

Jean-Marc Hodgert

From: Michel Tremblay
Sent: August-16-19 8:47 AM
To: Paul Kershaw; Evan Siddall
Cc: Anik Génier; Andrew Cowan; Shirley Wittstock
Subject: RE: Inter generational inequity -- Directed Solutions Lab update

Hi Paul,

Sorry we have not gotten back to you earlier.

Evan has asked me to reach out to you to discuss the One ask for Now portion of the email below. I am copying Shirley who can arrange a call between you and I to discuss. In talking to Andrew, we certainly seem to be doing the right things but am happy to discuss.

Looking forward to chatting with you in the next few days.

Have a great weekend.

Michel

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From: Kershaw, Paul <paul.kershaw@ubc.ca>
Sent: August-12-19 1:41 PM
To: Evan W. Siddall <esiddall@cmhc-schl.gc.ca>
Cc: Michel A. Tremblay <matrembl@cmhc-schl.gc.ca>; Anik I. Génier <agenier@cmhc-schl.gc.ca>; Andrew J. Cowan <acowan@cmhc-schl.gc.ca>
Subject: RE: Inter generational inequity -- Directed Solutions Lab update

Hello Evan,

Just a quick note to let you know that our exciting collaboration is moving forward as a CMHC Directed Lab. I have submitted some initial material to guide the work, and it is now being revised in the light of feedback from CMHC team members. Your colleague Andrew Cowan is leading the design of a "Project Charter," to refine project scope, and delineate roles, responsibilities, budget, etc. *By mid-September*, we aim to schedule a meeting with you to establish

more precisely how you see yourself participating, and how CMHC staff, along with me and my Gen Squeeze colleagues, will support your participation.

One ask now: Could I arrange a 15 minute phone call in the next couple of weeks. Given our Lab will develop policy recommendations, and Gen Squeeze will eventually work to mobilize those recommendations in the world of politics, I want gain clarity from you about any sensitivities that may exist with such a process so that we protect CMHC from any risks that it is being perceived as “advocating”, and act on your best guidance about how to do so. I recall the phone calls your received immediately after our spring Instagram Live event, and want to be sure that we do all we can to manage these dynamics effectively throughout the Lab process, including having clarity up front about this issue when designing the Project Charter with Andrew over the remainder of the summer.

Best,
Paul

Dr. Paul Kershaw
604 761 4583

From: Evan W. Siddall <esiddall@cmhc-schl.gc.ca>
Sent: June 27, 2019 10:27 AM
To: Kershaw, Paul <paul.kershaw@ubc.ca>
Cc: Michel A. Tremblay <matrembl@cmhc-schl.gc.ca>; Anik I. Génier <agenier@cmhc-schl.gc.ca>
Subject: Re: Inter generational inequity -- possible Solutions Lab draft application material

Paul,

In fact my team has come up with a better, faster process for you. Michel will be in touch.

Evan

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From: Kershaw, Paul <paul.kershaw@ubc.ca>
Sent: Thursday, June 27, 2019 12:51:40 PM
To: Evan W. Siddall
Cc: Evan Siddall
Subject: RE: Inter generational inequity -- possible Solutions Lab draft application material

Hi Evan,
As you likely know by now,

So

I’ve been asked to pursue a “Directed Solutions Lab” – a process that runs in tandem with the open competition. This is just a quick note to confirm that I’m pivoting the plan accordingly, and will keep you in the loop, as will your team members.

Best,
P

Dr. Paul Kershaw
604 761 4583

From: Kershaw, Paul
Sent: June 25, 2019 1:22 PM

To: 'Evan W. Siddall' <esiddall@cmhc-schl.gc.ca>

Cc: Evan Siddall

Subject: RE: Inter generational inequity -- possible Solutions Lab draft application material

Importance: High

Wonderful. This will be a fun formal collaboration.

The CMHC application process requires a “partnership letter” from team members. To reduce demands on your time, I have penned a draft letter that I ask you to review, revise and sign – and/or have a team member do this for you. The letter includes 3 parts. The first two are straight forward:

1. Defines the problem to be solved in language that draws directly on your words in the Halifax Speech from a year ago.
2. Summarizes the Lab proposal to address the problem

The third section summarizes

So please revise accordingly. In the attachment I guessed it would be important to make

If the application is successful, the letter indicates the CMHC will contribute cash via the Solutions Lab funding process; you will task CMHC team members to collaborate with me to engage the requisite experts to participate in the Lab; and you will contribute 5 days (over 3-6 months in the first half of 2020) to the Lab activities.

Any chance you could revise a version of the letter, and send a signed pdf copy to me by NOON ON THURSDAY JUNE 27?

Cheers,

P

Dr. Paul Kershaw
604 761 4583

From: Evan W. Siddall <esiddall@cmhc-schl.gc.ca>

Sent: June 25, 2019 5:37 AM

To: Kershaw, Paul <paul.kershaw@ubc.ca>

Cc: Evan Siddall

Subject: Re: Inter generational inequity -- possible Solutions Lab draft application material

Yes, you absolutely do!!

Evan

On Jun 24, 2019, at 3:51 PM, Kershaw, Paul <paul.kershaw@ubc.ca> wrote:

Hi again Evan,

Solutions Lab that I am proposing? Cheers,

P

Dr. Paul Kershaw

604 761 4583

From: Kershaw, Paul
Sent: June 19, 2019 7:57 PM
To: 'Evan Siddall' Evan W. Siddall <esiddall@cmhc-schl.gc.ca>
Subject: RE: Inter generational inequity -- possible Solutions Lab draft application material
Importance: High

Hello Evan,

As discussed, I've initiated plans for the Solutions Lab focused on intergenerational inequity, and will be meeting with prospective Solutions Lab Consultants tomorrow.

As I do, I wanted to share with you some initial draft material that I've prepared in response to the CMHC application questions, because I want to be sure that our partnership responds directly to concerns you have articulated in the past. To that end, would you, or someone on your team, please give me your feedback on the following draft responses to the CMHC application questions.

Please also advise on how you think it best to organize your participation, along with any implications for your CMHC team members.

Best,
 Paul

Section 1.3: Relevance to NHS Priority areas:

This Solutions Lab will respond directly to the NHS priority area "Housing for those in greatest need - the vulnerable populations." Among the list of vulnerable populations, we will focus on "young adults." We do so in response to concerns articulated by the President of CMHC, Evan Siddall, in a speech he delivered in Halifax on April 26, 2018 titled "Too Much of a Good Thing: On Housing, Wealth and Intergenerational Inequity" (<https://www.cmhc-schl.gc.ca/en/media-newsroom/speeches/2018/on-housing-wealth-and-intergenerational-inequity>)

Careful not to lay blame, Mr. Siddall observes that "Baby Boomers' wealth has been built to some extent on the backs of their children and grandchildren." Reflecting on his own family, he recounts that "my dear mother... and father bought the house I grew up in in 1967 for \$22,900. Today that house is probably worth more than \$700,000... a 16 per cent compounded pre-tax return over 50 years" that is sheltered from taxation. Recognizing his family story in broader trends, Mr. Siddall insists that "We shouldn't be afraid to call for an intergenerational accounting" – one that may include a "wealth tax," akin to that proposed by the "Resolution Foundation" "to redress similar inequities [in the U.K.]." "Not to sound like the Peter Pan of Canadian housing," quips Siddall, "but the young need affordable housing, too."

Accordingly, Mr. Siddall concludes his speech as follows: "I'm not calling for ageism, nor discrimination. And I need to acknowledge the acute problem of poverty among seniors. However, we are left with few sources of funds to solve our housing challenges. Aging Baby Boomers may be sitting on some answers... [W]e need their help."

This Solutions Lab will initiate the help solicited by Mr. Siddall. We aim to engage multiple generations in the search for housing policy adaptations that work for all, while reducing affordability challenges facing young adults. Policy adaptations that will receive attention

include opportunities to shift from some current or future taxation of earnings toward more taxation of housing wealth. This “tax shift” can support multiple goals that we describe below.

Section 1.4 Relevance to NHS Priority Populations.

“Young adults” are the primary “NHS priority population” on which our Lab will focus, with a secondary focus on “seniors,” especially the minority who are renters.

For young adults, our Lab will identify policy measures, including tax shift options, that promote:

- ✓ a better “balanced supply of housing” so that younger residents searching for a place to call home face less competition from investors seeking top performers in their investment portfolios, etc.
- ✓ income tax relief so young adults can better stretch their incomes to cope with today’s higher housing costs;
- ✓ government investments in new purpose-built rental supply, non-profit housing or rent-subsidies on which young adults will rely more given the large gap between average home prices and young people’s earnings;
- ✓ government investments to reduce other rent-sized costs in young people’s lives like child care, parental leave, or transit which make it harder to manage today’s higher housing prices.

For seniors, our Lab will explore policy measures, including tax shift options, that promote:

- ✓ government investment in the medical care, pharmacare and old age security on which Canada’s aging population is counting;
- ✓ rent-subsidies for the one-quarter of Canadian seniors who are renters
- ✓ opportunities to age in place, without being over-housed.

Section 1.5 Alignment with NHS Expected Outcomes

Our Lab will promote three NHS shared outcomes.

First, our Lab will contribute to the goal that “housing is affordable.” Economic theory predicts that home prices will better align with local earnings when those in search of housing as a place to call home face less competition from those investing in housing as a strategy to get rich. By sheltering much housing wealth from taxation, especially in principal residences, Canada’s current tax system amplifies the demand for housing as an investment. There is potential for a tax shift to help recouple earnings and average home prices on a national scale. Price signals in the real estate market are likely to respond immediately to a tax shift, with additional impact over the medium and longer term as people’s use of available capital adapts to a new equilibrium in tax policy incentives.

Second, our Lab will identify solutions to amplify “Canadian economic growth.” Several commentators speak to the value of taxation of property wealth for efficiency reasons, observing that sheltering housing wealth from taxation accelerates investment in real estate at the expense of capital investment in more productive sectors. The potential positive impacts on the economy are especially important in British Columbia and Ontario given that real estate, rental, and leasing represent 18 percent and 14 percent of the gross domestic product (GDP) of these

provinces, respectively, while just 2 percent of employment in both provinces is found in the industrial sector. Impact can be anticipated in the short-, medium- and long-term.

Third, our Lab will promote “collaboration/alignment across the federal government [that] results in more holistic responses to housing problems.” Our Lab will encourage greater alignment between ESDC Canada, where responsibility for the NHS resides, with the Ministry of Finance, which has responsibility for taxation. In addition, the gap between home prices and local earnings is a primary factor shaping the “social determinants of health.” Our lab will therefore integrate colleagues from the Public Health Agency of Canada to explore how a tax shift toward housing wealth can contribute to improvements in population health. The resulting alignments between these different branches of the federal government are anticipated in the short-term.

Section 2.1 What is the Housing Problem You are Trying to Solve? (250 words)

High housing prices help some, while hurting others. Our Solutions Lab will address this problem which now runs so deep it is transforming typical class patterns in Canada, because the helped and harmed routinely gather as part of the same family. As CMHC President, Evan Siddall, observes, “Baby Boomers’ wealth has been built to some extent on the backs of their children and grandchildren” by “near-uninterrupted house price growth.”

Our Lab-approach is required to advance solutions, rather than traditional approaches, because tradition is the root of the problem. The Canadian tradition is to shelter principal residences from taxation, regardless of the wealth one accumulates in their home. While a tax shift invites a range of technical questions about how best to promote economic efficiency and fairness, the bigger challenge is the relative lack of cultural support for decision-makers to reimagine the taxation status quo.

In response, our Solutions Lab will bring together younger and older Canadians to search for common ground in their experiences with high home prices. They will collaborate with policy experts to identify measures to improve affordability for younger adults, including tax shift options, while protecting our aging population. Experts in systems change and communication will in turn help the Lab to develop a plan to initiate the culture change required to make politically feasible the policy solutions we co-create. The search for common ground, policy solutions, and a culture-change strategy are equally important components of the Lab’s work.

Dr. Paul Kershaw
604 761 4583

From: Evan Siddall
Sent: May 22, 2019 5:14 AM
To: Kershaw, Paul <paul.kershaw@ubc.ca>
Subject: Re: Inter generational inequity -- possible Solutions Lab

I like the idea. Very worthwhile — will follow up.

Evan

On May 21, 2019, at 9:17 PM, Kershaw, Paul <paul.kershaw@ubc.ca> wrote:

Hi,

I've been musing about a Solutions Lab project that would engage people in a solutions-focused policy dialogue about intergenerational inequity, housing wealth accumulation, and the available policy responses. As I scan the national horizon for people who engage with this theme, there are few people who talk about this as eloquently and succinctly as you do in the speech from last year that you shared with me. Knowing that I would do the heavy lifting to organize the process (and application), would you be interested in participating? And what, if any, conflicts of interest arise if I plan an application to the CMHC Solutions Lab for an event that would engage you directly?

Best,

P

Dr. Paul Kershaw
University of British Columbia, School of Population & Public Health
Director, Master of Public Health Program
paul.kershaw@ubc.ca; 604 761 4583

Founder, Generation Squeeze

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From: Evan Siddall
Sent: April 12, 2019 3:22 AM
To: Kershaw, Paul <paul.kershaw@ubc.ca>
Subject: Inter generational inequity

Hi,

From a year ago, I thought you might want to skim this — further to our chat re inter generational issues.

<https://www.cmhc-schl.gc.ca/en/media-newsroom/speeches/2018/on-housing-wealth-and-intergenerational-inequity>

Best,

Evan

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