

Kenora Association for Community Living

The Housing File

July 1 2011

This file is prepared to assist the Board, Members and Staff of the Kenora Association for Community Living to understand the issues of Financial Security and in its advocacy work in the community.

Executive Summary

The Board of the Kenora Association for Community Living in September passed 4 Fundamentally Important goals including Social Inclusion, Social Justice, Membership Development and a goal for the Permanent endowment. One of the most significant issue under the social justice goal is securing affordable housing for those we serve.

Average Housing rental for a 1 bedroom apartment Spring 2010 is \$618 (does not include or exclude utilities such as heat, electricity, hot water etc). ODSP shelter allowance is \$464 CMHC Spring 2010. Prior existing low cost housing at Norman Hotel, Adams Blocks, Kenricia, and Luby's Hotel have gone. Waiting list for social housing continue to grow. There is a shortage of single unit housing units. Cost of housing for single units generally requires individuals living on General welfare or ODSP to dip into their basic living allowance to cover the difference between shelter allowance and rent.

Background

In September 2010, the Board of the Kenora Association for Community Living adopted 4 Fundamentally Important Goals relating to Social Inclusion, Social Justice, Membership Development and its Permanent Endowment. The 2nd of the Fundamental Goal grew out of a concern for the increasing poverty experienced by persons with special needs in the Kenora Area, but the goal was stated in broader language than material poverty or financial insecurity:

The goal of social justice is full and equal participation of all groups in a society that is mutually shaped to meet their needs. Social justice includes a vision of society in which the distribution of resources is equitable and all members are physically and psychologically safe and secure. We envision a society in which individuals are both self-determining (able to develop their full capacities and interdependent (capable of interacting democratically with others). Social justice involves social actors who have a sense of their own agency as well as a sense of social responsibility toward and with others, their society, and the broader world in which we live. These are conditions we wish not only for our own society but also for every society in our interdependent global community. (Adams, Bell, Griffin, Teaching for Diversity and Social Justice)

One of the most significant issue under the social justice goal is securing affordable housing for those we serve. The largest number of persons with special needs living in Kenora survive on Ontario Disability Support Pension (ODSP) which provides a shelter Allowance of \$469 as of November 1 2010, and a basic living allowance of \$584 for a total of \$1053. The average cost of single dwelling apartments and utilities in Kenora is about \$670¹, Many consumers have to take up to \$200 from their basic living allowance to cover the costs of shel-

1. This is less for those lucky enough to get into social housing geared to income.

ter. Those who are not successful in getting on ODSP, who must rely on Ontario Works are worse off by about another \$100 dollars.

Inequality: The Rich get Richer... The poor get poorer

The 3rd goal of membership development also included an education or advocacy function. In order to advocate on behalf of those we serve we must ensure that those who support our Association's positions have the data to effectively advocate for change. It is easy to assume that the population in general support greater equality and poverty reduction but simply don't expend the energy to do any thing about it. There is growing evidence that the problem is much greater - Even the basic tenant of the desirability of equality is being questioned.

Lets look at how the rich are fairing:

Among the 24.6 million Canadian taxpayers in 2007, the richest 1% made more than \$169,000 and had an average income of \$404, 000. They took almost 32% of all growth in income in the fastest growing decade in this generation, 1997 to 2007 and by 2007 held 13.8 % of the income in Canada. The richest 0.1 made more than \$621,000 and had an average of \$1.49 million, The richest .01 made more than \$1.85 million and had an average income of \$3.83 million. In 1948, the top marginal tax rate was 80%, on taxable income over \$250,000 which would be \$2.37 million in 2010 dollars. The top rate in 2009 averaged across Canada was 42.9% above \$126, 264.²

In 2009, the financial research institute Investor Economics identifies 544,000 "high-net-worth" house controlled 67% of the total financial wealth in Canada³

Now, how about the poor?

From pages 52 to 53 of the Federal Poverty Reduction Plan we learn that in 2007, the UN Commission on Human Rights' Special Rapporteur on adequate housing, Mr. Miloon Kothari, commented "about the rise in the number of the homeless and people in inadequate housing and living conditions, rising prices in the housing sector affecting an increasing number of people with various levels of income, and the decrease in public housing". In 2006, 11.4% of Canadian households lived in housing that cost more than 30% of their before-tax income, exceeding the Canada Mortgage and Housing Corporation (CMHC) affordability benchmark, and were unable to access accommodation that met this standard. 12.7% of Canadian households, nearly 1.5 million, lived in "core housing need,"

Government Poverty Reduction Strategies

Province of Ontario

Ontario's poverty reduction strategy program, Breaking the Cycle⁴, was released in December 2008. Under this report the government committed to stabilize funding for the Provincial Rent bank program which it claims has prevented more than 15,500 evictions. It also committed to expanding OSIFA loan eligibility to include private and public non-profit sector housing providers. The government committed to work with partners to develop a long-term affordable housing strategy.

2. Yalnizyan, Armine (December 2010) The Rise of Canada's Richest 1%, Canadian Centre for Policy Alternatives, <http://www.policyalternatives.ca/publications/reports/rise-canadas-richest-1>

3. All statements and their sources were taken from Yalnizyan 2010 See previous footnote.

4. Government of Ontario, Breaking the Cycle, Ontario's Poverty Reduction Strategy, December 2008; The Poverty Reduction Act 2009; http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_09p10_e.htm

On November 29 2010 the Ontario government released its Long term Affordable Housing Strategy,⁵

We are improving the affordable housing system from the ground up, building a strong foundation based on four key pillars: putting people first; creating strong partnerships; supporting affordable options; and accountability.⁶

Stats cited in the strategy: 3.2 million households, 1.2 million households, 20% renters live in social housing, Approximately 8500 Ontarians use a shelter on a daily basis.

Canada Senate

The Standing Senate Committee on Social Affairs, Science and Technology, Subcommittee on Cities released its report, In From the Margins: A Call to Action on Poverty, Housing and Homelessness in December 2009. This report considered an integrated approach to housing and homelessness whereby individuals who are homeless or at risk of homelessness are stabilized with affordable housing first offering a base from which other complicating factors can be addressed:

Recommendation 37

The committee recommends that the federal government provide sustained and adequate funding through the Affordable Housing Initiative to increase the supply of affordable housing

The committee considered the role of the private sector in providing rental housing . It learned that there was a decline in rental housing and of the loss of rental units to conversion to condominium and redevelopment. In Kenora examples of such redevelopment include the loss of the Adam's Block, Norman Hotel, Kenricia, Kenwood and Luby's motel. The most visible building construction has been the higher end condominium. The Committee recommended a the federal government issue a White paper on tax measures to support construction of rental housing in general and affordable housing in particular, including the donation of funds, land or building for low-income housing provision.

Housing Allowances

The Committee considered the possible use of housing allowances to increase the affordability of rental housing. A portable housing allowance would be paid to individuals living in poverty who would then go out an rent from private landlords. The private sector would then invest to provide additional housing.

Recommendation 43

The Committee supports the use of rent supplements to provide faster access to affordable housing and recommends that the federal government, with provincial authorities, private landlords associations and non profit housing providers, assess the impact of portable housing allowances on rents.

A National Housing Strategy

5. Ontario 's Long-Term Affordable Housing Strategy: Building Foundations: Building Futures, <http://www.mah.gov.on.ca/AssetFactory.aspx?did=8590>

6.

Recommendation 44

The Committee recommends that the federal government, in collaboration with provincial governments, representatives of municipal governments, First Nation organizations, and other housing providers, develop a national housing and homelessness strategy to include:

- Priorities established by and for each provincial and territory with respect to meeting existing needs for affordable and secure housing;
- A 10-year commitment of funds from the federal government, to include similar commitments from provincial and territorial governments that will receive these funds;
- Annual reporting on how the money is being spent, with particular attention to the number of people housed who could not afford to secure housing in the private market;
- A specific focus, with targets and funding commitments, with respect to meeting the needs for affordable housing for urban Aboriginal peoples;
- A simpler, more integrated application process for funds, cutting across programs related to housing funded at the federal level;
- The integration of the Homelessness Partnering Initiative, with an expanded mandate and budget to support combined local housing and homelessness plans and the initiatives identified in them;
- And a thorough evaluation at the end of the 10-year period to assess achievements and continuing gaps.

Recommendation 49

The Committee recommends that the federal government continue to provide direct funding for and continued support of related research and knowledge dissemination about a “housing first” approach to eliminating homelessness.

Canada House of Commons

On November 17th 2010, the House of Commons committee on Human Resources, Skills and Social Development released a report, Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada (FPRP) report which recommended the development of a comprehensive Federal Poverty Reduction Plan.

This action plan should incorporate a human rights framework and provide consultations with the provincial and territorial governments, Aboriginal governments and organizations, the public and private sector, and the people living in poverty, as needed, to ensure an improvement in lives of impoverished people.⁷

This committee learned that,

In 2006, 1.5 million households, or 12.7% of all households in Canada, lived in core housing need⁸, relying on accommodation that was unaffordable, inadequate, and/or unsuitable, and unable to obtain acceptable alternative housing.⁷¹⁹ In addition, homelessness has been growing in many communities across Canada,

⁷ FPRP Recommendation 3.11 Page 96

⁸ Affordable dwellings cost less than 30% of before-tax household income; adequate dwellings do not require major repairs; and suitable dwellings have enough bedrooms for the number and make-up of residents. “A household is in core housing need if its housing does not meet one or more of the adequacy, suitability or affordability standards and it would have to spend 30 per cent or more of its before-tax income to pay the median rent (including utility costs) of alternative local market housing that meets all three standards.” Canada Mortgage and Housing Corporation, Canadian Housing Observer 2009, 2009, pages. 81-82, http://www.cmhcschl.gc.ca/en/corp/about/cahoob/cahoob_001.cfm.

with as many as 300,000 people estimated to be facing this desperate situation.⁷²⁰ Certain social groups, including single adults, lone-parent families, visible minorities, recent immigrants, Aboriginal people and people with disabilities, are more likely to experience housing affordability problems.⁷²² Many of these groups are also disproportionately represented among Canada's homeless population. Witnesses across the country emphasized the importance of affordable housing not only for combating poverty, but also for fostering the full participation of vulnerable members of society in their communities.

The committee recommended a comprehensive, long-term national housing strategy.

Basic Concepts

1. Is it a fundamental Need?
2. Is it a Human Right?
3. What is affordable housing
4. What is the relationship between Housing, Homelessness and poverty
5. Relationship between Housing, Mental Illness and Addiction
6. Accessible Housing
7. ODSP and Home Ownership

A Fundamental Need

If somebody doesn't have housing, doesn't have a place to live—and I'm not talking about a shelter—nothing else matters. Brian Duplessis, Fredericton Homeless Shelters, FPRP page 52

Decent and affordable housing provides an important foundation for healthy social, physical and mental development.

A Human Right

Article 11 of the International Covenant on Economic, Social and Cultural Rights Article 11

1. The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international cooperation based on free consent.⁹

Article 25 of the Universal Declaration of Human rights provides:

(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

Affordable Housing

CMHC Benchmarks Affordable dwellings cost less than 30% of before-tax household income; adequate dwell-

⁹<http://www2.ohchr.org/english/law/cescr.htm> International Covenant on Economic, Social and Cultural Rights, Adopted by General Assembly resolution 2200A (XXI) of 16 December 1966 entry into force 3 January 1976

ings do not require major repairs; and suitable dwellings have enough bedrooms for the number and make-up of residents.

“A household is in core housing need if its housing does not meet one or more of the adequacy, suitability or affordability standards and it would have to spend 30% or more of its before-tax income to pay the median rent (including utility costs) of alternative local market housing that meets all three standards.”
Canada Mortgage and Housing Corporation, Canadian Housing Observer 2009, 2009, p. 81, http://www.cmhcschl.gc.ca/en/corp/about/cahoob/cahoob_001.cfm.

What is the Relationship between Housing, Homelessness and Poverty

On any given night, about 40,000 individuals stay in homeless shelters across the country, but estimates of the total size of the homeless population range from 150,000 to 300,000 people. Many individuals experiencing homelessness are not visible on the street but reside in sub-standard accommodation or rotate between the homes of relatives and friends.¹⁰

For more information on defining and gathering data on homelessness, see Havi Echenberg and Hilary Jensen, Defining and Enumerating Homelessness in Canada, Parliamentary Information and Research Service, Library of Parliament, PRB 08-30E, December 29, 2008, <http://www.parl.gc.ca/information/library/PRBpubs/prb0830-e.htm>.

Strategies for addressing Canada’s housing affordability and homelessness challenges are elaborated in Chapter 5 of this report.

FPRP P. 55

Relationship between Housing, Mental Illness and Addiction

The single most important thing for dealing with individuals with a mental illness, frankly, is more supportive housing. If you look at the Senate committee report, we recommended a very significant increase over a decade in supportive housing units. That would be number one. Honourable. Michael Kirby, Mental Health Commission of Canada,

To put it in perspective, by the way, although nobody knows the exact number, somewhere around 50% of the people who are on the streets have a mental illness of some kind. A lot of them also have a substance abuse problem. The incidence of mental illness and homelessness is very high.

[...]

The incidence of mental illness among Canadians is going to increase significantly during the recession. It always does, because when people are suddenly out of work, they have a problem, there’s a huge stress in families, and the impact on the family and children is very staggering.

[...]

So there is a clear linkage on the income side, and we have started to ask ourselves if there is anything that could be done to begin to look at trying to help reduce the impact of mental health problems on individuals during the recession. FPRP page 58

Accessible Housing

Canadians with disabilities are another group that is particularly likely to face housing affordability chal-

10. FPRP page 57

lenges. Over the course of its study, the Committee heard that much of Canada's affordable housing stock is unable to accommodate the needs of people with disabilities, who are forced to pay more for barrier-free accommodation or choose housing without the supports they require. People with a mental illness also have difficulty finding and maintaining housing.

ODSP and Housing

Housing is exempt under ODSP.¹¹

Under Section 31 of the regulations the following costs may be claimed up to \$469 for a single individual for the total of Rent, other than amounts paid for parking and cable, Principal and interest on a mortgage or loan incurred to purchase the dwelling place or to make repairs that the Director determines are necessary in order for the property to continue to be used as a dwelling place, Occupancy costs paid under an agreement to purchase the dwelling place, Taxes, Premiums for an insurance policy with respect to the dwelling place or its contents. Reasonable and necessary payments, approved by the Director, for the preservation, maintenance and use of the dwelling place, Common expenses required to be contributed for a condominium unit or a cooperative housing unit except that portion of the common expenses allocated to the cost of energy for heat, as well as utilities, if they are not included in rent or common expenses. Various other expenses are permitted by the Director.

There are reductions applied to individuals who spends time in jail or the hospital notwithstanding that in order to keep the premises the expenses would still be have to be paid.

KACL History in Housing

The Kenora Association for Community Living has over the course of its 50 years of service to Kenora has purchased over 7 homes and has rented others which it has sub rented top consumers:

Houses Once Owned by KACL

Charlie Mcleod Manor
Pine Portage House
400 4th St. N
435 4th St. N
512 6th St. S
622 3rd St. N
34 Park St.

Pine Portage house was purchased in the early 1970s to house fairly 6 high functioning individuals and was staffed 16 hours a day. Charlie Mcleod Manor was a significant under taking of the Association in 1975 in its effort to support 15 individuals outside Institutional care.

In the mid 1980s many other individuals were living in slum housing including the Adams Block, the Norman Hotel and other less suitable housing in the community. Many individuals served by a "Life Skills" Program funded by the Ministry of Health lived in the third floor of a local Nursing home and funded under a program Called Homes for Special Care. As a result of delays in securing public subsidized housing, the Board authorized the purchase of a 3 apartments building 400 4th St. North and a home at 435 4th St. North. Immediately

11. ODSP Income Directives: http://www.accesson.ca/en/mcss/programs/social/directives/ODSP_incomesupport.aspx

at 435 and as soon as other tenants left apartments at 400, Subsequently the Association purchased two additional homes at 34 Park St. and 622 3rd St. N. and acquired 5126th st. N as an adjunct to its KidZone Building. Consumers served by KACL moved in paying rents from their FBA Shelter Allowance (Currently ODSP Shelter Allowance). Such moves led to much improved housing conditions for those we served but also led to undesirable sharing arrangements among incompatible consumers. Much latter as subsidized Housing became available geared to income, consumers moved into their own subsidized accommodations and the Association sold the first most of its homes or converted them into offices.

Principles accepted during the early years were as follows:

1. KACL is not in the real estate Business and only buys homes to solve social housing problems.
2. If real estate is not required to solve social Housing needs or other goals of KACL it is surplus and disposed.
3. If possible KACL prefers to use private capital stock to provide housing to those we serve entering into purchasing homes only when the market doesn't work.
4. In order to avoid "administrative hassles and delays in financing purchase and maintaining homes it is easier to use KACL capital to purchase home when it must.

During the past decade the stock of low costing housing began to disappear. Waiting list for social housing continue to grow. In the spring of 2010 the average cost for a single bedroom apartment in Kenora cost \$618 (does not include or exclude utilities such as heat, electricity, hot water etc,- CMHC Spring 2010.). ODSP shelter allowance for Consumers was \$469 and considerably less for those living on General welfare or ODSP. This requires consumers and survivors to dig into their basic living allowance to cover shelter costs.

KACL' employs at least .5 staff in its Ministry of Health programs to find housing to individuals served by such funding. Part of the role of Enhanced Supported Independent Living program of the Ministry of Community and Social Services is to find housing for those served by this program. s Staff Role in Finding Housing for those Served by KACL.

What is wrong with the Housing Market

Developers invest capital to make a profit and choose projects that return the highest expected profit. Low income housing its not perceived to be as profitable as high end housing projects.

Native organizations buy all a fair portion of the low income housing available in the community.

Developers have shied away from native housing or from individuals suffering from addiction or mental health issues. (See Housing First Model in appendices)

Addition al Need for Temporary Housing

Occasionally, on such occasions, as failures of life sharing etc KACL requires temporary housing. For very vulnerable individuals this requires renting a motel room. As well, KACL would love to have an empty room for respite or transitional living.

What Can KACL Do?

Obvious long term solutions require concerted Federal, Provincial and Municipal action. In the mean time what can KACL do.

Option 1 Adopt a Housing First Model for a number of units purchased by KACL

Option 2 Subsidize other activities such as Healthy Food Programs, recreation, transportation etc. though programs such as Community Wellness. This program is limited to the extent that it can secure grants, donations or is supported by KACL public donations.

Option 3 Purchase capital stock and rent out at basic shelter allowance + Subsidy if any are available. This option would allow us to break even provided that capital gains covered initial investments. This option is similar to option 1 except requirement for greater “home readiness”.

Appendices

Appendix A Wellesley Institute Precarious Housing in Canada 2010, <http://www.wellesleyinstitute.com/news/affordable-housing-news/new-report-precarious-housing-in-canada-2010/>

People’s ability to find, and afford, good quality housing is crucial to their overall health and well-being, and is a telling index of the state of a country’s social infrastructure. Lack of access to affordable and adequate housing is a pressing problem, and precarious housing contributes to poorer health for many, which leads to pervasive but avoidable health inequalities. The lenses through which we consider precarious housing combine two concepts: health equity and the social determinants of health. Health Equity suggests that the role of society is to reduce the health disparities gap between those who are advantaged and those who are marginalized or disadvantaged by shifting the equity gradient upward. The social determinants of health recognize the non-medical and socio-economic contributors to better health; for example, the greater a population’s income, education, and access to health care and affordable housing, the better its health will be.

Appendix B Housing First Model

As elsewhere in Canada the traditional model for dealing with homelessness is the “continuum of care, treatment or transitional housing” model. This model provides for a three stage approach whereby a person moves from shelter, to transitional housing to permanent housing with few if any supports. Conditions apply along the way from onerous conditions with respect to abstinence, appropriate behaviour or duration. Movement in latter day has been towards a “Housing First” model whereby an individual gains access to permanent housing with minimum conditions which do not include abstinence or other conduct or duration. Support for such model is gaining increasing support due to greater success at retention of housing, cheaper over all health and medical costs

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