

National Housing Strategy

We have witnessed the disintegration of our social safety net to the point where many Canadians, through no fault of their own, have been forced into unsafe, unhealthy living conditions. Some are on the streets. Others are barely getting by. Homelessness began to escalate during the 1990s with federal government cuts to social housing programs and cuts in income support programs by both the federal and provincial governments. As housing prices increased, even people working for minimum wage were increasingly unable to afford rental housing.

If the people who need help are not supported, this puts a strain on everyone. Basic needs are not being met for a significant number of Canadians, and the gap between the rich and the poor is widening. The Green Party believes that our country has enough resources to care for all residents.

Canada is the only country in the OECD without a Housing Strategy. **A key commitment of the Green Party of Canada is to develop a National Housing Strategy through the Council of Canadian Governments.** Any coherent plan must include concrete steps for a seniors housing plan, a First Nations plan, a plan for social housing, and for affordable market housing.

The federal government has to get back in the business of social housing. **The Green Party supports greater and sustained federal funding for social and co-operative housing. We have to do better to deliver a system that allows Canadians of all situations to access decent housing at a manageable cost.**

To really make progress on eliminating homelessness, however, requires much more investment in affordable housing. This means maintaining and substantially increasing the federal operating spending for social housing from its base of \$1.6 billion today. In *Renewing Canada's Social Architecture* (May 2015), the Mowat Centre, Caledon Institute, IRPP, and Institute for Competitiveness and Prosperity, make the disturbing projection that federal operating spending for social housing is set to decline from the peak of \$1.6 billion today to \$81 million in 2031, reaching zero in 2040. (The federal government will contribute \$119 million annually to the Homelessness Partnering Strategy from 2014 - 2019 and a \$1.25 billion for a 5 year extension of the Investment in Affordable Housing Program.)

The Green Party favours the more transformative approach that is discussed in *Renewing Canada's Social Architecture*: “ Unlike income support programs that are available to anyone who qualifies, the limited supply of subsidized housing leads to long wait lists and inconsistent, inequitable treatment. A shift to an income-side approach to assisting people who can't afford decent housing would allow policymakers to turn this issue on its head. An income-tested housing benefit model could ultimately be part of a streamlined and integrated income support program such as a Guaranteed Annual Income model”.

This transformative approach to ensuring adequate income support for housing is reflected in the long-term goal of the Green Party to eliminate poverty altogether through a Guaranteed Liveable Income. This is one of the priority issues to be placed before the Council of Canadian Governments as it will take a multi-jurisdictional approach – ending poverty band-aid programs and replacing them (and their costs) with a straightforward system of a consolidated benefit to every Canadian.

Expanding the actual stock of affordable housing has to focus on rental housing, however desirable the goal of promoting home ownership may be. The tax system should restore the favourable treatment once in place for purpose-built rental housing. To expand affordable rental housing, consideration should be given to a low income housing tax credit. To this end, the Canada Mortgage and Housing Corporation (CMHC)[1] could distribute funds to provinces for the purposes of supplying more rental housing based on core need. Unfortunately, Budget 2015 did not deliver on a promise to sustain funding for social housing at current levels.

This is precisely the kind of collaborative initiative that can really make a difference in a cost-effective way. We should also consider establishing the Canadian equivalent of the American Office of Social Innovation and Civic Participation to create new partnerships among government, private capital, social entrepreneurs, and the public. One outcome of such collaboration would be the provision of long-term funds for a broad range of non-governmental agencies (like the Mental Health Commission), which deliver targeted social services.

The Green Party supports the delivery of social and co-operative housing dollars to provincial, territorial, and municipal governments through the traditional vehicle of the Canada Mortgage and Housing Corporation (CMHC). The funding for social housing needs to be dramatically increased. CMHC programs must be directed to the communities most in need, and fast-tracked to provide homes for people at risk. The housing provided must be designed with energy conservation in mind. **Greens will change the the mandate of CMHC to include responsibility, as it once had, for affordable, non-market, and co-operative housing.** We must dedicate funding for the co-operative housing sector to enable more affordable housing projects to proceed. In addition, the Green Party of Canada will extend funding for co-ops whose contracts with the federal government are expiring.

Housing First Program

Housing shortages remain critical. An essential component of a strategy to mitigate poverty and inequality is to ensure access to a sufficient stock of affordable housing and to take aggressive steps to eliminate homelessness.

The Green Party supports greater and sustained federal funding for social housing and an increased commitment to building on the innovative *Housing First* outreach initiative “*At Home/Chez Soi*” for homeless Canadians. *At Home* successfully provided social services to more than 1000 chronically homeless persons in Moncton,

Montreal, Toronto, Winnipeg, and Vancouver. Federal funding of \$110 million was delivered through the Mental Health Commission of Canada. This on-the-streets, one-on-one strategy has been innovative and productive: Homeless persons are first provided with a heavily subsidized home with no strings attached, and then, once settled, they are inundated with services of all kinds, if they want them. This is precisely the kind of collaborative initiative that can really make a difference in a cost-effective way.

The Alberta government has invested \$500 million in the past four years in a similar *Housing First* initiative and the City of Calgary is engaged in a related 10 Year Plan to End Homelessness that has already resulted in an 11.4% reduction in the homeless count from 2008 to 2012. It is important to adequately support and fund these and other initiatives with a proven track record of helping homeless Canadians, both chronic and in temporary need, like the *Réseau Solidarité Itinérance du Québec* (RSIQ).

Dealing with Foreign Investors Skewing the Market

Canadians are increasingly unable to access homes in major cities where the market has been inflated by off-shore money. Although most policy solutions lie outside federal jurisdiction, Stephen Harper's *Immigrant Investor Venture Capital Pilot Program*, which encourage million dollar investors and fast-track them through our immigration processes, has made matters much worse. **We will terminate that program and ensure that people coming to Canada come to make their lives here – Not just park their wealth here while not contributing through taxes or residency to the lives of their communities**

Seniors' Housing Strategy

Green Party policies will create age-friendly communities, where active living and well-being are promoted, where seniors have financial security, and where housing and transportation needs are met.

Long-term care should not be the only housing and care choice. In a Balance of Care model, more care can be provided in a cost-effective manner by home and community support services.

The Green Party of Canada fully supports CARP's Seniors' Housing Strategy that allows seniors to stay in their own homes. Greens join CARP in envisioning small groups of seniors living together in a home they jointly own, with the support of a housekeeper. **Seniors with similar lifestyles should be matched together, so they can share the costs of homemaking, medicine, and staffing support.**

Retrofitting Homes for Energy Efficiency

The capital stock of social housing has been lacking in maintenance. It is a prime target for energy retrofits. Our Climate plan can revamp social housing first.

We need to focus on getting more mobility, lighting, heating, and cooling from less energy and with less waste, especially as the world population rises by 2 billion, to reach 9.6 billion by mid-century. The assumption still prevails that we have to consume more in order to grow, but the planet is telling us otherwise. We must reduce consumption and enhance efficiency. **Direct incentives could be useful, for example, to encourage industry to invest in pollution abatement measures, and to motivate consumers to reuse, recycle, and relinquish energy-wasting and polluting machines such as old cars, outboard motors, and lawnmowers.**[2] Life-cycle producer responsibility creates more profits and less waste.

Communities – whether cities, towns, or villages – should be seen as the major focus of smart energy usage and of significant efforts to achieve greater efficiency and increased conservation. Our cities use at least 50% of all energy in Canada; they must develop integrated energy systems involving on-site renewable energy, district energy, and combined heat and power. Other steps to urban sustainability would include massive investments in expanding public transit, rebuilding municipal infrastructure, and finally moving forward on developing high-speed rail links. Better regional and municipal planning is essential so that investments in energy and transportation infrastructure are consistent with curbing GHG emissions.

Canada urgently needs to reduce the energy wasted through inefficient infrastructure. We need a massive energy retrofit plan that employs skilled trades across the country. **Among other things, the Green Party supports a Home Energy Retrofit program with the goal of cutting building emissions 80% by 2040, and retrofitting 100% of all Canadian buildings to a high-level of energy efficiency by 2030.** We must stop wasting money and energy, heating the outdoors in winter and cooling it in summer. Insulation, green roofs, LED lighting, high efficiency furnaces, and geo-thermal energy – all can make Canada more productive and less polluting.

Guaranteed Livable Income

Indeed, if we are genuinely committed as a nation to the goal of eliminating poverty, then the time is overdue for a truly innovative initiative – a Guaranteed Liveable Income (GLI). The Green Party's GLI is a version of the so-called guaranteed annual income (also known as a negative income tax) that has been proposed for many years. It is an idea whose time has come. The principle is to establish an income floor below which no Canadian could fall, but with incentives for recipients to continue working and to earn more.

The GLI would replace federal transfers for social assistance (welfare), disability supports, the Old Age Supplement (OAS) and the Guaranteed Income Supplement (GIS) for the elderly, the Canadian Child Tax Benefit (CCTB) and National Child

Benefit Supplement (NCB) for parents with children, and the Working Income Tax Benefit for the poor – all of which are already very GLI-like. (In this regard, the recent proposal of the Liberal Party of Canada to combine the CCTB and NCB, and to eliminate the Harper Conservatives' regressive child care benefit (UCCB) could be considered as a step towards a GLI program). **The GLI would not impact Employment Insurance (EI), the Canada Pension Plan (CPP), child care subsidies, social housing drug benefits or dental care.**

Once started, the biggest challenge in implementing a GLI will be jurisdictional: to get all levels of government to work together on this initiative. In particular, provincial governments would have to use their authority in some areas of income support to collapse programs or to integrate them into a single program. Total federal-provincial spending on income support in Canada reached \$185 billion in 2013, equal to 1/10th of our Gross Domestic Product (GDP).

There is an enormous and persuasive amount of research which demonstrates that the multiplicity of income support programs – overlapping, confusing, and riddled with perverse incentives – is a huge problem. **The basic idea of the GLI would be to replace separate federal and provincial programs with a single, universal, unconditional cash benefit delivered through the tax system. Establishing the base amount would depend on the measure of poverty used. The Green Party recommends using the OECD's Low Income Measure (LIM) that has been adopted by Ontario. (Note that about 1/3 of Canadians have a yearly income lower than \$20,000.) As money was earned above the minimum GLI level, it would be taxed back gradually. Benefits like free dental care or prescription drugs for low-income Canadians would continue.**

The simplest way to begin the transition to a GLI and to put more income into the hands of the poorest Canadians, would be for the federal government to make all tax credits refundable (like the WITB, CCTB and GST). This would impact the personal credit, the spousal credit, the caregiver credit, as well as some deductions like the child care expenses deduction (CCED) which would be converted to a credit. In this connection, it should be noted that there has been some useful but limited federal-provincial coordination in select areas in recent years, such as the consolidation of the hodge-podge of tax credits – sales, property, energy – into a more effective monthly payment delivered quarterly through Ontario's Trillium Benefit and Québec's Solidarity Tax Credit. British Columbia has similarly consolidated its Climate Action Tax Credit with the federal GST credit and provincial HST credit. But so much more action is needed.

The introduction of a GLI payment would provide a regular minimum payment to every eligible Canadian adult and child. The payment would not be "clawed back" by any level of government. **The GLI would be designed to be reduced gradually as a recipient earned additional income, in such a way as to be phased out completely once an upper threshold of income earned, say, \$60,000 was achieved. The overall**

cost of the program would depend on the rate of reduction as the recipient's employment income increased to the upper threshold.

[1] The Green Party believes that CMHC should not be privatized. CMHC competes with two private mortgage insurers and ensures a competitive financial sector, preventing the emergence of a private oligopoly of firms that would inevitably lean towards hiking interest rates. Housing policy is a key complement to monetary policy. Since a home is most Canadians' biggest asset and debt, the government can use the CMHC to anticipate and prevent a housing bubble, rather than have to use the sledgehammer of increasing interest rates economy-wide. For example, the Finance Minister has tightened rules on mortgages four times in four years, eventually eliminating the 25-year amortization period. But the government is unable to prevent banks competing with each other to provide inappropriately lower longer-term mortgage rates.

[2] Note that in 2013 BC Hydro had a 10-year plan to allocate \$1.6 billion for incentives under the Power Smart program. BC also had the LiveSmart incentive program that ended in 2014. More than 100,000 British Columbians benefitted from the LiveSmart program which saved them 15-28% on their energy bills, which in turned helped reduce carbon emissions, reducing the demand on the electrical grid and saving approximately 4,460 gigawatts. This is estimated to be enough electricity to power 425,000 homes since 2008. www.livesmart.bc.ca provided 14,205 person years of employment from 2008-2014.