



Calgary
Homeless
Foundation



**NATIONAL HOUSING
STRATEGY**



BRIEF



AUGUST 30, 2016

OUR POSITION

The Calgary Homeless Foundation (CHF) supports a National Housing Strategy and is grateful for the opportunity to provide input. We believe a Strategy that addresses the needs of all Canadians for safe, suitable, secure and affordable housing is an imperative. We also strongly believe that for the Strategy to be an effective tool to further the vision of ending homelessness, it needs to provide specific measures to address the specialized needs for housing with supports for vulnerable and homeless citizens, including Indigenous Peoples.

The development of a National Housing Strategy will have a positive and lasting impact on our collective vision of ending homelessness in Calgary. As a community, Calgary's Plan to End Homelessness: People First in Housing First, identifies the need to address the current gap for 15,600 Calgarian households in extreme core housing need. Furthermore, a recent report found that Calgary is the least affordable city for low income people in Canada.¹ We are pleased the government is taking action and encourage the inclusion of measures that impact ending homelessness as key tenets of Canada's National Housing Strategy.^{2,3}

SPECIFICALLY, CHF RECOMMENDS THE FOLLOWING SIX POINTS BE CONSIDERED FOR INCLUSION IN THE FORTHCOMING NATIONAL HOUSING STRATEGY:

1. INCREASE PUBLIC SOCIAL EXPENDITURE

Senior levels of government in Canada should consider increasing public social expenditure in relation to GDP. Greater public social expenditure on anti-poverty initiatives, including housing and income assistance can strengthen Canada's social welfare system and help prevent and reduce homelessness.⁴ In Canada, social expenditure by government—measured as a percentage of our GDP—is considerably less than the OECD average. According to OECD figures in 2014, Canada's total public social expenditure is approximately 17% of GDP, while the OECD average is almost 22% -a difference of \$80 billion annually (refer to Appendix 1).⁵

1 Ron Kneebone and Margarita Wilkins (2016). SPP Research Paper, "The Very Poor and the Affordability of Housing," Vol.9, Issue 27, University of Calgary, School of Public Policy.

2 Those in extreme core housing need spend 50% or more of their income on shelter and earn less than \$20,000 per year. Calgary Homeless Foundation. (2015). *Calgary's Updated Plan to End Homelessness*, pp. 15.

3 Action 6 in Calgary's Updated Plan to End Homelessness (2015): "Government of Canada: Develop a national affordable housing strategy to address extreme core housing need with new capital and rent supports."

4 For more information on the impact of improved income support on reducing the need for shelter beds, refer to Ron Kneebone and Margarita Wilkins's (2016) SPP Research Paper, "Shrinking the Need for Homeless Shelter Spaces," Vol.9, Issue 21, University of Calgary, School of Public Policy.

5 As measured in US dollars using 2014 OECD population and GDP data. Population source: OECD (2016), Population (indicator). doi: 10.1787/d434f82b-en (Accessed on 24 August 2016); GDP source: OECD (2016), Gross domestic product (GDP) (indicator). doi: 10.1787/dc2f7aec-en (Accessed on 24 August 2016)

2. INCREASE SOCIAL HOUSING STOCK⁶

In partnership with the provinces and territories, senior levels of government should increase its social housing stock per capita, to rates more comparable with other OECD countries. The percentage of housing units in Canada that are considered social housing (i.e. government-subsidized units for low- and moderate-income households) is approximately 5%. To put this into perspective, England's rate is 18%, France's is 19%, Sweden's is 32% and the rate for the Netherlands is 34%.⁷ Furthermore, relative to the rest of Canada, Alberta has very few subsidized housing units. As of 2011, Alberta was home to 10% of all Canadian households, but had just 7% of all subsidized housing units.^{8,9}

Historically, when the federal government has offered matching dollars for new social housing units, provincial and territorial governments have typically agreed to match that spending with funding of their own. And at times when such federal matching funding has not been offered, provinces and territories have typically not offered funding of their own. The role of the federal government matters. A recent illustration of this can be found in the evaluation of the Affordable Housing Initiative (AHI); it found that not only did provinces, territories and third parties match federal contributions, they actually exceeded federal contributions.¹⁰ We are encouraged by the 2016 federal budget announcement to double current funding under the Investment in Affordable Housing (IAH)¹¹ over the next two years to \$504.4 million.

6 For the purposes of this brief, social housing is synonymous with subsidized housing and non-market housing. According to Calgary's Plan to End Homelessness (2015), "non-market housing encompasses housing that is made affordable through public and non-profit ownership of rental housing units and subsidies that allow low income households to access housing in the private market. Non-market is inclusive of both affordable and supportive housing, and is also sometimes called social housing" (pp. 97).

7 These figures are from Steve Pomeroy's May 2013 presentation titled "The fundamentals of housing policy & governance: A condensed, one-day course" taught at Carleton University. Mr. Pomeroy's primary data source was CECODHAS Housing Europe (<http://www.housingeurope.eu/>).

8 According to the CMHC, subsidized housing is "non-band, non-reserve, rental housing that: is rent-geared to income housing, social housing, public housing, government-assisted housing, non-profit housing, or household receiving rent supplements or housing allowances."

9 Canada Mortgage and Housing Corporation, *Research Highlight: 2011 Census/National Household Survey Housing Conditions Series: Issue 6 Subsidized Renter Households*, (CMHC, 2015), 8. Refer to Appendix 2.

10 A review of the Annual Audited Statements of Funding and Expenditures submitted by the Provinces and Territories for the period 2001 to March 31st 2007 provides evidence that housing expenditures under the AHI exceeded the minimum 1:1 cost-matching requirement under the initiative. Audited Statements submitted by the Provinces and Territories indicate that \$557 million in federal funding was expended under Phase One as at March 31, 2007 and the associated contributions from others, including Provinces, Territories and third parties, was \$1.1 billion. Similarly, while close to \$147 million in federal funding was expended under Phase Two during this period, contributions from others for programs administered under Phase Two reached over \$251 million. (Source: Canada Mortgage and Housing Corporation. (2009). *Affordable Housing Initiative Evaluation Report*. pp.3.

11 The Affordable Housing Initiative (AHI) was rebranded as the Investment in Affordable Housing (IAH) in the 2011 federal budget. Source: Pomeroy, S., & Falvo, N. (2013). *Housing Policy in Canada under the Harper Regime. How Ottawa Spends*.

3. BUILD CAPACITY IN THE SOCIAL HOUSING SECTOR

The government should provide tools or resources for housing providers facing End of Operating Agreements (EOA), to help support and transition their assets, if desired, and build capacity within the non-market housing sector to become financially sustainable. In some cases, EOA provides financial flexibility to redevelop or sell assets and reshape housing portfolios. This requires business and real estate finance expertise to assess redevelopment potential, which may be lacking in the non-profit housing sector, especially amongst smaller providers. In cases where non-profit housing entities are dependent upon government funding (through operating agreements) in order to maintain their housing stock, the federal government should restore operating agreements.

We were encouraged by the federal budget announcement of a funding extension “for all federally administered housing co-operatives with agreements expiring between April 1, 2016 and March 31, 2018.” Tools and resources to help the EOA transition, and the continuation of operating agreements, (if needed by non-profit housing entities) should be part of the Strategy.

4. INCREASE FEDERAL HOMELESSNESS FUNDING ON SUPPORTIVE HOUSING

Permanently restore the federal annual homelessness funding (i.e., the Homelessness Partnering Strategy -HPS) to its 1999 levels. Accounting for inflation, this amount in 2016 would be \$349 million annually, a difference of \$158 million in funding.¹² For the most vulnerable Canadians –those experiencing chronic and episodic homelessness, long-term funding must be secured for adequate supports required for this population to remain stably housed. The At Home/Chez Soi study demonstrated that for this population, there are substantial savings associated with the provision of supportive housing.¹³ These individuals face multiple barriers such as physical disabilities, mental health challenges and addiction issues, in order to access safe, suitable, and secure housing. Currently, programs that provide supportive housing for people experiencing homelessness are funded by HPS.

We commend the 2016 federal budget announcement of a (time limited) 40% increase in annual HPS funding of \$55.9 million for a period of two years, of which Calgary is receiving approximately \$2 million annually for those two years.¹⁴

Through Calgary's Homeless Management Information System, we have identified the need for program funding of \$88 million to support the additional 563 units of permanent housing with supports and 765 units of affordable housing needed to meet the immediate needs of those experiencing or at risk of homelessness in our city over the next two years.

¹² Homelessness Partnering Strategy (HPS) funding in 2016 is \$190.7 million.

¹³ Paula Goering, Scott Veldhuizen, Aimee Watson, Carol Adair, Brianna Kopp, Eric Latimer, Geoff Nelson, Eric MacNaughton, David Streiner & Tim Aubry (2014). *National At Home/Chez Soi Final Report*. Calgary, AB: Mental Health Commission of Canada.
Retrieved from: <http://www.mentalhealthcommission.ca>

¹⁴ Calgary Homeless Foundation. (2015). *Calgary's Updated Plan to End Homelessness*.

5. INCREASE RENTAL STOCK

Introduce federal tax incentives for the development of new rental stock as recommended by Calgary's Updated Plan to End Homelessness, the Federation of Canadian Municipalities and the Canadian Housing and Renewal Association.^{15,16,17} Recommendations include introducing a rental incentive tax credit and removing GST off new affordable rental housing units, including mixed market unit projects. Relatively little rental housing has been built in Canada in the past three decades.¹⁸ Since 1990 the availability of rental units per 1,000 people has fallen by 14% in Canada and by 46% in Alberta.¹⁹ On a per capita basis, Alberta has roughly half the number of rental units as the rest of Canada.

15 A Rental Incentive Tax Credit "would credit property owners for selling affordable assets to eligible non-profit providers..., thereby preserving assets and promoting long-term affordability." Source: Federation of Canadian Municipalities. (2015). Strengthening the Foundations of Housing in Canada. pp.17.

16 Canadian Housing and Renewal Association's (CHRA) recommendation #4: "that the federal government implement its mandate letter commitment to remove the GST off new affordable rental housing units, and that eligibility for this policy be extended to mixed market unit projects." Source: CHRA. (2016). Submission to the House of Commons Finance Committee: 2017 Pre-Budget Consultations."

17 Action 6, under Government of Canada: "Introduce a low-income housing tax credit to incent new affordable rental stock." Source: Calgary Homeless Foundation. (2015). *Calgary's Updated Plan to End Homelessness*.

18 In the 1960s and 1970s, tens of thousands of new rental housing units were built each year across Canada. Some of these units were owned by for-profit landlords, some by non-profit landlords. Many were subsidized from senior levels of government. All were built in partnership with the private sector. In the 1980s, Canada's federal government started to 'pull back' its assistance.

19 Source: CMHC Stock of Rental Units for Census Subdivision and Statistics Canada Estimates of Population table. Refer to Appendix 3.

6. ADDRESS THE NEEDS OF INDIGENOUS HOUSEHOLDS BY PARTNERING, REINVESTING AND BUILDING CAPACITY

Any national housing strategy should prioritize the housing needs of Indigenous peoples. As of 2011, approximately 13% of Canadian households were considered to be in core housing need. By contrast, approximately 19% of all Indigenous households were considered to be in core housing need. For Inuit households, the figure is 34%.²⁰ Indigenous peoples have been overrepresented among persons experiencing absolute homelessness in Canada. While Indigenous people represent approximately 3% of the general population in our city, they represent approximately 30% of the homeless population in Calgary, according to the 2014 Calgary homeless count.²¹

We commend the federal investment of \$739 million over two years for Additional Investments in Housing for First Nations, Inuit and Northern Communities, announced in the 2016 federal budget. We encourage the government to continue to partner and work with Indigenous housing interest groups and stakeholders, both at the national level –such as those at CHRA’s Aboriginal Caucus and represented by the Assembly of First Nations; as well as the local level –such as the Aboriginal Standing Committee on Housing and Homelessness, Aboriginal Friendship Centre of Calgary, Metis Calgary Family Services Society, Métis Capital Housing Corporation and Treaty 7 Management Corporation, to determine investment priorities and build capacity amongst Indigenous housing providers.²² Urban Indigenous groups and leaders must also be engaged in the development of the Strategy.

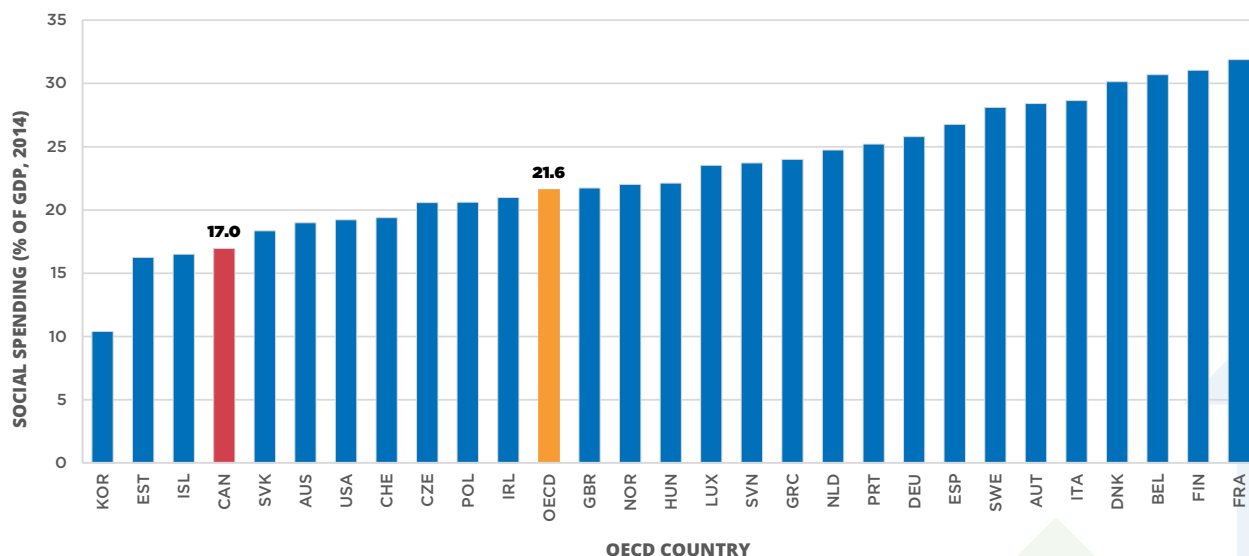
20 Canada Mortgage and Housing Corporation. (2015). Inuit Households in Canada. Research Highlight: 2011 Census/National Household Survey Housing Conditions Series, Issue 5, pp.2.

21 7 Cities on Housing & Homelessness. (2015). 2014 Alberta Point-in-Time Homeless Count: Provincial Report. pp. 47.

22 Assembly of First Nations’ (AFN) calls for the government to “Invest in First Nations housing to address the current backlog and demand for new homes; [and support] First Nations housing management authorities.” Source: AFN. (2015). *Closing the Gap: 2015 Federal Election Priorities for First Nations and Canada*.

APPENDIX 1

COMPARISON OF SOCIAL SPENDING IN OECD COUNTRIES IN 2014: CANADA VS. OECD AVERAGE



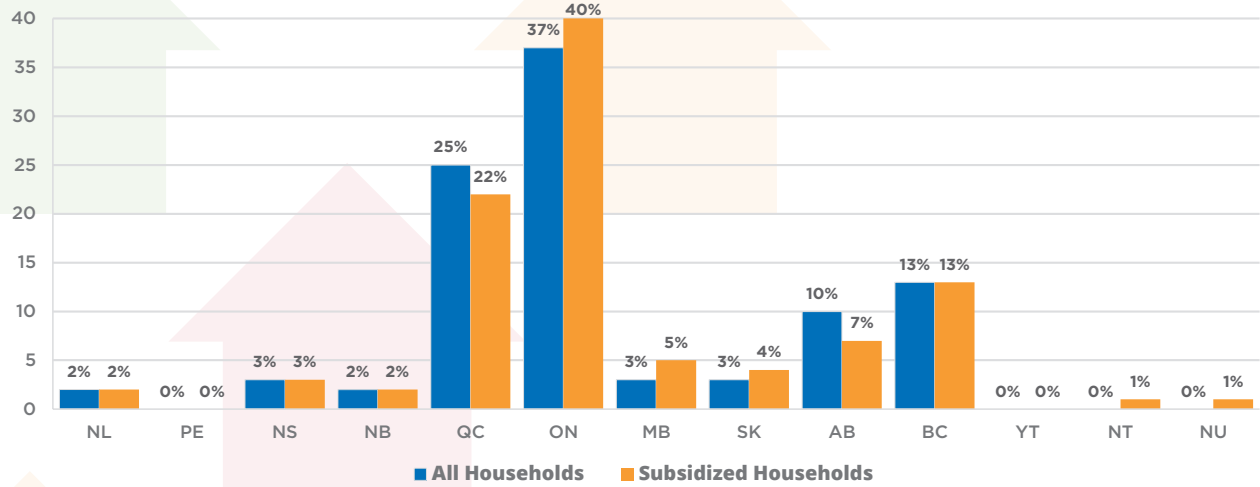
Source: OECD (2016), Social spending (indicator). doi: 10.1787/7497563b-en (Accessed on 16 August 2016)

Notes:

- According to the OECD, social expenditure comprises cash benefits, direct in-kind provision of goods and services, and tax breaks with social purposes. Benefits may be targeted at low-income households, the elderly, disabled, sick, unemployed, or young persons. To be considered “social”, programmes have to involve either redistribution of resources across households or compulsory participation. Social benefits are classified as public when general government (that is central, state, and local governments, including social security funds) controls the relevant financial flows. All social benefits not provided by general government are considered private. Private transfers between households are not considered as “social” and not included here. Net total social expenditure includes both public and private expenditure. It also accounts for the effect of the tax system by direct and indirect taxation and by tax breaks for social purposes. This indicator is measured as a percentage of GDP or USD per capita.

APPENDIX 2

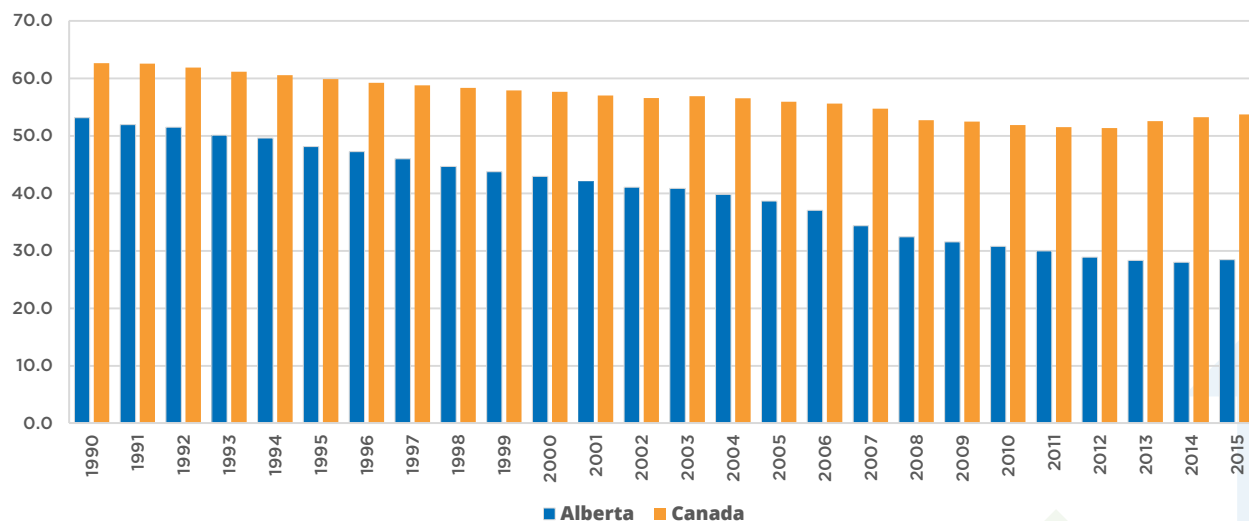
DISTRIBUTION OF HOUSEHOLDS AND SUBSIDIZED HOUSEHOLDS IN CANADA (2011)



Source: Canada Mortgage and Housing Corporation, *Research Highlight: 2011 Census/National Household Survey Housing Conditions Series: Issue 6 Subsidized Renter Households*, (CMHC, 2015)

APPENDIX 3

STOCK OF APARTMENT RENTALS PER 1,000 PEOPLE (1990-2015)



Population Data Notes:

- Source: Statistics Canada. Table 051-0005 - Estimates of population, Canada, provinces and territories, annual (persons), (accessed: June 15, 2016)
- Postcensal estimates are based on the 2011 Census counts adjusted for census net undercoverage (CNU) (including adjustment for incompletely enumerated Indian reserves (IEIR)) and the components of demographic growth that occurred since that census. Intercensal estimates are produced using counts from two consecutive censuses adjusted for CNU (including (IEIR) and postcensal estimates).

Rental Stock Data Notes:

- Source: CMHC Housing Market Information Portal, Primary Rental Market, Rental Universe;
- Apartments only (Bachelor, 1 bedroom, 2 bedroom, 3+ bedroom), does not include row houses.