

Is 1% A Solution To Homelessness?

MEMBER OF PARLIAMENT



PETER GOLDRING

Much has been made of the New Democratic Party's 1% solution to homelessness. The following talks about homeless funding waste and the unlikelihood of a positive outcome by simplistic solutions as evidenced by the Liberal Government's approach and failures of today.

Recently, I was sent a petition being promoted by the Albertans Against Poverty Organization. In this petition, the group calls on the federal government to "recognize that the homeless crisis has reached an all time high" and to "implement the 1% solution" to address homelessness. The group appears to mirror the New Democratic Party with its "1% solution", by which the federal government is called upon to devote 1% of the annual federal budget to address homelessness. While the concerns that give rise to these initiatives are quite real, a simplistic numerical 1% "cure all" as a solution is naive. A solution for homelessness and housing affordability concerns will result not from continuing to throw taxpayers' money at the issue, but from a government that deals effectively with the root causes.

Canadians were appalled when, yet again this

winter, a firehall, church basements, and a warehouse were opened, at phenomenal cost, to accommodate a shortage of basic emergency shelter floor space, due to a lack of planning on the part of the emergency shelter industry. The facts reveal that the shortage of space in Canada's emergency shelters is caused not by a lack of funding, but by federal government funding mismanagement. A few square feet of floor space, for whoever needs it, in a warm, dry room, should not be too much to expect from a caring and responsible society. Yet, despite the federal government spending billions, even this basic element of human need is not being provided.



Serving Edmonton's Disadvantage & Lonely at Christmas

In the fall of 1999, the federal Minister responsible for homelessness issues authorized \$753 million to, first

and foremost, provide sufficient emergency shelter space for all who were in need, and second, to then reduce the numbers of homeless persons through community involvement. The Minister failed on both counts and came back again in 2003 to authorize \$320 million more in government funding—which still failed to meet the most basic goals.



At the same time, the Minister responsible for the Canadian Mortgage and Housing Corporation authorized \$680 million in Budget 2000 and another \$320 million in Budget 2003 to develop affordable housing. The combined funding to address issues relating to affordable housing and homelessness has totalled \$2.1 billion since 1999. This amount combined with provincial matching funds should have created 100,000 units of very affordable independent living housing. However, after spending \$2.1 billion over nearly five years to supposedly help the homeless, almost no new emergency shelter floor space and almost no new independent living singles and family housing has been created.

Two winters ago, Edmonton opened a subway station in the middle of winter to help shelter the homeless. This past winter, Edmonton moved fire department emergency equipment outdoors in order to create a few square feet of emergency floor space for the homeless to sleep on. Since 1999, Edmonton social shelter agencies have received over \$20 million to address the most basic shelter concerns of the homeless, and have unconscionably failed.

If the problem was not a shortage of money, where was the money spent? Rented shelter properties have been vacated and replaced with grand, architecturally designed, emergency shelter buildings now owned by the "non-profit" shelter industry. These buildings, constructed at considerable cost to taxpayers, added very little in-

creased capacity for those in need. Modest emergency shelter rental costs in private sector buildings once rented by the shelters were replaced with much higher operating costs of excessively designed shelters that have almost the same capacity as the previously rented buildings. With the federal Minister encouraging a monopoly for the "non-profit" sector in the provision of emergency shelter, to effectively guarantee profits to the "non-profits", it now costs more, not less, to shelter and house virtually the same number of people in rent free, mortgage free and tax free buildings.

In Edmonton, the new 75-bed Urban Manor, an architecturally designed and custom-built building, replaced a privately rented 62-bed building operated as the original Urban Manor. The net gain: 13 beds at a cost of 4 million dollars, plus \$300,000 in additional annual operating costs!



March 2003, Peter Goldring, Member of Parliament, Julius Yankowsky, MLA and Gordon Stamp wrap up their midnight tour of Edmonton's Emergency Shelter System at the Churchill LRT Subway Station.

In Calgary, emergency homeless shelters went high-rise and uptown, with architectural extravaganzas that exceed most prime private industry buildings. Calgary's "Hilton" of homeless shelters

features a new, 1,000 square foot smokers' balcony addition, and costing \$200,000! The Shelter C.E.O.'s penthouse office rivals that of even the president's office at the Alberta College in Edmonton. The cost for two Calgary highrise homeless shelters was \$40 Million, with capacity for 800 persons, amounting to a gain of 120 mat spaces over previous, privately rented, facilities. If only half of the \$40 million had been invested in affordable independent living homes for singles and families, 1000 units



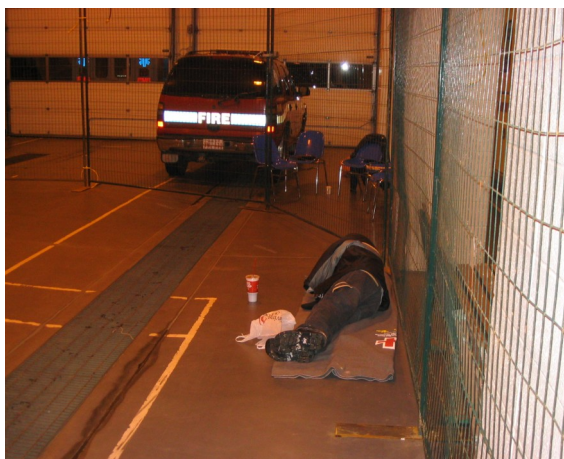
could have been built.

All across Canada, the most basic emergency shelter needs of the homeless are not being met while the emergency shelter industry revels in the funding to build grand new shelter buildings, inventing new, special interest shelters requiring ever more funding, and allowing for only modest, if any, increases in emergency shelter capacity. The emergency shelter industry operates in a manner not unlike any other industry. It requires a clientele with pressing needs and an environment of social neglect (lack of housing alternatives) in order to call for further taxpayer funding to keep the shelter doors open for business. Some say that the resistance to building independent-living, private, affordable housing for singles and families comes from the emergency shelter industry itself, because it will lessen the need for emergency, transitional shelters and social housing.

In 2001, Statistics Canada identified that there were 14,150 homeless persons in Canada's emergency shelters. Over 50% of people in homeless shelters are there simply due to a lack of affordable housing. They have some income, but typically cannot afford more than \$300 per month for a single room home in Edmonton or one costing \$400 per month in Toronto or Ottawa but few such rooms are available. Shamefully, these people are in a shelter system that costs taxpayers \$1500 per month per shelter resident, due to a misguided federal "shelter-centric" industry philosophy. While many in shelters have serious addictions and still others suffer from deinstitutionalization, over 50% of shelter dwellers can cope, can pay their own

modest way and deserve a chance to experience the dignity of self-sufficiency, with a hand up to independent living. Over the last 30 years, 75% of singles housing rooming houses and modest hotel rooms in particular were torn down and not replaced. It is no coincidence that, as affordable housing for singles has ceased to exist, emergency shelter need has increased.

Recognizing this fact is the first step to developing a plan to reduce the homeless numbers. To suggest that a simple injection of another 1% of Canada's budget will make a difference is a long-promoted N.D.P. proposal somewhat adopted by the Liberals over the past five years and demonstrated to be wasteful and unworkable. Liberals and New Democrats erroneously believe that homeless numbers will decrease proportionately as taxation spending increases.



Jan 2004, once again poor planning necessitated moving emergency vehicles out of the fire hall to make room for the homeless because of emergency shelter shortage.

Taxpayers rightfully expect their tax dollars to be spent practically, not politically. In Edmonton a property developer and manager proposed a practical solution of one hundred 24-suite apartment buildings—2,400 new units in total to be built for \$75,000 per suite, including land costs. With a combined federal and provincial grant of \$30,000 per suite to lower capital costs, the units would rent for \$500-\$600 per month: rates below market average rents. That is much more cost-effective than comparable proposals from the so-called "non-profit" sector, which typically call for \$80,000 grants to support \$120,000 per unit costs of high end units, accompanied by property tax exemptions and taxpayer-paid subsidies of operating costs. Private operators

will do what the non-profit sector cannot do; build homes for less cost, rent these homes for less cost, and then repay the grant through tax payments. However, this private developer's proposal was politically rejected.

Homelessness will be greatly relieved by a concentrated effort to encourage the creation of more decent, affordable, independent living singles and family housing by the private rental industry. It will not be relieved by NDP political "catch phrases" or by Liberal spending that puts political priorities over practical, workable, long-term, sustainable solutions. The Liberal's \$2.1 billion version of the 1% solution did not help the homeless to find homes, because their solution, just like the NDP's, doesn't involve an actual plan. Let there be no mistake: \$2.1 billion has

been squandered by the federal Liberals, with no substantial improvement in the circumstances of the homeless, due to an absence of any short-term or long-term plan of actualization.

While there certainly is a role for non-profit organizations in helping the homeless, we must encourage private enterprise to re-enter the housing field, with low-cost homes and other practical, fiscally responsible solutions. At the same time, a first step by a caring society is to ensure that a few square feet of floor space is available for whoever needs it in an emergency. This is a basic human right that must be respected as a matter of course; it is not a government option. Regrettably, spending efforts by the Liberal government do not indicate that they share these convictions.

UPDATE—We must find a resolution to pressing social issues and concerns that impact so many in dire need. Catch phrases such as the "1% Solution" will benefit no one unless combined with a well thought out plan for implementation. The government spends more than 1% now on poorly coordinated, abysmally directed and wasteful projects. Stopping the waste and bringing properly coordinated fiscal management to affordable housing needs of Canadians, will bring relief. The real solution is not 1%, 5% or 10% but a 100% change in the government's fiscal management, moving away from politically motivated programs, to practical solutions.

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This brochure series is intended to highlight special issues that Member of Parliament, Peter Goldring, has been involved in. If you wish to comment, please take a moment and fill out the survey below, write or call to the address above.

Your Opinion Matters...

Do you agree that Canada's major cities should have sufficient basic emergency shelter floor mat space?

Yes No

Should we have a national housing and emergency shelter policy?

Yes No

Do you believe that private industry can provide independent living affordable singles housing?

Yes No

Would you agree that the federal Liberals have failed the homeless?

Yes No

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