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# **Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities**

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**EVIDENCE**

**Thursday, February 9, 2017**

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**Chair**

**Mr. Bryan May**



## Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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• (0805)

[English]

**The Chair (Mr. Bryan May (Cambridge, Lib.)):** Welcome. Pursuant to Standing Order 108(2), we are continuing with our study on poverty reduction. We are moving forward in the area of housing and neighbourhoods, and we are very pleased to be hosted in the great city represented by MP Wayne Long.

I'm very pleased to see all of you here today. If we nod off, please forgive us. We got in fairly late last night, and we hope we can leave later today, as I understand we have a bit of a snowstorm coming.

We're going to get started with presentations from this group. We have quite a few of you here today, so we're going to try to keep the comments to about seven minutes if that's possible.

I'd love to welcome, from the Saint John Human Development Council, Randy Hatfield, executive director, and Greg Bishop, project manager, and from Living SJ, Donna Gates, executive director, and Penni Eisenhauer, community organizer. Oh, I'm sorry. Mr. Bishop is not here.

From the YMCA of Greater Saint John—go YMCA—we have Shilo Boucher, president and chief executive officer. We also have with us, as an individual, Erin Schryer, executive director, Elementary Literacy Incorporated. As well, from the United Way of Saint John, Kings and Charlotte, we have Wendy MacDermott, executive director.

Welcome, all of you.

We're going to get started right away with you, Mr. Hatfield. The next seven minutes are all yours.

**Mr. Randy Hatfield (Executive Director, Saint John Human Development Council):** Thank you, Mr. Chairman. I'd like to begin by acknowledging that the land on which we gather is the traditional unceded territory of the Wolastoqiyik and the Mi'kmaq people of New Brunswick.

My name is Randy Hatfield. I'm the executive director of the Saint John Human Development Council, the social planning council. I was to be joined this morning by Greg Bishop, but he is attending a medical appointment with his wife as their third child is imminent. On the heels of the rather dismal population figures that were released yesterday, we fully support his choice of venue this morning.

I've provided members with a power point deck that I'm not going to display but will be referring to. I would like to set the scene in the community of Saint John and describe the community that we work in through a poverty lens.

The first question we would want to ask ourselves is, "What is poverty?" In New Brunswick, we have an answer; we have a definition. In our Economic and Social Inclusion Act that establishes the New Brunswick Economic and Social Inclusion Corporation and oversees the provincial poverty reduction strategy, we find a definition of poverty that says it is "the condition of a person who lacks the resources, means, opportunities and power necessary to acquire and maintain economic self-sufficiency or to integrate into and participate in society".

Well, how do you measure that? How do you measure a condition? It's a very lofty concept. It's a social inclusion notion that goes to participation and belonging, but when we talk about poverty, we're forced to use a surrogate measure. We're forced to use a proxy measure of income. When we look at poverty through a lens in Saint John, we look at something called the "low-income measure".

I know that this committee and the government will be looking at measurement and what measure it's going to choose as it moves forward when discussing and implementing a poverty reduction strategy. I would commend the low-income measure as half of the median income, a widely accepted OECD measure that I think is capable of being trended over time and giving us powerful longitudinal tools to look at progress—or not—on the poverty reduction file.

Using the low-income measure and using taxfiler data for 2014, the most recent data available, we have in the province's eight cities levels of income poverty that range from a low of 8.5% in the city of Dieppe to a high of 24.5% in Campbellton, a city to the north. Similarly, when we look at the rates of child poverty, there is a low of 9.6% in the city of Dieppe, but a shamefully high rate in the city of Campbellton of 35.1%. The city of Campbellton has 10% of the population of the city of Saint John, and where we are today, in the city, we have a child poverty rate of 31.5%.

When we take account of poverty in this community and in this province, we also have to look at the working poor. StatsCan defines the working poor, a growing cohort of the population, as those between the ages of 18 and 64 who have earned income of more than \$3,000 but still fall below the low-income measure. The city of Saint John has the highest percentage of working poor in the province at 8.1%.

As in any statistical analysis, you have to break things out. You have to go deep, or as deep as you can, when it comes to an analysis of numbers in poverty. When we look at the Saint John census metropolitan area, or the CMA, it's important to distinguish the central city of Saint John and the more affluent suburban neighbours that surround it. The CMA level of income poverty is 14.5%, which is a tie with the provincial rate. However, when we look at the central city of Saint John, we find an income poverty rate of 19.7% and a child poverty rate in the city of Saint John of 31%. The suburban municipalities that surround Saint John do better by almost any SES measure, whether it's income, degrees of home ownership, education attainment levels, or family composition. There are two worlds within the CMA, that in Saint John and that in the surrounding municipalities.

At the human development council, we encourage going even deeper in our analysis and understanding of poverty. We take a look at the city of Saint John and then disaggregate regions and numbers, and we are able to find that with our ward system of four wards, although they are of equal population, we have startlingly different metrics. Where we are located today as we sit in ward 3, we have a child poverty rate of almost 48% within this ward.

There are five priority neighbourhoods that have been identified in the city of Saint John. Three of the five are located in this ward 3, and two are in ward 2. As some of the measures that are in the slide deck would suggest to you, we have alarming rates of child poverty concentrated in our neighbourhoods, and in Saint John's case, concentrated in an electoral ward.

● (0810)

Another feature of this community you're visiting today is the presence of lone-parent families. There is a large cohort of that segment of the population. Lone-parent families account for one in three families in ward 3, one in four families in the city of Saint John, and one in 10 in a suburban town that surrounds Saint John.

We also have to consider the depth of poverty. It's one thing to say that there's a low-income measure. If you're \$2 or \$3 above or below, does your life not materially change? No. It's the depth of poverty that looks at the difference between the income that's received through work and entitlement and the low-income measure that's been established. We do have a depth of poverty here that requires a huge increase in income if we're going to put people above the low-income measure.

We also, in Saint John, suffer the consequences of income and wealth inequality, and we've seen the growing gap between the rich and poor. The senior economist at the Canadian Centre for Policy Alternatives noted in 2014 that of the 86 wealthiest Canadians, Canada's wealthy 80% represent only 0.002% of the population, but they're so flush that they could buy absolutely everything owned by every person in New Brunswick. They could buy all of New Brunswick's cars, all of the houses, all of the undeveloped lands, all of the stocks, bonds, pension funds, and RRSPs, all of the jewellery, all of the furniture—everything—and still have billions to spare.

But we at this table are filled with hope. We see an opportunity and a window that is open which suggests that circumstances are aligning themselves so that we can make a difference in poverty reduction. I would like to extend our thanks and appreciation to our

local MP, Mr. Long, who has used a lot of his time and, one would say, his political oxygen on poverty reduction, and I think those at this table would agree.

We certainly feel the momentum here in this community as the result of some of his efforts. He was the sponsor of electronic petition number 291, which the Saint John Human Development Council was pleased to initiate, which is certified by the clerk of petitions, and which calls for Saint John to be designated as a demonstration site under the national poverty reduction strategy.

This morning, you will hear about the innovative programs and determined people who will make a compelling case for demonstration site investments. You'll learn of innovation, collective impact, and community collaboration, but I would be remiss if I did not remind the committee that we need strong national programs and that federal leadership is required. I know that the mandate letter to the minister for families and children talks about a national housing strategy, which is important.

You'll also hear about the importance of early childhood education and care.

We applaud the work that has been done over the years with regard to the levels of poverty among seniors. With the OAS as a universal measure, the GIS as an income-tested stream of income, and the CPP as related to employment, we now have seniors reasonably well accommodated with some tools.

With the child tax benefits for children, we have a wonderful measure that is now putting more money in the hands of low-income Canadians, not only as poverty reduction but, I would suggest, as poverty prevention. We are going to see the impact of the child benefit for years to come. I applaud the work of the government in that regard.

We still have to plug the hole of those with disabilities, those who are on income assistance, and the working poor. Along with enriching the working income tax benefit, we would urge you to look at basic income, but not at the expense of basic services. New Brunswick has yet to implement, for instance, an affordable prescription drug plan. In 2012, more than 70,000 families were identified as being uninsured. We would welcome this committee's consideration of a national pharmacare program. That would bring to this province a well-needed piece of infrastructure.

That concludes my remarks. I'm sure that was seven minutes.

I want to welcome you again to the city of Saint John. We wish you well in your inquiry on this important subject.

**The Chair:** Thank you very much, sir.

For the next seven minutes, we will hear from Living SJ and Donna Gates, the executive director.

**Ms. Donna Gates (Executive Director, Living SJ):** Good morning, and again, thank you for coming to Saint John.

My name is Donna Gates, and I am the executive director of Living SJ. I'm joined here today by Penni Eisenhauer, our community organizer and an incredible neighbourhood leader.

I'd also like to acknowledge and thank our MP, Wayne Long. He is personally championing the issue of poverty in Saint John, and we are very grateful, as Randy suggested.

Living SJ is Saint John's poverty reduction strategy and we have one goal: to end generational poverty. As I suspect you'll hear many times today, Saint John, sadly, is home to a deeper level of complexity: multi-generational poverty.

What is Living SJ? We are a network and a part of Vibrant Communities Canada. Our mission is owned by 36 local senior leaders, and I'd like to point out here that having senior decision-makers at the table has been key to our success. Our partners include all three levels of government, post-secondary institutions, low-income neighbourhoods, businesses, and non-profits. It was no small feat to get representatives from many organizations, who usually do not sit at the same table, to agree to four areas of focus. We used the principles of collective impact—and it is just that—to identify the following targets.

First is education and closing the education achievement gap: every child succeeds, from early learning to post-secondary. This includes improving literacy and high school completion outcomes.

On health, it's a neighbourhood-based model of care, with individuals at its centre.

For employment, it's about connecting residents to employment through education and training. The Learning Exchange, which you'll see in action later today, shows a path to transition from social assistance to employment. Your lunch is being prepared by one of their amazing social enterprises. This is a true Saint John success story and I look forward to you finding out more about it.

Neighbourhood revitalization with a goal of mixed-income attraction is our fourth pillar. Penni will speak to this a bit more, but a fundamental defining value that we have at our centre is the inclusion of the voice of lived experience. The Land Bank has been named as a priority of our Living SJ housing working group. Jody Kliffer will speak to this later this morning.

I want to share with you that we are currently helping colleagues in Halifax as they begin to prepare their process of collective impact to address poverty. This is all about sharing and learning from one another. Their community says this: "Nothing about us without us". That speaks to the voice of lived experience always being at our table.

We've developed a common agenda, and it took some editing. We deliberately had to consider what was out, at this stage anyway, and what was in. Also critical to our success is shared measurement. Our partners are measuring their activities in the same way. For example, the health authority discovered that the cost for three individuals using the emergency department over a three-year period for non-emergency reasons was \$100,000, so our team looked at how to reach people where they lived, and a wellness centre within one of our five priority neighbourhoods was established.

What do we need? We recognize that government cannot do this alone. We're asking you to use Saint John as a lab. We want to keep learning and experimenting to get it right. This involves sustainable and more bendable multi-year funding with community input and accountability built in. Let's put decision-making back in the hands of the community. We're doing it here, and it's working.

Thank you for coming to Saint John.

Now I'd like to turn it over to Penni.

• (0815)

[*Translation*]

**Ms. Penni Eisenhauer (Community Organizer, Living SJ):**  
Thank you, Mr. Chair.

I would like to welcome you all to Saint John.

[*English*]

We are not going to make a difference in poverty if people who have lived experience are not included in the process and in decision-making at every step of the way and at every level. Our lens is that privilege, money, and power exclude, and what we are really talking about is that we cannot make change and see a difference if those with lived experience are not engaged from the beginning. If we are not at the table, then we cannot help.

What I know from the work I do as a community organizer within one of the priority neighbourhoods is that when people are engaged it influences change in their lives. I've witnessed things changing within neighbourhoods because people can see what they can have an impact on. This, I believe, is true engagement in a meaningful way.

What we know from people with lived experiences is that there are two barriers within our system.

Number one is the time of the month for the child tax credit. The recommendation is that it be changed to the 15th of the month. This comes to you on behalf of those voices living this experience.

Second, for those who have gone through the criminal justice system, the changes since the Harper government have had a significant impact on those of us who have a criminal record. These barriers include: access to employment; access to post-secondary education; and even volunteering at your child's school. The recommendation would be to go back to the pardon process, which the Liberals supported prior to the Harper government, .

If you want tangible results and you want neighbourhoods revitalized, you need to allocate financial resources to the work of poverty reduction in Saint John. Through investing in neighbourhoods, engaging in meaningful ways, and building on innovative projects, programs, services, and best practice models that currently exist in Saint John, I believe this will elevate the level of our ability to implement what we know works, do pilot projects, showcase collective impact, measure outcomes, and have a social return on investment. Also, we will learn from each other, and that includes success and the ability to say that we need to make change, ultimately making a difference and improving people's lives with the hope of ending generational poverty.

This is the value of having someone with lived experience presenting here today.

My name is Penni Eisenhauer, and thank you for listening to me.

*Merci.*

● (0820)

**The Chair:** Thank you very much, both of you.

We're glad to have you here as well, Penni.

Now we'll go to the YMCA of Greater Saint John, with Shilo Boucher, president and chief executive officer.

Welcome.

**Ms. Shilo Boucher (President and Chief Executive Officer, YMCA of Greater Saint John):** On behalf of the YMCA of Greater Saint John, thank you to the members of the committee for this great opportunity. I'd like to welcome you to Saint John.

I have been working at the YMCA for 10 years now and have served as president and CEO since 2011. Before that, I worked in business, and I can say that it has been an eye-opener to see the level of poverty that exists here in our city. More importantly, I think, I need to express the level of support and willingness in our community to improve the situation that exists. It's fundamental. For more than a decade, community groups and business leaders have been working to reduce poverty.

As for what the YMCA does, we support 2,400 people a year in Saint John through the YMCA's Strong Kids program, which is our annual fundraising campaign focused on raising much-needed resources to give kids the opportunity to live healthier and happier lives today and in the future. Really, the goal today is to bring your attention to the importance of early learning and child care in breaking the cycle of multigenerational poverty.

As Randy mentioned, Saint John, New Brunswick has the highest rate of child poverty in the country. In the south end, where an evidence-based early learning centre already operates, 90% of the attendees are in second- and third-generational poverty. Further, New Brunswick has some of the highest adult illiteracy rates in the country.

To address these challenges, the YMCA of Greater Saint John currently operates an early learning centre, which began as a three-year community pilot project in 2009. What is different about our model of early learning centre is that it not only provides early child

education to children, but also supports the family. We are already seeing positive impacts in our community.

By taking innovative neighbourhood-based approaches and centring services for children and parents within community hubs, we can have a greater, longer term impact that breaks the cycle of poverty. When services are spread out across multiple locations and parents face additional challenges such as literacy or disabilities and lack of transportation, navigating the system can be difficult.

Consider Krystal's story. She is a mother of three, one of whom has autism. Initially, Krystal visited the early learning centre at her social worker's insistence. Impressed by the staff, she has been at our centre ever since. According to Krystal, "...the best part is we no longer have to take a bunch of buses for all of the kids' appointments". She said:

It felt like we were always running from place to place. A lot of times I just cancelled because I was too tired to go. Now our early interventionist, speech therapist, occupational therapist, physiotherapist and social workers all come and meet us at the centre.... I don't miss [my] appointments anymore.

Also, the children are doing wonderfully.

Our model of early learning is designed to help families like Krystal's in a way that reduces barriers for parents and gives children the support they need.

Almost 90% of our children receive some type of financial assistance in the early learning centre, and over 50% of the children are below the targets for developmental levels. To address this situation, we deliver a free kindergarten readiness program for those not in licensed care. We also offer nutrition classes tailored to children and parents working together to learn about healthy food. We also provide information to parents when they need help. We connect them with community organizations such as food banks, parenting classes, and case workers. We even help fill out forms in cases where literacy is a problem.

The Saint John Early Learning Centre has had many positive results over the last eight years of operation. Our capacity has expanded, with 7,000 family visits each year. Twenty partner organizations are engaged with the centre. The better school preparedness score went from 40% to 80%. We have increased kindergarten readiness programs in two other locations, and there are more programs provided. We have enhanced program offerings based on community needs and now offer 17 different programs.

We have achieved these results while working with limited resources. To meet the needs of the community, additional funding will be required. Currently our programs operate with support from the provincial government and the YMCA's Strong Kids program. Currently, we do not receive any federal funding for this program. In addition to leading national policy development, the federal government can provide much-needed funding so that many more families can access these poverty-reducing programs.

●(0825)

In the coming weeks, we will be submitting a proposal for federal funding for a pilot project called “Learning Together”, which will test the feasibility of a model for integrating child care, kindergarten, family support, and the delivery of social services in a school-based community hub. Our aims include: increasing the school readiness of children; increasing reading proficiency; and, increasing early learning access for all low-income families by providing full funding to all families that fall beneath the low-income measure. The project will expand on the work of the current centre, implementing a program and research model and creating two new centres in the priority neighbourhoods.

My colleague Dr. Erin Schryer will speak to the research component she will oversee as part of the Learning Together project.

The anticipated return on investment for this program is high. According to economist Robert Fairholm, high-quality child care in Canada will return \$2 for every \$1 invested, and societal long-term benefits exceed costs by more than two to one.

Also, a study led by Dr. Gina Browne at McMaster University showed that lone-parent families on social assistance who received comprehensive services, including quality child care, resulted in 25% of the families exiting social assistance, compared to 10% without those services. The study showed that offering comprehensive services to single mothers and their children pays for itself within one year. This is due to reduced health and social services, and a high level of exits from social assistance.

Innovative community-based approaches that support parents and children are needed to tackle multi-generational poverty. This will require support from the federal government. Public investment in initiatives such as the Learning Together project that we have proposed can have a transformative effect, building the economy, supporting families, and helping children get off to their best start.

Thank you for this opportunity. We greatly appreciate it. We look forward to continued stakeholder engagement throughout the development and implementation of the poverty reduction strategy.

**The Chair:** Thank you very much.

I obviously have a soft spot for the YMCA, having worked there for more than 10 years. I'm very pleased to see you here today. I know very well the fantastic work that the Y is doing across the country. Thank you.

You gave us a hint for our next speaker. From Elementary Literacy Inc., we have executive director Erin Schryer.

**Ms. Erin Schryer (Executive Director, Elementary Literacy Inc., As an Individual):** Thank you, Mr. Chairman. I am very pleased to be here today and to welcome you and the entire committee to our beautiful home of Saint John, New Brunswick.

I received my doctorate in education from the University of New Brunswick in 2014. I continue an active research program there as an honorary research associate. I'm also the executive director of Elementary Literacy, or Litt ratie au primaire. We are a provincial non-profit organization advancing the importance of early reading success among New Brunswick children. We are currently serving

over 200 elementary schools across New Brunswick, in both English and French, and over 1,200 students annually.

To begin today, I would like to start by highlighting four key principles that I would urge the committee to follow in developing this important strategy.

Number one is the use of evidence to inform your work. I have to say that I fear the term “evidence-based” has become a little sexy and has lost some of its meaning. I would urge us to remember its meaning. Take literacy as an example. Federally, funds earmarked for literacy have traditionally been earmarked toward adult literacy programs and organizations, even though I would argue that funding levels have never been as high as they need to be. The research evidence, however, clearly demonstrates that the prevention of reading difficulties is best followed by remediating difficulties early, when children are in school, such as we are doing at Elementary Literacy. Preventative early intervention approaches have been proven to be the most effective ways to increase literacy in a population. The evidence is clear, yet policy—or perhaps tradition—has not kept up.

Number two is the use of experimentation. Our experience at Elementary Literacy when we were established in 2009 was that national and international research was emerging that showed volunteer reading mentors could significantly support children's reading development, but we needed to experiment with that evidence here in New Brunswick, as every jurisdiction has unique characteristics.

In New Brunswick, we are Canada's only bilingual province, and we needed to create French and English programs. Roughly half of the population in New Brunswick lives in rural settings. We also have areas with extreme concentrations of child poverty, such as here in Saint John.

Through experimentation, local evidence is collected, refinements are made, and things are made to work.

My third point is something that we have worked really hard on here in Saint John and that Donna talked about: coordinating and leveraging existing infrastructure, resources, and knowledge.

Finally, my fourth point is around the need to be innovative. We need to use evidence in innovative ways to explore directions—in this case, for reducing poverty. Nobel laureate and economist James Heckman has concluded widely and repeatedly that early childhood development heavily influences the health, economic, and social outcomes of individuals and society at large. He has shown time and time again that there are great economic gains to be had by investing in early childhood development, particularly among low-income children and families.

This brings me to the specific project that I would like to bring here to Saint John as part of a national poverty strategy. Learning Together is an innovative, evidence-based prototype of early learning service delivery. Learning Together aims to establish three early learning demonstration sites in three priority areas of Saint John, all of which have high concentrations of child poverty. The three centres will work together as one fully integrated branch of a single strategy for programming, implementation, and research. One of these centres already exists, and I am very pleased to know that you are visiting the Saint John Early Learning Centre this afternoon. Two new centres are also being proposed.

These centres are in response to the evidence, which is very clear, that children are oriented toward success or failure at kindergarten entry. This is based on the experiences they've had in the early years before school. For children living in poverty, the odds of reaching kindergarten ready to learn and to benefit from the curriculum and their teacher are very low. In fact, the 2014 Canadian Institute for Health Information report concluded that while 26% of Canadian children demonstrated developmental problems or risk profiles at kindergarten entry, more than 40% of children living in low-income areas exhibit risk at kindergarten entry and less than 10% of children from high-income neighbourhoods exhibit any level of risk.

● (0830)

The link between income and school readiness in Canada is very strong, but it does not have to be. Early learning research has shown that children who attend high-quality early learning facilities exhibit greater rates of school readiness, language, and literacy success once in school, and ultimately greater rates of social mobility, enabling them to break the cycle of poverty for them and their families.

Learning Together would fill a significant gap in service for low-income children and families. Child care in Canada is still treated as a market commodity. Parents pay very dearly for child care. Families in poverty simply cannot afford to do this and thus often lack the access.

A significant piece of Learning Together is the research program that I would manage should our model be adopted, with the primary aim of integrating early learning research, practice, and policy to enhance the skills and school readiness of low-income children. Importantly, through this work, we will also address the knowledge and competencies both of educators and of parents. Parents are our children's first and most influential teachers. We cannot forget that.

I want to leave with you this. There is an opioid crisis happening in our country. It is devastating communities and families and killing Canadians. Dr. Maté, a retired palliative care doctor, recently penned an op-ed for CBC News entitled "Fixing fentanyl means treating trauma that creates addicts". In his piece, he speaks to the influence of early childhood in shaping the brain, noting that "childhood adversity is at the core of the emotional patterns and psychological dynamics that drive addiction". That Learning Together, through prevention, has the potential of impacting future addicts is not an exaggeration.

I thank you for your time and for considering this work. Excuse my trembling voice. Thank you.

● (0835)

**The Chair:** There's no excuse necessary. I come from the non-profit background. I completely appreciate what all of you see every single day. It's a challenge across the country. You've brought up an issue that has touched all our communities. We're all feeling the same thing.

Now, from the United Way of Saint John, Kings and Charlotte, we have executive director Wendy MacDermott.

[*Translation*]

**Ms. Wendy MacDermott (Executive Director, United Way Saint John, Kings and Charlotte):** Thank you, Mr. Chair.

Thank you for coming to Saint John, and welcome.

[*English*]

I serve two rural communities as well as Saint John. Our United Way has undergone pretty significant change over the last four years. We've gone from being a typical funder, basically a writer of cheques. That was good, and we did that really well, but when we looked back at our 60 years of history, we saw that social conditions really hadn't improved despite the fact we invested \$50 million over that time. We decided that something really needed to change and said, "Let's start with ourselves."

We decided instead to be a catalyst. We're still writing cheques—don't worry—but we're doing it very differently. We're doing it with a new sense of responsibility. We are much more focused on outcomes than on transactions, than the number of kids sitting at a desk. We're much more interested in whether those children graduate. We're much more interested in whether a woman does not return to an abusive situation for the rest of her children's lives, rather than whether we just saved her life one night. That's important, and we can't lose those things, but we will continue on this treadmill if we continue to invest in the same way.

We saw our role change and we believe the role of all funders needs to change. We need to leverage each other. We need to create new expectations in our community. We are driven by performance, as humans, as systems, and as organizations, and if we have greater expectations of our community organizations, they'll do it. They'll perform. We've seen it happen over and over again. If as funders we drive the measurement of transactions, that is what they have the capacity to do, and that is what they will do because we've asked them to.



As funders, we need to create a greater discipline and a responsibility. Without innovation and discipline by funders and service providers, children will continue to go hungry and the fragile will continue to suffer indignities. We have to look at breaking the cycle. We have to stop driving projects that are independent of each other. We do not have the luxury to continue as though we are all on our own as funding partners. We must be interdependent if we are going to make any of these substantive changes. We have to align our efforts and our resources. We can leverage each other. We can leverage our money. We can leverage our expertise.

What you have at this table are people who are very grounded in their respective organizations and the realities that we serve.

There are deeply imbedded cycles, particularly in Saint John but also in many other communities throughout the country. We can make a big difference if we stop making decisions in isolation of each other and being preoccupied with our own territory and our own mandate.

As funders, we also—and this is not popular—drive duplication. When our provincial government, our federal government, and our local United Way make decisions in isolation, and when we fund different organizations to do similar things and don't ask each other what we're doing, we are driving this insanity. The community cannot respond in any other way than we are demanding of them.

We also must have the courage to say no to the things that can't demonstrate that they work. That's so we can say yes to the stuff that does. You've heard multiple examples of projects that work but are vastly underfunded because we are trying to spread our resources too thin. We can make an impact, but not the way we've been going.

We also have to free up the human resources of the local organizations. They are chasing their tails in trying to meet our reporting requirements. We all ask for different timetables, different fiscal years, and different budget templates. This is insanity. They are spending so much of their precious resources on accounting, measuring, and reporting—and often measuring things that actually don't matter—to keep us satisfied. That is wrong.

We could easily free up 25% of that capacity. For those of you who have some business background, imagine that. Just like that: another 25%. Imagine a world where Erin's organization has to write only one report a year that goes to all funders. These things are completely within our control.

● (0840)

Both Randy and Donna spoke about what makes Saint John unique. We have deep generational poverty, we have single-parent families, and we also have a tremendous history of collaboration. There are certainly federal actions that can go a long way in redistributing wealth, but in a community that has created a subculture of poverty, much more than money is needed to resolve generations of no workforce attachment, untreated mental health issues, and, frankly, hopelessness. These issues can only be resolved locally.

Our community is one that has self-organized for over 15 years to tackle this complex issue. What we need from the federal government is a flexible and willing partner. We know that standardization and systematizing things is the way of big bureau-

cracy, but we desperately need to innovate. We need to experiment, just as Erin said.

We are the best game in town—in the country—when it comes to innovation and experimentation. We are committed to breaking the cycle of poverty. We want to go from being the city in Canada with the highest rate of poverty to being the one that figured out how to fix it. That's something to be proud of. That's something to tell our children about.

We'll do this by measuring whether our initiatives work and by directing our funds to what works, to rewarding innovation and risk-taking, balanced with bringing in the best practices from away. Again, we need the federal government as a partner in our local strategy. As has been mentioned, MP Long and his staff have been deeply engaged in the work of our community, but there are limits to what one MP can do.

Sorry, Wayne.

We don't fit neatly into any one provincial or federal department. Issues happen here in Saint John and, frankly, our failure or our success will be determined here in Saint John. We have demonstrated as a community the courage to make tough and sometimes unpopular decisions in order to achieve greater outcomes.

As a local funder, having a strategy in place provided my organization with the support we needed to say no so that we could say yes. We need to create a local innovation fund with flexibility and pooled resources, so that federal government resources, provincial government resources, community resources, and business community resources can be deployed in strategic ways with significant accountability. Again, we can do these things.

We know that big systems struggle to innovate. We know governments cannot risk public failure. A local fund is an arm's-length means of contributing to local innovation without assuming the risk of failure. As a community, we're willing to assume the risk, the collective impact. This would be ideal for ideas that do not fall within any one government department, jurisdiction, or mandate, so we invite you to become partners with us in some crazy new ways.

I'll leave you with one last thought. Living SJ was invited to go to Australia to talk to the Australians about how to engage business in philanthropy. As often happens, the conversation revolved around money, such as, how do we get those corporations to give the community money? Sure, that's important, and there is a cheque-writing function that is very important in this work, but there is so much more that the business community can bring to the work we do: the business discipline, the entrepreneurial spirit, the drive to metrics, and the focus on performance. Those are things that drive us in this community.

I again welcome you to consider a broader role for the business community in engaging and participating. Bell's Let's Talk program is a wonderful illustration of a company going further than just writing the cheque by creating a conversation that none of us locally can do.

*Merci.*

Thank you for coming.

● (0845)

**The Chair:** Thank you, Ms. MacDermott.

Having done this job for about a year and a half now, I completely appreciate and understand your concerns regarding the gap between the funders—or the government—and the organizations on the ground in terms of understanding the logistics and the realities of your budget or timetable. I was in that position for a long time. We used to scramble to get in those applications and were thrilled when we got the funding, and we never complained for fear of not getting it again.

We need to make sure that we're bringing this stuff back to the decision-makers so that we can get on the same page for a lot of these things. Thank you very much.

We're going to get started with questions now.

For six minutes, MP Vecchio, you're up first.

**Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC):** Thank you very much.

I really appreciate all of you coming out this morning and discussing this with us.

One thing I've heard across the panel is the call for an early childhood education system. There are just a couple of factors I want to discuss with you. I am one of the critics for the families, children, and social development department. People are looking at a national strategy, but I think that a lot of times the national strategy is taken from one community that is very different from another one.

Erin, you talked about poverty. Should we be creating a national program that's available to everybody or should we be targeting it? Should we be making sure that our low-income families have accessible child care and early childhood education and have that differential? Some provinces already have that. Should we be looking at a national strategy where it's free for all—similar to Quebec, where there is a small fee—or should we be looking at something much more targeted?

**Ms. Erin Schryer:** I'm somewhat prepared for this question, because I do honestly battle with it in my own head. As I tweeted the other night, I spend over \$10,000 a year for one child. Part of the reason why we've waited so long—not so long, but long enough—to have another child is that I could not pay for two children in day care.

I think a national child care strategy addresses many access barriers. It would allow people to access child care. My fear with a national child care strategy, or the piece I would like us to add to it, is exactly what you're saying. Our experiments are addressing unique needs. People living in poverty are going to have different child care

needs than other populations do. We are going to need to respond responsibly to their needs.

I have many conversations with families who quite honestly ask me—and I've thought about it with this project I'm pitching—why they would send their child to day care. They say they're home and they can take care of their child. Part of it this is about communicating the importance not only of child care—and we can even think about that in the title, “national child care”—but of early learning. It's about family development, both pre- and post-natal.

**Mrs. Karen Vecchio:** Specifically what ages are you targeting? I'm a mom of five. My children are all doing quite well. They've all had different experiences in child care, and I am very much an advocate of “if I can pay for it, I'll pay for it”. I looked at the Quebec scenario in which there is a two-year waiting list and the quality is very questionable, yet it's being touted across the country as the best thing since sliced bread.

I'm looking at those things and thinking that I want to see this for those children who need a hand up, because I believe in that approach. I'm just wondering how we do that as well and what age group you are going to start factoring this into. Some people are concerned that it's going to start at six months. Other people see it at the age of three. What are your thoughts?

● (0850)

**Ms. Erin Schryer:** The research is very clear. The longer children spend in child care early learning facilities is what impacts their development. I know that in Ontario there's the four-year-old pre-K. In particular, for children living in poverty, that is not enough time for them, due to all the disadvantages they may have gone through in the early years. As I mentioned, when children arrive at kindergarten, they are already oriented toward success or failure because of what happened in their early years, so the longer we can have children in child care....

I advocate for zero to five. Given our policies in Canada, a lot of us don't have to start until about nine months or a year, but it really is the whole gamut. It's not starting at three or four years of age.

**Mrs. Karen Vecchio:** I will turn to Randy.

I am from a small community of 300 people in southwestern Ontario. A lot of times when we talk about the poverty effects, we are really focused on urban centres. Poverty in urban areas is very different from poverty in rural areas. What are some of the things that we as a national committee should be looking at specifically to make sure that when we're looking at these strategies we're encompassing both the rural and the urban areas? What are some of those differences that we should be aware of?

**Mr. Randy Hatfield:** How much time do we have?

**Voices:** Oh, oh!

**Mr. Randy Hatfield:** That's a great question, because New Brunswick would be considered a province in which 50% of the population is rural.

There is a tension between strong national support programs and the flexibility that could be engaged and enjoyed if you were to target resources. Coming from a smaller community, maybe you can appreciate that it's a question of scale, which is often very difficult. Saint John now has 68,000 people, and we experience all the social ills of any major metropolitan area. It's a question of how we can create and develop the capacity to deal with that. We have a needle exchange, a men's shelter, and a women's shelter. These are all fragile pieces of infrastructure that we're trying to sustain.

It seems to me that a principal barrier when you're talking about rural populations is transportation. I know there are many in this group who have worked to overcome that and to deal with it. It's a huge barrier and an impediment to participation, to belonging, to getting access to services.

Per capita funding allocations don't often serve us well. New Brunswick now, according to yesterday's census data, has 2.1% of the national population and 10 federal seats. It is a question of relevance, of access, of political power, and of what per capita funding allocations do. We need to have some flexibility at the local level. I think differential funding formulas are something that this community has advanced over the years, and I think there's a compelling case for doing that. A central city elementary school trying to fundraise and to develop the range of services that you would expect in a public school is far different in downtown Saint John than it would be if it were in one of the suburban municipalities or even one of the rural areas that surround it.

It's an excellent question. I don't have an easy answer. I think there's a combination of a strong national program.... I spoke about pharmacare, and I think there are 70,000 families in New Brunswick that are uninsured. I think it's going to have to be one of those combinations.

**The Chair:** Thank you very much.

MP Long for six minutes.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Thank you, Chair.

Thank you to our witnesses today.

It's great to be home. I just love seeing the passion and conviction of your presentations. It's wonderful.

**The Chair:** So the cheque's in the mail....

**Mr. Wayne Long:** It's not an election year yet, is it?

**Voices:** Oh, oh!

**Mr. Wayne Long:** I do have a lot to ask, and I apologize that I can't get to everybody.

Ms. Eisenhauer, I thought your speech and presentation were very well done. I commend you on that.

Penni, I know you, and I certainly know that you're very involved in Saint John. You talked about "lived experience". Sometimes from government's perspective we tend to have our committees and our

meetings and we do things in a bit of a silo. We don't want to do that. I think that in developing a national poverty reduction strategy, as our government is tasked with, it is paramount to involve people with lived experience. Could you share how important you feel it is to include people with lived experience in our strategy?

**Ms. Penni Eisenhauer:** Well, if you want the answers, they're the people to talk to. They're the ones who've lived it.

I've lived the experience. I grew up in a middle-class home, but I suffered with mental illness and addiction. I have two degrees; however, I've lived a diverse lifestyle, which led me into pockets of poverty for certain periods of time. I do know what it's like to live in substandard housing. I do know what it's like to not have enough money to get the food you need. I know what it's like to navigate a system that really wants to keep people in poverty.

I understand the fact that people are uncomfortable when people talk about lived experience. It makes people uncomfortable. For instance, I can come here this morning. However, maybe for a mum or someone who has children to get to school, 8 a.m. may not work for them. I think you need to look at engagement in meaningful ways.

I work with a collective, a group of neighbourhood leaders. We're called the "Neighbourhood Action Group". We've developed a meaningful way to engage individuals around honorariums. There should be a value placed on people's time, and I feel that people are more likely to be engaged when there are child care, transportation, and food, and their time is valued.

My recommendation is that we need to look at the tables that require lived experience, and we need to look at how to engage people meaningfully. For some people this is very intimidating, so you may need to go into places that already have people naturally congregating there and have a natural conversation instead of having them always around the table per se.

• (0855)

**Mr. Wayne Long:** Thanks. That's great. I agree with you wholeheartedly.

On Wendy's and Randy's comments on the alignment of three levels of government, from a federal perspective I strongly feel—and I think you do too—that a lot of transformational change will come from federal initiatives. Sometimes you see that the federal government wants to do one thing right across the country, and then the money goes to the provinces, whether it be for education, housing, or what have you, and while I wouldn't say we lose control of it, it may go to different areas that may not be a federal priority.

Randy, how important do you feel it is to have alignment among all three levels of government? What challenges and opportunities do you see there?

**Mr. Randy Hatfield:** I think the principal challenge would be constitutional, where you have a federal government with fiscal capacity, provincial governments with jurisdiction, and municipalities that live with the consequences. It's really difficult to get all three aligned.

Municipal governance in New Brunswick is different from municipalities in other provinces. It's quite an evolution for them to step up and accept some responsibility for social files and social conditions in their community, but we're starting to see that, particularly on the immigration file now, and people look upon that as an answer to some of our demographic challenges.

I think that's the difference, Mr. Long. When you have the fiscal capacity, the jurisdiction, and the lived experience and the consequences at the local level, it's critical that they align and work together, but that's a tough thing to do.

**Mr. Wayne Long:** Wendy, do you have any comments?

**Ms. Wendy MacDermott:** I would add, as I said earlier, that I think the opportunity is to create some pooled resources that respond to a local plan.

I think one of the challenges we have as a local community in responding to even the great big RFPs from the federal government is that they're on the federal government's timeline when something is a particular priority. I think the best ideas come when they've been developed locally and they've been well thought out. Then, when they're shovel ready at the local community, how do we engage the federal government? It really happens in the opposite direction. I'll use a small illustration.

In November of 2016 there was a call for proposals in regard to looking at homelessness. Family violence was one of the areas. Luckily, as a community we had been working with four organizations to create a new model of how we would address family violence, rather than relying almost solely on an emergency system. Because we were ready, we could meet the six-week turnaround in order to pull that proposal together. If the community hadn't already been working on this.... Communities see the opportunity of a big pile of federal money and hear little angels singing, but the realistic ability to optimize those dollars locally is not there when you're not able to build on something you're already trying to achieve.

It's about changing the direction. Here's the local strategy, here's what we're working on, and here are the priorities, so how do the federal government and the provincial government engage and support this? It's really in the other direction from when government is ready to release money and then we try to scramble to get it. Again, local funders are part of that problem as well.

• (0900)

**Mr. Wayne Long:** Thank you.

**The Chair:** Thank you very much.

MP Sweet, for six minutes.

[*Translation*]

**Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP):** Thank you, Mr. Chair.

Good morning, everyone.

Since I am going to ask my questions in French, you can put in your earphones so that you can hear the simultaneous interpretation.

I am the NDP's housing critic. So I am going to focus on the issue of housing because we have not talked about it a lot today. Housing really is a major piece of the puzzle that we have to consider if we want to fight poverty.

Do any of you know how long the waiting list is for social housing in Saint John? Do you have any figures on that for us, either the number of years or the number of people?

[*English*]

**Mr. Randy Hatfield:** There's currently a waiting list of over a thousand at the regional level. It tends to be an annual application that's required in order to keep your name on the list. It's very difficult, because within that cohort of folks who have housing needs, there's some triage that's undertaken, certainly for those fleeing domestic violence and for those with young children. We have a real problem in this community with non-elderly singles—NES—that population that doesn't fit into one of those priority areas. It's not uncommon for them to be on a waiting list for such a long period of time that they eventually drop off or really don't have an expectation of getting affordable housing.

Affordable housing is a very difficult file. I know that Mr. Dickinson will be commenting in the next panel on some housing issues, but again, it's a question of scale.

At the Human Development Council, we are the community entity under the homelessness partnering strategy for Moncton, Fredericton, and Saint John, the three principal urban areas in the province. It's a model that I think works very well. It embraces community. It requires a community plan on the community issues in an RFP. A community-based committee determines the allocation of funds, but in Saint John, for instance, there's less than a quarter of a million dollars a year, about \$220,000 per year, to deal with homelessness. While that is a lot of money, it's not a lot of money, and it makes it very difficult, for the reasons of scale that I spoke of earlier.

There is a long waiting list for social housing and for affordable housing in this region.

[*Translation*]

**Ms. Marjolaine Boutin-Sweet:** Thank you.

With the homelessness partnering strategy, Quebec's approach was to talk to the people who know the problems and know the solutions. A number of people have mentioned that, actually. We must not just focus on one approach. The "housing first" approach works well, but there are a number of other prevention initiatives. Unfortunately, their funding has been reduced.

Is it the same here? Would you like to see a more generalist approach in terms of funding homelessness prevention initiatives?

[English]

**Mr. Randy Hatfield:** I'm not sure that a different approach is required, as opposed to more resources. I know that's an often-used phrase, and everybody could use more money, but the housing file is one of those wicked files that crosses over a host of government agencies and departments. It makes it very difficult to go deep.

It's interesting to look at the three principal cities in New Brunswick, for instance, where each community uses its modest allocation in different ways. In Moncton, for instance, they tend to be capital projects. In Saint John, there tends to be a desire to maintain the operations of a number of fragile community-based organizations. I am a fan and a believer in the HPS model of embracing communities and allowing communities to determine their priorities and call for and fund proposals on the basis of those community priorities.

It would be nice if our provincial government, for instance, could match federal allocations, but that's unlikely. That's not going to happen.

• (0905)

[Translation]

**Ms. Marjolaine Boutin-Sweet:** Mr. Hatfield, you are the only witness to mention that we are on Mi'kmaq territory.

Are there specific problems with indigenous populations? Should we be thinking about different solutions for indigenous populations in the province and in the city?

[English]

**Mr. Randy Hatfield:** I believe there are 13 first nations in the province. They are spread out unequally across the province. There is no reserve, for instance, near Saint John, and there's no friendship centre in Saint John. It's very much spread out.

The needs of the aboriginal community are well known and documented. Serious investments have to be made by all levels of government for our first nations population. I don't think there's any doubt about that. That's beyond discussion or debate. Mr. Long spoke about the alignment. In that field in particular, there needs to be a serious alignment of provincial governments and federal programs.

Again, this federal system that we have is imperfect. We have to figure out ways that the fiscal capacity of the feds can align with the jurisdiction that exists in the province. We have to see the emergence in New Brunswick of municipalities and local governments that are prepared to step forward in social areas.

[Translation]

**Ms. Marjolaine Boutin-Sweet:** In an anti-poverty strategy, you also see the need to include a housing strategy. How would you see the possibility of working on those two aspects together?

A number of people have said that all levels of government must work together. People talk about a Canada-wide strategy. However, we know that living conditions are very different from one end of the country to the other. I imagine that flexibility and partnership

between the various levels of government, community groups and groups like yours would be just as important as the funding involved.

Is there anything else you would like to see in a housing strategy?

[English]

**Ms. Wendy MacDermott:** One of the things worth considering is the variety in terms of home ownership and rental, etc. One of the things that's somewhat unique about Saint John is that nearly half of our housing is rental. That's low-income and very terrible housing, which we'll hear some more about again in the second panel, but it's also a bit of a norm in Saint John, even with properties that are not low-income properties, that rental is there. It has become an issue in this community because the norm is that if you have the ability you own a house, and that's not necessarily the norm there. It's a small illustration of how we need a nuanced strategy that doesn't become a one-size-fits all strategy.

The housing stock in Saint John is ancient, so that comes with many issues. I was talking to Mayor Darling the other day, and he mentioned even the physical infrastructure. There was a pipe they had just dug up that predated the Civil War. That's our reality. It speaks to the struggle that Randy mentioned in terms of lining up the municipal, federal, and provincial priorities and jurisdictions.

**The Chair:** Thank you very much.

Very quickly, Mr. Hatfield, you mentioned a thousand on the wait list. How long is the average for them to get off the wait list?

**Mr. Randy Hatfield:** I think after a year they can revisit it again. They should apply and reapply. I think many people have simply given up on the list, frankly, unless they're one of those extreme or triaged populations. It's a very imperfect system.

**The Chair:** We're seeing the same thing in Cambridge, with 3,000 on the wait list for five to six years.

We'll go very quickly to Mr. Robillard for six minutes.

**Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.):** I'll continue this in French, so keep your earphones.

[Translation]

Ms. Schryer, your organization interests me greatly, as a former teacher.

Your organization has two programs, Elementary Literacy Friends and, for francophones, Communauté-Littérature-Enfants.

In your view, how do those initiatives contribute to poverty reduction? How can we consider incorporating the example set by your efforts into a Canada-wide poverty reduction strategy?

• (0910)

**Ms. Erin Schryer:** Thank you for your question.

[English]

At Elementary Literacy, we're doing two things.

There's the whole literacy file. We know that people with low literacy are more likely to be unemployed and to be engaged in the social system and the criminal justice system. There is a range of impacts that are costly to government and also to the person in terms of the opportunity cost loss. Even just generally, I would illustrate that as the literacy issue. In New Brunswick, over 50% of adult anglophones have low literacy. Over 60% of our francophones have low literacy.

Our low literacy levels are really holding our province back. There has been much conversation lately. We're often looking at literacy and the economy, and how the economy is being held back in New Brunswick because of our low literacy levels.

What we did with Elementary Literacy, as I mentioned, was to really go to the evidence to see how we could help. At the time in 2009, there was a private sector movement afoot to say that we really needed to get this under control. The private sector was saying that it was affecting their bottom line. They couldn't find workers, and the innovation and entrepreneurship that they wanted to see in the province just wasn't there, and a lot of that was coming back to our low literacy levels.

We went to the evidence. It showed that reading problems emerge early in children. That's really the time to remediate. What we're advancing at Elementary Literacy is that if we can get to our children and if we can get to more children, we will not let them leave school before they are reading well, and then we will advance the adult literacy rate in that way and have the cascading effects on the economy.

[Translation]

**Mr. Yves Robillard:** Do you deal with digital literacy with the kids you help? Does your organization have initiatives based on new technologies, so that those kids do not fall behind in the subject?

[English]

**Ms. Erin Schryer:** I think I followed you. You're asking me about numeracy in the children. Can I confirm if that's correct? It is?

Right now, the literacy that we're working on with the children is very narrow to their reading literacy. We're looking at children's reading comprehension. There is—and we have our eye on it—research around children's numeracy, scientific literacy, and the links between foundational reading and those concepts. It's still up in the air as to how well established the link is, but there definitely is.... I've had many meetings with various financial literacy organizations in the province and with math teachers on how we can support their efforts through what we're doing on a community basis.

[Translation]

**Mr. Yves Robillard:** Coordinating efforts in Saint John through Living SJ has resulted in common priorities being established with private and public funders.

How did you manage to establish common priorities with those funders? Even more importantly, what impact has that been able to have on attaining the goals set by Living SJ?

**Ms. Wendy MacDermott:** Thank you for your question.

[English]

One of the things that was incredibly helpful is that many of the funders were there from the very beginning. Many of us—the community foundation, the United Way, the provincial government, the municipal government—were the ones sitting around the table saying, “Something has to give, and it must be us.” We didn't have the uphill battle of trying to convince the funders to do things differently. We were trying to figure out for ourselves how we lined up. In terms of changes, Living SJ provided the United Way with a template for what we should be investing in and how we should be investing.

We have a team of reviewers that looks at funding applications. When they do that, they use a Living SJ lens. We look at whether this investment we make will drive that bottom line, the bottom line being achieving literacy by the end of grade 2. It's looking at those things that as a community we are trying to achieve and how we make that happen with our own money.

It also shifted the conversation from just the cheques we write, which are significant in our community—we grant about a million dollars a year—to how we can leverage funding. We've been able to put the first \$10,000 or \$20,000 on the table to assume some initial risk, because as a community-based funder we can do that to attract some funding from the provincial government to test a new idea or to attract a private consulting firm to give us some really great analyses of the work we're doing. Those changes have been able to happen because of our collective approach.

When funders aren't part of the conversation and you have to sell this to them, it's much more difficult. At my board of directors, Living SJ is part of our DNA now. It's part of our board agenda. We talk about it. That is also important in sustaining that role into the future.

● (0915)

**The Chair:** Thank you very much.

MP Long, for six minutes.

**Mr. Wayne Long:** Thank you, Chair.

Thanks again for the great presentations and answers.

Shilo and Erin, with great interest I heard about the proposed project for early learning and the initiatives that would potentially be in the three priority neighbourhoods of Saint John. I was particularly interested in how you talked about parallel programs. One side is the early learning, but the other side is programs that will be offered to parents in parallel.

Shilo, I thought that maybe you could talk about those.

**Ms. Shilo Boucher:** Thank you for the question, Mr. Long.

Although child care and licensed child care are very important in the situations where families are living in poverty, we definitely feel that more supports are needed for parents. The proposed pilot and the one that's operating in the south end right now are to engage not only the children but the parents, because the parents are the ones who the kids go home to every day. We try to instill skills in them, whether it's employability skills or just basic parenting skills to help them when the children come home at night.

That's what we're proposing through this model: to continue to engage parents. I think it's an issue in this school districts as well as kids go to school. If the parents aren't accountable and engaged, then the kids lose out at the end of the day, which also affects their learning. This model works to involve both the children and the parents in different ways, whether individually or together.

**Mr. Wayne Long:** Erin.

**Ms. Erin Schryer:** I'll just mention there, too, on our theme of leveraging existing resources and infrastructure with parallel programming, that we can offer a program in the south end and also offer it in the north and the west, but responsive to those neighbourhoods. There will be emerging needs from the different neighbourhoods that may be different, or they may be the same. In some cases with our programming, one parent program may look exactly the same in the three centres, or it may look a little different depending on the needs that we're finding in that community.

With having the three centres, I think you're able to leverage the existing infrastructure, resources, and learning across the centres. That's really part of the impact that we see from this by coordinating everything. Again, as we've talked about a lot today, it's also being responsive at the same time, so it's not the same program, perhaps, depending on what the neighbourhoods are showing.

**Mr. Wayne Long:** Thank you very much.

Donna, Living Saint John is an impressive organization. You obviously have your four pillars, if you will. If you don't mind, I'd like to get some comment from you as to how you measure success. Obviously the program is wonderful, but I'm a businessman, too, and you need results, and you need to measure and monitor. Can you talk about how you came up with the proper metrics and measurements?

**Ms. Donna Gates:** I'll go back to the principles of collective impact. I could have gone into it in a lot of detail, but this is probably not the time and place. I do encourage you to maybe google "collective impact" and learn a little more about it, because there are principles in there that can be applied to many of the issues that we face not only as a city but also as a province and a country.

I'll highlight two areas.

Part of collective impact is the common agenda. As I stated earlier, it's not easy to get all these passionate people—and I should also mention that all these people at the table are partners within our Living SJ network—to reach consensus on an agenda. We were able to really focus on four pillars that are crucial to being able to create change.

Another piece of that is the measurement. The way we do that is to start first with a conversation about whether we are evaluating what we're doing. Wendy spoke about this as well in terms of how the United Way, as one of our partners, was able to change its thinking and even its funding model by asking the applicants to come up with outcomes. That process of really thinking about how we're actually going to measure and evaluate is very important.

We're also doing a project with Shilo at the Y, in which we're also measuring outcomes. When we get our collective impact teams, which fall under these four pillars together, evaluation measurement is always part of the conversation. We're also trying to do it in similar ways. I'm also fortunate to have a team member who has a background in statistics, evaluation, and measurement. Sometimes it's through surveys, but we are measuring in different ways. We can't manage and change what we can't measure, so that's really a fundamental principle of what we're doing.

● (0920)

**Mr. Wayne Long:** Very quickly, Randy, every time you speak, I'm wowed by your knowledge and your passion. We're obviously here as a committee to help the minister come up with a national poverty reduction strategy. Let me learn from you. What would be the first things you would do if you were us?

**Mr. Randy Hatfield:** You have to be kidding.

**The Chair:** You have 20 seconds.

**Mr. Randy Hatfield:** Twenty seconds?

We would engage the community in the lived experience. I think Living SJ speaks well for the community of Saint John and the priorities that it has established. I think we need to have more confidence. We have to approach funding mechanisms much like HPS. I'm a fan of putting money at the local level into the hands of a community that has determined its priorities, that's prepared to make the tough decisions about funding, and that is prepared to live with the consequences.

**Mr. Wayne Long:** Thank you.

**The Chair:** Thank you very much.

For six minutes, we will go to MP Zimmer.

**Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC):** Thanks for coming to the committee today. We finally got here last night at about 1:30 in the morning, but we're here.

The one thing I would like to bring up is that the study is called the "poverty reduction strategy". It isn't talking about the poverty mitigation strategy. It isn't talking about the poverty continuation strategy. It's about the reduction strategy.

Wendy, I think you're on to something, because you said that a lot of cheques have been written, but still, here we are. I think Erin also said something about that, which is that we're still treading water with this poverty thing, if you want to call it that. I don't think that's giving it the weight it deserves, but there it is.

What I'm concerned about is how we reduce it. Reducing poverty looks at a bunch of different factors. For me, it's looking at family structure and whether there is a job in the family. How do we actually bring the poverty down and how do we change that?

Wendy, I'll ask you specifically, because you're on to this. I think you said that you've written the cheques and you don't want to just see that continue. You want to see change actually occur. What three things would you do, if you could actually do them, to reduce poverty?

**Ms. Wendy MacDermott:** To me, it's really about breaking the cycles. We know what the cycles are. It's about paying attention to the evidence on what really works. Again, this stuff isn't popular, and it's not for the faint of heart. We've taken some significant hits over the last few years as we've made these big changes.

I'll use one illustration. Earlier, I mentioned family violence. The model that was created as a temporary measure back in the 1970s was the emergency shelter model. That is really great for keeping women safe for 30 days. What we started tracking just in the last couple of years was how many of the women who are there have been there before. We can actually measure the cycle, and it's 50%. Fifty per cent of the women who were in the shelter last year were there before. That doesn't count repeat visits or anything.

If we're looking at breaking the cycle.... We also know that the evidence says that if you grow up in violence, you are five times more likely to be a victim or an aggressor. That's the cycle. We need to intervene differently. On the other hand, locally we also had a ridiculously underfunded charity, a one-person shop, that was working with women for 18 months in a residential capacity. It found that 95% of the women left their abusive partner for 12 consecutive months. There are thresholds, according to the literature, that say if you leave for long enough, your likelihood of going back starts to go down.

There are different kinds of interventions, but we've built entire models around an emergency system. I'm not saying that we shouldn't fund shelters, and I'm not saying that emergencies aren't emergencies. They are. But as long as we keep perpetuating that same most costly, least effective approach...that's what we do in the criminal justice system and in the emergency departments. Every most expensive intervention we have could be prevented for a huge number of people, both in the financial costs and the social costs, because kids are growing up in these awful situations.

• (0925)

**Mr. Bob Zimmer:** The other analogy that I had written down is that we keep on trying to put out the fire instead of preventing the fire. My question is about structure. You strike me as a person who plans. If you could build a poverty reduction strategy for Canada, what would it look like? It's more than six minutes will ever allow.... What does this thing look like? Have you built a plan that would work across Canada? You've talked about different things.

I'll explain this a bit. I'm a former teacher, and I was part of a really good school district that really was thinking outside the box. The thing that frustrates me—and Erin mentioned this—is that we keep doing things in the same way that we've always done them. The fact that we have a literacy problem and we have kids who go to school for 12 years is bizarre to me, because they're spending all this time in school.... That's where I learned to read, so why isn't that occurring there? I see some of the things that my kids come home with. They have amazing facts that they come home with, but they can't do the simple things in life. Part of that is adaptation. That's what I'm trying to say. You need to be flexible to do things that are effective.

I would ask that you really consider building that plan and presenting it to the committee, because you have your foot in the door right now. I challenge you to give us your whole plan. If you could pull it off, what would you do?

Erin, I want to come back to you about the literacy and what I was saying about that. Again, it has always struck me. Why isn't it occurring in school now? Our kids spend so much time in school. What's your answer to that?

**Ms. Erin Schryer:** Unfortunately, in the education system and among educational researchers, there's quite a divide between the educational research and the practice, what happens in schools. Unfortunately, in schools, that has contributed to a lot of things happening that aren't necessarily working—I guess we're on a theme here—but it's what we know and what we do, so that's what the practice continues to be. There are examples of this all over the place, as there are with literacy. Through my own research, I've seen it. The practice and what we're seeing in the research literature aren't lining up.

I hate to simplify it, but that is one major area, and it's something that my organization has been working on with the provincial government to talk about. How we can we merge what's going on? We do have several faculties of education. We do have several people who are looking specifically at the area of literacy and early reading development.



How can we merge those two areas to make the research that's happening effective in the classroom and to look at doing some demonstrations, such as what we're proposing here with Learning Together? That means taking it back before school and looking at pre-K. What are the activities that our pre-K educators could be doing with children to prepare them for school? It's very well established in the research literature what the things are that children need to know and what classroom teachers can do. How can we bridge those two areas?

**The Chair:** That's fantastic. Thank you very much.

We are running very short on time, but I do want to give the last word to MP Sweet for a few minutes. Go ahead.

[*Translation*]

**Ms. Marjolaine Boutin-Sweet:** Thank you very much, Mr. Chair.

We have talked about the federal government's ability to fund projects. Ms. Gates, you talked about multi-year funding.

People from the FCM have said that projects should be funded in the long term, but they were talking about eight years. Do you believe that that number of years is appropriate? That is my first question, and it goes to Ms. Gates.

My second question goes to anyone who wants to answer. If you had one priority or one urgent situation to tell the federal government about, what would it be?

● (0930)

[*English*]

**Ms. Donna Gates:** Thank you.

You're wondering if I feel that eight years is enough for multi-year funding. I would like to see 10 years. I think so. I think over 10 years is where we can actually see a difference. That would be my recommendation.

As far as one thing goes, I think what we're demonstrating here is that we all know not only how to work together, we know how to leverage funding. If we were able to use Saint John, as I mentioned, as a lab, to be able to take small groups of people concentrated on our four key pillars and study that, we could look at expanding that not only within our province, but as Randy mentioned, New Brunswick itself can be a fantastic lab considering its rural and urban structure. I would like to see that happen. That would be my wish.

[*Translation*]

**Ms. Marjolaine Boutin-Sweet:** Does anyone else want to tell us about a priority? This is for all the witnesses.

[*English*]

**Ms. Penni Eisenhauer:** I don't have one, I have two—the two that I asked—and they're simple ones.

First, change the child tax credit. Move it from the 20th of the month to the 15th of the month. That's simple.

The other one is the criminal record. Change it back to the way it was, the pardon system. Really, the Harper government did a disservice to people. It is very expensive to go through the record suspension, and the record suspension just keeps you hostage because it holds your name. If you reoffend it pops back up. People

cannot seek employment, education, or even volunteer with a criminal record. I've heard that it's a simple switch of the computer.

Thank you.

**Mr. Randy Hatfield:** I think we have to pay attention to the middle group of people who I spoke of. Seniors seem to be have income security that's adequate. Children now are covered off. With the changing nature of work, with artificial intelligence, with the use of robots, with the globalized economy, we're going to have a number of working poor. So it's that middle segment of people. It's people between 18 and 64 years of age who need an adequate level of income, because poverty is an income measure.

We talked about poverty eradication, or reduction, or prevention. We're using an income measure. You have to put more money in the hands of people if you want to have a lower poverty rate. So I would think it's that middle cohort now that has to be examined and looked at very carefully as the economy changes so rapidly.

**The Chair:** Thank you so much.

Sadly, I do need to keep us on track. That is pretty much my only job up here—or actually, it's her job—to make sure we stay on time.

I do want to sincerely thank all of you for coming out early this morning and answering our questions—very well, I might add.

Notice I did not say “St. John's” once.

**Voices:** Hear, hear!

**The chair:** I was told that I would be tarred and feathered if I did.

I believe Saint John is in good hands with the likes of you on the ground. It's up to us to make sure that you have the resources to do the jobs that you do, and I thank you sincerely.

We are going to suspend shortly. If you would indulge, we don't get to travel very often, so I would love to get a photo with everybody. Don't leave, but I will have to suspend in order to be able to take a photograph.

We will be suspending for about 15 minutes, and then we'll come back with our next panel.

Thank you very much.

● (0930)

\_\_\_\_\_ (Pause) \_\_\_\_\_

● (0950)

**The Chair:** Welcome, everybody.

It's an absolute pleasure to be here. This is our second panel today. For those of you who weren't here at the very beginning, I'll just let you know that we got in at about 1:30 last night and were up early this morning. If we start to nod off, please forgive us, but you will have our undivided attention for the next hour and a half.

I'm very happy to welcome, from Housing Alternatives Inc., Kit Hickey, executive director. We also have Jody Kliffer, appearing as an individual. From The ONE Change Inc., we have Anthony Dickinson, president. From Economic and Social Inclusion Corporation, we have Althea Arsenault, replacing Stéphane Leclair, manager, resource development. Also appearing as an individual, we have Daniel Shoag—Karen's new best friend—assistant professor at the Harvard Kennedy School.

Welcome, everybody. It's a pleasure to be here. We are moving forward on our poverty reduction strategy study. We are focused in this cross-country trip on the quadrants of housing and neighbourhoods. I'm very pleased to see everybody here.

We'll get started. Each speaker will have approximately seven minutes. If we get close to the seven-minute mark, I'll just raise my hand. I'm not telling you to stop, just to start to wrap things up.

From Housing Alternatives Inc., we'll have Kit Hickey, please.

The next seven minutes are yours.

**Ms. Kit Hickey (Executive Director, Housing Alternatives Inc.):** Thank you very much for the opportunity to be here this morning.

I would like to say—because my cheque did arrive—a special thank you to MP Long for all of the work that he and his staff do here in Saint John. We do appreciate it.

I'm Kit Hickey, the executive director of Housing Alternatives. Housing Alternatives is a nationally accredited non-profit resource group providing development and management services to non-profit and co-operative housing projects here in Saint John and the surrounding area. Additionally, we also offer housing and other related services to our homeless population through a provincially funded organized departure project, as well as the federally funded housing first project.

We were becoming increasingly concerned with the long-term viability of the co-operative housing sector in Saint John. A major preoccupation was the expiry of operating agreements and how we could ensure the long-term affordability of housing for low- to moderate-income families and single adults.

In October 2012, the Co-operative Housing Federation of Canada and Housing Alternatives organized a meeting and invited members of the nine Saint John housing co-operatives to attend. Members found that each co-op was facing similar issues, such as financial difficulties, lack of funds for major repairs, ensuring security of tenure for low- and modest-income members, and low member involvement.

It was decided that working together would be essential for our co-operatives to remain strong and healthy. Our group embraced the international co-operative principle of “Co-operation among co-operatives”, and began our journey. A steering committee was formed, with representatives from each of the nine housing co-ops. Each steering committee member was tasked with getting approval from their own co-operative to participate on the committee, and agreed to regularly report back to their co-operatives.

At a goal-setting meeting in April 2014, the group agreed that the purpose of the committee would be to explore opportunities for housing co-ops in Saint John to work together by considering the impact of consolidation. The goals of the committee included a financial analysis of all participating co-ops, developing and maintaining a communication plan, discussing the advantages and disadvantages of a possible merger, reviewing and discussing other best practices and other successful mergers, and meeting with stakeholders to develop a merger process.

Once the analysis was complete, it became clear that by merging, the co-operatives would see the following benefits. First would be financial savings, including decreased audit fees; decreased insurance premiums; bulk purchasing options; group tendering of contracts for snow removal and lawn care; and decreased risk in the cost of vacancies and arrears. There would also be increased interest in leadership roles; prevention of board member burnout; increased involvement; more access to time and/or funding for education; and an increase in new ideas and direction for the co-operative. Other benefits include a larger and stronger voice to government, the ability to refinance for capital repairs, a larger pool of units, and the ability to explore new possibilities.

Co-op failures are more likely where size threatens the ability to have good governance and management. By merging and creating a strong and viable co-op, the Unified Saint John Housing Co-operative is decreasing the threat of lost units to the Canadian housing co-operative sector. We are also protecting affordable housing in Saint John and providing a positive model for other co-operatives across the country, to ensure that affordable homes are not lost.

On January 1, 2016, eight of our co-operatives merged into one new 252-unit co-operative, now called the Unified Saint John Housing Co-operative Ltd. Each of the neighbourhoods of the previous housing co-ops is represented on the board of directors. The housing co-op received the Co-operative Housing Federation of Canada's award for co-operative achievement at the annual meeting in Hamilton, Ontario, in May 2016.

● (0955)

In conclusion, the members of the newly formed housing co-op report a high level of satisfaction. We feel confident that with this pre-emptive action taken by the sector, the long-term viability and sustainability of these affordable housing units is secure. We proudly see this as an example of how our community takes a leadership role to be innovative to solve issues.

Thank you very much.

● (1000)

**The Chair:** Thank you.

Now we'll go over to Jody Kliffer.

You have seven minutes, sir.

**Mr. Jody Kliffer (As an Individual):** Thank you.

Thank you to the committee for hearing what I have to say today about land banking.

By way of background, this is a piece of research I did at graduate school, at UBC, back in 2007. That's why I'm reporting to you as an individual today. It's just something that came out from my past and has followed me like a wounded dog for seven years. So here I am before you to talk about some of the highlights of land banking as a tool that's been used throughout North America.

Basically when you think about poverty, it tends to manifest itself in many different ways. When we think about the solutions to it we have to have a holistic approach that involves both the health and education employment components of poverty, but also the built environment and how poverty has struck down a lot of our communities and neighbourhoods.

Poverty in Saint John, like many communities, is concentrated in pockets, which you've probably heard a lot about today. Especially in eastern Canada, these neighbourhoods have a lot of older building stock. CMHC tells us that anything built before 1930 has a very high occurrence of needing repairs, which is basically the entire building stock of the urban core of Saint John. It's not that it all needs repairs, but it certainly falls in the category of being built before 1930.

As some of these communities have experienced decline over the past 50 years, for various reasons, what tends to go down is community pride, tax revenue for cities and provinces, the safety of these communities, and reinvestment in lateral adjacent properties or properties in a similar area because there's no confidence among the private sector. What goes up at the same time is a cost to city resources to send emergency response vehicles to police these neighbourhoods—fire trucks, ambulances, and so on. Future blight also goes on the rise in these communities, as do crime rates. That cycle of decline enters into a very aggressive pattern, and it's hard to turn away from that without strategic thinking.

How does decline typically happen? As we know, for different reasons an owner of a property is not able to pay their mortgage, whether it's an absentee landowner who no longer sees value in the return on investment on their property or it's a landowner who, for whatever personal reasons, is unable to make mortgage payments. Tax accumulates on that property. Eventually it becomes abandoned and begins that cycle of deterioration, if it hasn't already entered that state, and the property is foreclosed. Then it goes to tax sale. This process takes about seven years or longer, and meanwhile there's been no reinvestment in the property. As time goes by, the return on investment on those properties becomes even more bleak.

So what is a land bank and how does it interface with these problems? The mission of a land bank is to restore integrity and community pride to these neighbourhoods and stabilize that process of decline. We'll talk in a bit about how it does that. It is a strategy that deals with the poverty of our built environments that form the physical conditions of poverty around us. It started in Michigan back in 2001, I believe, in a town called Flint, but later was adopted by Detroit, and now has spread across America, from San Francisco to St. Louis to Cincinnati to almost every major urban centre that has some form of abandonment. It's been a very useful and strategic method to return properties and buildings to new uses in the communities and stabilize that process of decline. Although it has

not yet been adopted in Canada, I think it looms as a potential new strategy for us to consider.

The structure of a land bank is that typically it is a quasi-governmental organization comprised of about nine or so members; a couple typically are politicians, to build in the transparency of a land bank. It's a not-for-profit body. It looks at real estate properties in the city where it's working and tries to assign value where the regular real estate market has failed to assign value to these properties anymore. Basically it looks at properties that nobody else is looking at.

How does it work? It has three areas of interest. It acquires land sometimes through purchase, sometimes through donation. A lot of times you'd find somebody who doesn't want to actually own a property because they just inherited it, or there's no value to them. Land banks have the unique ability to expropriate land if the right circumstances are present for them to activate that power, which in the States is given to them by the state.

The second area of work it does is it maintains land. It creates green lots. The property building is way beyond feasible repair. It knocks the building down and creates a green lot instead of having blight. It can put community gardens into these spaces to offer food to the community, and it can restore buildings if they've not deteriorated enough to require being knocked down.

• (1005)

The third area of activity of a land bank is to divest itself of land. It's not there to hold land forever; it is there, rather, to repurpose it and reposition it. A land bank could go to affordable housing outfits to offer side lots to adjacent neighbours once the building has been removed and it has become a green lot, or it could go to new development if it's been able to acquire several adjacent properties. You could reposition that for sale.

One of the powers that is needed, typically, by a land bank in the States is the power to clear property taxes. A lot of times, a barrier to reinvestment in property is that the taxes have accumulated for so many years. A land bank has the power to eliminate those taxes. Another power needed is the power to clear the title on land. A lot of times, especially in older cities where there have been estates and inherited lands, the title can get very confusing over time, and that's a barrier to reinvestment. A land bank has the power, as I mentioned, to expropriate land, a power given to them by the state. Decisions are made by the committee when that is an appropriate power to exercise. A land bank can expedite the foreclosure process, so instead of taking seven to eight years, the process goes to about two years. The building in question doesn't reach that critical state of decline. A land bank can also make quick decisions. It doesn't have to vet its decisions through any government body, such as a city council. It's empowered to make decisions on its own by its own governance structure.

The benefits that fall out of a land bank have been robust in a lot of the communities that have them in the States. There's neighbourhood beautification, to start with. Land banks have stabilized the decline of the communities they operate in. There's new tax revenue in a lot of cases for the buildings that have been repurposed. They result in safer streets. They have more affordable housing that has been turned over to outfits that are active in that portfolio. They've retained a lot of old building stock because, instead of buildings going too far down the path of decline, land banks are able to stabilize that process more quickly and return these assets to the community. In some cases, they improve the food supply to the community, as more community gardens tend to operate.

The financing of a land bank has typically come through seed funding that comes from the government or from not-for-profits. They're able to operate because they don't pay taxes on the properties that they own. One revenue stream beneficial to land banks is the increased taxes to any properties repurposed for use in the private sector. For five years after a property is repurposed, the land bank retains the increased taxes. So it goes to the land bank for five years before it's returned entirely to regular format. Land banks are also able to generate revenue from any sales of properties.

Why Saint John? The evidence is clear. I think we have a lot of properties where poverty is concentrated—especially in some neighbourhoods where Kit's group and other groups in our community work in the north end. The real estate market has not been successfully assigning value to a lot of the properties and buildings. If we don't do something soon and the status quo remains our strategy, then demolition and further decline is probably everything but certain.

Thank you.

**The Chair:** Thank you very much, sir.

Now we have the president of The ONE Change Inc., Anthony Dickinson.

Welcome. You have seven minutes.

**Mr. Anthony Dickinson (President, The ONE Change Inc.):** Good morning.

Thank you to the chair and to the rest of the committee for the invitation to speak today, and to the rest of the presenters this morning.

I want to focus my remarks on the need for safe and affordable housing, particularly how it relates to neighbourhood-based poverty reduction, which I would look at as an essential piece to any poverty reduction strategy. I am going to be speaking to you from my perspective as board president for The ONE Change Inc., which is a grassroots community development organization. However, my remarks will certainly be flavoured by my day job as a men's homeless shelter director for Outflow Ministry; my long-time advocacy for the homeless community in Saint John; and also my time living in the old north end, which is one of the priority neighbourhoods in Saint John.

Time is short, so I'll limit my remarks to two key areas. First, I'll discuss what type of housing, in my view, is needed; and second, I

will discuss the importance of community, both its physical layout and its residents. I'll conclude my remarks by suggesting a way to crystalize our thinking.

What type of housing do I believe is necessary? The terms of reference given to us to prepare for this morning touches on my answer. One of the main areas raised for the study is on affordable housing. May I respectfully contend that this term of reference is incomplete? Saint John is in need of housing that is not only affordable but also safe. Today Saint John has housing that is affordable. We also have housing that is safe. The trick, in my mind, is to have housing that is both.

Let me provide you with two examples. ONE Change operates the Nick Nicolle Community Centre. We recently commissioned a study about the use of that centre and how to use an adjoining building that was vacated when the neighbourhood school closed, how we could use that building to benefit the community. One of the comments made by a community member is that they use our community centre as a place to get warm in the winter because their apartment is too cold. Clearly this apartment is affordable, but it is not safe.

The second example comes from a man who used the Outflow men's shelter. He excitedly left the shelter one day to move into his own place. It was a time of handshakes and celebration for everyone. He came back to the shelter two days later in need of a bed for the night, covered in scars from bedbugs. The building he moved into was infested. Again, the apartment was clearly affordable, but it was not safe.

Neighbourhood layout is also important when we consider safe and affordable housing. Housing is not only safe and affordable based on the unit or building itself, but also based on the physical place the building is. ONE Change is proud to be part of what we would call the corridor of services, which includes the NEW-C or the North End Wellness Centre, RiverCross mission, St. Luke's church, the Harbour church, the North End Food Bank, and our own Nick Nicolle Community Centre, which are all within a few blocks of each other.

Each of those services contributes to safe and affordable housing by providing residents with some of the services, meals, and community that they need in order to live flourishing and dignified lives. Such pieces of a community are crucial. At ONE Change, we are proud to offer all of our programming for free. No one is quizzed about how worthy she or he is to receive programming or about whether their household income is low enough to warrant a program subsidy. Instead, everyone is treated equally.

A family locked into a third generation of poverty will receive the same high level of service when they walk through the door at the Nick Nicolle Community Centre as a member of Parliament does. In my view, this is essential to providing a dignified service to our residents, because it means that everyone who walks through the door is an equal. Maintaining safe and affordable housing on a limited income is difficult. There are unavoidable expenses. Accessing the programming, whether educational, recreational, or athletic, that helps people break the poverty cycle should not add to these expenses.

I want to mention one more thing about ONE Change. I said earlier that we are a grassroots organization, and I mean that. Resident input is welcomed and it is encouraged with everything ONE Change does.

• (1010)

We have doors open to the community, and we are also eager to solicit its advice. With whatever ideas this committee has, please, please make sure you take your lead from the citizens that these ideas will most directly impact. Their voice matters every bit as much as mine does, and you have as much of an obligation to listen to them as you have to listen to me.

I would like to close my time by suggesting a framework for our thinking. At first blush, you may think this is a little bit pie in the sky or perhaps even silly, but please hear me out. My suggestion for you is to think big every single time. Poverty reduction is not good enough. Poverty reduction makes statistics shrink and people feel good, but it leaves other people behind. Our goal should be the end of poverty. That is a big dream.

Homelessness and a lack of safe and affordable housing is a big problem in Saint John. Generational poverty is a big problem in Saint John. Further than that, poverty in general is a big problem in Saint John. I am encouraged by this committee's desire to try innovative solutions and to give Saint John an opportunity to try out these new ideas. We are not going to solve poverty with the status quo. We've tried that, and it did not work. With every single idea you have, please ask, "Is this big enough to end poverty?" If the answer is no, then please scrap it and dream bigger.

It has been a privilege to present to you this morning and to share the floor with my colleagues. I appreciate your time.

Thank you. *Merci*.

• (1015)

**The Chair:** Thank you very much, sir.

We have now, from the Economic and Social Inclusion Corporation, Althea Arsenault.

The next seven minutes are yours.

**Ms. Althea Arsenault (Manager of Resources Development, Economic and Social Inclusion Corporation):** Thank you very much.

Thank you for inviting us, and I send regrets on Stéphane Leclair's behalf. He had to attend a meeting this morning.

The Economic and Social Inclusion Corporation, or ESIC as we call ourselves, is a crown corporation of the provincial government.

Our program is to oversee the implementation of "Overcoming Poverty Together: the New Brunswick Economic and Social Inclusion Plan".

We have a role; we don't do a lot of the groundwork stuff, but it's partnerships, and we're here to support and foster and bring partners together to move projects toward poverty reduction. You can almost consider ESIC the backbone of poverty reduction for the province of New Brunswick.

We are governed by an act. We are in legislation. We are not a secretariat. And the one thing I would recommend to this committee is that if you're going to do a poverty reduction strategy, ground it in an act in legislation so it does not change.

Our mandate is to develop, oversee, and coordinate the implementation of the strategic initiatives and plans to reduce poverty and to assist thousands of New Brunswickers to become more self-sufficient. We have our vision. We also have a goal. It's very lofty. It was decided that by 2015 we were going to reduce poverty by 25% and deep income poverty by 50%. Is that obtainable? Probably not, not right now. We didn't get here in five years. We're not going to solve it in five years, 10 years, or 15 years. But working together in partnerships to make us stronger, we will make those numbers go down. And more importantly, we're going to make an impact on people's lives.

The board of directors has a unique structure. I think we're the only structure like this in Canada when you're looking at a provincial poverty reduction plan. We are comprised of four sectors. No one is greater or has more power than the others. We are representatives of government, business, non-profit, and citizens. Right now we sit as a board of 17. We have three government ministers on our board—the ministers of social development, education, and Service New Brunswick. We have three representatives from non-profits across the province. We have three representatives from business. But there are six members on our board of directors who are citizens. They are citizens who are or were living in poverty. Their voice is the most important, and we show we believe in that because we have six representatives of citizens in poverty but only three ministries, three non-profits, and three government reps. And that is the most important to us. These people will tell us when we have a plan that just won't work, because they've lived it and they'll tell us the reason why we're building a roadblock, or why there is a roadblock.

That structure is the same that goes down to our 12 community inclusion networks, and any of their boards of directors as well. It also is the same structure that goes to any of our working committees or our advisory committees. There are always representatives from those four sectors on our boards and our committees.

We are in what we call OPT2. It's the second phase of Overcoming Poverty Together. We have finished OPT1 from 2009 to 2014. We are in the 2014 to 2019 plan. In our second plan, we have four pillars—community empowerment, learning, social inclusion, and economic inclusion. The strength is that it's not our plan, not a government plan; it is a plan of the people of the province of New Brunswick. We went through consultations, we asked everyone, we invited everyone to come, and we made certain that citizens had funding for availability and transportation to come and have a voice. These are their ideas; it is their plan. It is what we use as our guiding principles. Do we take action and lead in all 28 action items for OPT2? We do not. We cannot. And our strength is the fact that we go out and seek partners—partners within different government departments, partners within the non-profit sector, partners within the business sector—so that together we will be able to make an impact and move these items that we have for poverty reduction.

Here are some things we've done in Overcoming Poverty Together. One that we developed in partnership with everyone else is a New Brunswick drug plan, and that drug plan is available for people who do not have insurance coverage. We developed Healthy Smiles, Clear Vision, which is a vision and dental program for low-income children. We have a community economic and development investment fund under social enterprise.

What we're working on in OPT2, as was mentioned by the previous group, is transportation. We're about to release a report in the spring of this year on urban and rural transportation, because if you have a job but you can't get there, you don't have a job. If you don't have transportation, you can't get to your medical appointment. You can't go get your chemotherapy because you can't afford a car. It's very important.

We're also looking at developing a one-stop shop. In communication we have found that individuals, when we talk to them, don't know about our programs; they say they know they're out there, but they have to ask us how to find out about them.

● (1020)

With the Human Development Council and the Government of New Brunswick, we're actually going to be developing research to look at a merged system between the Government of New Brunswick and the non-profit sector. It would be one place to call to get all the information. As a government employee, even I have trouble trying to navigate the provincial or the federal system. We're also going to be setting up an advisory committee for pay equity and living wage in the upcoming months.

Our biggest strength is our community inclusion networks. We developed them. There are 12 of them in the province of New Brunswick and they are based on the communities and the communities' needs. As a province, we have an Overcoming Poverty Together plan, but parallel to this, each CIN, community inclusion network, has their own poverty reduction plan that also reflects the needs and necessary areas of focus in these communities.

We have funded over 392 initiatives since November 2011, and we've participated with over 45,000 people who have actually benefited from these programs. The most important thing we have found is that ESIC has invested over \$5 million. The community has

invested over \$16 million, in cash or in kind, for a total project value of \$21 million. Our return on investment ratio is that for every one dollar ESIC puts in, the community puts in \$3.80.

Was it that way at the start? No. We were looked at as the bank and everyone was coming in asking for grants, but we went back and talked about how you're only going to be strong if your communities are strong, and if your partners are there with you. That is one of the strengths that has been able to grow the community inclusion networks across the province of New Brunswick in the last five years.

Eighty per cent of our funding actually goes back into the communities, and that's how we support it. All of our project funding goes through the 12 community inclusion networks.

We have statistics like everyone else—LICO, LIM, and the market basket measure—about how we're trying to reduce poverty in different areas. We have the struggles of all the other non-profit organizations about measurement. We have the struggles of all the other provinces when we're talking about FPT and PAC organizations. The measurements are weak. We've had those discussions because ESIC is a part of PAC. Please talk to Statistics Canada and get a measurement that can be used across the country for poverty reduction.

Our biggest thing is our partnerships. As I said, we partner with local groups on the community level, but we also do partnerships at the federal level. In front of you are two little flyers about what we're doing. One is a major project with the Canada Revenue Agency, a community volunteer income tax program for low-income individuals. We do that in partnership with the CRA, and we've been doing it for six years.

When we started, there were about 13,000 people registering to get their taxes done through the CVITP. Now, through our provincial involvement and by bringing in the public libraries, Service Canada, first nations, the Department of Health, and the Department of Employment and Social Development, we've raised that amount by over 7,000 people. Now we have about 22,000 people in the province filing their taxes through CVITP. We also have the Canada learning bond that we are doing with ESDC, and we're promoting that as well.

The strength of what we do is in our partnerships.

Thank you.

**The Chair:** You're very welcome. Thank you.

Our last presenter today is appearing as an individual. He is Daniel Shoag, assistant professor of the Harvard Kennedy School.

Welcome, sir.

**Mr. Daniel Shoag (Assistant Professor, Harvard Kennedy School, As an Individual):** Hi. Thanks so much.

My name is Dan Shoag. I'm an economics professor at Harvard—recently promoted to Karen's friend—and I teach urban economics and econometrics.

This is my first time in Saint John. I'm honoured to be here today to talk to you about my research on the housing market, migration, and inequality. What I am going to have to say is a much more macro picture than some of the talks, so I hope it's useful. My research focus is on the U.S., so I'll begin by speaking about the American experience, but I think there are important lessons for Canada. I'll conclude by discussing some of my initial investigation of the Canadian data for this purpose.

This research project actually began as a failed attempt to create a homework assignment for my students. There's a famous relationship in urban economics called “income convergence”, which is a fancy way of saying that poor places tend to catch up to rich ones in terms of income per capita, and they do this by experiencing faster income growth.

I know it's weird today to think about poor places like Alabama and Mississippi having the fastest income growth, but that was true. It was actually true for over a century, starting when we first had data after the Civil War.

The assignment was going to be to ask my students to demonstrate this catch-up, the fact that poor places are catching up to rich ones, in the last 20 to 30 years of data. Thankfully, I tried my own homework first, which doesn't always happen. It's good that I did in this case, because that relationship has gone away. In the last couple of decades, poor places are no longer catching up to rich ones. Regional inequality, which had been falling for over a century, has basically been frozen in the last two decades.

The second question on the homework was to ask some students to demonstrate another one of these canonical relationships, which is just showing that people move from lower-wage places to higher-wage places. That seems intuitive. People should move towards higher wages. Again, that's something that had been true for as long as we had data. However, again, like income convergence or catch-up, this directed migration towards higher wages has pretty much stopped in the last few decades. Instead of people moving towards richer places like Connecticut or New York, Americans are now moving to mid-wage places like Florida, Texas, or Utah. That's a big change in the way migration had worked in the U.S.

These two canonical relationships that had existed for a century, this catch-up in regional income and people moving towards higher-wage places, have both fallen apart in the last 20 to 30 years. The timing is not a coincidence. Migration has a big impact on income growth and inequality. It allows people to move to opportunities, people who have poor local opportunities to find jobs in higher-wage places. It reduces labour market slack in labour markets where there are few jobs. Therefore, it makes sense that a decline in migration could have effects on catch-up.

Having failed to generate a productive homework, though, I now had to figure out why migration patterns have changed so much. The answer that jumps out at you is the data, and I think the reason that I am here is that it's housing. There's been a dramatic change in housing markets in America's richest cities in the last few decades at the same time that these patterns have reversed.

It's always been the case that rich places are more expensive than poor ones. That's not surprising. I once gave a disastrous interview with a journalist who summarized my work as Harvard professor finds that New York is more expensive than Alabama.

**Voices:** Oh, oh!

**Mr. Daniel Shoag:** I took a lot of guff for that.

Bad interviews aside, the point is that places like New York have always been more expensive than Alabama; that's true. However, they are much more expensive relative to the poor places than they used to be. They used to be a place with 1% higher wages and 1% higher housing prices. That is now double in the last few years.

The consequence of this is that it has very different effects on high-education and high-income workers and low-education and low-income workers. That's because housing takes up a much larger share within a city of low-income budgets. You can take two occupations, let's say janitors and lawyers. Fifty years ago both occupations paid 50% more in New York than they did in the south, and that was true before and after adjusting for housing prices. Today, both occupations pay 40% more in New York than in the south. When you take out housing prices, for the lawyer it goes down to about 35% more in New York than in the south. For janitors it goes the other way. They actually have more income net of housing costs in the south than in New York. That's because housing just takes up a huge chunk of lower education wages in New York.

•(1025)

As you would expect, this jump in housing prices in the places that offer the highest wage really changed migration patterns. College-educated workers are still moving to San Francisco and New York, but less-educated workers are moving out. It's not that they don't want the higher wages. It's just that with that net of housing costs, these places offer them a bad job. This sorting of skills leads to segregation. It keeps less-educated workers from their best opportunities and the places that would offer them the highest-paid jobs. It increases income inequality and stops that regional income catch-up or convergence that I began by discussing.

To recap, I argue that there is a change in housing markets in America's richest cities that changed regional migration patterns and income catch-up. Why did housing markets change? I think the answer is pretty clear here too. When prices are rising and the quantity is static or falling, it's a supply issue, and when you look at the data, it's pretty clear that there are restrictions in place. Construction costs actually don't differ that much. Brick prices don't differ that much city to city. Cities like Boston, where I live, are not actually that much more densely populated than the cheaper places like Houston, or in fact not at all. Therefore, it's not the physical space that limits. The culprit is really regulations and restrictions that prevent development.

I feel this personally. Until two years ago, my wife and I lived with our kids in an apartment in Brookline, which is a nicer neighbourhood in Boston. You might know a famous resident, Tom Brady, who doesn't live in a small apartment like we do.

• (1030)

**The Chair:** Who?

**Voices:** Oh, oh!

**Mr. Daniel Shoag:** The building was five storeys, but each apartment would have cost more than half a million dollars—we were renting—if it was on the market, and with dozens of units on the floor, it would have been very profitable to build a sixth storey. They couldn't because of height restrictions in the city. Therefore, they were unable to add units, which raised prices, and eventually it crowded out lower-skilled workers like me, who had to move out.

In my research, I created a measure of land use restrictions and regulations over time and by place, so you can see that it's only when one of these rich regions really starts putting in significant restrictions on development that prices rise and migration stops as less-educated people are pushed out and income catch-up ended. Places that don't put in these restrictions or regulate less have much less of this problem.

I know it's weird to think that local development policies—or at least what's very local in the U.S.—and land use restrictions have big national consequences or that these policies, which are set at very local levels, will affect things like national income catch-up or convergence, or national migration patterns, but that's what the research shows. When the legal environment changed 30 years ago and made these policies much more common, these local policies became a national issue. I think there is, or was, increasing recognition in U.S. policy circles of the national importance of this issue. I know that President Obama's Council of Economic Advisers had written a report specifically about this topic on their way out, and on the research that I'm discussing here today.

I want to end by talking about what things look like in Canada. I don't claim to be an expert on the Canadian data. It is more complicated because the regional dynamics are complicated by fluctuating national resource prices to a much greater extent than in the U.S. Still, if you look at the data, you can see that, while income convergence, catch-up, and migration towards richer places is still occurring, there does seem to have been a slowing in recent years. Recent housing price trends in some particularly higher-wage or productive cities do raise concerns about the continuation of those trends. For a body that's interested in a national perspective on

poverty, opportunity, and inequality, I think that development policies that might seem like local matters are actually important when you're thinking about these macro-level issues. The possibility of pricing people out and creating this segregation based on education or income levels is an issue that should be on your radar.

**The Chair:** Thank you, sir.

Yes, I think we all know who Tom Brady is. If you don't, well, that's okay too.

We'll start off with Bob Zimmer for six minutes, please.

**Mr. Bob Zimmer:** Thanks again for coming to committee.

I want to talk specifically to Anthony...

Is it Anthony or Tony? Which do you prefer?

**Mr. Anthony Dickinson:** Tony.

**Mr. Bob Zimmer:** Okay. You were asked to give your full name, so you gave it.

Tony, going back to my previous questions about getting to this as a poverty reduction strategy, I've just read your organization's bio. It says that the organization believes that crime should be addressed by dealing with the underlying issues of poverty, health, employment, and education. I think that's getting to the bottom line of poverty and what's causing it. Again, that's not letting the fire start. That's what we're getting back to.

You talked about health, you talked about a safe and affordable place to live, but you also have two other sections here called employment and education. Can you expand on how we can reduce poverty by changes to employment and education?

I know there are probably only five minutes left now, but do your best.

• (1035)

**Mr. Anthony Dickinson:** One of the things that recently happened, I guess, in the old north end in the last two years or so is that we lost our middle school through the school closure process. The numbers weren't high enough. It's been ONE Change's position that a neighbourhood needs a school. We're working at how to address educational issues and how that gap is there, but our programming isn't focused exclusively on youth. We have educational programming for adults, for example.



I can't remember if this is anecdotal or a stat that I read somewhere, but one of the folks I was talking to mentioned how few people in the neighbourhood know about UNBSJ being just over the hill. So one of the things in my mind is to let people know, or teach people, that education is valuable, whether through NBCC or UNBSJ or whatever.

It's also, in my mind, important to figure out what is the specific issue causing their poverty. Is lack of education what is making them unable to get employment, or is it something as simple as the fact that the employment available is for overnight jobs but our buses don't run overnight? We always have a lot of ideas about how to fix things years from now. It would be great if we could come up with ideas for people now, today, who are living in poverty.

I used to work at a call centre, like a lot of folks my age, and that call centre closed. A lot of my colleagues went to a new call centre that was opening, but one of them took a lower-wage job at a different call centre because he could walk to it. When he did the math, with the cab rate from that call centre to his home, he would actually have been losing. His net income would have officially been higher, but the cost of getting there would have been worse because the buses just didn't work.

With access to transit, I think the way the federal dollars worked was per rider, so then more could go on, but that doesn't address the need that a lot of... When I lived in Vancouver, I would take public transit. It didn't even cross my mind to own a car, but that's not feasible for my line of work now.

One of the employees at the shelter, when his overnight shift would end, had to walk home or take a cab because the first bus wasn't going to come on a Sunday morning until 10 a.m. These types of things are putting up barriers that don't need to be there, I guess, is what I'm saying.

**Mr. Bob Zimmer:** We're getting dug in here, and I think you're onto it: that it's the little details that prevent the bigger things from happening. If you have a bigger structured plan, I would ask that you submit it to the committee because the testimony doesn't end here when your mike shuts off and we go home. We ask you to present the committee with further documents, if you can, of a grander plan for Canada to actually reduce poverty.

For me there are two kinds of poverty. I usually ask witnesses, too, about their definition of poverty. There's a poverty of spirit and there's a poverty of sustenance. I think if we can deal with the first one, the poverty of spirit—if we can get the person out of the darkness of poverty mentally—then we can deal with the other aspects a lot more easily. I think that's what you're onto.

Do I have more time, Mr. Chair?

• (1040)

**The Chair:** Be very brief, please.

**Mr. Bob Zimmer:** Sorry, I want to get to Daniel before I run out of time.

You had talked about housing generally in your comments, but what would some comments be on co-operative housing in Canada, or affordable housing involving the government? We have sponsored

housing in some cases. What would that program look like if you were to create the program for Canada?

You have about 30 seconds. If you can't give us the full answer, you can submit it to us later.

**Mr. Daniel Shoag:** I will definitely submit more later.

I think construction is the way to go. The bigger picture I was talking about is that there are also market forces in places with a lot of economic opportunity, and it's actually regulations and restrictions getting in the way as opposed to a need for public construction, at least in the macro sense. I think in a local sense what you're talking about with co-operative housing can be really useful.

But I'm not sure I can answer. I need a...

**Mr. Bob Zimmer:** Fair enough.

In terms of the ratios for putting up the new apartment buildings, would you suggest that certain percentages need to be affordable? That's what I'm looking for, the finer detail of new construction. However, we're out of time, so perhaps you could provide that for the committee.

Thanks.

**The Chair:** Thank you.

Now we'll go over to MP Long.

**Mr. Wayne Long:** Thank you, Chair, and thank you to our witnesses for their great presentations.

The committee is formed and travelling nationally to come up with innovative solutions to poverty reduction.

Certainly, Mr. Kliffer, I was extremely interested in the land banking concept that you talked about. I'm in Saint John and you're in Saint John. I've heard you speak about it before, but again, it's something that, as a committee, potentially we could grab onto and say this is something that's very innovative.

You mentioned how land banking had some success in Flint. Let's assume we could do a land banking pilot in Saint John, New Brunswick. How would you see the first steps of that going? Can you give us, as briefly as you can, how you would see that forming, how you would see the levels of government interacting to make that happen, and a timeline?

**Mr. Jody Kliffer:** Land banking is successful when it's complemented by support from different levels of government, governmental support, and especially by on-the-ground planning support. Neighbourhood planning and that sort of thing has to come in step, along with municipal financing, to support that sort of initiative, because it can't operate in isolation and be successful. It has to operate in tandem with other strategies that build that framework.

**Mr. Wayne Long:** You would need total collaboration between really the two levels, the province and the city. Is that fair to say?

**Mr. Jody Kliffer:** I would say it would be ideal to have that scenario. Right now, there's a group that has been looking at doing a pilot project in the north end, where they are pulling together different community not-for-profit operators and some private sector investors to try to get a seed of the idea growing.

I think really, to answer your original question, you would need to have a research position that was fully paid and funded to investigate how we can look at a land bank operating in Canada under the umbrella of whatever policies and regulations we have, because we're different from what happens in the States. They would need to figure out and map out what these differences are, how this can be active in operating in different provinces, and do that in partnership with different levels of government, because again, it's going to be important that it gets buy-in from the municipal government as much as it does from the federal government.

**Mr. Wayne Long:** Just quickly, do you have any thoughts on why it hasn't happened in Canada? It just seems to be such a great concept. Has no one across the country really adopted it?

• (1045)

**Mr. Jody Kliffer:** Personally, I think we haven't because we tend to be a reactionary species; we don't proactively go after problems. We haven't had the level of problems with our built environment that America has had since the foreclosure crisis. We had tighter banking regulations. We didn't have the mass exodus of people from urban centres in the same way they have. Although I think we're on the brink of some type of emergency in some communities in our country that are facing this sort of decline, we haven't hit that crisis mode, and unfortunately, I don't think we'll do it until we have to react to it.

**Mr. Wayne Long:** Thank you.

Ms. Arsenault, I know you talked about these programs. They're great programs. In fact, I shared these programs on my Facebook page this week. I was amazed by the number of people who didn't know about the programs. It's unbelievable. There's the Canada savings program, or this one here where basically you can have \$2,000 in an account for one of your kids if you make under \$45,000.

I wanted to make the comment that I think there's a lost opportunity for more collaboration between the federal government and the provincial government. You talked about the OPT and the OPT2, and we're coming up on the federal side with the tackling poverty together initiative, and so on and so forth.

Do you see opportunities where the federal government can work more in collaboration with the province and ESIC to actually deliver more poverty reduction strategy?

**Ms. Althea Arsenault:** I think there's a great opportunity to work more collaboratively. In our two projects that we're doing, we're promoting federal projects and putting money in. The partnerships are there. In the last five to six years, I've seen a difference within the Government of New Brunswick in the collaboration between departments, but also at the federal level and making those connections. It's hard to crack sometimes, to find that right person who is the champion for that program, so that you can connect and start to build those partnerships.

For example, I got an email yesterday that I was invited to Service Canada to talk to them on behalf of New Brunswick about ESIC and what we do and how we could actually partner and share and promote each other's programs. So there is that opportunity. People want to do it. It's sometimes just a matter of finding that right person or that right lead. Sometimes it takes a long time, but it is there because the programs are parallel. If you don't file your income tax, you don't get your benefit program. It's as simple as that, federal or provincial. The partnership opportunities are there, yes, definitely.

**The Chair:** Please be very brief.

**Mr. Wayne Long:** Okay. I'll save Kit Hickey for the next round.

There's a problem, obviously, that people aren't getting that. I don't know whose fault that is, if it's not marketed properly or if it's not out there properly. I shared that on Facebook this week. There were hundreds of comments and hundreds of shares by people who just didn't know. What vehicles are you using to get that message out to people?

**Ms. Althea Arsenault:** We have a partnership. We have Facebook now, we have Twitter, we have posters, and we're doing bus ads. We do it with all our 12 community inclusion networks. When you go and file your taxes, you're also going to learn about the Canada learning bond. We're now doing super clinics that are going to include the CRA, Service Canada, ESIC, and other federal and provincial government programs.

A lot of low-income people don't believe that the federal government will give them free money, that it will give them \$2,000. They don't believe it, so they don't bother to do it. It's marketing, it's communication, but it has to be done together. There are also roadblocks as to how that program was initially set up. They had to go to a bank, which is very scary for low-income individuals. Then they had to go get a social insurance number. They asked why they needed their two-year-old to get a social insurance number. Then they still didn't believe the feds were going to give them \$2,000 in free money. Some of those barriers are now gone; because of SmartSAVER this registration is all online now.

It's about realizing that there have been roadblocks built and trying to address those roadblocks.

**The Chair:** Thank you so much.

For six minutes we'll go to MP Sweet.

[Translation]

**Ms. Marjolaine Boutin-Sweet:** Thank you very much, Mr. Chair.

Studies in the United States and in Canada clearly show that, first, the gap between rich and poor is growing, and second, there is a housing crisis all across the country.

If we want to fight and defeat poverty, as some have said, we need to address social, co-operative, and affordable housing. Just now, we were told that the waiting list for regional housing in Saint John is about 1,000 people.

How many social or co-operative housing units should we build so that everyone has affordable, safe and adequate housing?

•(1050)

[English]

**Ms. Kit Hickey:** Although the regional waiting list may be 1,000 people, we know that there are approx 2,000 affordable housing units here in the city, which is a combination of public, non-profit, and co-operative housing. In addition to that, we know the need is not being met. I don't have the latest local stats for folks in need of affordable housing, but provincially it's over 30,000—a need that has not moved in the past 15 years at the very least.

The number of those in receipt of income assistance is in excess of 7,000, and this is just income assistance; it doesn't include the working poor or people in receipt of employment insurance or seniors in receipt of CPP.

We know there's a huge gap there. I guess that probably gives us a better idea of the number of affordable housing units that are urgently needed in the city.

[Translation]

**Ms. Marjolaine Boutin-Sweet:** So we would need 6,000 units? I am not sure about the number needed.

[English]

**Ms. Kit Hickey:** We have 2,000, so it would be approximately 5,000.

[Translation]

**Ms. Marjolaine Boutin-Sweet:** Okay.

Earlier, you mentioned the fact that long-term agreements coming to an end causes a problem and that more and more housing subsidies have disappeared. Those subsidies are important in overcoming poverty. Those who do not have to pay more than 30% of their income for housing can buy food and perhaps also a bike for their child or a dryer for the house.

What happens with the people who are about to lose their housing subsidy? What will happen to them when they do lose the subsidy?

[English]

**Ms. Kit Hickey:** New Brunswick has been working on ensuring that it doesn't happen, that the affordable housing stock is not lost by the sector. The amalgamation of the housing co-op here in Saint John will go a long way to protecting the affordability so that people are not forced to move out of the affordable housing stock that they may have lived in for many years. The reality is, though, that unless something happens, unless there is a program in place—a rent supplement program, or the affordability is protected—people will be losing affordable housing.

[Translation]

**Ms. Marjolaine Boutin-Sweet:** If I understand correctly, the provincial government has picked up the funding of social housing, which was once done by the federal government. That is also what is happening in other provinces.

I think you have succeeded in handling the issue here in New Brunswick by amalgamating the co-operatives. However, in some places, there are housing suppliers, such as co-operatives, that prefer to rent their affordable housing to those who do not need a subsidy, given that those suppliers do not know exactly what is going to be happening two years down the road. Last year, the budget allocated \$30 million over two years. As the co-operatives do not know exactly what will be happening two years later, some decide to rent their units to people who do not need the subsidy. So affordable housing units are lost. Did you solve that problem by forming a co-operative of co-operatives?

[English]

**Ms. Kit Hickey:** We feel that we've gone a long way to ensuring security of tenure for a certain percentage of the housing co-operative. It has been housing for mixed-income families and single seniors. We want to ensure the health of the community by remaining mixed income.

One of the things we are looking at doing as well, within the non-profit sector, for those who are 100% subsidized, is move to that model. It's a model that works extremely well, but if we are to ensure the success, we have to add additional affordable housing units to our stock.

•(1055)

**The Chair:** That's time. You timed that perfectly.

We'll move over to Monsieur Robillard for six minutes.

[Translation]

**Mr. Yves Robillard:** Employment and Social Development Canada funds the “housing first” program, which integrates housing needs with other support and assistance services for the homeless, including mental health services and counselling for drug addiction.

In your view, is the “housing first” program succeeding in meeting the needs of homeless people suffering from mental health or drug addiction problems? If so, what explains that success?

[English]

**Ms. Kit Hickey:** I think what explains the success of the program is that fundamentally that is one of our most basic needs—housing first. Once we have somebody safely, securely, affordably housed, then everything else can begin.

With the housing first model, it is housing first, and then ensuring that the services necessary to keep somebody housed are there and available to the participant in the program.

[Translation]

**Mr. Yves Robillard:** Have you identified problems or shortcomings in the design or delivery of the program? Do you have any recommendations for the committee about it?

[English]

**Ms. Kit Hickey:** Our experience here in Saint John has been that we have access to some housing. Our provincial government has stepped up and provided rent supplement agreements for 10 units per year for a two-year period. That certainly has made a huge difference for us.

One of our greatest challenges is ensuring that adequate services are available to wrap around the individuals. We do not have sufficient funding to roll out, based on At Home/Chez Soi, which was a Cadillac model—I don't think there's any question of that—the type of team that provides those necessary services. We here in Saint John have developed what is called a specialized outreach team. We are relying on services from different agencies, such as government agencies and mental health and addictions, to work with us as a team to provide those services. That has been one of our greatest challenges, access to services for mental health issues.

**The Chair:** Thank you.

Did you want to share your time with Mr. Long?

**Mr. Yves Robillard:** Yes.

**The Chair:** Okay, Mr. Long.

**Mr. Wayne Long:** Thank you, Chair.

Kit, we'll talk a little more about housing. First off, I just want to commend you for the work you do certainly with Housing Alternatives and housing first. I think they're wonderful programs.

We're here as a committee to get advice and ideas from our presenters as to what we can do as a federal government to come up with a better poverty reduction strategy. If you were us, from a federal government perspective, what would you do to improve housing for people in Saint John?

**Ms. Kit Hickey:** I think it's quite clear that access to affordable, adequate, suitable housing is absolutely essential. If we want to

tackle the issues of poverty, housing is foundational. It's fundamental. First and foremost, we need additional housing. When we talk about affordable housing, it is not necessarily just affordable to those of the lowest income; we also need affordable housing for those we refer to as the working poor.

**Mr. Wayne Long:** I'll just expand on that, if I can. Is it just more money you need? Is it more dollars you need, or is it a better alignment of government? Is it streamlining of services, and do you need to see more innovation? Is it just a financial thing that you need?

• (1100)

**Ms. Kit Hickey:** I don't think it's strictly financial. As a non-profit organization, certainly we do not have financial resources to develop housing units beyond a few here and there from year to year. I think it's the will of all levels of government, and the business community and the non-profit community as well have a responsibility to ensure that we have adequate housing stock.

If we are not investing in the adequacy, suitability, and safety of housing, it impacts each and every one of us. We have increased calls for service from police and fire services. There are more demands being placed on the health care system. There are more demands being placed on the education system.

No, it's not just money. It's also ensuring that the municipality is aware of inclusionary zoning, ensuring that as new housing units are developed, some of them are affordable. It's also essential that we continue to develop mixed-income communities, that they're not 100% subsidized housing projects.

**Mr. Wayne Long:** Thank you.

**The Chair:** You still have time.

**Mr. Wayne Long:** Perfect.

Tony, thanks for the work you're doing with ONE Change and Outflow. I'm proud to say our MPs office is very involved with Outflow. We're down there every Saturday morning serving breakfast to the men in need there. We're certainly privileged to be able to do that.

Can you share with me the challenges that you face, from a shelter perspective? With the financing that you get, we won't name a number now, but you basically have to fundraise almost two to three times that just to survive. Can you talk to me about the challenges you face, from a shelter perspective, and how you may be able to benefit from more alignment of federal and provincial government support?

**Mr. Anthony Dickinson:** The number one issue, from my perspective of fundraising, is the time investment. I put out six grant proposals in January. Every second that I'm doing one of those, I'm not with one of my guys assisting him to get through whatever barrier he has at that moment. The guys have a wide range of needs. For some of them, it's a five-minute conversation, but for other guys, it's long-term advocacy. Balancing the two things, the actual work I'm passionate about with trying to get money to do it, is a struggle.

With funds, everybody is going to tell you that more money would be better. It seems that right now we've got three feet of problems and one foot of resources to solve those problems.

**Mr. Wayne Long:** Is it an alignment of services? For example, there's absolutely no doubt in my mind that every Saturday morning we're down there, there could be somebody who might be able to write a prescription, or somebody who might be able to give some counselling or something like that.

Do you see opportunities to wrap more support around the shelters?

**Mr. Anthony Dickinson:** We're starting to work on those types of things now, but not necessarily specifics. I've been meeting with mental health, and we're trying to figure out ways for guys at the shelter who need that sort of health care to get those services, or how to get the services to them. We're two blocks away from some mental health care, but a lot can happen in those two blocks. It's not as simple as just walking to the building. A lot of the mental health care is at the Mercantile Centre, which is a very intimidating building to walk into. It's a nice building, a wonderful building, but it's what it is. Having services provided there, or easier access to services, is certainly one thing we're working on. We're at the early stages of that, so I'm not sure exactly what that will end up looking like.

The other thing is connecting guys into different health.... In addition to mental illness, there are addiction issues that some of my guys have, and there are cognitive issues. There's a variety of barriers that make it intimidating to talk to a doctor about whatever. I went to a doctor's appointment with one of my guys, and the level of communication between the two was a struggle. I was there partly to fill the void when the guy didn't know how to answer the question or something like that.

I think it would be valuable to have people dedicated to advocacy in those lines. It's very easy for you and I, in a lot of cases, to meet with professionals. For people who have been marginalized their entire lives, meeting with a professional is horrifying, in some cases.

• (1105)

**The Chair:** Thank you.

**Mr. Wayne Long:** Do I have another quick second?

**The Chair:** No, that's it.

Thank you very much.

Now over to MP Vecchio.

**Mrs. Karen Vecchio:** Thanks very much.

Althea, I wanted to start with you. You talked about looking at measurements. We've talked about a whole bunch of things from the low-income measurement to the basket measurement. What are some

of the things you think need to be in when we're coming up with the measurement for poverty? What sort of indicators need to be in there?

Because I only have so much time, please keep that quite concise.

**Ms. Althea Arsenaault:** If you're looking at a measurement, it needs to be something that measures not only urban but also rural. In meetings, we've heard about some provinces that can't even use what is out there right now because it doesn't take into consideration the indigenous population. If you're looking at what should be considered in a market basket measure, it should be your food, your housing, your transportation, or the lack of transportation. Consider that as well, because a taxi costs more or a shuttle costs more than just your local community thing. That is one thing that's very important as well.

I think those would be the main three ones, your food, your housing, and your transportation—possibly education as well.

**Mrs. Karen Vecchio:** Thank you so much. That was awesome.

Anthony, you talked about generational issues with poverty—which we've heard about—and I see a lot in our own community, the lack of transitional, where we see families that have been there for generations of this.

I recognize that it's a symptom, but what is it that we can do to have a hand up, looking at it as a form of transitional housing and not permanent housing? What are some of the focus things we can do as a government?

**Mr. Anthony Dickinson:** Do you mean transitional housing as related to generational poverty?

**Mrs. Karen Vecchio:** What I'm finding is that we'll have people coming in, and you're expecting the housing to be for one, two, or three years. But in my own community we have families that have been there for decades, as have their parents and their grandparents.

What would you recommend for solutions on how we transition people from housing?

**Mr. Anthony Dickinson:** I think that's going to be different, based on the person you're interacting with. There will be broad strokes where, if employment is a reasonable goal for a person, what is preventing employment from happening? Is that something like a criminal record check needing to be done, or is it that there is no bus service? For example, if the place down the street is hiring, you may be asked why you don't get a job there. But who'll watch your kids at three in the morning while you're working? It's that type of thing. This is where lived experience needs to be part of it.

If it's an issue of this being what people are used to, or something like that.... The work we're doing at the community centre goes across ages, and it lets people see new perspectives. The most important thing, again, that we're doing with our programming is that people are coming to us and telling us what they need. It's not the board dictating what's necessary.

•(1110)

**Mrs. Karen Vecchio:** Okay.

Daniel, you talked about the regional income convergence. We also talk about “snob zoning”, where people want to keep their communities as is. They want to be in an influential community. We see a whole bunch of issues like that as well.

In Vancouver, we know that the average cost of a home is over \$1 million. In the greater Toronto area, it's about \$650,000, and \$126,000 is what it was for New Brunswick when I looked at previous stats.

There are a couple of different things. How would you approach this with the need for affordable housing when looking at these different dynamics across the country where we see almost a million dollar gap from the west to the east coast?

Should there be something that we look at for targets? When we're looking at construction of affordable housing in some of these areas, should we say that a percentage of housing must be put into affordable housing, and how can we bypass...? We talk a lot about those restrictions. Bob and I have done round tables across Canada, looking at these things. When you talked about the restrictions, that was the number one thing we heard from homebuilders—restrictions and red tape. Can you inform us of some of your thoughts on that?

**Mr. Daniel Shoag:** Yes, I think you're right; there's no reason for... It doesn't cost a million dollars to build a house, right? There is some restriction in place that's keeping prices high.

The work I'm talking about is bigger-picture, I think, than some of the more direct...people in dire need. There are people who potentially have job opportunities in these expensive markets and are being kept out of Toronto or Vancouver because of the prices, so this is a poverty target on a different level.

Your question about what percentage must be affordable is, I think, an interesting one, and I will try to give you a more concrete answer. However, I think the biggest issue is not that the market is failing to provide affordable housing, because naturally it would fail to do it, as opposed to there being restrictions in place that prevent it from doing it.

If there are going to be only so many units in a city, and there is more demand in that city than there are available units, then the price will go up. One target is to say that of the existing units, we will say that a certain percentage needs to be affordable. Another thing would be to just increase the number of units. If more people want to live there, and more people have job opportunities, they are creating a way for them. That is a solution in which you try to increase the overall number of people.

**The Chair:** Thank you.

We have a few moments left.

To your comment, Daniel, when you are doing some research on Canada to prepare for this committee, can you also look at the fact that Toronto specifically has eliminated a lot of the red tape that we're talking about? They've already cut all those fees, but they're still seeing the growth in housing prices. I just encourage you to look at that as well.

I want to give MP Sweet one more opportunity.

If you have any further questions, you have maybe two minutes.

[*Translation*]

**Ms. Marjolaine Boutin-Sweet:** Thank you very much, Mr. Chair.

Now I would like to make a distinction between social housing and affordable housing.

Earlier, I heard someone say that 50% of the population of the city of Saint John rents housing. So the rental market in your city is a major one.

There are things that the federal government could do to encourage the construction of affordable housing, for example, cutting the GST on the construction of housing of that kind. Do you have any other ideas on the matter?

Second, what could we do to keep those housing units affordable? Nothing stops a landlord from increasing the rent after five or 10 years. What ideas do you have about it?

[*English*]

**Ms. Kit Hickey:** Saint John is unique as well in that we have a very high vacancy rate. The fact that we have a high vacancy rate means that we do not have developers interested in coming in and developing new housing units. Unfortunately, that vacancy rate exists within that older housing stock and now are substandard to housing stock. That has created issues for us in that developers are not able to access financing as a result of the market. However, the provincial government, through the affordable rental housing program, the cost-shared provincial housing program, has opened it to private developers. They are able to access capital grant for affordable housing units for up to 50% of the development, as well as access the rent supplement program.

•(1115)

[*Translation*]

**Ms. Marjolaine Boutin-Sweet:** I am going to interrupt you, because the time I have is almost up.

Have any conditions been imposed on builders or developers in order to keep the cost of the housing affordable in the long term?

[*English*]

Do these incentives include clauses to keep the housing cost low for a long period?

**The Chair:** Please make it a brief response. Thank you.

**Ms. Kit Hickey:** With the capital grant program, there is a required forgiveness period on the capital grant, and depending on the amount of money it could be a 15-year affordability. The rent supplement agreements are typically in place for 10 to 15 years, so that does protect the affordability for a period of time.

**The Chair:** Thank you very much.

I want to thank all of you for being here today to share your experience and thoughts on these issues. This is a very big problem. It's a nationwide issue with regard to affordable housing. Again, I thank you very much.

I want to thank all of the committee members, all of the folks who make these meetings possible, and of course I want to thank the

individuals who came to witness today. We've seen some people coming and going, and it's good to know that this is really an issue that is at the heart of what we're doing here in this community.

Thank you very much.

The meeting is adjourned.

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