

# MEAN STREETS

Alberta has Canada's largest per capita population of working homeless. Why do we expect people to live like this?

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*From a report by* GORDON LAIRD

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*Amid rampant development, many of Alberta's workers are left in the cold. At Calgary's "cash corner," men wait to pick up work.*

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IN 1998, NIDAL ABUHAIJA ARRIVED with his wife at the Calgary airport. A skilled immigrant from Jordan, he had a university degree, job experience and the will to work. But the best job he could find in Calgary was at a warehouse, making \$10 an hour. “After six or seven months I met lots of people here from different countries,” says Abuhaija. “All the taxi drivers, all the warehouse workers, they often have some education degree—doctors, lawyers, engineers—yet they are not recognized.” And almost all of them face affordability problems with housing. As the Canada Mortgage & Housing Corporation reported in its 2006 *Housing Observer*, of all new immigrants renting, “nearly one-quarter were paying more than half their family income on rent and had savings of less than three months’ rent.”

The Alberta Advantage is selective at best: Calgary counted some 296 homeless visible minorities in 2006, along with 145 homeless families. Rather than become a statistic, Abuhaija managed to evade chronic poverty and the threat of homelessness for himself and his family by enrolling in training for new Canadians and Aborigines provided by Momentum, a Calgary non-profit agency. After graduating from the intensive, five-month program, Abuhaija immediately gained work experience and a steady job.

Statistics show that many Albertans do not escape. Boasting Canada’s fastest-growing economy and a population that has grown at twice the national average rate since 2001, Alberta also experiences some of the fastest-growing rates of homelessness in the nation. Calgary’s municipal homeless counts increased 740 per cent between 1994 and 2006, totalling 3,436 people in 2006. Among them were 125 children under the age of six. This represents an average 40 per cent increase in homeless people every two years, roughly 10 times the rate of expansion of Calgary itself. A similar count in Edmonton during the fall of 2006 found 2,600 homeless, up 20 per cent from two years earlier. Fort McMurray’s homeless population increased by 24 per cent over the same two-year period. Amazingly, there are an estimated 1,100 homeless people in Grande Prairie alone—yet as of 2006 Alberta had only 2,500 shelter spaces in total.

This province is home to the largest known per capita population of working homeless in Canada. It is a cruel irony that an able, employed worker should be homeless in this economy. In March 2007, the Calgary Drop-In Centre published a survey. Just over 40 per cent of all Centre residents reported that they work more than 32 hours a week. Results echoed earlier studies suggesting that a significant proportion of the province’s homeless have jobs: one 1997 study found that 45 per cent of Calgary’s homeless were employed in some capacity. Many of the employed homeless at the Drop-In Centre reported that they could not keep up with market

prices for rental accommodation. Over half reported that they could afford \$400 to \$800 in rent. Calgary’s average 2006 rent was \$851 per month.

How did this happen? Like many Canadian provincial governments, Alberta cut housing and social programs in line with a federal freeze on social housing during the 1990s. But Alberta kept growing and its cities became more expensive. Vacancy rates for affordable housing dropped to between 0 and 1 per cent. “The booming Alberta economy, combined with low vacancy rates and lack of affordable housing, has created a whole new class of homeless individuals—the working poor,” says Susan McGee, executive director of the Edmonton Joint Planning Committee on Housing.

Ours is a boom province with booming homelessness. Yet much of Alberta’s response in recent years has been to bolster emergency shelters, haggle over social spending, and lean heavily on non-profits and charitable organizations to pick up the pieces. The new millennium has not yet been our proudest moment: sure, we raised the minimum wage, funded shelters and stopped calling Ottawa names—but what is amazing, at least to many observers, is the degree to which today’s crisis could have been largely avoided.

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TODAY’S ALBERTA is a cautionary example of public leadership making or breaking the status of whole segments of society. Throughout the 1990s, Canada’s richest province certainly had the means to address this crisis. Yet its leadership decreased income supports and downloaded funding responsibilities such as emergency shelters onto the non-profit sector—all in the name of eliminating a debt that oil and gas royalties would inevitably take care of anyway.

Alberta’s unemployed face some of the lowest welfare rates in Canada. Social Services allocates \$460 a month for shelter, yet market rents for a one-bedroom apartment are often well over \$1000—and in a province with no rent control legislation these rates are rising sharply.

Today’s Alberta is a place where working people are forced to choose between food and shelter on a regular basis. According to the 2005 Hunger Count, a national survey of food bank usage in Canada, Alberta is number one among provinces for the percentage of employed people who use food banks. And while youth represent about 25 per cent of Alberta’s general population, they constitute 43.1 per cent of food bank users.

In January 2007, the Canadian Council of Social Development (CCSD) published a landmark national survey which found that “almost one-quarter of Canadian households—more than 2,700,000 households—are paying too much of their income to keep a roof over their heads.” Alberta, with a growing population defined by newcomers, young families,

youth and Aboriginal people, is well represented in this total: among the 30 per cent of all Albertans who rent, reports the CCSD, 36 per cent of these households face moderate or severe affordability issues.

Alberta is woefully short on support for families in crisis. In 2006, Calgary's Inn from the Cold Society temporarily housed over 300 families in churches and synagogues around the city. The agency confirms several instances where single moms have arrived with newborn babies from local Calgary hospitals, fresh from giving birth. Medical staff don't know where else to send them.

This deep poverty is at least partially the result of negligent provincial policy, which some advocates have described as Canada's longest-running unofficial class war. Betting hard on the curative powers of economic growth, the government ignored the effect of inflation and growth on welfare benefits, social services and affordable housing—to the point where homelessness and housing affordability problems became inevitable. In Edmonton, the number of people turned away from over-capacity homeless shelters and treatment centres increased by 137 per cent between 2004 and 2006, proving once again that Canada's resource province has been chronically short on resources. Alberta's two major cities report 7,100 people on waiting lists for social housing.

The hard truth is that until 2007's Task Force on Affordable Housing, Alberta's default policy on affordable housing and homelessness has been that of wilful neglect. Most Albertans know that Ralph Klein spent his last months in office on leadership holiday, glibly admitting that his government had no plan to navigate the province's booming economy, let alone address homelessness. "The prosperity that Alberta is experiencing is not universal," says Calgary city councillor Joe Ceci. "And without housing, it is a hollow achievement."

ALBERTA HAS SHOWN AN ABILITY to spend on homelessness—we simply choose high-cost, low-yield strategies. One 2003 study, for example, placed the external, societal costs of homelessness in Calgary and Edmonton alone at \$114-million annually. As Lorette Garrick, a board member of the Edmonton Joint Planning Committee, told Alberta's Task Force on Affordable Housing in February 2007, there is a clear business case for taking action on homelessness. "To house a person in a psychiatric hospital costs between \$200 and \$600 daily, or between \$72,000 and \$220,000 annually," she reported. "To house the same mentally ill homeless person in a one-bedroom apartment with a high level of support would cost between \$100 and \$150 daily, or \$36,000 to \$55,000 annually—a significant saving."

Evidence from England and the United States shows that it is more expensive to manage homelessness than to make

an effort to eliminate it. As a 2005 study from the City of Calgary concluded, "An investment of \$1 in preventive social services has been found to yield up to a \$7 return in avoided costs such as policing, justice, addiction treatment, and in increased productivity in employment and contribution to the community."

Even the cumulative public cost of maintaining an average homeless adult in shelters, emergency rooms, social services and front-line agencies—estimated between \$30,000 and \$40,000 annually by the BC government—far exceeds the cost of actually placing someone in housing. "A small one-bedroom apartment with minimal support services costs \$11,100 to \$13,700 a year," says Garrick. But good luck trying to find accommodation: "In Edmonton alone, it is estimated we need an additional 1,500 units of transitional and long-term supportive housing over the next five years. That's 300 units a year for the next five years."

Homelessness, if anything, debunks Alberta's self-image as a fiscally conservative province defined by efficient governance. For example, when 300 homeless spent over a month camping in the grandstands of the venerable Calgary Stampede during unseasonably cold temperatures in November and December 2006, a solution was found: warehouse them somewhere else. With a one-time grant from the provincial government, Calgary renovated an old furniture store, slated for tear-down in 2007, as an emergency shelter—a temporary solution with a \$1-million price tag.

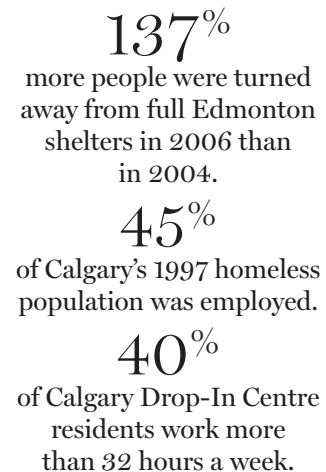
AS ELSEWHERE IN CANADA, the least powerful level of government is making the most visible effort to address homelessness:

so far, municipalities have led the way. In 2006, the City of Calgary committed to building 600 new units of affordable housing within five years; Edmonton, using a different strategy, plans to increase its affordable housing supply by 2,500 units over the next five years using fixed rate rent supplements.

Yet Alberta's cities do not possess the taxation or legislative powers to execute major housing projects independently. Provincial and federal resources must be tapped, and this intergovernmental dynamic has caused many housing initiatives to die on the table, either through delays, intergovernmental wrangling or sheer disinterest on the part of senior governments.

Meanwhile, non-profits, service agencies and charitable foundations are reaching a breaking point. Governments leaned heavily on their services after a decade of cutbacks, allowing non-governmental organizations (NGOs) to assume government responsibilities—including many services crucial to homeless people—in a piecemeal fashion. This would not be so bad if funding and policy were not piecemeal as well. NGOs are so busy managing former government projects and

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services that they are often unable to innovate and sustain themselves.

In fact, many barriers that projects face are provincial and federal, not local. This is the case across Canada: municipalities and city-based NGOs such as the United Way constitute the de facto leadership on poverty and homelessness issues in Canada, even though they do not have the legislative or taxation powers to make reforms. Government income support is often so low that many people rely on NGOs to help sustain them. Yet governments, in turn, often skimp and lowball NGOs on funding, frequently limiting them to short-term contracts and imposing unilateral conditions. With homeless shelters in Calgary maxed out, for example, the NGOs that provide emergency services are well aware of the government's dependence on them, yet cannot hold that government accountable and are hard-pressed to gain long-term funding commitments. The condition of NGOs, therefore, curiously mimics the condition of Canada's homeless: underfunded, harmed by government inaction, and wearied by the protracted crisis.

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IF THE LAST DECADE has proven anything, it is that charities, governments and communities working ad hoc, and sometimes at cross-purposes, do not yield lasting results. Waiting for improvements to self-manifest, betting on random acts of charity and kindness—this will end in failure. “Unless there is a public push, politicians are not going to put solutions out there,” says John Currie, a business executive and former board member of the Calgary Homeless Foundation who now works with the Calgary Land Trust, developing affordable housing. “Unless we have a political swell, all we'll get is platitudes.”

Challenging decisions lie ahead. For example, charities that attempt to raise funds for the construction of new affordable housing may not be using their resources wisely—especially in an overheated economy like Alberta's, where construction costs have gone up more than 20 per cent. “Building affordable housing at \$165,000 a unit is not the way to go,” says Currie. “Over the long term, we could buy apartment blocks, abandoned schools, integrate rent subsidies and creative zoning for basement suites.”

“There is no single cure,” argues Grant Neufeld, co-ordinator of the Calgary Housing Action Initiative. “We need to do a whole range of things. Rent control is part of the package, but also tax incentives to ensure the inclusion of affordable housing. Most of all, we need diversity—integrated, diverse housing across the board, to involve not just the city but private co-op housing, co-housing, the whole gamut of possibility. I believe we need to move toward ownership for everyone, allow

people to invest in their home and community, even for people on disability and income support programs.”

With business leaders sounding like activists and activists engaging the tools of business, the indictment of the status quo is unequivocal. In January, several corporate leaders formed the Calgary Committee to End Homelessness to help develop a 10-year plan to abolish homelessness. In February 2007, under the leadership of Alberta's new premier, Ed Stelmach, the Alberta Affordable Housing Task Force was launched to investigate short- and long-term housing solutions; submissions and presentations poured in from across the province.

In April, the Stelmach government introduced a total of over \$196-million in new funding commitments for affordable housing as part of its 2007 budget, with \$100-million to be spent this year. Yet Alberta's Tories rejected—or accepted only in part—more than half of the 19 recommendations made by the Task Force. These included rent controls, a recommendation that Stelmach rejected even before the Task Force made its report public.

However, compared to Alberta's paltry \$22-million affordable housing budget in 2006—and with new citizen/business/government efforts such as the Calgary Committee to End Homelessness—the province appears to be on the verge of a turn-around. The new Homeless and Eviction Prevention Fund is a welcome new addition, as is an expanded rent supplement program. But Task Force members recommended nearly \$500-million in annual affordable housing investment—roughly five times the annual investment in the 2007 Tory budget—and the province's stated goal of 11,000 additional affordable housing units would actually cost \$1.8-billion in new construction. Most observers agree that even just to stabilize the growth in homelessness Alberta must continue to innovate and invest substantially.

SOLUTIONS WILL DIFFER from place to place. Sometimes it is as simple as ensuring that people have access to opportunity. Having escaped poverty, Nidal Abuhaija is sure that if he were still working as a cleaner or warehouse worker in 2007, there would be serious trouble with housing for his family. Instead, Abuhaija went from a household income of \$18,000 during his first nine months in Canada, to earning almost \$100,000 as a tradesperson in 2006.

In other words, he has nearly quadrupled his wages four years after completing a non-profit training program that costs its funders \$15,000 in tuition for each student. It's just one example of what can happen when the right investment is made at the right time: luckily for Abuhaija, he found a way out before his low-wage reality caught up with him. “For the first two years, every night I was thinking I should go home,” he says. “But right now, if someone offered to let me work anywhere in the world, I would never move from here.” ■

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*This selection is from Shelter: Homelessness in a Growth Economy—Canada's 21st-Century Paradox, a report to be released later this year by the Sheldon Chumir Foundation.*