Addressing the Ultimate Housing Problem
The Reluctant Rise & Early Fall of Public Housing in Canada

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The Ultimate Housing Problem

“there will be much public discussion as to the future extent and permanency of public housing...

“But differences of approach toward the subject of low-rental housing should not be allowed to obscure the central and non-political fact that the provision of this type of accommodation is the ultimate housing problem.

“This is no longer a matter of controversy.”

Canada’s Housing System

Will Canada’s housing system include a method for providing adequate housing for households unable to access or afford it in the housing market?
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Will Canada’s housing system include a method for providing adequate housing for households unable to access or afford it in the housing market?

Options:

• Massively subsidize the market supply
• Universal housing benefit
• Non-market housing sector
  – allocated according to socially defined criteria
Options for an Inclusive Housing System

A good housing system ought to

1. stimulate adequate housing **production**

2. help produce a mix of housing **choice**
   (tenure, location, and quality)

3. **assist** those who cannot afford adequate, appropriate housing

*UNCHS, Support Measures to Promote Low-Income Rental Housing, 1993*
A Decent & Humane Housing System

must couple shelter with

• security, warmth, peace and independence,
• living space and space to grow,
• nurturing and refuge and support,
• independence and protection and recreation,
• access to work and culture,
• good relations with neighbours and strangers.

Canada’s Public Housing Program

1. Embryonic period, 1930s, 1940s
2. Deception period, 1949 to 1964
3. Dynamic period, 1965 to mid-1970s
5. Social Housing period, 1973 – 1993

Neoliberal demise of non-market programs
THE BIG PICTURE

Annual Housing Production, Canada, 1951 to 2011

Compiled by Greg Suttor, 2015

Sources: (a) CMHC, starts and completions data. (b) Social housing to 1996 from CMHC, CHS. (c) Post-96 affordable housing from: prov. housing corp. data (Que, BC, Alta.); same + municipal data (Ont.); est. 15% pren for other provs/terr; post-96 s. 95

Compiled by Greg Suttor, 2015
1. **Embryonic period, 1930s, 1940s**

- Co-operative Commonwealth Federation, est. 1932
- League for Social Reconstruction, est. 1932
- *Social Planning for Canada, 1935* (22 chapters; 500 pages)
  - A Housing Programme, Chapter 19
- 1935 Dominion Housing Act
- 1938 National Housing Act
  - 90% federal long-term loans at preferred interest rates to local housing authorities and non-profit housing associations
A HOUSING PROGRAMME.

A. MAKING TOWN PLANNING A REALITY.

WHEN we come to the question of housing, the first essential is to approach it with imagination and breadth of view—not as the restricted problem of clearing our worst slum areas or even of providing cheap “working class houses”, but of planning and building better the urban environment in which so great a proportion of Canadian citizens are born and live their daily lives. If capitalism is judged by its ability to provide homes and cities which will produce free and healthy citizens, it will not stand high. An unrestrained system of profit-making enterprise is responsible not only for the arid wastes of city street and slum, rooming houses and “shack towns”, inadequate provision of open spaces, playgrounds and community centres, but also for the vulgar ostentation or the mock-antique of many of our “high-class” residential districts, the crudities of our present civic architecture, the waste and graft of much of our public works development. Here too we must start from fundamentals.
Housing Policy Research Emerges

Housing in Canada

1. Housing in Relation to Land Development

A Monograph by A. G. Dalzell, M.E.I.C.

Submitted by the Committee on Research to the Social Service Council of Canada

January, 1927

Published by the Social Service Council of Canada 309 Metropolitan Building, Toronto 2

1927

Advisory Committee on Reconstruction

IV. Housing and Community Planning

Final Report of the Subcommittee

March 24, 1944

A National Housing Policy for Canada

The Canadian Welfare Council
245 Cooper Street
Ottawa

September 1947

Price 15c.

1944

1947
The Ultimate Objective

“The ultimate objective of the national housing program should be the provision of a decent dwelling for every Canadian family.

“From this it follows that the crucial and ultimate test of the effectiveness of housing policy is the condition of the worst housed families in our communities.”
2. Deception period, 1949 to 1964

1949 Public Housing Program, NHA Section 40

- a f/p partnership to acquire & develop land
- to design, build & operate public housing projects
- Capital & operating costs shared 75/25
- CMHC as “owner” responsible for approving, planning and designing public housing

Terminated in 1978 in most of Canada
2. Deception period, 1949 to 1964

1949 Public Housing Program, Section 40

WHY DECEPTIVE?

• Only 12,000 units in 15 years
• Federal government, some provinces, did not want to fund any

1964 Public Housing Program, Section 43/44

- A 90% loan to provincial housing agencies to finance the construction of a low-income housing project
- Tenants pay 25 per cent of income on rent
- Federal gov. covers 50% of the operating losses
- About 200,000 units over 15 years

**Terminated in 1978**

Long-term subsidies for operating costs continue
“Voluntary and private action, however, will be quite inadequate without governmental support and assistance. In Canada this means support from different levels of government. This, in its turn, means co-operation between those levels.”
4. Transition period, 1968 to 1973

• The beginning of the end for public housing
• But not for non-market housing
• A better program mechanism
• From “public housing” to “social housing”
4. Transition period, 1968 to 1973

Growing discontent with NHA

“Housing performance under the NHA has been production-oriented rather than distribution-oriented, a quantitative operation qualitatively devoid of broad social objectives and economically inaccessible to many Canadians. The production of new houses should be a means to an end, not the prime policy objective.”

*Good Housing for Canadians, A Study by the Ontario Association of Housing Authorities*, Toronto: 1964, p.49.
“Little or no concern has been shown for:

• the distribution of either the newly produced or existing stock;

• the price of that stock and the ability of consumers, and of low income consumers in particular, to afford it;

• the environmental quality of new housing produced;

• the condition of the existing stock;

• the right to free and dignified use by the consumer of his home.”
From Public Housing to Social Housing

1968  Canadian Conference on Housing

1968  Special Senate Committee on Poverty

1969  Task Force on Housing & Urban Development

1971  Ministry of State for Urban Affairs

1972  Report: Programs in Search of a Policy

1972  Minority Government: NDP support Liberals

1973  NHA, N-P & Co-op Social Housing (300,000+ units)
5. **Social Housing** period, 1973 – 1993

### 1973 Non-Profit & Co-op Social Housing

- Section 15.1 non-profit; Section 34.18 co-op housing
- 100% loans to non-profit charitable organizations
- Loan interest rate subsidized to 8%
- 10% capital contribution provided
- Unilateral federal program (no matching subsidies required from other governments)
- 1978 replaced with Section 56.1 program (similar objectives but different funding formula)

**Terminated in 1993**
1990s Neoliberal Policies

- Rental housing sector is most impacted
- End of non-market housing supply programs
- Growing social need for adequate housing
- Increasingly segregated neighbourhoods by tenure, as the income/wealth gap grows
- Real estate price inflation with gentrification
- New concentrations of poverty in poorly serviced inner suburbs
1996 Downloading of Public Housing

• “CMHC will phase out its remaining role in social housing

• “The first step has already been taken – there has been no funding for new social housing since 1993.

• “To further clarify jurisdiction in the social housing field, the federal government is now prepared to offer provincial and territorial governments the opportunity to takeover the management of existing social housing...

-- Canada, Department of Finance, Budget Plan, March 6, 1996, p. 43-44.
1996 Downloading of Public Housing

Annual Federal Housing Subsidy Expenditures Decline Dramatically

Social Housing Concentrations, City of Toronto, 2006

City of Toronto:
91,419 social housing units; 9.3% of total housing

Social Housing Units (1999) as a Percentage of Total Housing (2006) by Census Tracts

- 0% (178 CTs; 34% of the city)
- 0.1% to 24.9% (292 CTs; 55% of the city)
- 25% to 100% (57 CTs; 11% of the city)

Sources:
1. Statistics Canada, Census 2006
2. Social Housing is based on 1999 counts from City of Toronto Social Policy Analysis & Research

www.NeighbourhoodChange.ca

May 2015
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<td>• Managers and staff of public housing agencies</td>
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<td>• Real estate organizations and lobbyists</td>
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<td>• Social housing &amp; right to housing advocacy groups</td>
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<td>• Neighbourhood associations (NIMBY &amp; YIMBY)</td>
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<td>• Voters</td>
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Based on Peter Marcuse, “Just Housing,” 2015 draft