

The National Housing Strategy: A Year in Review



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**Moderated by:
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A \$40 Billion Once-in-a-Generation Plan

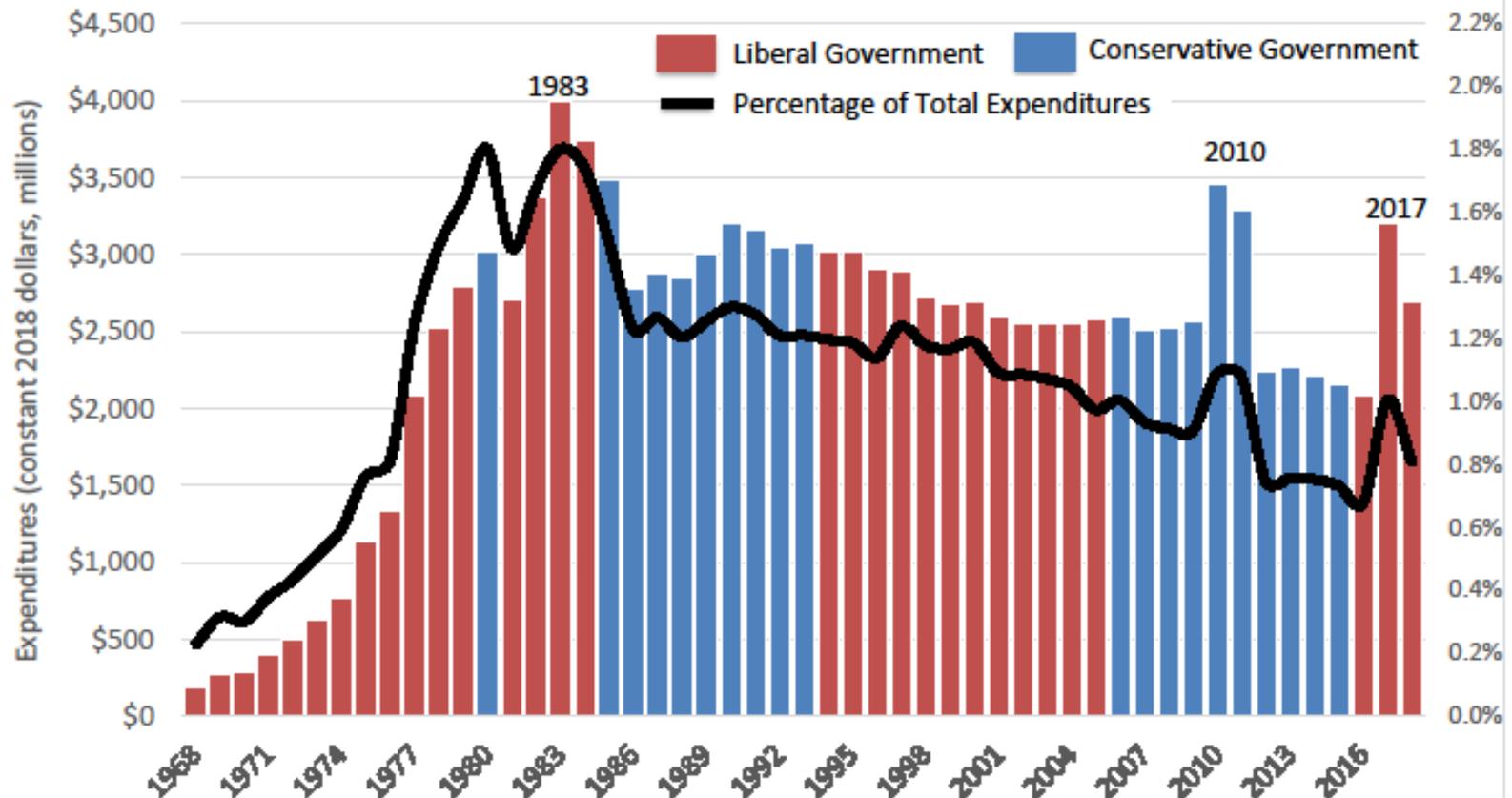


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David Hulchanski



Housing Program Expenses, Parliamentary Appropriations, Canada, 1968–2018



Source: CMHC, Canadian Housing Statistics, various years; for 2016–2018, Public Accounts of Canada; Canada, Fiscal Reference Tables.

The National Housing Strategy: Before and After

Presented to the Manitoba Non-Profit
Housing Association Annual Meeting

June 14th, 2019

By

Tom Carter

Presentation Objectives

- Quick Review of Recent Policy in Manitoba
- Brief Overview of National Housing Strategy
- Comment on Possible Gaps in National Housing Strategy for Manitoba

Recent Housing Policy Trends in Manitoba

Social Housing:

- Less emphasis on building new;
- More emphasis on modernization/renovation;
- Re-purposing of stock in some areas;
 - Homeownership for some tenants
 - Sale of projects
- Re-allocation of some units to non-profits(mgt);
- Greater focus on mixed-income, mixed use;
- Declining inventories.

Recent Housing Policy Trends in Manitoba

The Homeless:

- Greater emphasis on addressing homeless needs;
- Shelter beds, transitional housing, Housing First;
- Homeless counts not recording any significant decline;
- Characteristics and Geography of homeless diversifying.

Recent Housing Policy Trends in Manitoba

Affordable Non-Profit Housing:

- Modest focus on development of affordable rental;
- Targeting upper lower, middle income households;
- Rents below market, but not geared to income;
- Affordable units often priced close to median market rents;
- Growing inventory (new plus allocation of social housing);
- Greater focus on mixed-income, mixed use;
- Gap between social housing and affordable housing.

Recent Housing Policy Trends in Manitoba

End of Subsidy Agreements:

- Taking inventory out of low-income stock;
- Other projects remain viable for now;
- Fewer rent geared to income units for low income households.

Recent Housing Policy Trends in Manitoba

Increased dependence on rental subsidies:

- Rent Assist, Shelter Allowances;
- Subsidies to upper low, low moderate hhlds;
- Many housed in private rental;
- Rent Assist pays only up to 75% of median market
- Not Rent Geared to Income
- Leaves a gap between social housing and rent assist
- Places increased “pressure”, “reliance”, “opportunities” on private rental sector.

Recent Housing Policy Trends in Manitoba

Programs for Homebuyers:

- Assisting moderate income first time buyers to enter ownership market;
- Regulations to prevent home buyers from taking on extreme debt;
- Are incentives, restrictions necessary in our market.

Recent Housing Policy Trends in Manitoba

Increases in Fees and Charges:

- Impact fees, development charges, property taxes, land transfer tax;
- Adding to the cost of ownership and rental housing.

Not a Lot Going On

- Level of core need is increasing;
- Homeless counts are not declining;
- Rents increasing faster than incomes;
- Total supply of social housing falling;
- Gaps in the housing continuum.

The National Housing Strategy

- Few, if any, strategies are everything for everybody;
- Few are national in scope;
- Few, if any, work without participation and co-operation of all levels of government, community groups, private sector, etc.;
- Everybody has to have “**skin**” in the game.

The National Housing Strategy

- The best thing since sliced bread;
- The first ever National Strategy;
- There will be many positive results flow out of the strategy.

The National Housing Strategy

Wide range of initiatives:

- Community Housing;
- Housing Co-Investment Fund;
- Indigenous Strategy;
- Portable Housing Benefit;
- Improving Ownership;
- Homelessness Programming;
- Research;
- Innovations in Financing and Design;
- Housing Rights.

The National Housing Strategy

The Housing Co-Investment Fund:

- Must be supplemented by partnerships that provide funding (prov., mun.);
- Mandatory requirements:
 1. Accessibility/universal design
 2. Environmental efficiency
 3. Support climate change goals
 4. Socially inclusive
 5. Built in mixed-use, mixed tenure, mixed-income
- Very involved, lengthy application process;
- Requires a high level of capacity and resources to participate;
- Much of the money is loans.

The National Housing Strategy

In Manitoba we have:

- A capacity versus needs gap;
- A geography versus services gap;
- Many municipalities lack resources, expertise and often political will to get involved;
- This will weaken the initiative;
- Most of the funds may go to a few.

The National Housing Strategy

Initiatives to Repair and Modernize Existing Social Housing:

- Province has been undertaking asset rationalization;
- Repairs and upgrades will be costly;
- Some estimates in the order of \$126 million per year;
- Many may not be worth saving;
- Some are not in the right place to address need;
- Projects need much more than unit repair – room for services, recreation, community activities;
- Inventory may continue to decline even with funding under the new Strategy.

National Housing Strategy

Some Possible Problems to Watch for:

- Focus is primarily affordable not social;
- Three-quarters of spending directed to affordable;
- Affordable units will be close to median market rent
- Very little spending on deeply subsidized housing;
- Will the Housing Benefit patch the holes?

National Housing Strategy

Is funding enough to make a significant impact?

- \$450.8 million invested over ten years;
- To serve need 300 new units per year in Winnipeg;
 - estimates as high as 1,000 for Province
 - sample project costs to date \$189-218,000 per unit
 - 300 units @ \$200,000/unit – \$60,000,000
 - the \$450.8 million is not the total amount – partnering funding, federal land, etc. add to the total;
 - However DO THE MATH

The National Housing Strategy

Will Funding Really Address The Homeless Problem?

- Solution: Just Give People Homes – NO!
- If you do not change the reasons people become homeless in the first place, you are just going to have more people on the street;
- Limited emphasis on low income social housing may increase homelessness;
- Ending homelessness will require repairing all the cracks in the welfare system, health care, drug treatment, rental assistance, child care, family abuse supports, employment training, and more;
- More housing is good but only a quick, incomplete fix;
- Much more money is required.

The National Housing Strategy

Some Conclusions:

- Perhaps too few groups with the necessary capacity in MB to participate;
- May be too little municipal involvement to make some projects workable;
- Not enough focus on low-income housing needs;
- Still gaps in the continuum;
- Will the rental market be able to respond to increase focus on housing benefits;
- Cont'd

The National Housing Strategy

Some Conclusions (Cont'd):

- Housing alone is not enough;
- Lack of an integration with other sectors may reduce effectiveness of the Strategy;
- Better integration of housing policy with labour force initiatives, community renewal, urban growth strategies, community economic development, etc.;
- Housing as a Human Right a good step forward but will not work if there is no suitable housing available.

The National Housing Strategy

Some Conclusions (Cont'd):

- Still the best housing initiative we have had for a very long time!!

Thank You

THE NATIONAL HOUSING STRATEGY AND NONPROFITS

SARAH COOPER

MANITOBA NON-PROFIT HOUSING ASSOCIATION

JUNE 14, 2019 • WINNIPEG

NHS: CHARACTERISTICS OF LOW-COST HOUSING

- Low-cost housing is provided by and through the market
- Low-cost housing is affordable, not necessarily accessible
- Low-cost housing is for middle-income households, not necessarily low-income households

LOW-COST HOUSING IS PROVIDED BY AND THROUGH THE MARKET

- **Previously:** Funding for public, nonprofit and cooperative housing came with limits on how the properties could be used
- **Currently:** Funding is available to private housing developers

Emphasis on partnerships and use of equity to develop and maintain housing

Rent supplements can be used in the private market

Housing providers will now be able to access loans before their long-term operating agreements end, including new loans under the National Housing Strategy to help them repair their housing stock and support increased financial, environmental and social sustainability.

National Housing Strategy, p. 14

IMPLICATIONS

- Low-cost housing is more entrenched in the market
 - Release from restrictions that removed housing from the market
 - More support to forprofit housing providers
 - Affordability of rents is based on market rents, not on incomes

LOW-COST HOUSING IS AFFORDABLE, NOT NECESSARILY ACCESSIBLE

- **Previously:** Expanding the supply of housing, ensuring good quality housing, meeting the needs of a variety of constituencies
- **Currently:** Assumption that if housing costs a reasonable amount, then everyone will be able to access housing

Affordable housing is a cornerstone of sustainable, inclusive communities and a Canadian economy where we can prosper and thrive.

National Housing Strategy, p.5

Affordability means: 30% of units must have rents at less than 80% of median market rents, for a minimum of 20 years

National Housing Strategy, p. 12

IMPLICATIONS

- Focus on affordability limits discussions of housing need
 - Does not address discrimination
 - Measure of 80% of Median Market Rent is not actually affordable to many people

LOW-COST HOUSING IS FOR MIDDLE-INCOME, NOT LOW-INCOME HOUSEHOLDS

- **Previously:** An ongoing tension
Public and social housing programs offered deep subsidies for households that could not access market housing
- **Currently:** A more direct announcement that funding for low-cost housing is not necessarily intended for the lowest-income households

[Affordable housing] helps to strengthen the middle class and grow the economy.

National Housing Strategy, p.4

IMPLICATIONS

- Focus on housing for middle-income households
 - May make housing more palatable to developers
 - But risks that less funding will be available for households truly in need

IMPLICATIONS FOR NONPROFIT HOUSING PROVIDERS

- Finally, a National Housing Strategy!
- New funding opportunities!
- Increased flexibility!

BUT ALSO...

- Market involvement comes with its own risks.
- A focus on affordability ignores the benefits that nonprofit housing providers offer.
- A focus on middle-income households ignores the needs of lower-income households.
- Timelines: 10 years? Elections?

THANK YOU!

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A VISION FOR HOUSING IN CANADA:

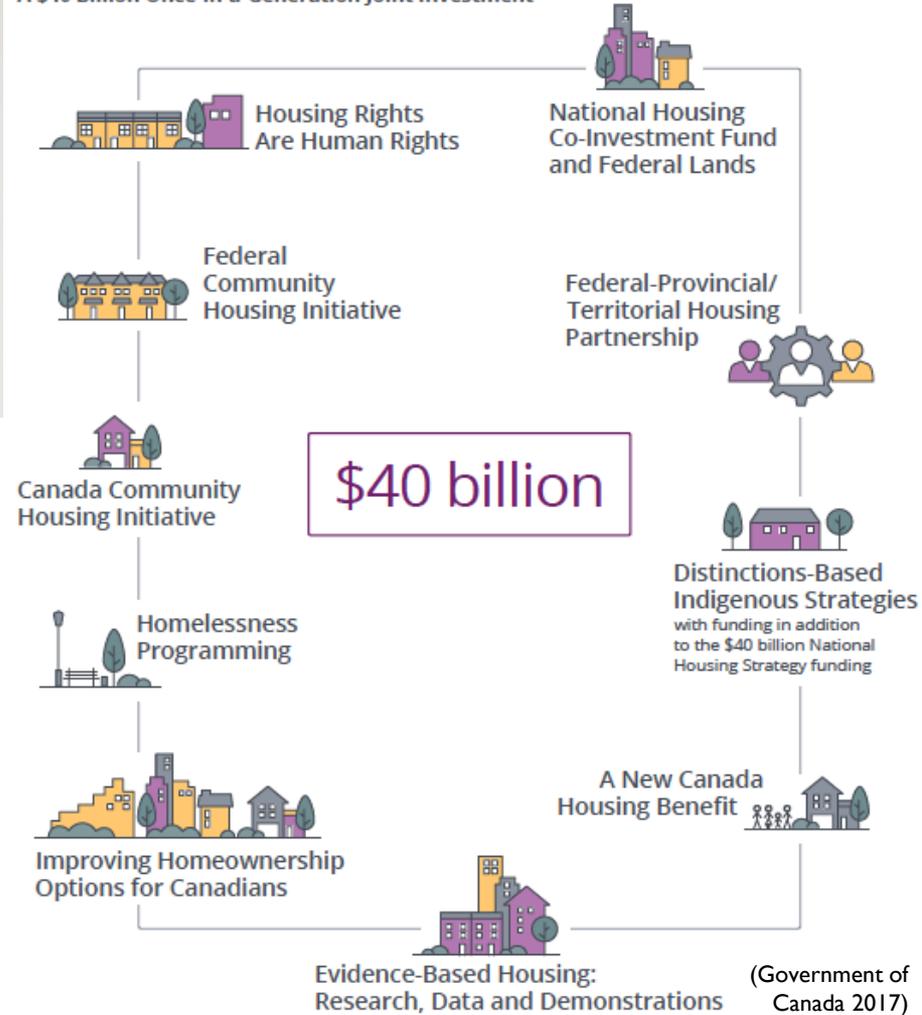
Canadians have housing that meets their needs and they can afford. Affordable housing is a cornerstone of sustainable, inclusive communities and a Canadian economy where we can prosper and thrive.

National Housing Strategy, p.5



INTRODUCING THE NATIONAL HOUSING STRATEGY

A \$40 Billion Once-in-a-Generation Joint Investment



(Government of Canada 2017)

National Housing Strategy Targets

530,000
households removed from housing need

100,000
new housing units created representing **4x** as many units built under federal programs from 2005 to 2015*

300,000
existing housing units repaired and renewed representing **3x** as many units repaired and renewed under federal programs from 2005 to 2015*

385,000
households protected from losing an affordable home and another 50,000 benefiting from an expansion of community housing

50%
reduction in estimated number of chronically homeless shelter users

300,000
households provided with affordability support through the Canada Housing Benefit



* Compared to units built and repaired through the Affordable Housing Initiative (AHI), Renovation Programs and the Investment in Affordable Housing (IAH).

QUESTIONS & METHODS

QUESTIONS

- What are the characteristics of low-cost housing as put forward in the NHS?
- What are the potential implications of these characteristics for nonprofit housing providers in Manitoba?

METHODS

- Analysis of the National Housing Strategy and CMHC news releases
 - News releases: since November 2017, announcements of actions undertaken as part of the National Housing Strategy

IMPLICATIONS FOR MANITOBA

- While many will benefit, will it be enough?
- Financialization and wealth generation, not shelter
- May result in a Canadian housing system that is ever-more entrenched in the market, and which does not respond to the housing demands of low-income households