarkably robust. Among the developments it has helped fund is Anishinabe Wakiagun, a non-profit building providing supportive housing in Minneapolis for 45 chronically homeless alcoholic men. The housing credit has also funded thousands of units of for-profit housing, often targeted at moderate-income families.”

Essentially, an affordable housing tax credit is designed to give private equity investors reductions in federal income tax for dollars invested in qualifying affordable housing projects. The credits awarded for successful applicant developers would apply only to construction cost; the developer would need to fund land, architect and planners fees and other soft costs separately. Unlike most other incentives, the government would set a maximum amount of affordable housing tax credits awarded in each year so the government cost is known as soon as the amount is set. The credits would be allocated to provinces and territories based on CMHC’s assessment of core housing need and a provincial or territorial body would take applications and award them according to set criteria.

It is likely, as is the case with the LIHTC in the U.S., that syndicators would be required to pool funding from a number of investors to fund individual projects, as few individuals or developers would have enough taxable income to allow them to use all the credits awarded to a project. Highly regarded Canadian firms have experience as syndicators in the U.S. – for example RBC Capital Markets, through its Tax Credit Equity Group. We recommend that at least half the credits be allocated to non-profit developers, that rents for credit units be capped at no more than 80% of market rent and that occupants of the units, on entry, be required to have an income less than 125% of CMHC’s Household

Income Limit. All developments, except for those providing permanent housing for the chronically homeless, would be required to keep at least 15% of units in a primarily tax credit development as non-credit units. The motivation for this provision is twofold: to ensure the building has an income mix in its tenants; to provide units for those who initially meet the income requirement but whose income rises while they are sitting tenants so that they no longer qualify. Rising income would then not jeopardize a tenant's security of tenure. We also propose that the manager of a development with credit units, with some exceptions, be required to accept up to 20% of tenants from Housing First programs.

Londerville and Steele estimate that this investment would produce an additional 4,800 new units of housing annually, for a ten-year total of 48,000 units.

RECOMMENDATION

- \$150 million per year
- \$1.642 billion over ten years

4. Review and expand investment in affordable housing for Indigenous Peoples

The lack of quality and accessible housing for Indigenous Peoples currently has an impact on the homelessness crisis in Canada (Patrick, 2014; Belanger et al., 2012). Population growth combined with a declining housing stock suggest that in time, there will be greater migration to urban areas as people seek better opportunities and in all likelihood, the homelessness problem amongst Indigenous Peoples in Canada is projected to become much worse than it already is.



We also must not forget the challenges that Indigenous Peoples face in accessing housing off reserve. While the housing problems for Indigenous Peoples off-reserve are similar to those of non-Indigenous people – lack of access to safe and affordable housing – the problem is exacerbated by constant and ongoing discrimination (in both housing and employment), as well as impacts of inter-generational trauma and colonization. This has resulted in disproportionate rate of Indigenous Peoples experiencing homelessness in urban centers.

All of this indicates that prioritizing a strategic investment in Indigenous housing is required. For this report, we are not prepared to identify a cost for this investment because we lack solid information about the full extent of the problem today and in the immediate future.

The federal government is currently making investments in affordable housing both on and off reserve. Funding to improve housing among First Nations, Inuit and in the North is welcome and will make a

significant impact on the affordable housing stock. Still, these investments are largely short term, and are clearly inadequate. Using the knowledge and expertise of Indigenous Peoples and governments, the National Housing Strategy must include long-term, sustainable solutions to affordable housing for Indigenous Peoples both on and off reserve.

We renew the call made in 2014 for the Canadian Observatory on Homelessness and the Canadian Alliance to End Homelessness, in partnership with Indigenous communities, to conduct an audit of on-reserve housing in order to develop an evidence based plan for investing in affordable housing.

We also support the National Association of Friendship Centres, the JM McConnell Family Foundation and Indigenous and Northern Affairs Canada's launch of the Indigenous Innovation Demonstration Fund. The fund supports organizations to develop and expand Indigenous social innovation and enterprise projects. We recommend that the Fund set aside specific investments for innovative solutions to housing and supports for Indigenous Peoples, both on and off reserve.

The call for solutions to affordable housing for Indigenous Peoples is critical as the Indigenous population grows. 28% of the Indigenous population are under the age of 14. This means that housing solutions for young people are an essential component to an Indigenous housing strategy. We call upon all stakeholders to recognize the importance of supporting Indigenous youth in their community plans to prevent and end homelessness.

RECOMMENDATION

- A projected minimum \$509 million per year
- \$5.573 billion over ten years, but the cost will likely increase based on the results of the audit

6. Conclusion: Time for Reinvestment in a National Housing and Homelessness Strategy

While homelessness continues to be a major crisis in Canada, we believe it is a problem that can be solved. With the Government of Canada now poised to develop and implement a new National Housing Strategy, there is an opportunity to make significant progress.

Our recommendations outline a plan with two main areas of focus:

- I) An investment in the prevention and ending of homelessness
- II) An expansion of the affordable housing supply in Canada

The key point is we can end homelessness in Canada. This requires an investment, but one that will pay big dividends for all Canadians as housing becomes more affordable. Moreover, this will allow us to finally say that homelessness is no longer a problem in our country.

“We live in an amazing country and we certainly have the capability to provide everyone with some sort of adequate housing... Hope is beautiful, and may my hope that we are all housed properly be realized sooner rather than later”. - Sean

*An excerpt from Homelessness is Only One Piece of my Puzzle:
Implications for Policy and Practice (2015:110-111)*

A renewed investment

In the 2016 federal budget, the Government of Canada outlined its commitment to affordable housing in Canada through an expanded investment in a number of existing and new program areas. Table 2 below outlines budget allocations in a number of areas, for a total of \$3,188 million in 2016-17.

TABLE 2 Federal Spending on Affordable Housing, 2016-17 and 2017-18 (in millions)

	2016-17	Projected 2017-18
CMHC Social housing agreements	\$1282	\$1202
IAH	\$515	\$496
Indigenous housing	\$497.1	\$523.7
Homelessness Partnering Strategy	\$176.9	\$172.9
Investment in social housing repairs	\$500	\$74
Affordable housing for seniors	\$100.3	\$100.4
Affordable Rental Housing Innovation Fund	\$41.6	\$41.6
Rent subsidies	\$15	\$15
Shelters for victims of violence	\$60	\$30
TOTAL	\$3,187.9	\$2,655.6
10 Year Projection – 2017-2026		\$22,592

In the *State of Homelessness 2016*, we outline our key recommendations for the new National Housing Strategy. The costs of these proposals are detailed in Table 3 below:

TABLE 3 State of Homelessness in Canada
Cost Estimates of Recommendations, 2017-18 and 10 year projection (in millions)⁶

Recommendation I – Addressing Homelessness in Canada		
	2017-18	10 years
1. The Government of Canada should adopt a national goal of ending homelessness with clear and measurable outcomes, milestones, and criteria	The annual investment in an HPS renewal referenced below covers all four recommendation areas.	
2. Renew, refocus, and expand the Homelessness Partnering Strategy		
3. A new federal/provincial/territorial framework agreement that defines local leadership on homelessness and housing investment		
4. Targeted strategies to address the needs of priority populations		
TOTAL	\$349	\$3,821

6. 10 year projections adjusted for inflation

Recommendation II – Addressing the Affordable Housing Supply		
	2017-2018	10 years
1. Retain and expand existing affordable social housing stock	\$1,100	\$12,045
2. National low income housing benefit	\$1,164	\$12,745
3. Affordable housing tax credit	\$150	\$1,642
4. Review and expand investment in affordable housing for Indigenous Peoples	\$509	\$5,573
TOTAL	\$3,272	\$35,826
Additional federal commitments for expiring CMHC social housing agreements⁷	\$1,202	\$7,962



State of Homelessness in Canada 2016 - proposed National Housing and Homelessness Strategy

Total investment 2017-2018 \$4,474 million

Total 10 year investment 2017-2026 \$43.788 billion

Can we afford this?

As we argued in the *State of Homelessness in Canada 2014*, our current affordable housing crisis is the outcome of a massive disinvestment in housing over the past 25 years. Since the 1990s, federal spending on low-income affordable housing (on a per capita basis) dropped from over \$115 annually, to just over \$60 (adjusted to 2013 dollars). While we pride ourselves on being able to balance federal budgets, we have done so by creating a massive affordable housing and infrastructure deficit.

In order to save money in the short term, we have created a crisis. This is not unlike putting off roof repairs for 25 years in order to save money, but at the expense of the structural integrity of the whole house. We now need a reinvestment in order to make up for the lost opportunities of the past 25 years.

Our recommendations for the National Housing Strategy are not only comprehensive they are affordable. Federal spending on affordable housing and homelessness in 2017-18 is projected to be \$2,655.6 million. While this is a significant increase over the previous years (and amounts to \$73 per Canadian on a per capita basis) it is not enough, and is still considerably lower than the \$115 level of 1989. Over a ten year period (2017-26) the total amount of federal investment would be \$22.592 billion (note that there is an annual decline in federal spending because of expiring social housing agreements).

7. Note that current federal expenditures for IAH, Indigenous Housing, and HPS are included in our recommendations.

Our proposal, combined with existing federal expenditures (including expiring social housing agreements) is \$4,474 million, or \$43.788 billion over a ten-year period (the ten year projection is indexed to inflation). This represents a minimum annual increase of \$1,818 million. To put this in perspective, our proposal means increasing the annual investment from \$73 per Canadian to \$123 per Canadian, only an additional \$50 per year. For each Canadian this amounts to \$1 a week – a reasonable investment to expand the affordable housing supply in Canada. More importantly it will mean we have the resources to prevent and end homelessness in Canada.

There are other important spin offs. It should be noted that our investments will lead to an increase in employment opportunities in communities across the country. As Zon, Molson, and Oschinski (2014) articulate, “Each \$1 increase in residential building construction investment generates an increase in overall GDP of \$1.52 as the investment continues to cycle through the economy. Each \$1 million in investment also generates about 8.5 new jobs.”



Our recommendations for the National Housing Strategy suggest there is a real opportunity to put in place infrastructure and supports that will benefit individuals, families, and communities across the country. These investments will potentially be recouped by offsetting the costs associated with homelessness. Moreover, the biggest reason for this investment is the contribution it will make to preventing and ending homelessness in Canada. For too long we have allowed mass homelessness to continue in this country, to the detriment of the health and wellbeing of tens of thousands of individuals and families. We are now presented with a chance to make real progress, to turn the dial on homelessness in Canada.

WE CAN END HOMELESSNESS, IF WE WANT TO.