

**The Changing Municipal Housing Role:An Examination of the City of  
Winnipeg's Response to Federal Funding and Program Changes to the  
Federal Residential Rehabilitation Assistance Program 1974-1994**

By

Daniel Michael John Pollock

A Thesis  
Submitted to the Faculty of Graduate Studies  
in Partial Fulfillment of the Requirements  
for the Degree of

Master of City Planning

Department of City Planning  
University of Manitoba  
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AN EXAMINATION OF THE CITY OF WINNIPEG'S RESPONSE TO  
FEDERAL FUNDING AND PROGRAM CHANGES TO THE FEDERAL  
RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM 1974-1994**

**BY**

**DANIEL MICHAEL JOHN POLLOCK**

**A Thesis submitted to the Faculty of Graduate Studies of the University of Manitoba in partial  
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### Abstract

As the federal government reduces social housing programming and funding, it is relying on the provinces, community non profit organizations, and municipalities, to fill the void in these areas. The reliance on municipalities is brought about by a number of factors including changing economic, political, and social conditions which causes us to ask: what role should the municipality play in low income housing in an era of federal disentanglement, and changing economic, political, and social, conditions?

The thesis addresses this question through a critical review of the literature and field research. The primary purpose of the field research is to determine whether selected federal funding and program changes to the Residential Rehabilitation Assistance Program, (RRAP) produced changes in the City of Winnipeg's RRAP delivery role, level of RRAP activity, and level of RRAP funding. These changes are analyzed in relation to those at the local level, using critical, correlative, and comparative analysis.

The examination findings reveal that federal social housing funding, program, and policy changes, are a few of the many factors that determine and shape the municipal housing role and level of involvement in low income housing. This is demonstrated in the City of Winnipeg, where the municipality's level of RRAP activity changed in response to federal funding and program changes to RRAP as well as to complementary programming and supplementary funding at the local level. In response to these types of changes, some municipalities are adopting innovative housing roles and/or initiatives. The study concludes, that should the senior or lower levels of government fail to complement existing RRAP activity with supplementary funding the city will deliver a much smaller RRAP program, the city's role as facilitator of RRAP will weaken, and remain uncertain in the near future.

## Chapter One Introduction

### Background

In an era of fiscal consciousness, rising national debt, federal decentralization of programs and services, reduced social spending, and government down sizing, federal and provincial governments are turning to local governments and institutions as the principle source of public intervention and involvement in the housing market.<sup>1</sup> The federal government's decision to withdraw from the administration and delivery of social housing is the final climax in a series of cost savings and deficit reduction measures designed to extricate the federal government from further social housing commitments and transfer greater housing costs and responsibility to the lower levels of government.

The underlying rationale for the federal government's decision to withdraw from social housing reflects a raised cost consciousness on behalf of the federal government, acknowledgment of public demands to reduce government spending on social programs, and the importance of local initiatives and solutions in addressing the need for low income housing in urban areas.

Reid (1992) suggests, that the federal government's strategies of reducing the budget deficit, promoting decentralization, privatization, fiscal retrenchment, self reliance, market efficiency and responsiveness, are all related to the doctrine of market efficiency. The doctrine of market efficiency implies, the private sector is more accountable and efficient than the public

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<sup>1</sup> Janet McClain, "The Municipal Housing Role", Canadian Housing, Spring 1982, Pg, 1

sector, consequently, government should not engage in anything that can be done privately.<sup>2</sup>

In the early 1980s, the Conservative Governments' in Great Britain and the United States applied this doctrine in pursuing their neo conservative and decentralization agendas' respectively.

In England, Prime Minister Thatcher's Conservative Government in part, shifted its housing commitment and support from council housing to non profit housing. This shift in commitment was evident in the application of Prime Minister Thatcher's privatization policies. Thatcher's Conservative Administration applied its privatization policies by selling off the government stock of council housing, thereby privatizing public property.<sup>3</sup> By 1988, the Thatcher Administration strengthened its commitment to non profit housing agencies.

....According to McKee (1992), the British Government realized that access to, and the market for, home ownership was reaching saturation points and that reviving the private sector was a losing battle. Yet, it was not prepared to reverse its direction of forcing local authorities into a less prominent role in rental housing and a facilitative role in housing delivery. It therefore turned to the non profit sector to develop more rental housing, (using both private and public capital), to be a vehicle to take over local housing authority; and to address affordability....<sup>4</sup>

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<sup>2</sup> Barton Reid, "Risking Urban Paralysis:Housing, Property Rights and the Constitution", Canadian Housing, Vol 8, No 4, Winter 1992. Pg 21

<sup>3</sup> ...Between 1979 and 1983, about one half million public housing units were sold to existing occupants in Britain, sometimes at a discount of 50% of their market price...

See Ramesh Mishra's article "The Welfare State in the 1980s", in George Fallis and Alex Murray's (eds) Housing the Homeless and Poor:New Partnerships among the Private, Public, and Third Sectors, University of Toronto Press, 1990, Pg. 90

<sup>4</sup> Christine McKee, "Two Decades of Non Profit Housing:A Comparative Analysis of the British and Canadian Non Profit Housing Programs (1972-1992) and its Implications for Future

In the United States, President Reagan's Republican Administration pursued a similar housing policy to England's Conservative Government. Under the guise of a new federalism, President Reagan decentralized social programs including housing, to the lower levels of government, as well as to public non profit and private sectors.<sup>5</sup> This devolution of housing to the lower levels of government was accompanied by severe funding and program cuts to federal public housing and urban renewal programs.<sup>6</sup>

Drier (1993), states, during the Reagan-Bush years, federal housing subsidies for the poor were slashed by over 75% to less than \$10 billion. Subsidized housing starts dropped from \$175,000.00 to less than \$21,000.00 a year.<sup>7</sup> Throughout the period of funding cuts, the Reagan Administration

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Policy Directions in the 1990s", A Paper Prepared for the XXth World Congress, Sponsored by The International Association of Housing Science, September 1992, Pg, 8

5 .....According to the Canadian Housing Coalition fact sheet, the federal government in the United States differs from Canada's federal government in that it relies on the private sector to provide subsidized housing. Canadian Housing Coalition, 1993

6 .....According to Stegman and Holden, the 1980s marked a period of severe contraction of the federal housing role. For example, subsidized housing constituted 29 percent and 21 percent of all housing starts in 1970 and 1971 respectively, and averaged more than 14 percent of all starts for the decade. In contrast seven percent of all housing starts were subsidized in 1983, and just five percent in 1984. ...The funds that were cut were redirected to establishing initiatives that enticed the private sector to build and operate low income housing. Unfortunately these initiatives resulted in the creation of an unstable stock of low rental housing which has diminished in recent years as many projects have been abandoned or converted in to market housing.....

Michael A. Stegman, & J. David Holden, Nonfederal Housing Programs:How States and Localities are Responding to Federal Cutbacks in Low-Income Housing, Department of City and Regional Planning, University of North Carolina, USA, 1989, Pg, 9

<sup>7</sup> Peter Dreier, "An American Looks at Canada's Social Housing Sector", Canadian Housing, Vol 10, No 2, Fall 1993, Pg, 7-9

maintained the market place should become the main tool of housing policy.<sup>8</sup>

Therefore the Canadian Government's decision to withdraw from the administration and delivery of social housing should not be viewed as out of the ordinary or unusual. Rather it should be viewed as the final stage in the federal government's strategy to decentralize social welfare programs and disentangle itself from the delivery of social housing.

Over the past 29 years, the federal government has gradually withdrawn from social housing by transferring greater housing costs and delivery responsibility to the provinces. In pursuing their own agenda of fiscal restraint, economic reform, and deficit control, some provinces such as Ontario, and Quebec, have in turn, shared larger housing costs and responsibility with community non profit organizations, and the municipalities. The federal policy of disentanglement was first pursued under the 1978 Federal Provincial Global Funding Agreements, and enhanced under the 1986 Federal Provincial Global Operating Agreements. These two Agreements, together with changing economic, political, and social, conditions have in part led municipalities to reexamine their past, present, and future, housing role. Accordingly the central research question of this study asks: *What role should the municipality play in low income housing in an era of federal disentanglement, and changing economic, political, and social conditions?*

The first section of this study will in part, address this question by critically reviewing the literature on the evolution of the municipal housing role since 1945. This involves examining the change in the municipal

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<sup>8</sup> Robert C. Weaver, "Fair Housing: the Federal Retreat", Journal of Housing, Vol 42, No 3, May/June 1985, Pg. 85

housing role from its past to present form and the housing role municipalities have adopted and are likely to adopt in response to changing economic, political, and social, conditions including, Canadian housing policy. The first section of the study will also examine the literature pertaining to the administrative, financial, jurisdictional, political, public, and regulatory barriers and constraints that determine and shape the municipality's role, and dictate the municipality's level of involvement in low income housing.

As will be explained in chapter three, two of the more prominent limitations that determine and shape the municipality's level of involvement in low income housing are jurisdictional as is seen in Section 92 of the Constitution and revenue as is seen in the property tax system.

Irrespective of the limitations on the municipal housing role, some municipalities make an important contribution in facilitating the maintenance, supply, and rehabilitation of low income housing. As is revealed in the literature review the municipal housing role and level of involvement in low income housing is not determined by any one factor, but rather it is determined and shaped by several different factors some of which are:

- (1) size and resources of the municipality;
- (2) demand and need for adequate and affordable housing;
- (3) ideology of the local government, and the municipality's willingness to financially and politically commit itself to adequate, affordable, and suitable, housing;
- (4) senior government support through policies and legislation, particularly at the provincial levels of government;
- (5) availability of senior government funding and programming;
- (6) the presence of an urban reform movement;
- (7) cost of living in the municipality;

- (8) changing Canadian housing policy, particularly disentanglement policy;

### *Hypothesis*

*This study's hypothesis contends that federal disentanglement policy, together with a combination of different factors determine and shape the municipality's low income housing role. As a result municipalities are involved in low income housing at different levels and in different capacities.*

The empirical section of this study will in part address this hypothesis by examining the City of Winnipeg's response to federal funding and program changes to RRAP since 1974. In doing so, the examination will focus on the city's role and level of involvement in delivering RRAP. The purpose being, to identify the factors that determine, and shape, the municipality's role and level of RRAP activity.

### **Study Parameters**

#### Objectives of the Study

Overall there are four objectives to the successful completion of this study.

The **first** intention of the study is to critically review the literature on the evolution of the municipal housing role since 1945. This involves examining change in the municipal housing role from its past to present form, and the role municipalities have adopted, and are likely to adopt, in response to changing economic, political, and social, conditions and events including Canadian housing policy.

The **second** intention of the study is to examine the literature pertaining to the administrative, financial, jurisdictional, political, public, and regulatory barriers and constraints that determine and



shape the municipality's role, and level of involvement, in low income housing.

The **third** intention of the study is to examine whether there is a relationship between selected federal funding and program changes to RRAP and changes to the City of Winnipeg's role, level of activity, and funding, in the delivery of RRAP.

The **fourth** intention of the study is to identify the broader implications of federal funding and program changes to RRAP for the delivery agent, homeowner, tenant, housing stock, renovation industry, and city.

The study will address these objectives by examining the municipal housing role in general, and the City of Winnipeg housing role as a facilitator of RRAP.

As will be seen throughout the study, the City of Winnipeg has a limited role in facilitating the delivery maintenance and rehabilitation of low income housing. Unlike larger and wealthier Canadian cities such as Toronto, Montreal, Calgary, and Vancouver, the City of Winnipeg neither has a comprehensive housing policy, nor a housing department, nor does it actively or unilaterally participate in the direct provision of housing.<sup>9</sup> The municipality is active in performing a wide range of traditional functions, such as controlling private sector development through the development and enforcement of by-laws including municipal and provincial health by-laws, zoning and maintenance and occupancy by-laws, the provision of hard

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...Of the ten largest cities in Canada, Winnipeg is the only one that does not have a municipal housing department.....

Stewart Clathworthy, Sybil Frenette, Christine McKee et.al, Inner City Type Area Housing Study, Institute of Urban Studies, Draft, April 1979, Pg, 67

services, and subdivision planning. It is also active in facilitating the administration and delivery of senior government housing initiatives such as the federal home repair program, and participating in joint or tri level community revitalization initiatives with the senior levels of government, and community non profit organizations. Unlike Toronto, Montreal, Calgary, or Vancouver, Winnipeg has been reluctant to unilaterally pursue the development of innovative housing initiatives. It leaves this activity to the Province.

If we compare Winnipeg's housing performance to that of larger and wealthier cities, Winnipeg may be more famous for what it has failed to accomplish, than for what it has actually accomplished, in the development of affordable and innovative housing initiatives. The city maintains that the provision of housing is the responsibility of the senior levels of government. Consequently, Winnipeg has been more inclined to follow the lead of the senior levels of government by administering and facilitating senior government housing programs, particularly in situations where the senior levels of government provide all or the vast majority of funding.

In the early 1970s, a growing concern over the deteriorated state of a large portion of inner city housing stock, the economic social and physical problems of declining older neighborhoods, and the shortage of affordable housing<sup>10</sup>, led the City of Winnipeg to establish an administrative unit

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....Almost one quarter of the inner city housing stock was considered to be in poor condition. Even though over forty nine hundred new units were built in the inner city between 1972 and 1978, demolition had claimed two thousand units, further reducing the low cost rental housing supply which was not being adequately replaced by public and private construction....

known as the Neighborhood Improvement Branch, (presently known as the Community Programs Division) in the City Planning Department.

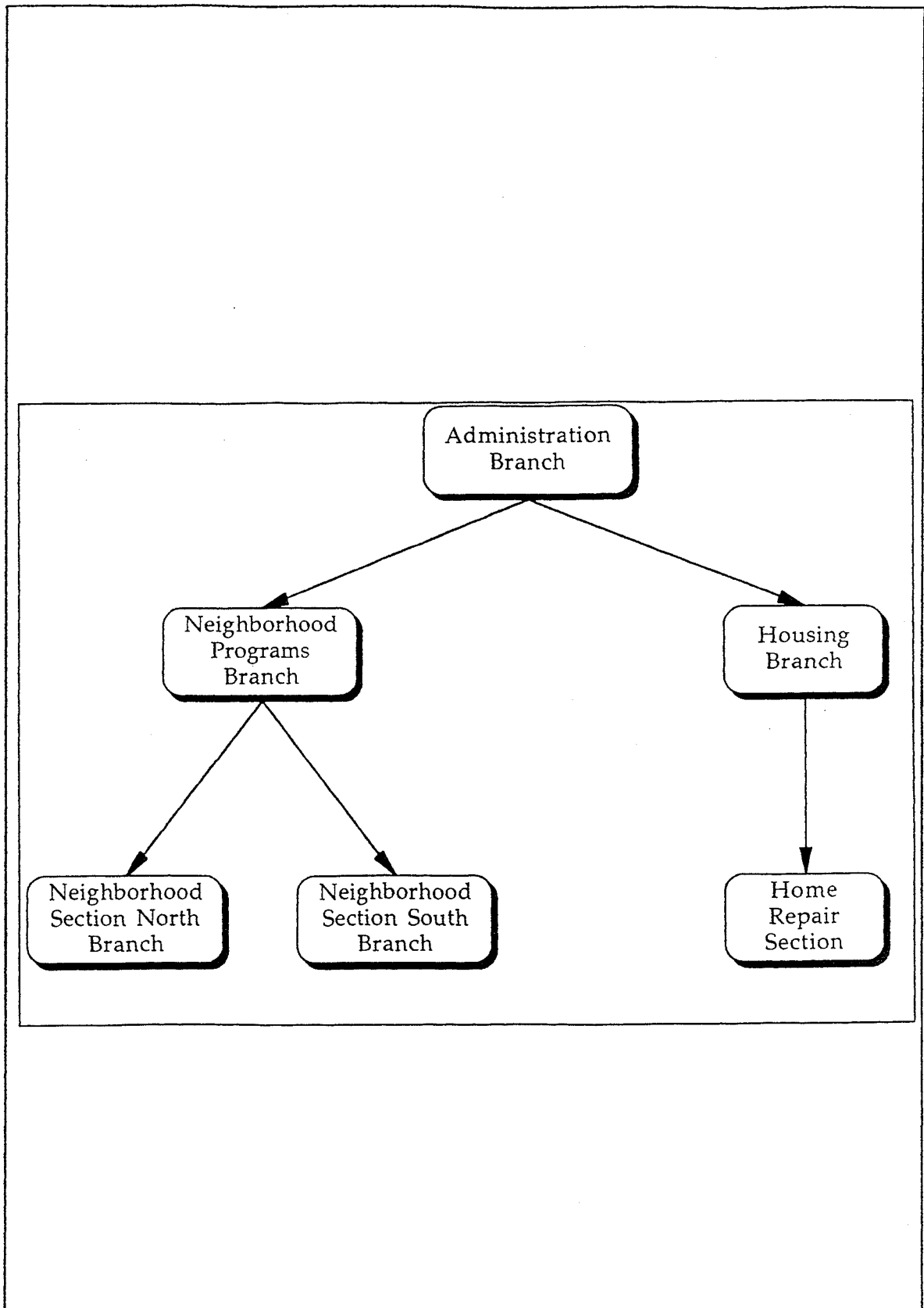
The roles of the Community Programs Division are to administer and facilitate the delivery of senior government housing and neighborhood revitalization programs including infill housing, home repair, and community revitalization, (formerly Neighborhood Improvement and Community Improvement Programs). In administering and facilitating these programs the Community Programs Division uses housing as a complementary tool in revitalizing and stabilizing established neighborhoods. Together with other city departments, divisions, and branches, the Community Programs Division recommends housing policies, and coordinates and facilitates municipal activities as they relate to the supply, maintenance, and rehabilitation, of housing and revitalization of neighborhoods. The organizational structure of the Community Programs Division is identified in figure 1.1. The city's use of housing in revitalizing and stabilizing established neighborhoods is also apparent in the activities of the Winnipeg Housing Rehabilitation Corporation.

Over the years the city has established a set of policies and enabling legislation which reflect the city's housing mandate under the City of Winnipeg Act;<sup>11</sup> Plan Winnipeg's goals and objectives; and the need to

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.....The City of Winnipeg receives its housing mandate from a number of sources including: (1) Part XX of the City of Winnipeg Act. Under Part 20 s587 of this Act, Council may designate a community development program in a designated area. Under Part 15 s 491 (11) of the Act, the City may make loans and grants to bring building dwellings up to standards. Finally under Part 15 s483 (b) of the Act, Council may pass by-laws requiring maintenance of building standards. (2) housing policies, particularly policies pertaining to Housing and Neighborhood strategy which outlined new ways for dealing with older neighborhood problems. This policy was adopted in 1983; (3) In 1986 Plan Winnipeg emphasized the containment of suburban growth and the maintenance and revitalization of older residential neighborhoods. It presently emphasizes neighborhood management and social equity;

Figure 1.1 Community Programs Division Organizational Structure



Source: Community Programs Division, City Planning Department, City of Winnipeg, 1994

diversify and expand the city's housing role. Irrespective of these policies, and legislation, local politicians are unwilling to commit the municipality either financially, morally, or politically, to either a broader or larger housing role. There are several reasons local politicians are reluctant to diversify and expand the city's housing role:

- (1) Unlike Toronto or Vancouver, Winnipeg neither has an established urban reform movement, characteristic of the 50s or 60s, nor has it been confronted by any major controversial housing or urban development issues other than concern over urban sprawl, or location of group homes. Therefore Winnipeg city councillors have not had housing and urban development issues forced on to the political agenda, or experienced public pressure to adopt a interventionist role, as often as their counterparts in Toronto, Vancouver, or Montreal.<sup>12</sup>
- (2) Local politicians do not recognize any significant housing adequacy or affordability problems in Winnipeg. They argue Winnipeg has a high vacancy rate. Accordingly, they do not give housing issues high priority in city council.<sup>13</sup>
- (3) Local politicians argue housing is the jurisdictional responsibility of the senior levels of government and therefore they are not responsible for providing housing.<sup>14</sup>
- (4) Winnipeg lacks a large tax base as well as alternative revenue sources needed to support low income housing initiatives.<sup>15</sup>

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<sup>12</sup> Radewich, op.cit., Pg, 60

<sup>13</sup> ...The city may have a high vacancy rate but there is a shortage of adequate affordable and suitable housing in areas of the city where its needed most such as the inner city....

Interview with Manager of City of Winnipeg Community Programs Branch, Mr. Neil Kowlessar, week of March 22-26th 1993

<sup>14</sup> Kowlessar, op.cit.,

<sup>15</sup> Kowlessar, op.cit.,

(5) Local politicians generally support the market approach to housing and argue the city should confine their role to providing hard services and controlling and supporting developers of market housing.

(6) In times of fiscal restraint local politicians have difficulty justifying low income housing expenditures.<sup>16</sup>

These are just some of the factors that determine and shape the city's role and level of involvement in low income housing.

### **Why Is it Important to Examine the City of Winnipeg 's Role and Involvement in Delivering the federal Residential Rehabilitation Assistance Program?**

First, it is possible to determine whether selected federal funding and program changes to RRAP affect the City of Winnipeg's level of RRAP activity, and funding, or whether other factors affect the city's level of involvement in RRAP. In short it is important to identify those factors that determine and shape the municipality's housing role as facilitator of home repair activities.

According to Hulchanski et.al (1990), rehabilitation initiatives demonstrate the inter relationship of municipal activities with existing federal and/or provincial programs. In several instances municipal rehabilitation programs are designed to work in conjunction with federal or provincial programs by using the same delivery mechanism or filling gaps in assistance.

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...The poor performance of the economy even within the context of a sluggish world economy, inevitably leads to political pressures to reduce or cut social spending in areas such as housing....

AMO, AMO Report #49: Municipal Perspectives on Housing Programs in the 1980s, The Association Municipalities of Ontario, March 1981, Pg. 2

As will be illustrated in chapter four, Winnipeg Core Area Initiative home repair programs were designed to complement and supplement existing RRAP activity. This allowed the city to repair more homes than it would otherwise have been able to achieve given the absence of these programs. The termination of these complementary programs affected the city's level of RRAP activity and funding.

Second, it is important to understand how the city responded to federal funding and program changes to RRAP. The city took advantage of the federal Neighborhood Improvement Program, Community Improvement Program, and the Core Area Initiative Housing Programs in order to maintain a RRAP presence in Winnipeg. It is also important to understand how and why the city struggled to maintain the RRAP presence in Winnipeg.

Third, it is important to identify the broader implications of federal funding and program changes to RRAP for the homeowner, tenant, renovation industry, delivery agent, and city.

#### **Why Is It Important to Study the Municipality's Housing Role?**

Over the past several years, municipalities have been arguing for greater autonomy, and independence, as well as a greater voice in their own affairs. In arguing their case, some politicians claim municipalities are more capable and effective than senior level governments in handling problems at the local level. Whereas, others argue senior government policies are inadequate and ineffective in addressing local concerns. Yet others, argue that housing is an important economic and revenue generator for local government and therefore it should be given greater priority than it currently receives from rural dominated Provincial Legislatures. Consequently it is important to determine whether municipalities are capable of assuming greater autonomy and independence over their own affairs.

A second reason it is important to study the municipal housing role is because little attention has been focused on this matter. There is a need for studies that examine municipal involvement in administering and delivering cost shared senior government housing programs.

Third, there are few studies that examine the city's role in preserving older housing. Therefore there is a need to increase public understanding of municipal responsibilities and role in this area, particularly as it pertains to RRAP.

Fourth, by understanding past events and policy decisions we can develop better plans, policies, and programs, in the future. Planning in general, and housing planning in particular is future oriented. Anthony Sutcliffe suggests planners need the past more than anyone for without it they cannot draw on experience.<sup>17</sup>

The fifth reason it is important to study the municipality's housing role is the need to educate and inform the public as to the vital role municipalities play in addressing the needs of low income residents.

### **Methodology**

The first part of the examination involves a critical review of current literature. This is done using secondary sources such as working papers, periodical articles, position briefs, discussion papers, books, and government documents, that contain analysis of the municipal housing role. In chapter three key informant data complements secondary sources which are used to examine the literature pertaining to the administrative, financial, jurisdictional, political, public, and regulatory, limitations that determine and

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<sup>17</sup> Anthony Sutcliffe, "Why Planning History?", Built Environment, Vol 7, No 2, 1981, Pg, 65-67



shape the municipality's role, and level of involvement, in low income housing.

The research process began with a computer search of all current secondary sources containing analysis of the municipal housing role including: government documents; discussion papers, working papers; periodical articles; books; position briefs; housing policies; etc. During the initial stages of the research process extensive use was made of the University of Manitoba's computerized library retrieval system, known as BRIDGE and an Internet feature known as HYTELNET which allows researchers to access literature in over 200 libraries and databases throughout North and South America, Europe, Asia, Australia, and Africa.

The second part of the thesis methodology examines the City of Winnipeg's role and involvement in delivering the federal Residential Rehabilitation Assistance Program, (RRAP) over five periods: (1) 1974-1978 Neighborhood Improvement Program, (NIP); (2) 1978-1983 Community Improvement Program, (CIP); (3) 1982-1985 Core Area Initiative I, (CAI I); (4) 1986-1991 Core Area Initiative II, (CAI II); (5) 1992-1994 Post Core Area Initiative. By looking at selected federal funding and program changes to RRAP as they relate to changes in the level of RRAP activity, funding, delivery capacity, method of funding the delivery of RRAP, it is in part possible to examine the evolution of municipal involvement in RRAP from its past to present form.

As mentioned above, one of the main intentions of the examination is to establish a relationship between selected federal funding and program changes to RRAP and related changes to the city's role, level of RRAP activity, and funding, delivery capacity, and method of funding the delivery of RRAP. The selected federal funding and program changes to RRAP are identified in

appendix 1.1. The data for this examination has been gathered through the field research method. The examination issues, method of analysis, indicators, and data sources, for the empirical examination are identified in appendix 1.2 a, b, and c, respectively. The examination will look for change in four areas:

(1) Volume of RRAP funding. This includes such indicators as total CMHC capital dollars allocated to the City of Winnipeg for the delivery of RRAP. The amount of federal RRAP funding and supplementary funding provided to the Community Program Division to deliver RRAP changes over time, and is a function of delivery capacity. In other words, the level of RRAP funding provided to the city is dictated by RRAP program changes, and the volume of RRAP activity generated by the City.

(2) Volume of RRAP activity, generated through Community Programs Division delivery of RRAP. This includes such indicators as total number of units RRAPed by the City of Winnipeg. The volume of RRAP activity changes over time and is dictated by the amount of available RRAP funding, and Residential Rehabilitation Assistance Program changes. The changes in volume of RRAP activity reflect RRAP program and funding changes.

(3) City of Winnipeg housing mandate, and policies. The examination will determine whether the City of Winnipeg housing mandate, or policies, reflect selected federal funding and program changes to RRAP. A change in mandate, and policies, may reflect a change in role.

(4) City's rationale for the Residential Rehabilitation Assistance Program. The examination will identify whether there is a need for RRAP, and whether this need is reflected in selected federal funding and program changes to RRAP.

The final part of the study, examines the broader implications of federal funding and program changes to RRAP for the homeowner, tenant, housing stock, renovation industry, delivery agent, and the city.

### **Study Limitations and Assumptions**

One of the main limitations encountered in researching and drafting this study, was the lack of literature that comprehensively examines the municipal housing role and involvement in low income housing initiatives. Second, a review of the current literature failed to reveal a suitable theoretical framework or model that could be used to probe and analyze municipal housing initiatives, action, or changes to the municipal housing role over a period of time. Consequently the literature review is in part organized chronologically around Carter and McAfee's (1990) three generic models known as the reactor, facilitator, and comprehensive developer, and Donnison's (1967) framework for analyzing housing policy which includes three stages: (1) assisted market housing; (2) social housing; and (3) comprehensive housing.

One other limitation I encountered in preparing this study, was an inability to draw definite conclusions about the municipal housing role based solely on City of Winnipeg involvement in RRAP. As is emphasized below, and throughout this study the City of Winnipeg has a multi faceted housing role which consists of many components and therefore is not limited to facilitating the delivery of RRAP.

The main assumptions made in drafting this study are as follows. First, not all municipalities have an active housing role. Second, most municipalities exercise a facilitative housing role as defined by Carter and McAfee (1990). Third, the municipality's housing role and level of activity depends in part on the eight factors mentioned earlier. Fourth, the city is

involved in housing at different levels and in different capacities which fall under two areas: First it exercises a housing role in new subdivisions through plan examination and building inspection; Second it exercises a role in existing housing through home repair initiatives, by-law enforcement, and infill housing initiatives; However, given the scope of this study, it is impossible to study all components of the municipal housing role. Therefore the second part of this study limits its focus to examining the City of Winnipeg's housing role in facilitating the delivery of the federal home repair program known as RRAP.

### **Organization of Thesis**

This thesis consists of six chapters. Chapter one provides an introduction to the thesis. It provides some background to the study, and explains the reasons for examining the municipal housing role. It also explains how the examination will occur.

Chapter two critically examines and reviews current literature on the evolution in the municipal housing role since 1945. It looks at the conditions and events that have determined and shaped the municipal housing role. In doing so it answers three questions: Where has the municipal housing role been? Where is the municipal housing role at? Where is the municipal housing role headed?

Chapter three continues the theoretical discussion begun in chapter two and focuses on examining the literature pertaining to the financial, jurisdictional, organizational, political, public, revenue, and regulatory, barriers and constraints that determine and shape the municipality's role, and level of involvement, in low income housing.

Chapter four, presents the results of the empirical examination. It specifically looks at the City of Winnipeg's response to federal funding and

program changes to RRAP in terms of changes to its volume of RRAP activity, and funding, delivery capacity, and method of funding the delivery of RRAP, in the context of NIP, CIP, CAI I, CAI II, and the Post CAI periods.

Chapter five, examines the broader implications of federal funding and program changes to RRAP in Winnipeg for the homeowner, tenant, housing stock, renovation industry, city, and delivery agent.

Chapter six, present the study conclusions by reviewing the study findings, and by addressing the future of the municipal housing role, specifically the City of Winnipeg's housing role as a facilitator of RRAP, given federal funding and program changes to social housing programs such as the Residential Rehabilitation Assistance Program, and the city's reluctance to make a financial and political commitment to low income housing.

### **Definitions**

#### Low Income Housing

Low income housing is a generic term with many connotations. Low income housing may be defined as housing for low income people whose needs cannot be adequately met through private market housing. As such, they have sought or are seeking refuge in alternative adequate and affordable housing either in the form of low income market or non market housing units. These housing units may include permanent forms of public, private, and third sector housing, such as non profit and cooperative housing units, or special needs housing which in turn includes: women's shelters; transition housing for new immigrants; youth halfway housing; group homes, rooming houses; hostels; or single room occupancy units such as residential hotels. In this study low income housing includes housing that is occupied by Residential Rehabilitation Assistance Program applicants who have received, or are waiting for assistance, from this federal program.

### Disentanglement

The term disentanglement can be defined and interpreted in a number of ways. In layman's terms, disentanglement may simply be defined as decentralization, off loading, downloading, or transfer of responsibility from one level of government to another. Throughout the literature disentanglement is interpreted in two contexts. In the first context disentanglement is interpreted as disengagement, devolution or dumping of responsibility, or abandonment of role by government. In the second context disentanglement is interpreted as a means of empowerment and self reliance. Irrespective of how it is defined or interpreted in the layman's perspective, this thesis accepts and incorporates CMHC's definition of disentanglement as defined in the Social Housing Review. In Social Housing Review (1984), disentanglement is defined as the process of systematically identifying and eliminating duplicated controls and services and the process of clarifying the level of government that has responsibility for program delivery.

### Municipality

In this thesis, the terms city, and municipality, are viewed as interchangeable. In referring to the city, or municipality, this study refers to the administrative and political institution as opposed to a geographical location or place. In this thesis the municipality is defined as an administrative and political body formed by residents of a particular region such as an incorporated city, or metropolitan area, town, village, county, township, or district.

### Decentralization

This thesis accepts and incorporates Scruton's definition of decentralization. In A Dictionary of Political Thought, Scruton, (1982) defines decentralization as the process whereby centralization is reversed so that

power is shifted from central political and administrative bodies, answerable to a single executive, to a multitude of quasi autonomous bodies, concerned with the formulation and application of policy in particular regions and in answer to local and variable requirements.

### **Summary**

In summary, this chapter has provided some background to this study, and explained how and why this study is being undertaken. Specifically chapter one addresses the reason for studying the municipal housing role and the reason for examining the City of Winnipeg's role and involvement in delivering the federal Residential Rehabilitation Assistance Program. Chapter one also establishes the parameters of the examination and explains the organization of the thesis. In chapter two, the study will examine the evolution in the municipal housing role since 1945, in response to changing economic, political, and social conditions.

## Chapter Two

### Reexamining the Municipal Housing Role

Municipal involvement in low income housing began in the late 19th and early 20th century. This was a period of rapid industrialization and urbanization, immigration and population growth, and physical development. Most municipalities were experiencing a shortage of adequate and affordable housing in the inner city. In addition, much of the inner city housing lacked linkages to municipal services such as sewer and water mains. Consequently some inner city residents were living in crowded, rudimentary, and unsanitary housing conditions.

According to Radewich (1986), these type of slum housing conditions prompted the urban reform movement in larger cities to lobby municipal and provincial government for regulatory action which by the turn of the century resulted in the passage of public, fire, health, zoning, and building code regulations. By 1912, many larger municipalities had passed housing by-laws and were enforcing both municipal and provincial public health codes. The by-laws were aimed at protecting middle upper class neighborhoods from industrial pollution and lower income residents. The municipal and provincial public health codes were aimed at preventing the spread of contagious diseases.

Despite this early involvement, a review of current literature suggests the municipal housing role did not begin to fully evolve until 1945.

The purpose of this chapter is to critically review current literature on the evolution of the municipal housing role since 1945. As such, the literature review will examine the evolution of the municipal housing role from its past to present form, and the housing role municipalities have



adopted, and are likely to adopt, in response to changing conditions and policies.

### **Synopsis of Literature Review**

Overall the literature review suggests that the municipal housing role and level of involvement in low income housing is in part determined and shaped by changing economic, political, and social conditions including Canadian housing policy, and the political ideology of the senior levels of government.

With the federal government's retreat from social housing the provinces have gradually assumed greater housing responsibilities and costs for both federal and provincial housing initiatives. In a few cases they have shared some of the costs and responsibility with the municipalities, as in Ontario and Quebec.

These factors encouraged some municipalities to move away from a traditional role of housing regulator towards a broader role of facilitator, or comprehensive developer, of low income housing.

There are several signs of this broader housing role throughout the literature. The earliest signs appeared during the 1950s in the form of municipal participation in urban renewal and redevelopment schemes; sponsorship of limited dividend housing development; and municipal facilitation of federal public housing projects on municipal land.

The rise of the provincial housing role vis a vis the Provincial Housing Corporation following the 1964 National Housing Act amendments, dampened municipal enthusiasm and discouraged municipal participation in low income housing initiatives, until the early 1970s, particularly in Ontario. Hence, it was not until the 1970s, and 1980s, that more attention was focused on municipal housing activity and initiatives.

There are several conditions and events which have led to more attention being focused on the municipal housing role. These conditions included: a change in political philosophy under Trudeau's Liberal government which reflected a greater concern for urban development; a move towards community empowerment; rise of the urban reform movement, and (reform minded politicians), which advocated a larger municipal housing role, to senior governments. Several other factors included: down sizing, and fiscal retrenchment in all three levels of government; rising homelessness in urban areas; federal disentanglement from the delivery of social housing; a general belief that senior government housing policy was not adequately addressing local housing needs or problems; and supportive provincial housing policies, and legislation either granting or mandating a larger municipal housing role particularly in Ontario and Quebec.

In responding to these conditions and events some but not all municipalities have adopted and participated in a wide range of low income and non profit housing initiatives. These include the administration and delivery of senior government housing programs such as the Residential Rehabilitation Assistance Program, and Neighborhood Improvement Program and the management and development of non profit housing through municipal non profit housing corporations such as the Winnipeg Housing Rehabilitation Corporation. They also include the facilitation of community non profit housing initiatives through land donations, tax concessions, relaxation of zoning and building code regulations for innovative housing, and adoption of demolition controls to protect existing housing stock. Finally, participation in tri level community redevelopment

initiatives such as Winnipeg's Core Area Initiative, and participation in private public sector partnerships.

In reviewing works such as Fallis and Murray's Housing the Homeless and Poor, (1990), Hulchanski's et.al. The Municipal Role in the Supply and Maintenance of Low Cost Housing, (1990), Ashton and Bruce's Beyond Housing (1993) Bacher's Keeping to the Market Place (1993) it is evident that there are hundreds of independent and joint municipal housing initiatives aimed at facilitating and developing low income housing. It is also evident that many of these innovative low cost housing initiatives are located in central Canada, (eg: Ontario and Quebec). These initiatives appear to be tailored to the particular needs of the municipality and region. The reason for the proactive municipal housing role in central Canada can be attributed to a number of factors including provincial policies supporting a larger municipal housing role.<sup>18</sup>

As is explained in chapter one, the overall municipal housing role and level of involvement in low income housing is determined and shaped by a number of factors. Irrespective of these factors, the larger and wealthier municipalities tend to be the most active in facilitating and developing low income housing since they have the ability to substitute or replace senior government housing programs or introduce new low income housing initiatives. Hulchanski et.al. (1990) suggests some of these larger

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...Hulchanski et.al., indicate, supportive provincial planning has contributed significantly to the new municipal housing role. Ontario's Land Use Planning for Housing Policy Statement (1989) is a good example. The Statement describes how issues are to be addressed by planning jurisdictions including municipalities in Ontario...

Hulchanski et.al., op.cit, Pg. 13

municipalities have the support of senior government policies, and legislation, as is the case in Ontario.

Schubert (1993) suggests disentanglement has had a smaller impact on these larger and richer municipalities. In the case of Toronto, Ottawa, Montreal, Vancouver, and Calgary, federal off loading of housing responsibility and costs on to the lower levels of government has been a source of empowerment for the Third Sector as it has created opportunities for experimentation and innovation in low income housing. In a few cases these opportunities have allowed the municipality such as Toronto, Ottawa, Calgary, and Montreal, to participate in the comprehensive development of low income housing. These municipalities have well defined and active involvement across a spectrum of housing functions.

In poorer "have not" provinces such as Manitoba, and Saskatchewan, some of the smaller and poorer municipalities tend to rely on the private market, and community non profit organizations, to meet their low income housing needs.

In cases where the private and third sector are not capable of providing adequate and affordable housing, municipalities have turned to provincial and federal government housing policies, programs, and funding. A case in point is illustrated in Manitoba, where the City of Winnipeg tends to rely on the province to meet its low income housing needs. As is emphasized throughout the literature review, the city is reluctant to commit itself financially or politically to a larger low income housing role arguing that low income housing is the responsibility of the senior levels of government. Consequently the city limits its involvement to a traditional housing role which includes facilitating low income housing initiatives of community non profit organizations, administering and delivering federal community

revitalization and home repair programs, and participating in tri level community redevelopment initiatives. In these municipalities, disentanglement has had a larger impact since they do not have the ability to unilaterally substitute or replace senior government housing programs or introduce new low income housing initiatives. As such some of the smaller and poorer municipalities have either been more selective as to the degree of municipal involvement in low income housing, reduced their involvement in low income housing initiatives, avoided a financial, moral, or political, commitment to low income housing, or withdrawn their involvement in low income housing activity. Some of the smaller municipalities lack a clearly defined role and responsibility and rely on senior government to meet their housing needs.

The housing roles municipalities adopt during their involvement in low income housing are defined by Carter and McAfee (1990) as the Reactor, Facilitator, and Comprehensive Developer, roles.

As a reactor, the municipality is unable, unwilling, or concludes that it is unnecessary to assume an active role in the provision of affordable housing. Consequently it limits its role to processing applications, adjudicating between land uses, and ensuring the maintenance of adequate standards. In this case, social housing is initiated by the senior levels of government or by various private, non profit, and cooperative groups.<sup>19</sup>

In exercising its role as a facilitator, the municipality continues to respond to the initiatives of others, but with the added dimension of actively facilitating non market housing through the provision of land and/or subsidies, supporting or even initiating rezoning applications, expediting the permit process,

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<sup>19</sup> Carter and McAfee, op.cit., Pg, 233

and lobbying the senior levels of government for funds if the sponsors are private non profits or cooperatives. Municipalities exercise the role of facilitator in cases where a local authority has limited funds to allocate to social housing, or where community non profit groups and resource organizations are active. When a city assumes a facilitator role, social housing responsibilities are generally added to the mandate of an existing department as has occurred in Vancouver prior to 1989.<sup>20</sup>

As a comprehensive developer, the city adds site design, project implementation, and ongoing management to the previously listed activities of the two other roles. In exercising the role of comprehensive developer the municipality has direct control of social housing initiatives. The municipality also assumes the highest level of potential risk by providing on going subsidies if rents and senior government subsidies are insufficient to cover costs. In the case of comprehensive developer, social housing initiatives can be delivered by a new department as occurred in Toronto, or by expanding the role of an existing department as occurred in Ottawa.<sup>21</sup>

The municipal housing role is referred to in the context of these three models throughout the literature review.

Given the present down sizing occurring in all three levels of government, the need for fiscal accountability, federal unwillingness to commit itself to new non profit housing initiatives, and reduced spending on social programs including housing, Carter and McAfee, (1990) and Hulchanski et.al. (1990) suggest, municipalities must not be confined to exercising any one particular role. Rather it recommends that municipalities act in a wide range of capacities and assume a broad spectrum of roles in

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<sup>20</sup> Carter and McAfee, op.cit., Pg. 233

<sup>21</sup> Carter and McAfee, op.cit., Pg. 234

responding to the diversity of local housing need. This will involve identifying ways that tap new resources, becoming more self sufficient and innovative in actions they initiate on their own, building public and private sector partnerships, ensuring a greater financial and political commitment to low income housing, and adopting multi faceted and holistic solutions aimed at linking health, education, and employment, together with social housing.

The Association of Municipalities of Ontario (1981), Energy Pathways (1991), Dennis and Fish (1972), and L'Heureux (1985) all recommend that the senior levels of government amend restrictive legislation and grant greater jurisdictional authority to municipalities, thereby allowing them to exercise greater autonomy and independence in facilitating and developing innovative low income housing initiatives. In short, the senior levels of government must remove or reduce the barriers and constraints that determine and shape the municipal role and level of involvement in low income housing. Some of these barriers and constraints are examined in chapter three. At the same time, the senior levels of government must use legislation and policy to clearly define the housing roles and responsibilities of all three levels of government. Second the senior levels of government must provide greater financial and political support to social programs and initiatives, including housing in the poorer municipalities. Thereby ensuring regional equity across Canada.

### **The Municipal Housing Role in a Period of Reconstruction and Urban Renewal:1945-1963**

The period between 1945-1963 was a period of economic development and growth, reconstruction, urban renewal, and suburban expansion. The focus of Canadian housing policy was on stimulating the economy and developing a private house building industry.

This was a period in which all three levels of government emphasized infrastructure development and expansion, which was needed to service the massive industrial and suburban development.<sup>22</sup> Some municipalities placed emphasis on physical planning and tried to achieve a planned urban landscape. This was also a period of growth, prosperity, and the corporate city.<sup>23</sup> Throughout this period the federal government maintained a strong and controlling role in market and public housing.

This role was in part attributed to the federal government's desire to strengthen the economy and protect the private market while maintaining social justice, under the guise of the post war welfare state.<sup>24</sup>

Using Donnison's framework for analyzing housing policy, Mishra (1990), contends Canadian housing policy focused on assisting the market to ensure the adequate production of a number of homes. The assisted market approach describes policies which are aimed at facilitating and stimulating the construction of houses and home ownership. In general this was done by strengthening mortgage and other financial markets in order to ensure a healthy flow of funds for residential building. Accordingly the federal government implemented several specific initiatives which involved: providing mortgage funds, manipulating the interest rates, and easing the terms of house buying.

Mishra (1990) argues the general belief underlying this policy is that economic growth produces rising incomes, while the production of an adequate number of homes ensures a rising standard of housing for the

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<sup>22</sup> See Barbara Wake Carroll's article "Housing", in Richard A. Loreto and Trevor Price, (eds) Urban Policy Issues: Canadian Perspectives, McClelland & Stewart, Toronto, 1990, Pg. 96-97,

<sup>23</sup> Wake, op.cit., Pg. 97

<sup>24</sup> Mishra, op.cit., Pg. 82-84



population as a whole through the filtering process. Housing was a tool of economic management. In the end, housing policies were dedicated to this one objective and almost excluded the provision of rental housing for individuals unable to buy homes.

In cases where low income residents were unable to compete for private market housing, or had needs the private market failed to meet, Carroll (1990) claims the federal government complemented its Keynesianism arguments with Beveridgian arguments to justify intervention in the housing market.<sup>25</sup> In the case of the latter, intervention took the form of public housing developments.

In comparison to the federal housing role, the provincial housing role was weak and responsive, and limited by inexperience and insufficient resources, and cost sharing. Like the provinces, the municipality also had a limited and responsive housing role. Carroll (1990) suggests, some municipalities reacted to the housing initiatives of others, including the senior levels of government. Such municipalities limited their involvement to providing hard services including sewer and water connections to housing development, regulating land use, developing and enforcing zoning by-laws, building codes, public health by-laws, and sub division planning. In a few cases, the municipality acted beyond its traditional housing role.

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...Keynesianism represented the government's ability to manage the economy from a demand side in order to ensure a high level of economic activity and full employment. Keynes believed that waste and inefficiency of the market place could be corrected through moderate forms of government intervention.... The Beveridgian notion formed the social component to Keynesianism. The Beveridgian concepts were based on the 1942 Beveridge Report, which formulated clear principles of state intervention and spelled out the institutional framework that would make a reality of state responsibility for maintaining minimum standards of life....

During the 1950s, some municipalities demonstrated a stronger and more active housing role than the province. What conditions and events lured the municipality into a broader and more diverse housing role?

Like many other authors cited in this literature review, Rose (1980), attributes the municipality's post 1945 involvement in housing to ill prepared provincial governments. The provinces were ill prepared administratively, financially, and politically, to assume an active housing role. Consequently, the federal government via the Central Mortgage and Housing Corporation was forced to extend its World War Two relationship with the municipality by continuing the practice of negotiating the construction of veteran's rental housing as well as participating in other federal initiatives such as urban renewal and redevelopment initiatives.

Hulchanski (1988) Rose (1980), Bacher (1993), and Carroll (1990) all identify several conditions and events during the 1950s, that led some municipalities to wider municipal involvement in housing including: (1) demographic changes and the baby boom;<sup>26</sup> (2) the rise of the urban reform movement in larger cities such as Toronto and Montreal; (3) the municipal desire for economic development; (4) the lack of federal confidence in the provincial housing role; (5) rising demand for adequate and affordable

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.....The baby boom created a dramatic distortion in the 1950s and early 1960s which continues to impact on society's needs and resources. As the "boom babies" moved through their age cycles, massive adjustments were required not only in terms of housing, but also to the education and employment systems. ....In housing, the first major impact of the baby boom was in the immediate post war years when housing was required to accommodate returning soldiers and their new families.... The next major impact occurred in the mid 1960s when the baby boomers wanted their own accommodation.....

housing in urban areas; and (6) changing ideology of the federal government;

According to Association of Municipalities of Ontario Report #49, (1981), Rose (1980), and Bacher (1993), there were several visible signs during the 1950s that indicated some municipalities were beginning to broaden their housing role by initiating and facilitating the housing initiatives of the senior levels of government. These signs appeared in three areas: (1) municipal participation in urban renewal and redevelopment projects; (2) municipal sponsorship of limited dividend proposals; and (3) municipal facilitation of federal public housing initiatives through the provision of land and tax concessions.

The municipality's active housing role was raised in a recurring internal debate among senior government bureaucrats and decision makers during the period 1958-1963. Dennis and Fish (1972) indicate the debate centered around appropriate government housing roles and responsibilities for the three levels of government. On several occasions federal and provincial decision makers, and senior CMHC housing actors, contemplated transferring greater autonomy and independence over housing to the municipalities as they were the levels of government closest to the people.

Dennis and Fish (1972) add, that in 1962, Ontario was first to act on the calls for greater municipal autonomy and independence by establishing a network of municipal housing agencies in the province.

Despite growing calls for greater municipal autonomy and independence over low income housing, Hulchanski et.al. (1990) suggest,

there were very few proactive municipal initiatives in the supply and maintenance of low cost housing prior to the mid 1960s.<sup>27</sup>

Rose (1980) argues, public opposition, revenue barriers, and internal discontent within city councils to municipal participation in public housing, discouraged municipal participation in this area.

L'Heureux (1985) suggests one reason for the low municipal housing activity was the federal government's reluctance to decentralize its authority and power. The federal government reluctance to decentralize power, caused it to post-pone granting the municipality greater autonomy and independence over low income housing until the 1964 NHA amendments.

### **The Fall and Rise of the Municipal Housing Role:1964-1973**

In 1964, the federal government amended the National Housing Act, in part, to grant the municipality more autonomy and independence over low income housing. Banting (1990) points out, the prevailing assumption at the time was that strong municipal housing agencies would develop and take the lead in public housing at the local level.

Mishra (1990) contends, the 1964 NHA amendments symbolized Canada's move towards social housing. However, it was not until the close of the 1960s that real progress was made in the form of public and other non market housing.

Carter and McAfee (1990) conclude the rationale behind the NHA amendments led to greater municipal autonomy and independence over

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Hulchanski claims that during the 14 years between 1949 and 1963, 11,624 public housing units were built amounting to 0.7% of new residential construction, an average of 830 units. By 1964, 40,000 private sector rental housing units were subsidized by the federal government. Apparently the senior government's priorities focused on assisting the private housing market.

JD Hulchanski, Canada's Housing and Housing Policy:An Introduction, UBC Planning Papers, Canadian Planning Issues #27, School of Community and Regional Planning, June 1988, Pg, 19

housing. This was visible in two contexts. First, the authorization of loans to municipal non profit housing corporations for the construction or purchase of low rental housing and second, the redefinition of public housing to include municipal ownership.

However, Dennis and Fish (1972) add, the financial provisions under Section 43 of the NHA made it difficult for municipalities to pursue involvement in low income housing without provincial authorization, cooperation, or participation.

Social Housing Review, (1984) indicates, the 1964 NHA amendments weakened the federal housing role,<sup>28</sup> and unintentionally resulted in the establishment of provincial housing corporations which by the late 1960s, took advantage of federal public housing funds and implemented social housing initiatives. At the same time they dampened municipal enthusiasm, and discouraged municipal involvement, in low income housing. A case in point is explained by Dennis and Fish (1972) in Programs In Search of a Policy.

A change in Provincial housing ministers following the 1964 NHA amendments led to a reversal of position on the matter of expanding the municipal housing role in Ontario.<sup>29</sup> The Ontario government discouraged

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Carter and McAfee (1990) support this claim stating, the 1964 NHA amendments, growing provincial constraints on federal control and leadership in housing, and the need for federal fiscal restraint, weakened federal control of policy development and federal involvement in the delivery and administration of social housing programs... Carter and McAfee further suggested the weakening of the federal housing role created greater opportunities for expanding provincial and municipal housing roles.....

See Tom Carter and Ann McAfee's article, "The Municipal Role in Housing the Homeless and Poor", in George Fallis and Alex Murray's, (eds) Housing the Homeless and Poor: New Partnerships among the Private, Public, and Third Sectors, University of Toronto Press, 1990, Pg 229-230

29 Dennis & Fish, op.cit, Pg, 145-146

municipal involvement in low income housing, arguing the need for provincial financial assistance and placed in question the value of maintaining municipal control over public housing. In addition, the government did not wish to see an ad hoc situation develop with some municipalities constructing their own rental housing on a direct federal-municipal level and others requiring provincial participation.<sup>30</sup> If advantage was to be taken of the amended NHA provisions it was to occur on a federal-provincial level.<sup>31</sup>

The Ontario case reflects an enduring argument in the literature that only the senior levels of government which control the "purse strings", or spending power, should have the primary say as to how the funds are distributed, given the fact they are accountable for the financial resources.

By the late 1960s, and early 1970s, changing economic, political, and social, conditions and events refocused attention on urban development and the local environment.

Carroll (1990) views the late 1960s and early 1970s as a period of social development. It was also a period of prosperity, inflation, and recession in later years. The political climate in large municipalities was dominated by concerns about neighborhood preservation, controlling growth, and the spread of freeways. During this period, interest groups emerged to represent such issues as community and tenant empowerment and better housing standards. At the same time interest groups protested the razing of urban neighborhoods and the institutionalization of displaced inner city residents in public housing projects. This was a period in which a number of reform

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<sup>30</sup> Dennis & Fish, op.cit, Pg, 146

<sup>31</sup> Dennis & Fish, op.cit., Pg, 146

minded politicians were elected to some municipal councils. The reform minded politicians encouraged public participation in local decision making, and a more active municipal role in areas such as housing and community planning.

Despite these moves towards encouraging greater municipal autonomy and independence, Hulchanski et.al. (1990) suggests, provincial controls on the municipality limited the municipal role to providing land for social housing at less than full market value. In a few cases the municipality offered zoning bonuses to make social housing finance formulas work on expensive land.

Ufoegbune (1993), Rose (1980), Carroll (1990), and Banting (1990), all indicate Canadian housing policy changed during this period. The Hellyer Commission Report, and the election of Pierre Trudeau and the federal Liberal Party in 1968, introduced a new ideological focus to Canadian housing policy which emphasized rational planning and social involvement in housing.<sup>32</sup> This focus also emphasized social housing policy as opposed to assisted market housing policy. The assisted market policies which focused on home ownership in the 1940s, and 1950s, were no longer adequate in

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...According to Ufoegbune (1993), development of Canadian social housing policy really began with the election of the first Trudeau government in 1968. Pierre Elliot Trudeau who has been described as an urbanite was particularly interested in social equity in the Canadian society. Since inadequate housing was one of the urban problems arising from the divergence between the low income and high income households, Trudeau promised very significant attention to the problems of Canadian cities. Hence there was a considerable broadening of federal government interest in urban development beginning in the late 1960s....

Theodore Ufoegbune, An Examination of the Role of the Public Sector in Inner City Housing Affordability and Revitalization :A Winnipeg Case Study, Thesis, University of Manitoba, 1993, Pg, 72

addressing the housing needs of low income Canadians, particularly those in rental housing.

Using Donnison's framework for analysis, Mishra (1990) states, the focus of Canadian housing policy was on social housing during this period. According to Mishra, social housing policies were a way of addressing needs of socially and economically disadvantaged residents who were unlikely to become homeowners. It emphasized a Beveridgian concept of social justice.

....The general belief was that the problem of housing is not simply one of production but also of distribution. Housing policy is influenced by the perception that although the economy might be growing and average incomes rising, it cannot be assumed that all share in equally rising standards. Certain sectors of the population may be falling behind others, in that their relative share of income is worsening. In addition, certain sectors of the population may not only suffer financial but social disadvantages...<sup>33</sup>

Mishra (1990) adds, the move towards social housing was brought about by large scale and urban renewal schemes which resulted in the razing of adequate and affordable inner city rental housing and displacement of inner city residents to federal public housing projects. The federal public housing projects were the federal government's way of ensuring social equity. In the final analysis, urban renewal was viewed as the necessary evil of growth and urban development which were essential for the well being of the economy and market place. Overall, the social housing approach was a minor corrective and a complement to an essentially market based system of supply and distribution of housing. As such it is seen as a delimited addition to assisted market housing policies.

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<sup>33</sup> Mishra, op.cit., Pg 101



It was public opposition to the institutionalization and stigmatization of the poor in public housing projects that steered social housing towards the third sector including community, cooperative, and municipal non profit housing organizations in the 1970s.

Following the period of change in the late 1960s, the federal government amended the NHA in 1973, which in turn, paved the way for the resurgence and rise of the municipal housing role by the late 1970s and early 1980s.

### **The Municipality as a Facilitator of Low Income Housing: 1973-1978**

Prince (1989) contends the federal government amended the National Housing Act in 1973 in order to grant greater autonomy and independence to municipalities and non profit community organizations. It was generally recognized that the third sector including municipalities and non profit organizations should bear a larger role in addressing low income housing needs.<sup>34</sup>

Bacher (1993) agrees with this latter notion and explains, the 1973 NHA amendments provided a major boost to third sector housing. Within a few years, it led to the situation that the critics of public housing wanted, all new social housing, which was socially mixed housing and built by co-ops, community, and municipal non profit housing corporations.<sup>35</sup> The NHA

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<sup>34</sup> Both the Hellyer Commission Report, (1968) and the Dennis and Fish Study (1972) recommended the production of housing by third sector organizations including municipalities, non profit groups, and cooperatives....

Bacher, op.cit., Pg, 230-231

<sup>35</sup> Bacher adds, the NHA amendments stimulated the Third Sector in a variety of ways. For the first time, 100 % loans were made available to non profit and cooperative housing groups...

Bacher, op.cit., Pg, 245

amendments, reliance on the third sector, development of NIP and RRAP, and production of new social housing units was in part brought about by another change to Canadian housing policy.

According to Mishra (1990), Canadian housing policy moved to the third stage in Donnison's framework for analyzing housing policy, known as the comprehensive housing stage.<sup>36</sup>

...The general concept was that if the government is to take its housing responsibility seriously, and if a national minimum standard of housing is to be assured for all citizens, then a wide range of instruments and forms of short term and long term intervention may be necessary. This may include rent controls, assistance with home ownership and rehabilitation, public housing, third sector housing, (ie: non profit housing and co-ops), and shelter allowances. In short, a comprehensive housing policy recognizes that there are no quick fixes to maintaining a social minimum....<sup>37</sup>

Banting (1990), Hulchanski & Drover (1986), Hulchanski & Grieve (1984), Mishra (1990), and Boyd (1989), suggests the move towards a

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<sup>36</sup> ....Boyd (1989) contends the growth of social programs, including housing, were seen as causing an imbalance in the economic system.

Sharon L. Boyd, An Analysis of Social Policy: A Case Study of Provincial Housing Policy & Programs as they Impacted on the Homeless Adult in Winnipeg, 1982-1988. Thesis University of Manitoba. 1989. Pg, 83

<sup>37</sup> .... comprehensiveness implies that (a) the nature and scope of government housing policies and programs are wide ranging; (b) the objectives and principles of government policy in terms of commitment to equity and a national minimum are clearly spelled out; (c) the wide range of groups and classes served by government policy-whether directly through subsidies and loans or indirectly through tax expenditures is recognized and various policy interventions are considered in relation to one another; (d) a wide range of auspices-public, private, and third sector is employed in the delivery of housing; and (e) the government role in housing is seen as institutional as opposed to residual;

Mishra, op.cit., Pg, 102-103

comprehensive housing policy, and NHA amendments came at a time of: (1) high inflation and later stagflation,<sup>38</sup> created in part by the OPEC (Organization of Petroleum Exporting Countries) crisis; (2) rising unemployment rates, interest rates, and government spending; (3) competitive unilateralism, and rising tensions between the two senior levels of government; (4) a federal New Democratic Party-Liberal coalition government, (eg: the NDP presence was a significant influence on the federal decision to amend the NHA);<sup>39</sup> and (5) imminent recession which would occur during the period 1974-1975; (6) weakening of the welfare state as well as Keynesianism and Beveridgian principles; (7) restraint;

Mishra (1990) contends that in response to these conditions, the federal government reduced direct expenditures on social housing and gave more of this responsibility to co-operatives, non profit organizations, and the third sector. Yet at the same time it introduced two new programs known as the Neighborhood Improvement Program and Residential Rehabilitation Assistance Program. As is explained in chapter four, these programs were part of a comprehensive housing strategy aimed at facilitating neighborhood stability, and economic and program support.

Mishra (1990) adds, the comprehensive housing policy was a means of addressing affordability problems through the market. As such housing policy was used as an economic lever, and anti recessionary device.

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...Stagflation is the situation in which rapid inflation accompanies stagnation of production and high and rising unemployment....

Roger Scruton, A Dictionary of Political Thought, The MacMillan Press, 1982, Pg, 445

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...Boyd, explains the social democrats held the balance of power during the minority Liberal Government's term of office...

Boyd, op.cit., Pg, 82

Accordingly the federal government increased subsidies for housing, primarily rental market housing. The intent was to increase the supply and affordability of rental housing, stimulate home ownership, and job creation in light of inflation, declining housing starts, stagnant salaries, and rising housing costs.<sup>40</sup> The government did this by applying rent controls or income mixing requirements, to many of its subsidized programs, and offering tax incentives and shelters through programs such as Multiple Unit Residential Buildings, (MURB) program,<sup>41</sup> Registered Home Ownership Savings Plan,<sup>42</sup> (RHOSP), Assisted Home Ownership Program, (AHOP), Assisted Rental Program, and Canada Rental Supply Program.

Hulchanski and Grieve (1984) and Mishra (1990) argue, many of these supply and demand programs were ad hoc temporary piece meal initiatives that reflected assisted market housing approaches and were designed to address specific economic, political, and housing crisis and pressures during the 1970s.<sup>43</sup> They directly and indirectly benefited the middle and upper

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<sup>40</sup> ...Home ownership became much more expensive relative to other costs of living and salaries failed to keep pace at this time....

Mishra, op.cit, Pg, 108-109

<sup>41</sup> ...which made losses created by depreciation of multiple unit residential buildings deductible against other income...

Mishra, op.cit, Pg, 106

<sup>42</sup> ....The was a scheme which encouraged renters to save for a down payment on a home. It made savings for buying a first home tax deductible...

Mishra, op.cit, Pg, 106

<sup>43</sup> ....The steep rise in interest rates in 1980-1981, and the slump of 1982, saw further ad hoc responses centered on the stimulation of house building, home ownership, and the provision of rental housing through various tax incentives.... Much of the pressure for government intervention came from residential construction industry...

Mishra, op.cit., Pg, 106

income residents by offering attractive tax shelters. At the same time they had limited benefits for low income residents and those needing co-op, non profit, and public housing other than increasing the supply of single detached homes and rental units.<sup>44</sup> In some areas, residents were polarized according to dwelling status, tenants vs. homeowners.<sup>45</sup> Once the incentives to developers of rental housing ended, the developer's moved their operation into more profitable areas such as condo developments.<sup>46</sup>

Banting (1990) suggests, the extensive federal housing programs and subsidies led some provinces to object to federal interference in provincial affairs, and argue for greater autonomy over housing during this period of unilateral competition and province building.

Like the provinces, Forrest (1987) suggests, a few municipalities also objected to senior government interference in their affairs. They objected to Provincial interference in municipal affairs, which led to demands for greater autonomy. This led some provinces such as Ontario to loosen their control over the municipality's housing role. The Province of Ontario, declared a moratorium on further provincial development of housing policy and effectively "dumped" responsibility for future housing development on to the municipalities.

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<sup>44</sup> ...They did not benefit low income people since the federal government was reducing its expenditures on social housing Mishra in part attributes the decrease in expenditures on social housing to a the federal government's withdrawal from making direct loans for subsidized housing.

Mishra, op.cit., Pg, 105-106

<sup>45</sup> Mishra, op.cit., Pg, 105-106

<sup>46</sup> J.D. Hulchanski, & B. Grieve, Housing Issues and Canadian Federal Budgets: 1968 to 1984, UBC Planning Papers Canadian Planning Issues #12, School of Community and Regional Planning, UBC, Vancouver, Nov 1984, Pg 10-11

Carter and McAfee, (1990) point out that additional amendments to the NHA in 1973, strengthened the potential for municipal involvement in social housing. Several municipal non profit housing corporations together with community non profit and cooperative housing organizations took advantage of this legislation and emerged as active facilitators and developers of low income housing.

The Status Report on City of Winnipeg Involvement in Housing Initiatives, (1990) indicates the City of Winnipeg was one of many municipalities to take advantage of the 1973 legislation by facilitating several infill housing initiatives. One of the earliest housing initiatives the City of Winnipeg Community Programs Division participated in following the 1973 NHA amendments was the construction of nine infill public housing units in the North Point Douglas neighborhood. The Community Programs Division in concert with the Manitoba Housing Renewal Corporation, used small lots on city owned land, and the services of a small work crew for the development of infill housing in the North Point Douglas neighborhood. As programming proceeded from the North Point Douglas neighborhood to the Centennial and other neighborhoods, the Community Programs Division continued to acquire and purchase small vacant lots and substandard housing for the development of infill housing units.

Carter and McAfee (1990) state, Toronto was yet another city which took advantage of the 1973 NHA amendments by establishing a municipal non profit housing corporation which was later incorporated and in full operation as a civic housing department by 1978. The civic housing department exercised the role of comprehensive developer of low income housing. As such its mandate was to develop new housing for low and

moderate income people, and acquire and renovate existing housing in the city.<sup>47</sup>

Like Toronto, the City of Vancouver initially established a municipal non profit housing corporation following the 1973 NHA amendments. Carter and McAfee (1990) suggest the first intention was to assume a comprehensive developer role. The second intention being to house families and low income singles in the city's skid row area. However, unlike Toronto, Vancouver had an active third sector in place which was capable of addressing the city's existing low income housing needs.<sup>48</sup> In addition, Vancouver had a shortage of affordable and suitable land on which to develop low income housing. Consequently, Vancouver's municipal non profit housing corporation faced a number of organizational barriers and constraints which hampered the operation of the corporation. In the end, the municipal non profit housing corporation dissolved, and policy planning and

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As a comprehensive developer of housing several responsibilities were given to the corporation that provided it with a broad and effective mandate to deliver housing initiatives. These responsibilities included: research to identify annual housing production targets, demonstrate housing need, and develop new responses to housing the poor; land acquisition for the purpose of increasing the supply of land in public ownership for assisted housing sites; construction of assisted housing with an emphasis on rental units; purchase and renovation of existing housing for low and moderate income households; property management of assisted housing; coordination of non profit housing activities; and program and policy coordination between the city and senior governments.....

Carter and McAfee, op.cit., Pg, 234

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.....Carter and McAfee indicate a comprehensive developer role is most effective when the reason that housing needs are not being met is either the absence of third sector sponsors or their inability to meet existing needs....

Carter and McAfee, op.cit., Pg, 236

program delivery were transferred to the existing municipal departments.<sup>49</sup> As a result, Vancouver was resigned to exercising a facilitative housing role.

Unlike Toronto and Vancouver, the City of Winnipeg did not establish its municipal non profit housing corporation until 1977. According to Carter and McAfee (1990) the two most prominent issues which led to the city's decision to establish the Winnipeg Housing Rehabilitation Corporation were: (1) housing affordability; and (2) housing adequacy.

McKee (1975) indicates, there was a large stock of inner city housing in poor condition. Some 23% of the inner city stock required major repair, and a housing crisis existed for single parents and the elderly.<sup>50</sup> Neither the private market nor non profits were able to meet the need for low cost housing. These conditions in part led to the establishment of the Winnipeg Housing Rehabilitation Corporation.

Radewich (1986) states, the establishment of the Winnipeg Housing Rehabilitation Corporation, (WHRC) enabled the city to address a host of inner city stabilization, revitalization, and affordability problems.

...The rationale for the WHRC was to allow the city to maximize all of the subsidies under the federal housing programs; promote neighborhood stability through increased rehabilitation

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...Carter and McAfee add, special short term development groups were hired to project manage larger sites such as the 70 acre city owned False Creek area. City staff assisted non profit and cooperative resource groups to acquire sites, get funds from senior governments, and move expeditiously through the development process. The process proved to be effective and on an annual basis, the number of units assisted during the late 1970s was comparable to the production of the Toronto housing corporation. A social housing strategy was adopted in the 1980s that incorporated this particular approach....

Carter and McAfee, op.cit., Pg, 236

<sup>50</sup> McKee C, et.al., Housing Inner City Type Older Areas, Report #67, Institute of Urban Studies, Winnipeg, 1975, Pg, 8



activity; provide the city with a direct lever to improve specific neighborhoods; and provide housing on a more cost effective basis than public sector development....<sup>51</sup>

This rationale in part explains the present role of the WHRC, which is the acquisition, improvement, and rehabilitation of existing buildings for and the conversion thereof, to housing accommodation of all kinds for sale or rent to persons of low or modest income.<sup>52</sup> In a few cases, the WHRC has initiated the development of new non profit housing units under the federal-provincial non profit housing program using capital funding from the province and net operating revenue from the city.

As is explained in chapter three, the WHRC was and continues to be plagued by problems including a lack of city council support, insufficient operating revenues, and limited capital resources. Consequently the WHRC role has been limited and passive.

Irrespective of this initial housing activity during the early to mid 1970s, Carter and McAfee (1990), suggest few municipalities were willing to accept responsibility for the full fledged development, and management of low income housing initiatives. Rather, they were willing to exercise a facilitative housing role by lobbying senior level governments for funds, relaxing the regulations on the construction of innovative housing units, and contributing small parcels of land for social housing built by the senior levels of government. This notion is complemented by Hulchanski et.al, (1990) who suggests municipalities were inclined to play a facilitative housing role by facilitating private sector and senior government initiatives.

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<sup>51</sup> Radewich, op.cit., Pg, 61

<sup>52</sup> Radewich, op.cit., Pg, 63

In the case of Winnipeg, the city refused to assume financial and political responsibility for unilateral development, delivery, or management of low income housing units. The city maintained the provision of housing was the responsibility of the senior levels of government, particularly the province.

Consequently, Bacher (1993) contends, the Manitoba Housing Renewal Corporation maintains a controlling role which involves initiating, designing, developing, and financing independent provincial and co-financing federal housing initiatives.<sup>53</sup> It also involves the development of public, non profit, and housing units and establishment of land assembly projects in Winnipeg.<sup>54</sup>

According to Smith and Ward's article Social Housing Current Programs and Principles (1984) the municipal housing role varies across Ontario. Some municipalities, (eg: Ottawa, Toronto, Peel), have well defined active involvement across a spectrum of housing functions. Others are selective as to the degree of municipal involvement.

Hulchanski et.al (1990) complement Smith and Ward's claims and add, the municipal housing role began to change in the 1970s.

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53 .....This involved provincial involvement in the development of public non profit and cooperative housing initiatives in the City of Winnipeg. Table 2.1 illustrates the extent of housing activity sponsored by MHRC between 1982-1990, in Winnipeg's inner city.

Ufoegbune, op.cit., Pg, 82

54 .....Under Manitoba's NDP administration, the provincial government banked over 3500 acres of land in the Winnipeg area for housing in the early 1970s... In 1975, 2,037 public housing units were constructed under the NDP administration.....

Bacher, op.cit., Pg, 18

Table 2.1 Manitoba Non Profit Housing Programs

**NON-PROFIT HOUSING PROGRAM DELIVERED BY MANITOBA  
HOUSING AND RENEWAL CORPORATION, IN THE INNER CITY, 1982-1990**

Program	Number of Units	Types of Units	Capital Cost
Public Non-Profit* Program (MHRC owned	999	143E 856F	\$17,494,962
Private Non-Profit Program	294	44E 35FE 219F	\$10,856,816
Urban Native Non-Profit Program	71	F	\$ 4,130,056
Source Estimate MHRC, Annual Reports, 1982-1990			
TOTAL	- 1364	-	\$32,481,834
Source: Compiled from MHRC, Annual Reports, 1982-1990			

Source: MHRC Occupancy Listings for Public Housing

Public Non Profit Housing Program Owned

....With the rise of citizen participation in planning, more elected officials and active citizens focused on local housing conditions. Municipalities began to define more active housing roles for themselves and often sought local solutions to local needs. In Montreal, Toronto, and Vancouver, this progressive approach to housing supply and maintenance led to the municipal development of the Milton Park, St. Lawrence, Frankel-Lambert, False Creek South, and Champlain Heights socially mixed neighborhoods.....<sup>55</sup>

In a Comparative Assessment of Programs Dealing with the Homeless among the Private, Public and Third Sectors, Daly, (1988) concludes the reasons for the municipality's active and visible role varies from region to region, city to city, neighborhood to neighborhood. As such, socially devised and multi faceted programming is most appropriate.

.....municipalities have long recognized this fact, and it is one of the primary reasons for local improvement. In addition, few housing problems can be solved by a housing only solution. Multi faceted programming is required. The basic rationale for providing homes for the "needy", is yet another factor... The fourth factor, accounting for a greater municipal role, involves the position of the municipality. Municipalities have broadened their role because they are best able to identify the diversity of needs, and deliver the variety of resources by those in need of housing assistance. The final factor, includes pressure from residents for local governments to address housing needs...<sup>56</sup>

In becoming more active, Hulchanski et.al, (1990) suggest municipalities began developing innovative and multi faceted housing initiatives aimed at the maintenance and supply of low income housing. Often these initiatives were tailored to suit the economic, political, and social conditions of the municipality.

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<sup>55</sup> J. David Hulchanski, Margaret Eberle, Michael Lytton, Kris Olds, The Municipal Role in the Supply and Maintenance of Low Cost Housing: A Review of Canadian Initiatives, Center for Human Settlements, UBC, August 1990, Pg. 1

<sup>56</sup> Carter & McAfee, op.cit., Pg. 232

Carter and McAfee (1990), and Hulchanski et.al. (1990) illustrate, that by the late 1970s, the municipal housing role could be defined in the context of one of three roles. These three roles were the reactor, the facilitator, and the comprehensive developer.

Hulchanski & Drover (1986), Hulchanski and Grieve (1984), Carter and McAfee (1990), Hulchanski et.al. (1990), and McKee (1993), indicate that by the late 1970s, changing economic, political, and social, conditions and events led the federal government to amend the NHA, and establish the Federal-Provincial Global Funding Agreement, (FPGFA) in 1978.

Hulchanski & Drover, (1986), Hulchanski (1988), and Mishra (1990) indicate that in keeping with an assisted market and emerging neo conservative approach to housing policy the federal government maintained the need to reduce direct expenditures on social housing. At the same time it acted as a catalyst to promote private sector investment in stimulating the economy. Public, Non-profit and Co-operative housing programs were viewed as wasteful and poorly targeted. In addition, these programs were criticized for stigmatizing residents in public housing as poor. Consequently the federal government continued to focus on the RHOSP and MURB tax incentives to address the high costs of home ownership, and problems of profitability in the private rental market.

The Federal Provincial Global Funding Agreement, (FPGFA), marked the introduction of federal disentanglement policy. The Agreement, demonstrated the federal government's willingness to transfer administration, delivery, and management, of public non profit housing to the lower levels of government, particularly to the provinces, in return for a larger financial commitment to federal social housing programs. Some of the reasons behind the NHA amendments and this agreement are identified in

Appendix 2.2 a, b, c, d, respectively. In all, federal disentanglement policy can be attributed to two factors: (1) intergovernmental relations and (2) fiscal restraint. By the later 1970s these conditions and events halted further movement towards a comprehensive approach to housing policy as the economy moved from a post war welfare economy to a mixed economy of welfare.

**The Municipal Housing Role In a Period of Federal Disentanglement:1978-1983**

In 1978, the federal government amended the National Housing Act in part with the intention of reducing federal spending and intervention in the housing market.<sup>57</sup> It was anticipated that under the FPGFA the federal government would withdraw from the planning, and regulation, of non profit housing and community revitalization programs such as the Neighborhood Improvement Program and Residential Rehabilitation Assistance Program. It was also expected that the lower levels of government would play a larger role in the administration and delivery of housing programs while the federal government limited itself to a broader role of financing.

Banting (1990) adds, the federal government anticipated that the provinces would stack additional subsidies on top of existing federal subsidies.

However, Bacher (1993) recognizes that unlike the 1973 NHA amendments, that empowered Third Sector housing initiatives, the 1978 NHA amendments and Federal-Provincial Global Funding Agreement proved crippling to the Third Sector. Only in Ontario, was the federal retreat

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<sup>57</sup> Carter and McAfee, op.cit., Pg 230-231

from social housing evenly matched by an expansion of social housing activity on the part of the provincial government.

Bacher (1993) reflects a common contention in the literature, that suggests in the case of provinces which signed the Federal-Provincial Global Funding Agreement, some provinces failed to stack on subsidies equally or evenly. From 1978-1981, provincial assistance dropped to 9% of federal subsidies, and three years later the provinces further reduced their spending on housing.<sup>58</sup> Such moves by the neo conservative government in British Columbia, made it difficult for municipalities to produce affordable housing for low income families. In B.C., provincial policy prevented the City of Vancouver from achieving its targets despite its generous leasing of land for social housing at below market prices.

Radewich (1986) contends Toronto's municipal housing role was strengthened by public pressure from grass roots organizations, public interest groups, tenant associations, and urban reform minded politicians to broaden and expand the municipal housing role. The provision of low income housing became a key campaign issue and several reform minded civic politicians were elected to council on that basis.

Fallis and Murray (1990) add that together with the urban reform movement the reform minded politicians impressed on local government the importance of local decisions in shaping urban problems and developing independent local solutions.

In Winnipeg, the main issues at this time centered around containing suburban growth, and stabilizing and revitalizing the inner city, which

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<sup>58</sup> Bacher, op.cit., Pg. 258

included implementation of strategies that encouraged city residents to live in the inner city.

CHRA literature (1990) suggests, the municipal housing role was strengthened through a national non profit lobbying organizations known as the Canadian Housing Renewal Association, and later the Federation of Canadian Municipalities.<sup>59</sup>

Beyond Reaction: Strategies for Housing Providers in Responding to Current Federal Housing Policy Initiatives, (1992) suggests, most municipalities viewed housing programs as opportunities to improve their overall quality of life in the community and to assist in the community development process and provide an economic service at the local level.

Carter and McAfee (1992) state as responsibility for social housing decentralized, the activities of municipal planning and housing departments diversified. They cite a claim by Mass which suggests that by the end of the 1970s, most cities had completed large housing needs studies which reflected municipal willingness and commitment to deal with social housing.<sup>60</sup>

Burchinshaw et.al. (1985) supports this latter notion, and contends municipalities began responding to the low income housing problem by developing formal municipal housing policies and needs assessments. In

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...The CHRA represents those who manage and deliver housing programs in communities across Canada such as municipal housing departments and municipal and private non profit housing corporations, and rehabilitation program agencies. The CHRA lobbies on behalf of its members in support of continued federal presence in social housing, additional funding for federal housing and community revitalization initiatives.

CHRA, "The Canadian Housing and Renewal Association", Brief, Canadian Housing Renewal Association, Ottawa, 1990

<sup>60</sup> Carter & McAfee, op.cit., Pg, 238



1985, Burchinshaw's Survey of Municipal Housing Policy indicated 81% of municipalities had a formal housing policy statement.<sup>61</sup>

In the case of Manitoba, the City of Winnipeg began looking at establishing a municipal housing department.<sup>62</sup> In the end, it neither established a municipal housing department, nor did it develop a comprehensive housing policy or plan, nor did it partake in a city wide housing needs assessment. As is explained in chapter three, the city lacked the financial resources, political and legislative commitment needed to establish a municipal housing department or undertake a city wide housing needs assessment. As discussed in chapter one, the city did not view the provision of low income housing as their responsibility. Rather, it argued it was the responsibility of the senior level of government.

Boyd (1989) identifies the Province of Manitoba as playing the lead housing role throughout the late 1970s and 1980s. She explains, the City of Winnipeg was absent in identifying local housing needs and in the planning undertaken to address these needs. In all, the city lacked an aggressive housing role. However, the absence of an aggressive housing role did not preclude the city from pursuing wider involvement in addressing Winnipeg's housing needs and problems.

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<sup>61</sup> ....Burchinshaw elaborates, out of a total of 46 municipalities, 81% had a formal document of housing policy... Of the 33 municipalities from which housing policy documents were received 58% were in Ontario.... A significant majority of the municipalities have specific housing policies pertaining to individual social housing issues... The second key issue which municipalities address is the specification of housing targets. A needs analysis is generally done on an annual basis....

Mark Burchinshaw, David Jeu, & Peter Spurr, "Survey of Municipal Housing Policy", CMHC Research Division, August 1, 1985, Pg, 1-19

<sup>62</sup> ...This was officially recognized in a 1983 City policy document, and later recognized through an Ad Hoc Committee dealing with the establishment of a Municipal Housing Department.

According to the Status Report on the City of Winnipeg Involvement in Housing Initiatives, (1990) the city used multi faceted techniques in facilitating the delivery of low income housing initiatives under its housing mandate as identified in chapter one.

This involved enforcement of maintenance and occupancy by-laws which at the same time provided tenant and landlord support through counseling, education, and funding, (eg: Core Area Initiative Residential Upgrading and Maintenance Program).

Second, it involved facilitating the development of infill housing through the provision of infill lots to the Manitoba Housing Renewal Corporation.

Third, it involved providing technical, and research, support to non profit and cooperative groups such as Knew Housing, MAPS Housing Co-op, and Weston Resident Housing Co-op.

Fourth it involved participating in feasibility studies pertaining to the development of non profit housing initiatives.

Fifth it involved facilitating and supporting non profit housing initiatives through land cost write downs and donations.

Sixth it involved facilitating non profit housing initiatives by expediting the regulatory process and cutting "red tape".

Seventh it involved lobbying the senior levels of government for additional funding for existing and new housing initiatives.

Eighth it involved facilitating and coordinating the initiatives of other city line departments, divisions, branches, whose activities were directly or indirectly related to the supply, maintenance, or rehabilitation, of low income housing.

Ninth, it involved approving and reviewing requests for assistance under the Housing Development Stimulus Program.

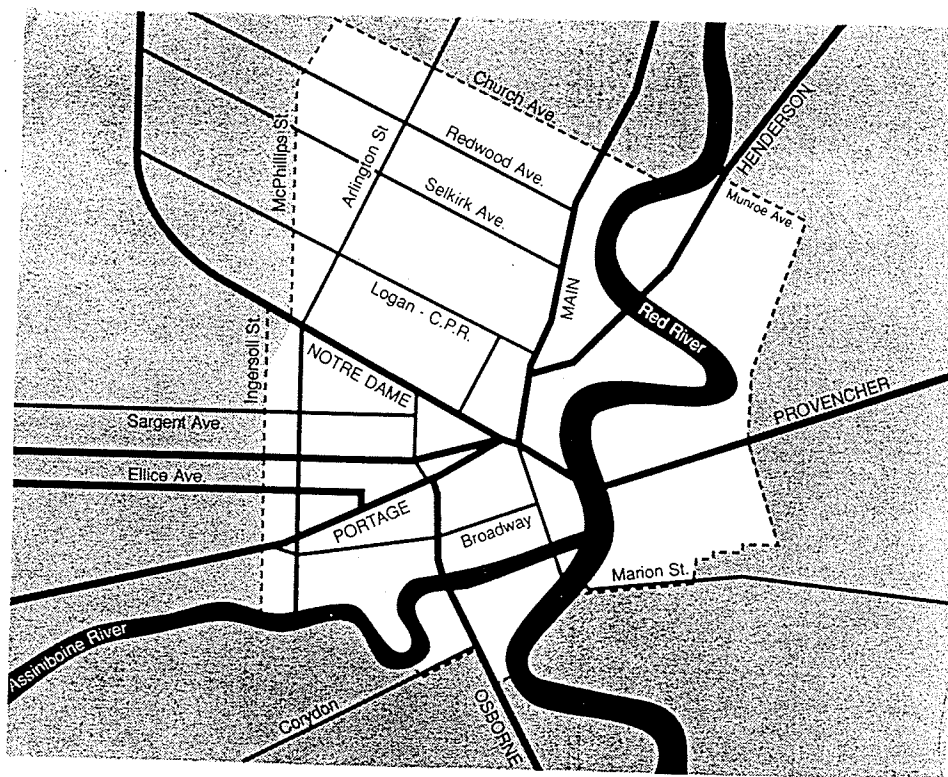
Finally, it involved administering and facilitating the delivery of the federal Residential Rehabilitation Assistance Program.

As is illustrated above, the city's facilitative housing role consists of a number of components. As such, its housing activities are not limited to one particular initiative such as facilitating the delivery of RRAP. This multifaceted housing role is not without limitations or problems. As will be explained in chapter three, the city's housing role is highly fragmented.

During the early to mid 1980s Hulchanski et.al., (1990) Carter and McAfee (1990), suggests, some municipalities discovered new housing roles and opportunities. Some joined the senior levels of government in tri level initiatives. For example, the City of Winnipeg entered into a tri partite agreement with the Manitoba and Federal government at this time. The Core Area Initiative Agreement allowed the city to participate as a full and equal partner in developing, funding, and administering, a number of innovative housing programs in Winnipeg's Core Area. The boundaries of the Core Area are illustrated in map 2.1. Other municipalities pursued independent and innovative initiatives aimed at the comprehensive development or facilitation of low income housing initiatives. Hulchanski et.al (1990) suggests some cities became the sites for large scale urban redevelopment projects with direct municipal government involvement. Others relaxed municipal regulations that discouraged or restricted the development of innovative housing units, offered zoning incentives and property tax concessions to facilitate the supply of low income housing.

At the same time Hulchanski et.al (1990) adds, the early 1980s were a period of economic, political, and cultural change for governments, business,

Map 2.1 CAI Boundaries



Source: Core Area Initiative. Partnership for Renewal: Winnipeg Core Area Initiative 1981 to 1992, Winnipeg. 1992.

and citizens. During this recessionary period there were few municipal initiatives that appeared to stimulate and maintain low cost housing. At the federal level, Prime Minister Trudeau's Liberal government played a major role in developing temporary market housing initiatives through tax incentives and direct subsidies in response to low levels of housing starts and vacancy rates and a high level of mortgage interest rates. The intention of these initiatives was to stimulate the economy, control soaring interest rates, raise employment levels, and boost housing starts through home ownership incentives such as the Canadian Home Ownership Stimulation Plan. The federal government also topped-up provision of RHOSPs, replaced the Assisted Rental Program with the Canada Rental Supply Program, and introduced the Canadian Home Ownership Stimulation Program, (CHOSP).

The Status Report on City of Winnipeg Involvement in Housing Initiatives (1990) indicates the 1980s, were a period in which the city broadened its involvement in housing and community revitalization through the Core Area Initiative.<sup>63</sup> Under the Core Area Initiative

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.....The Winnipeg Core Area Initiative was a tri partite development strategy between the federal, provincial, and municipal governments to plan, implement, and coordinate programs and projects in order to revitalize the inner city and improve economic opportunities for its residents. The initiative was in response to the economic, social, and physical problems in the inner city. ....The Core Area Initiative had seven objectives: First to provide operating and facilities development funding to community and neighborhood organizations; Second, extend community improvement to commercial street revitalization; Third, expand community improvement to peripheral areas of the core, as ongoing Manitoba-Winnipeg Community Revitalization programs proceeded; Fourth, expand and enrich the Residential Rehabilitation Assistance Program; Fifth, support projects developed by non profit housing corporations; Sixth, build new homes in older neighborhoods on land acquired through former Neighborhood and Community Improvement Programs; Seventh, enforce housing by-laws in an organized manner through a program designed to meet the social needs of tenants.....

Winnipeg Core Area Initiative, Canada-Manitoba Tripartite Agreement 1986-1991: Revitalizing the Heart of Winnipeg, 1991, Pg 1

Agreement, Community Programs Division staff participated in the drafting of CAI housing programs, served on a tri-level Housing Sub Committee which was responsible for coordinating the activities undertaken within each of the housing sub programs, and facilitated the delivery of several Core Area Home Repair and By-law Enforcement Programs, notably the Core Area Home Renovation Program, (CAHRP), and the Core Area Rental Unit Repair Forgiveness Program, and Core Area Residential Upgrading and Maintenance Program. Figure 2.1 illustrates the Core Area Initiative Programs the Division delivered or related to in an indirect way since 1982.

### **The Municipal Housing Role Under a Conservative Agenda 1984-1993**

The period 1984-1993, ushered in a new ideological and political agenda at the federal level of government. Like several authors throughout the literature, Mishra (1990) identifies the election of Prime Minister Brian Mulroney, and the federal Conservative Government as a significant turning point in Canadian housing policy. The election of the Conservative Government represented an ideological shift towards decentralization and privatization of federal government programs and services. One of the earliest acts of the new Conservative Government was to reduce spending on social housing and housing rehabilitation programs. But more important in policy terms was targeting scarce social housing assistance to low income individuals in most, or "core" need, such as single parent families. This was one of the main themes of the Nielson Task Force on housing.

...According to the Nielson Task Force, housing programs have benefited Canadians at all income levels... Even social housing programs have served moderate and middle income households. It is time to redress this imbalance, to favor those with the greatest need for assistance.... The Task Force linked

Figure 2.1 Core Area Initiative Programs

CORE AREA INITIATIVE PROGRAMS		
PROGRAMS	CORE 1	CORE 2
<i>Home Repair</i>		
Home Repair Administration - funding to hire home repair delivery staff and and operate a home repair centre	\$2,181,000	\$850,000
Home Repair Grants - Homeowners and Landlords - to increase the volume of funding for homeowner and landlord RRAP	\$2,800,000	
Home Renovation Program (CAHRP) - for critical and non-luxury repairs to owner-occupied homes and to provide hardship assistance		\$1,804,000
Rental Unit Repair / Forgiveness - to supplement CMHC's rental RRAP program		\$2,222,000
Loan Forgiveness for Hardship Cases - for added assistance to applicants with low adjusted household incomes	\$1,200,000	
<i>By-Law Enforcement</i>		
Core Area Residential Upgrading and Maintenance Program - housing by-law enforcement with social service and home support for tenants	\$1,311,320	\$1,548,649
- funding from P.A. 6.2		\$500,000
<i>Homeownership Incentives</i>		
Grant for Home-Ownership - grants to purchase new infill dwellings and existing houses requiring renovation	\$2,000,000	\$1,850,000
<i>Housing Development Assistance</i>		
Non-Profit Assistance - in the form of complementary funds to support non-profit housing projects	\$2,025,000	
Housing Development Stimulus - to stimulate the development of additional housing stock by providing assistance for capital cost, land assembly infrastructure redevelopment and relocation		\$2,225,351
<b>TOTAL HOUSING PROGRAM</b>	<b>\$11,517,320</b>	<b>\$11,000,000</b>

Source: Community Programs Division. "Status Report on the City of Winnipeg Involvement in Housing Initiatives". Department of Environmental Planning. Winnipeg. November 1990

this point with the idea that it was not the supply of housing but its affordability that was the problem....<sup>64</sup>

Mishra (1990) states that in keeping with Nielson's basic premise, the Conservative government phased out many of the tax incentive and subsidy programs designed to address problems of stagflation in the 1970s and depression in the early 1980s. The focus of the Conservative strategies was on deficit reduction, social spending cuts, disentanglement, and the promotion of self reliance through self help initiatives, ensuring fiscal restraint, and assisted market approaches that enabled greater market efficiency and responsiveness. These changes represented the beginning of an end to such concepts as universality and the welfare state, and move towards a mixed economy of welfare.

Fallis and Murray (1990) suggest these changing values reflected a collapse of public consensus that sustained the welfare state and universality during the 1960s, and 1970s. In short, the general public was fed up with government intervention and extravagant spending on social programs. Fallis and Murray add, Canada evolved towards a more pluralistic concept of welfare, with a greater role for third sector and volunteer groups, and greater emphasis on individual responsibility.

This latter notion is reflected on by Pomeroy (1990) who suggests the federal government could no longer afford to underwrite the less tangible social benefits inherent in the housing programs of the 1970s. There was a need to reduce social spending, and re-target federal social housing dollars more effectively. The government targeted social housing funding more effectively by eliminating wasteful and poorly targeted housing programs.

There was also a need to "pull back" from new social housing

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<sup>64</sup>Mishra, op.cit., Pg, 108



programming and funding. One way the government did this was through social housing program and budget cuts as is illustrated in figure 2.2. A second way the government did this was through amendments to the NHA, and reaffirmation of federal disentanglement policy through the Federal Provincial Global Operating Agreements, (FPGOA) in 1986.

Newman and Lyon (1986) contend, the FPGOA provided the federal government with a mechanism which allowed it to disengage itself from programs that were housing related but did not directly produce starts or additional number of units. As will be explained in chapter four, this is one reason the federal government terminated the federal rental Residential Rehabilitation Assistance Program in 1989.

Carter and McAfee (1990) suggest the reaffirmation of disentanglement policy epitomized a desire to devolve federal housing responsibility to the private sector, the provinces, municipalities, and other Third Sector organizations. This move towards decentralization was one way in which the federal government could fulfill its conservative agenda. At the same time, maintain control over the basic parameters of housing policy.<sup>65</sup>

At the local level, Hulchanski et.al. (1990), suggests some municipalities continued to change their role and move towards a more pro active role following the early 1980s recession.

...Following the retrenchment of the early to mid 1980s and the accompanying economic restructuring, the municipal housing role began to change, particularly in cities with rapidly growing

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Banting adds although the federal government had minimal control over the basic parameters of housing policy it displayed great flexibility towards the provinces and municipalities. The federal government relinquished multi faceted programming to the lower levels of government which were required to respond to these program requirements.

Figure 2.2 Federal Reduction in Social Housing Activity &amp; Funding

1980-1990	52% Decline in Social Housing Production from 31,392 to 15,130 units, (excluding RRAP units) <sup>1</sup>
1990-1992	46 % Decline in Social Housing Production <sup>2</sup>
1990	Social Housing Budget Cut by 50%
1991	Social Housing Budget Cut by 21%
1992	Social Housing Budget Cut by 22% <sup>3</sup>
1993	Social Housing Budget Cut by 29%

<sup>1</sup> Canadian Housing Coalition, "The Federal Role and Response to Social Housing", Canadian Housing Coalition, Fact Sheet #4, Ottawa, 1993

<sup>2</sup> Canadian Housing Coalition, "The Federal Role and Response to Social Housing", Canadian Housing Coalition, Fact Sheet #4, Ottawa, 1993

<sup>3</sup> ....Federal funding for social housing supported 38% fewer units in 1992 than in 1986...

Canadian Housing Coalition, "The Federal Role and Response to Social Housing", Canadian Housing Coalition, Fact Sheet #4, Ottawa, 1993

economies such as Toronto and Vancouver. The shortage of adequate and affordable housing in these major cities contributed to a growing homeless problem and encouraged these cities to facilitate, and participate in, the comprehensive development of low income housing initiatives.<sup>66</sup>

Hulchanski et.al (1990) add supportive provincial policies were a second factor that encouraged municipalities to broaden and diversify their housing role.

Unlike the period of competitive unilateralism which characterized the first half of the 1970s, Banting (1990) identifies the latter half of the 1970s and early 1980s as a period of federal accommodation and joint planning. This was characterized by the federal government accommodating provincial attempts to obtain more control over a variety of social programs and initiatives.

Hulchanski et.al. (1990) suggests, that in order to cope with this larger responsibility some provinces allowed some municipalities a larger housing role in return for additional revenues. For example, the Province of Ontario looked towards a larger municipal housing role, and passed mandatory legislation which required a municipal financial and organizational contribution.

In light of these events, Winnipeg city council looked at broadening its housing role and adopted the 1989 Ad Hoc Committee on Housing recommendations which spelled out and supported the city's direction in terms of future housing policies and initiatives. The Ad Hoc Committee emphasized that the city not only broaden its housing role, but strengthen its commitment to housing programs, and the revitalization of older residential

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<sup>66</sup> Hulchanski et.al., op.cit., Pg. 12

neighborhoods. One way the city could do this was through a Department of Housing and Community Programs. This Department would be responsible for residential rehabilitation, by-law inspections, housing policy development, housing design and development, support to non profits, and the operation of a housing clinic for landlords and tenants. However as will be illustrated in chapter three, limitations at the local and provincial level of government have hampered the realization of these initiatives and policies.

The third factor that led to a broader municipal housing role was a new spirit of entrepreneurship and related drive for regulatory reform.<sup>67</sup>

.....Some municipalities developed condominium conversion and demolition regulations to maintain the existing housing supply. They adopted or amended standards of maintenance by-laws to address the poor quality of inner city housing stock, (rental apartments and rooming houses in places like Regina, Toronto, and Vancouver.<sup>68</sup>

Fallis and Murray (1990) reflect a common contention in the literature that federal and provincial fiscal retrenchment led many municipalities to emerge as major housing actors even though they were financially ill prepared to assume this role. The municipalities emerged as a main housing actor by default, because it was recognized that national or provincial solutions could not cope with the diversity of local housing markets.

Finally Hulchanski et.al (1990) attributes the larger municipal role to intergovernmental relations and the Federal-Provincial Global Operating Agreements.

....The 1986 Federal-Provincial Global Operating Agreements created uncertainty amongst many municipalities about the

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<sup>67</sup> Hulchanski et.al., op.cit., Pg, 13

<sup>68</sup> Hulchanski et.al., op.cit., Pg 11

future of these non profit programs. The decline of federal and provincial funding for non profit, cooperative, and rehabilitation programs forced some municipalities to generate innovative initiatives with respect to the supply and maintenance of low cost housing although they were financially ill equipped to fill this gap....<sup>69</sup>

Schubert (1993) suggests disentanglement has had a small impact on large cities due to their ability to introduce or maintain comparable replacement non profit housing programs such as the ones offered by the federal or provincial governments. In these cases, it has created opportunities for experimentation and innovation. For the local municipalities that could afford to pay, devolution of responsibility became a form of local empowerment. As such the large municipalities developed multi faceted and innovative housing initiatives. In the smaller and poorer cities disentanglement has had a larger impact due to the municipalities inability to replace senior government programming. This discredits the notion that disentanglement policy reduces regional inequities across Canada, and gives credence to the notion that disentanglement is one of many factors that determine and shape the municipal housing role.

Ashton and Bruce (1993) support this latter idea and conclude the effects and impacts of federal disentanglement policy have not been universally consistent across all provinces and municipal regions. Nor has disentanglement reduced social welfare expenditures or ensured regional equity in all regions of the country.

Radewich (1986) also lays claim to the notion that disentanglement has failed to ensure regional equity. He explains federal disentanglement has

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<sup>69</sup> Hulchanski et.al., op.cit., Pg, 12-13

resulted in one federal program being administered in a variety of ways across the country.

Schubert (1993) suggests poorer municipalities have remained dependent on senior levels of government for programming and funding. For example, during the 1980s, a reduction in federal-provincial transfer payments and stagnant revenues caused the Manitoba government to systematically reduce the scope of its programming in the province's community development envelope. The community development envelope includes housing, urban and municipal affairs.

According to Schubert virtually all of these areas programming entailed financial transfers either directly or indirectly to lower levels of government and community organizations which had to be severely cut back. This in turn triggered significant local property tax increases contributing to new and more negative public attitudes toward public renewal initiatives.<sup>70</sup>

By the late 1980s and early 1990s the federal role had been reduced to mortgage insurer and financier. In exercising this role the federal government reinstated its practice of direct lending for subsidized housing. The broader responsibility for housing administration, management, policy implementation, and program delivery was assigned to the provinces. In order to contain their own social program costs a few provinces began passing

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.....The decline in urban renewal funding was in fact mitigated in Winnipeg during the 1980s by the existence of a special arrangement under the Core Area Initiative Agreement whereby the three levels of government equally cost shared inner city renewal programs including a number which were wholly innovative and others which effectively replaced, canceled, or significantly reduced federally funded programs. However, the federal government has displayed great reluctance to enter into another such agreement, with the result that many of those program activities have been lost for the foreseeable future....

Bill Ashton & David Bruce, (eds) Beyond Housing, Selected 1992 Congress Papers, Canadian Housing and Renewal Association, Rural and Small Town Research and Studies Program, Mount Allison University, New Brunswick, 1993, Pg, 14

greater housing costs on to the municipalities in return for: (1) greater municipal autonomy and independence over their own affairs; (2) provincial support for municipal initiatives; and (3) greater municipal control and voice in provincial housing policy, particularly in Ontario and Quebec. Consequently some municipalities were once again rising to prominence as a major housing actor in the housing market.

...According to L'Heureux (1985) some municipalities have come full circle from a time when locally based institutions bore responsibility for all aspects of daily life to one in which the capacity to fulfill this role has been eroded and therefore largely removed to other orders of government to one in which people are once again viewing local government and institutions as the most direct and accessible outlet for their most pressing concerns....<sup>71</sup>

### Looking Towards a Future Housing Role

In a period of down sizing, fiscal restraint, deficit reduction, and no new federal funding for social housing programs in the foreseeable future, several questions arise in looking towards a future municipal housing role.

- (1) Where has the municipal housing role been?
- (2) Where is the municipal housing role at?
- (3) Where is the municipal housing role headed?

At this point, the literature review has addressed the first two questions. The final part of the chapter will address the third question by examining the housing role some municipalities are likely to pursue over the next few years.

The works' of Hulchanski et.al. (1990) and Carter and McAfee (1990) reflect the notion that municipalities act in diverse capacities depending on the particular needs, available funding, and commitment, in the municipality. Similarly both sets of work, suggest municipalities should not

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<sup>71</sup> See Jacques L'Heureux's "Municipalities and the Division of Powers", in Richard Simeon's Intergovernmental Relations, University of Toronto Press, 1985, Pg, 204

be confined to one particular role. Rather municipalities should be encouraged to act in a number of different roles.

Carter and McAfee (1990) capture this latter notion and recommend municipalities adopt a spectrum of roles to respond to the diversity of local housing needs.

...Local governments should be encouraged to become more innovative in actions they initiate on their own and in forming partnerships with other levels of government, private and non profit sectors. Municipalities have considerable knowledge of housing needs and a number of regulatory tools at their disposal that if used wisely can be effective in addressing such needs. But municipalities must also be prepared to make a stronger commitment, to increased funding. Even more important is a political commitment. Such commitment will permit the testing of new directions and the creation of new initiatives to address the current and future housing needs of low income and homeless people...<sup>72</sup>

In addition to a financial and political commitment the literature suggests some municipalities, must gain a financial and political commitment from the senior levels of government. One way of obtaining this commitment is to lobby for legislative amendments that allow a greater municipal role in low income housing. This is necessary in order to transcend the narrow bricks and mortar or regulatory approach to the maintenance, rehabilitation and supply of low income housing.

Adequate and affordable housing is a base not the whole structure of economic and social success.<sup>73</sup> Leblonde (1993) concludes immigration, demographic changes, and social trends, in our communities are pushing

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<sup>72</sup> Carter and McAfee, op.cit, Pg, 260

<sup>73</sup> Denise Leblonde, "A Multi Faceted Federal Housing Policy is the Key to Healthy Communities", Canadian Housing, Vol 10, No 3, Spring/Summer 1993, Pg, 4



municipalities to respond to needs which combine housing and specific services beyond housing.<sup>74</sup> Leblonde adds, housing that promotes a higher quality of life must go hand in hand with complementary policies in such sectors as health, social services, training, education, and employment.

In pursuing this holistic approach, Ashton and Bruce (1993) recommend municipalities and community non profit housing corporations adopt a global perspective in searching for innovative low income housing initiatives.

Unlike Ashton and Bruce, Morris (1993) recommends municipalities and non profit housing corporations adopt a local or regional perspective. They can do this by: (1) establishing cooperative relationships with other municipalities; (2) developing partnerships with rural areas fighting to preserve farm land; and (3) developing partnerships with businesses struggling to maintain their independence.

In keeping with this line of thought, CHRA's Beyond Reaction (1992), recommends municipalities adopt a proactive, innovative, and flexible approach in facilitating or developing housing initiatives. The initiatives must make better use of existing public sector resources devoted to low income housing. Second, the CHRA Report recommends municipalities pursue low income housing initiatives that tap new resources including tenant incomes, charitable donations, sweat equity, and private sector revenues. Third, it recommends municipalities facilitate and develop new housing initiatives with the objective of making them more flexible and responsive to local needs. A case in point is illustrated in Municipal Initiatives in Affordable Housing.

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<sup>74</sup> Leblonde, op.cit., Pg, 4-5

A recent report by CHRA entitled Municipal Initiatives in Affordable Housing (1994) identifies 69 innovative initiatives in which municipalities have independently and jointly supported the development of adequate and affordable non profit housing in ways that are responsive to local needs. Although they cannot afford much in the way of direct subsidies municipalities have many tools and resources available to increase the supply of affordable housing without incurring significant extra costs. Some of these tools include long term municipal land leases, equity housing, financial partnerships, federal and provincial rent supplement programs, inclusionary zoning, and statutory reserve funds. In the end the report concludes, these initiatives demonstrate that it is possible to build non profit housing without the aid of the federal provincial non profit housing program.

### **Summary**

In summary this chapter has reviewed the literature on the evolving municipal housing role since 1945. The chapter examined the reactor, facilitator, and comprehensive developer role some municipalities adopt in response to changing economic, political, and social conditions, including Canadian housing policy. The latter part of the chapter examined the future municipal housing role given present down sizing, fiscal retrenchment, and reduced spending on social programs.

Chapter three continues the theoretical discussion begun in chapter two by examining the administrative, financial, organizational, political, public, and regulatory, barriers and constraints that determine and shape the municipality's role and involvement in low income housing.

### Chapter Three

#### Limitations on the Municipal Housing Role

Most municipalities are likely to encounter one or more barriers or constraints in facilitating the maintenance, supply, and rehabilitation, of low income housing. These barriers and constraints in part determine and shape the municipal role and level of involvement in low income housing.

The purpose of this chapter is to continue the theoretical discussion begun in chapter two, and examine the jurisdictional, organizational, political, public, regulatory and revenue barriers and constraints that determine and shape the municipal role and level of involvement in low income housing.

#### **Barriers and Constraints that Determine and Shape the Municipal Role and Level of Involvement in Low Income Housing**

In Manitoba, the City of Winnipeg role and level of involvement in low income housing is largely controlled and determined by the Province. Unlike the provinces of Ontario and Quebec, the province of Manitoba has yet to pass enabling legislation or adopt supportive provincial policies granting municipalities greater independence and jurisdiction in facilitating or developing low income housing initiatives and programs', nor is it willing to allow municipalities to broaden and expand their revenue base.

Boyd's (1989) work captures several reasons the Manitoba Government has been reluctant to grant municipalities greater independence and jurisdiction in low income housing. First, the province is unwilling to relinquish singular control of resource development decisions.<sup>75</sup> If the province were to formally recognize the contribution of the city in housing

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<sup>75</sup> Boyd, op.cit., Pg, 107

related issues, it may necessitate a role shift and the bestowing of greater decision making powers to the city.<sup>76</sup> According to Boyd, (1989) it would likely require that the Province ensure that the city have the necessary financial resources to carry out these decisions. By not developing a formal mechanism for input and by simply consulting on an 'as the need arises' basis, the province maintains primary control in housing policy and program decisions. At the same time, even if the province wishes to involve the city and expand its decision making capabilities the province would be constrained by the federal government's ability to control policy through legislation such as the NHA, and financial means. Boyd adds, until some significant change in institutional arrangements or key processes occurs the City will continue to be on the periphery of decision making.<sup>77</sup>

Despite these constraints, the city has recommended plans and policies, which acknowledge the city's right to diversify and expand the municipal housing role, given it has a financial and political commitment by local politicians.<sup>78</sup> However, this acknowledgment has yet to manifest itself in

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<sup>76</sup> Boyd, op.cit., Pg, 107

<sup>77</sup> ....Community Programs Division Manager, Mr. Neal Kowlessar states, under the present constitutional arrangements, provincial jurisdictional, and revenue limitations on the city prohibits it from participating in the development of multiple family housing units. This is the responsibility of the province. Consequently the city is unable to assist the provincial government in locating low income housing in the City of Winnipeg. On the other hand the municipal government has assisted private non profit organizations locate housing development particularly through infill housing development. The lack of city influence in provincial decisions to locate low income housing in the City illustrates the limitations on the municipality's ability to develop a comprehensive housing plan.

Inperson Interview with Community Programs Division Manager Mr Neal Kowlessar, City of Winnipeg, January 14, 1994, 2:00 PM, 986-5257

<sup>78</sup> ...Through the City of Winnipeg Act, city council has been empowered with considerable control over the nature, quality and supply of housing in Winnipeg's inner city. The enabling legislation presently permits (1) the regulation of new development, redevelopment, alteration and improvements

terms of a financial, moral, or political commitment to a broader and larger municipal housing role. In short, the city does not want to take on a larger role and responsibility. This is evident in the City of Winnipeg's reluctance to establish a Department of Housing and Community Programs. Local politicians view the provision of low income housing as the responsibility of the senior levels of government. This in turn is attributed to the entrenched notion that municipalities are "creatures of the Province"

### *Constitutional Constraints*

In Provincial and Municipal Roles in Canadian Planning, Cullingworth (1985) contends that provinces are responsible for the municipality's existence and therefore determine the municipality's powers. As a result many municipalities are financially, legally, and politically weak. This weakness is largely attributed to an erosion of municipal autonomy, and independence, by excessive provincial interference in municipal affairs.

Before municipalities can expand their jurisdiction in any area including the provision of low income housing, the province has to pass legislative amendments which enables a constant review of the powers municipalities can adopt.<sup>79</sup> Municipalities lacking provincial authorization

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through zoning regulations, development control, and enforcement procedures; (2) the implementation of neighborhood oriented planning through community plans and action oriented plans; (3) the issuance of grants and loans for improvements, additions, and maintenance of buildings; (4) direct involvement in the acquisition, erection, sale or rental of dwellings as well as grants of money to non profit housing corporations deemed in the interest of the City; and (5) the power to enact programs for the rehabilitation, improvement, or renewal, of urban areas...

Stewart Clatworthy, Sybil Frenette, & Christine McKee, Inner City Type Area Housing Study:Synopsis:Draft Copy, Institute of Urban Studies, (IUS) University of Winnipeg, April 1979, Pg 65

<sup>79</sup> See S.M. Makuch's article "Urban Law and Policy Development in Canada:The Myth and the Reality", in Ivan Bernier and Andre Lajoie, Labour Law and Urban Law in Canada, Minister of Supply and Services, Canada, 1986, Pg, 185-187

cannot participate in the delivery of social welfare programs and services including housing.

L'Heureux (1985) explains, that if municipalities are to have any substantive effect on urban development, they must be given the autonomy and powers needed to carry out their functions. This would imply the elimination of any local agency created by the province for local purposes and the reinvestment of their powers in municipalities.<sup>80</sup>

This same position is advanced by the FCM in Administrative Review of the FCM Position Paper on the Future of Social Housing Programs. According to the FCM, municipalities are too often ignored by federal and provincial governments when deliberating over housing issues. Federal Provincial dialogues and the Residential Rehabilitation Assistance Program are a testimony to this fact. As such, municipalities must be allowed to participate in the development and refinement of housing programs.

Despite the growing demands being placed on the municipality, to exercise greater autonomy over housing, the municipality has not been able to respond because of provincial limitations on municipal revenue generating capacity, and jurisdictional limitations. In the case of Manitoba, the province argues it has exclusive control over social programs and spending in the Province of Manitoba. The province considers this provincial responsibility. Some provinces are unwilling to remove these limitations.

According to Makuch (1986) some provinces are reluctant to remove the restraints on the municipal housing role arguing broader municipal

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<sup>80</sup> L'Heureux, op.cit., Pg, 184-185

autonomy can lead to difficulties, such as increased competition among municipalities, as to which municipality can provide the best services.

....For example, some municipalities might demand less stringent building codes, zoning by-laws, or public health by-laws. It may also result in increased competition between the municipalities and provinces for federal dollars, or duplication of programs and services. The province also argues, that the municipality is not as competent in delivering housing programs as municipalities are more susceptible to external interests such as real estate developers who are often opposed to subsidized or low income housing developments. Finally, the province argues, regional equity cannot be maintained if the municipality assumes delivery of housing...<sup>81</sup>

In keeping with this line of thought, Makuch (1986) argues, the removal of limitations may also lead to a unified city council which in turn may increase tension between provincial and municipal levels of government. The idea being that the municipality may develop a stronger and more powerful voice needed to challenge provincial autonomy; thereby threatening the status quo in relation to the provincial government. Therefore a polarized city council strengthens provincial arguments for provincial control and dominance over housing.

Plunkett (1976) suggests, if municipalities are to combat such arguments, they must be prepared to pursue the removal of these limitations on their ability to act.<sup>82</sup> In other words, municipalities must secure a commitment to act on the needs of the low income population prior to removing the barriers and constraints that affect its role. They must secure this commitment by demonstrating a willingness to accept responsibility for a

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<sup>81</sup> Makuch, op.cit., Pg, 184

<sup>82</sup> T.J. Plunkett, "Is There A Local Government Role in Housing?", Housing and People, Vol 7, No 3, Fall 1976, Pg, 30

range of housing activities and also develop a capacity for managing them effectively.<sup>83</sup>

...This type of commitment reflects city councils willingness to challenge senior levels of government to provide funds in relation to need, to override potential citizen opposition to new development, particularly infill development by group homes, and to advance funds to upgrade physical and social services in areas accepting additional growth. Until city councils are able to secure this type of commitment they will continue to be polarized on how best to address the city's housing needs....<sup>84</sup>

*Polarized City Council and Weak Mayoralty System.*

The division in city council is yet another constraint that discourages municipalities from expanding their housing role. Municipal councils are generally divided since they are composed of a mayor and alderman who are not elected by the same constituency.<sup>85</sup> The mayor is elected at large and the councillors by ward. The mayor has no special power in the Canadian municipal system. Due to this fragmented system one can conclude that at times there is a lack of leadership in city councils. In addition, councillors are

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<sup>83</sup> Plunkett, op.cit., Pg, 30-31

<sup>84</sup> ..In most cities, the attainment of a commitment to an active housing role or program requires a fundamental reconsideration of the role of city government. To secure this will require the election of members of council who can willingly accept and participate in a much more politicized role than has hitherto been the case. If local government is to live up to its vaunted claim as being the level of government closest to the people, if it is to play any active role at all in influencing the quality of urban life it has to become committed to a wide range of economic and social activity. Should it refuse to accept the challenge inherent in this more politicized role it is not unreasonable to predict that it will eventually become some sort of quaint anachronism only capable of dealing with a wealth of administrative triviality....

Plunkett, op.cit., Pg, 30

<sup>85</sup> Makuch, op.cit., Pg, 185-186



politically weak because of personal division created by legislation.<sup>86</sup> Such is the case in Winnipeg.

Dr. Earl Levin suggests that short term budget and policy concerns, lack of long term vision, legislative, and fiscal constraints, and a polarized city council have prevented local politicians from either acting or acting comprehensively on Plan Winnipeg policies and recommendations.<sup>87</sup> Consequently, city councillors have at times tended to display a limited, narrow, and fragmented focus in dealing with city planning or policy issues pertaining to housing. Dr. Levin states that the inward looking city councillors tend to focus on the needs of their own specific ward and display little concern for areas outside of their ward.<sup>88</sup> This in part is one reason the city has yet to develop a comprehensive housing policy and has been polarized on several key housing issues.

According to the Inner City Type Area Housing Study, (1979) the city lacks a comprehensive housing policy. This has created a situation whereby municipal housing objectives are formulated in an ad hoc manner, and often conflict, with programs undertaken by federal and provincial governments.

Since the release of this study, the city has participated in joint and tri level housing initiatives with the two senior levels of government, notably CAI housing initiatives. The city has also spelled out a strong direction in terms of future housing policy and initiatives through its 1983 Housing and Neighborhoods Strategies Policy, the 1989 Ad Hoc Committee on Housing Report, and 1986 Winnipeg Development Plan.

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<sup>86</sup> Makuch, op.cit., Pg, 185-186

<sup>87</sup> Telephone Interview with Dr. Levin on January 8, 1993, 11:50AM, Ph #582-6224

<sup>88</sup> Levin, op.cit., interview

A second factor that has led to polarization on several key housing issues has been differing ideologies at the municipal, provincial, and to a lesser extent federal level of government. A case in point is the ideological debate that surrounded the provision of land for the Willow Park housing development in the 1950s. The debate pitted pro-CCF labor and co-op groups against right wing realtors, and conservative business elites who were initially opposed to providing land for the Willow Park public housing development. Under Premier Doug Campbell's Liberal administration, the province discouraged municipal participation in low income housing by passing all of the provinces costs to the municipalities. This trend was reversed under Premier Duff Roblin's Conservative administration which recognized the linkage between federal funds and urban renewal programs, including the provision of land for public housing developments.<sup>89</sup>

### *Ideological Divisions*

Ideological differences have characterized the City of Winnipeg's housing debate for over 50 years. These differences have in part centered around two notions: First, the city's role is to administer rather than develop policies.<sup>90</sup>

A second notion is reflected on by Hulchanski et.al in The Municipal Role in the Supply and Maintenance of Low Cost Housing: A Review of Canadian Initiatives (1990), and centers

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<sup>89</sup> Bacher, op.cit, Pg, 17-18

<sup>90</sup> ..As their concerns and needs were to be generally simple and not capital intensive, the bulk of their revenue was to be derived from the property tax which subsequently proved to be inadequate as municipal needs became more numerous and complex. With scarce municipal revenues allocated to basic program expenditures, cities were hard pressed to commit monies for extra services such as housing...

Radewich, op.cit., Pg, 26

around the concept of unfettered growth, economic development, and renewal and expansion of the city. Linked to these notions is a belief that the private market can ensure a supply of housing for all residents of a community. While the government may be called on to assist in the provision of housing during crisis like war or depression the role of the municipality is generally one of facilitating and promoting unbridled private sector investment in housing. Therefore there is no reason for direct municipal involvement in the provision of low income housing....<sup>91</sup>

The difference in public attitudes and perception towards government involvement in low income housing are captured by Crenna in Communities of Diversity:Regional Differences in Canada's Housing, (1992). Crenna suggests that a majority of Canadians in all regions of the country generally believe the private sector should have the most important role in meeting housing needs. The support for private sector initiatives and solutions is strongest on the prairies. By contrast, in Montreal and Toronto, and the rest of Atlantic Canada and Quebec the public sector draws more support as an option. In considering regional variations as to the level of government that should have the most important housing role, municipal government is favored in Quebec. Whereas the provincial level of government is favored in the rest of Canada. Atlantic Canada favors a dominant federal housing role. These differing views of government housing responsibility is one of the reasons the senior and lower levels of government continue to be polarized on how best to deal with housing need and issues in their respective regions.<sup>92</sup>

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<sup>91</sup> Hulchanski et.al., op.cit., Pg, 11

<sup>92</sup> C. David Crenna, Communities of Diversity:Regional Differences in Canada's Housing:Reference Document, CMHC, Ottawa, September 1992, Pg, 232-233

In Winnipeg, the polarization of low income housing concerns and issues dates back to the depression.<sup>93</sup>

....During the depression, local politicians and right wing real estate and business interests sided against the leftist provincial NDP, (New Democratic Party) government, labor and union interests, and reform minded business leaders, over the provision of public and low income housing...<sup>94</sup>

This ideological debate reached a climax in the mid 1950s, and centered around the provision of municipal land for the public housing development known as Willow Park.<sup>95</sup> According to Makuch, (1986) these types of ideological divisions led to fragmentation of housing policy at the local level.

The fragmented system is one of the reasons city councils have a serious inability to develop policy as readily as the senior levels of government.<sup>96</sup> Unlike the federal and provincial governments, municipal councils cannot establish administrative tribunals to help them develop policies over time.<sup>97</sup> Consequently, municipalities have become

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<sup>93</sup> ....Polarization over low income housing began in the depression when Chief Inspector for mortgages, at Sun Life, David Mansur, attempted unsuccessfully to tone down the intense opposition of his company's office to the concept of public housing. ....The polarization in Winnipeg of the pro-public CCF municipal party and their business opponents was so intense that many centrist business reformers who supported it would not break ranks with their political allies....  
...This polarization quickly came to symbolize class and cultural conflicts which would, and continue, to divide the city.... It would also bring together competing interests in a coalition that would oppose the minority real estate and right wing business interests which opposed low income housing....

Bacher, op.cit., Pg 15

<sup>94</sup> Bacher, op.cit., Pg, 33

<sup>95</sup> Bacher, op.cit.,Pg, 232

<sup>96</sup> Makuch, op.cit., Pg, 185-188

<sup>97</sup> ....For example without specific authorization no municipal tribunal can be established to deal with planning matters or housing concerns....

administrators of federal and provincial housing policies and programs rather than the creator and developer of their own housing policies and programs that respond to local needs.<sup>98</sup> The ideological division in city council also limits the expansion of the municipal housing role by discouraging the formation of consensus and political commitment and will, as it pertains to low income housing needs, and demand.

### *Lack of Political Commitment and Will*

The lack of any moral, political, or financial commitment to a municipal role in facilitating or developing low income housing initiatives has been present in the City of Winnipeg for over 50 years. As explained in chapter one, this lack of commitment is attributed to several factors including local politicians failure to recognize the need for adequate and affordable housing. The reasons for this approach politically are reflected and speculated on by City of Winnipeg Community Programs Division Manager, Mr. Neal Kowlessar in the following observations.

Mr. Kowlessar states that few city councillors think of placing housing on the political agenda. The few that express concern over housing, are primarily concerned with preserving inner city housing stock.<sup>99</sup> One reason

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Makuch, op.cit., Pg, 185-186

<sup>98</sup> ...In essence, municipalities are sharing the same relationship with the province as the province shared with the federal government prior to the federal policy of disentanglement...

Makuch, op.cit., Pg, 185-186

<sup>99</sup> ....Mr. Kowlessar suggests, many of these politicians are misguided in that they tend to be overly simplistic in addressing housing issues. For example, many local politicians maintain the substandard housing should be demolished and replaced with new and better housing units in the inner city. As such the councillors are unable to relate to the influences of the market. In older inner city neighborhoods the market value is not the same as what it would cost to develop new housing. The cost of developing new housing is higher than what the market will support...

city councillors have failed to give attention to housing, is the difficulty of focusing on housing in city budgets.<sup>100</sup>

It is easier to focus on infrastructure renewal or street reconstruction than on housing, particularly when most local politicians fail to recognize existing or potential housing problems. In short, some City of Winnipeg councillors are at times near sighted in dealing with housing issues in the city. The view of local politicians may change should the city experience a visible homeless problem in the near future.

Community Programs Division Housing Branch Manager, Mr. Jim Cassidy concurs with Mr. Kowlessar's notion that few politicians appear to place much emphasis on the housing needs of the city. Mr. Cassidy adds that even fewer politicians are aware of the organizational structure of the Community Programs Division. Local politicians view the Division as a temporary fixture isolated from the city's mainstream departments. The isolation and lack of recognition causes difficulty in securing a financial and political commitment from local politicians for Division activities, since some activities have been financed by the senior levels of government.<sup>101</sup>

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Kowlessar, op.cit., interview

100      ...Mr. Kowlessar states, the City has yet to carve out a budget for housing, particularly a separate housing department. Yet it has carved out budgets for other mainstream departments. The city's failure to carve out a budget for housing has resulted in the curtailment of broader and more diverse housing activities in the city.

Kowlessar, op.cit., interview

101      ..The Community Programs Division, (formerly the Neighborhood Improvement Branch, was set up a separate administrative unit for the purpose of administering and delivering senior level government housing programs such as the NIP, and RRAP and rent supplement program. Over the years it has received little financial support from the City, its activities and operations are largely financed by the senior levels of government. Hence most of its present activities owe their existence to senior government funding and support. Should

Mr. Cassidy adds that many of the local politicians are not fully aware of the Division activities and operations pertaining to housing. Hence it is difficult to obtain any form of financial or political commitment to housing programs including the federal Residential Rehabilitation Assistance Program.<sup>102</sup>

As is explained in chapter one, the perceived lack of political will and commitment may also be attributed to two other factors. These include: local politicians conservative attitude towards the poor, and support for private developers and the private market.

Rose (1980) concludes that in many municipalities, local government legislators tend to be self made men and women, small business people, and a few other members of the professions. They are generally quite conservative in their view towards the poor and those who require assistance or subsidization in any aspect of their living conditions such as the provision of housing. Therefore they are often non committal in addressing the low income housing needs of the municipality.

In the case of Winnipeg, the limited commitment is illustrated through City of Winnipeg and WHRC relations and is demonstrated in terms of the division and lack of city council support, for Winnipeg Housing Rehabilitation Corporation (WHRC) activities prior to 1980.<sup>103</sup>

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this funding be reduced or eliminated the Community Programs Division will face a precarious, tenuous, and uncertain, future.

Kowlessar, op.cit., interview

<sup>102</sup> Inperson Interview with Community Programs Division Housing Branch Manager Mr Jim Cassidy, City of Winnipeg, January 20, 1994, 1:00PM, 986-3663

<sup>103</sup> ...In 1977, a civic committee recommended the formation of the Winnipeg Housing Rehabilitation Corporation to undertake a proposed five year acquisition/rehabilitation program of almost 400 houses for limited income residents on a sale, rental and/or lease purchase basis. The rental component would be partially funded through the s 15.1 program and RRAP, with the

Prior to the 1980s, Winnipeg's city council was polarized on the issue of continuing to support Winnipeg Housing Rehabilitation Corporation activities.<sup>104</sup> The division centered around city councillors who supported reinstating WHRC's mandate and role, particularly in the area which relieved the city of deteriorating properties, and city councillors who argued that the city should not directly intervene in housing, or that the Corporation's initiatives were not economically feasible. This tenuous support culminated in a decision to eliminate the WHRC in 1978 and subsequent decision to revive the Corporation, following the Mayor's tie breaking vote in 1979, and related commitment of limited financing. Community Programs Division Manager, Mr. Neal Kowlessar, suggests the city's decision to commit limited funding was based on the notion that WHRC was to be an 'arms length' self sustaining corporation.<sup>105</sup> The limited

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sales component supported by a \$1,000,000.00 revolving fund from the provincial government. Council approved the recommendation on the basis that the WHRC would rely primarily on federal and provincial funding and the City's contribution would not exceed \$100,000.00 over five years. Council's cost conscious mood was evident. ....New political developments entered the scene just prior to the WHRC commencing operation. Revisions to S15.1 altered the financial context of proposed WHRC activities. Upon reviewing the \$1,000,000.00 funding commitment the newly elected provincial government suggested the City consider establishing its own revolving capital fund. Based on these developments support for the WHRC began to weaken....

Radewich, op.cit., Pg, 61-62

104 ....In December 1978, the City of Winnipeg adopted its Guidelines for Housing Involvement, which prescribed a support housing role with no involvement in new housing construction or rehabilitation. As a result, the WHRC halted due to questionable economics of its intended operations and probable inability to provide a significant contribution to the housing stock. ..WHRC opponents argued, housing provision was a responsibility of the senior governments and private sector....

Radewich, op.cit., Pg, 62-63

105 Kowlessar, op.cit., interview



financial support and passive policies reflected the city's reluctance to wholeheartedly endorse the activities and initiatives of the WHRC.<sup>106</sup>

According to Radewich (1986), city policies were not actively pursued to expedite WHRC programs, such as the development of a policy on municipal property transfers to WHRC. City council was also unable to form a consensus on the housing role that WHRC should assume and the issue of adequate financing.

Overall, city council neither adopted a social housing policy or a strategy to support WHRC initiatives. Nor did it give an overwhelming moral, financial, or political, endorsement to WHRC activities. In fact, the city reacted to proposals from WHRC as it would any other private non profit organization.<sup>107</sup> The lack of city council support for WHRC activities is evident in WHRC's passive role and limited housing initiatives, when compared to the initiatives developed by nonprofit housing corporations elsewhere in the country. The lack of political commitment and will to facilitate, or develop low income housing initiatives in part can be attributed to three factors: (1) community resistance and public opposition to low income housing initiatives which is often manifested in the form of the NIMBY, (or Not In My Back Yard) Syndrome, (2) insufficient municipal capital and operating revenues; and (3) unwillingness to compete with the private sector;

#### *Public Barriers and Community Resistance*

Community resistance to municipal intervention in the housing market through the provision of low income housing takes two forms. The

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<sup>106</sup> Radewich, op.cit., Pg, 91-92

<sup>107</sup> Carter and McAfee, op.cit., Pg, 237

first form is general public opposition to the construction of subsidized housing units such as mentally or physically challenged group homes, domestic abuse shelters, or youth half way houses, in conservative middle class neighborhoods. This opposition appears in the form of the infamous NIMBY (Not In My BackYard) Syndrome.<sup>108</sup> In order to ensure their political survival, local politicians are often forced to heed the concerns of neighborhood residents and right wing business and real estate interests in casting their votes in favor or against neighborhood group homes or half way houses. In short, public pressure dictates municipal actions and support towards these types of development.

The second form of community resistance to municipal intervention in the housing market is generated by right wing real estate and business leaders who maintain housing is an economic commodity similar to any other economic commodity and therefore should not be interfered with, but should be subject to the up and down "swings" of the market place. In keeping with this line of thought right wing real estate and business leaders attempt to influence and place pressure on local politicians to discourage or limit municipal involvement in facilitating or developing low income housing. In the case of general public opposition to municipal involvement in facilitating the development of low income housing, municipalities are

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...The NIMBY syndrome can be simply defined as the resistance of property owners to the development of halfway houses, domestic abuse shelters, group homes for the mentally challenged, and AIDS patients. in residential neighborhoods partly out of fear that the residents may be dangerous and partly out of fear of diminished property values....

See Jeanne M. Wolfe and William Jay's article "The Revolving Door: Third Sector Organizations and the Homeless", in Fallis and Murray's Housing the Homeless and Poor: New Partnerships among the Private, Public, and Third Sectors, University of Toronto Press, 1990, Pg, 199

often viewed as weak and unyielding when it comes to their ability to respond to housing need.

In Fallis and Murray's, Housing the Homeless and Poor: New Partnerships Among the Private, Public, and Third Sectors, Carter and McAfee (1990) suggest, community acceptance of low income housing has been mixed. Projects for senior citizens are generally welcome, but large developments, and special needs facilities are not. Fears of declining property values, inferior design, strain on community services, adverse socio-economic mixes, and establishing precedents for building higher densities in low density areas are among the objections raised by residents.

These types of concerns were raised by Winnipeg residents opposed to the establishment of a mentally challenged group home in the affluent River Heights neighborhood in 1984. Dr. Wayne Kepron, was one resident who opposed the development of a group home in the neighborhood, arguing that the presence of a group home in the neighborhood would result in a decline in property values.<sup>109</sup>

Carter and McAfee (1990) cite a Vancouver study that rebuts the notion that social housing development leads to declining property values, and adverse socio-economic impacts. Carter and McAfee add, that such accusations must be combated with a public education and information dissemination program aimed at alleviating the fears of the unknown and educating the public as to the benefits of low income housing development in residential neighborhoods.

In the case of the second form of community resistance to municipal intervention in the housing market, Radewich (1986) claims, municipal

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<sup>109</sup> Winnipeg Free Press, "Residence Approved for a Group Home", Winnipeg Free Press, March 13, 1984, Pg, 3

initiatives including housing, rarely receive full local government support, since business, and real estate dominated city councils prefer the municipality to adopt a passive role that does not interfere with the free enterprise system.

A third reason there is general public opposition to a municipal role in facilitating or developing low income housing in residential neighborhoods is the fear of higher municipal taxes. Municipal rate payers are opposed to higher taxes associated with this type of development. Consequently revenue constraints discourage municipalities from either endorsing broadening, or expanding a housing role.

### *Revenue Constraints*

In a period of increased off loading, downsizing, and fiscal restraint, some municipal governments are experiencing difficulty securing sufficient revenues, or financing, needed to fulfill their mandate of providing services: whether it be in the area of social welfare including housing; the maintenance, rehabilitation, and supply, of public infrastructure and roads; public transportation; or urban revitalization. As a result some municipalities are caught in a quagmire and forced to operate within the confines of a limited, regressive, and unpopular property tax system. Radewich (1986) reveals one reason the property tax system is viewed as unpopular.

...Reliance on these sources also results in municipal favoritism towards expensive residential projects developed by private builders, rather than government sponsored public housing which does not contribute as much to the local tax base...<sup>110</sup>

According to Kitchen and McMillan (1985), the property tax system is unpopular because of its inelasticity, rising prices, and unpopular due to its

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<sup>110</sup> Radewich, op.cit., Pg, 27

perceived regressiveness. In short, the tax base has limited the range of activities undertaken by municipal government, including housing activities.<sup>111</sup>

Carter and McAfee (1990) concur with this notion and argue, that the limited tax base makes it difficult to generate sufficient revenues for social initiatives.<sup>112</sup>

This notion is also supported by Cullingworth (1985) who claims, the heart of the municipal fiscal problem is the inadequacy of the property tax system. A system which is unable to meet the scale of expenditures necessitated by urbanization, the growth of public and social services, and rising demands and expectations. Some municipalities are caught in a second quagmire and forced to operate within the confines of legislative restrictions on existing and potential revenue sources and smaller federal-provincial-municipal transfer payments.

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<sup>111</sup> ...The lack of an adequate fiscal base is seen by local governments as having: (1) unduly limited their role in areas where the provinces have assumed greater responsibility but where local input is felt to be important; (2) reduced local autonomy in the provision of purely local services owing to the necessity of depending on conditional transfers; and (3) left local governments weakened and unable to respond to legitimate local issues because of the fiscal gap between expenditure requirements and revenue raising capacity. The result has been calls for local access to other revenue sources, usually through some program for the sharing of provincial revenues.

See Harry M Kitchen and Melville L McMillan's article in "Local Government and Canadian Federalism", in Richard Simeon's Intergovernmental Relations, University of Toronto Press, Ministry of Supply and Services, Ottawa, 1985, Pg, 230-231

<sup>112</sup> ...Carter and McAfee quote the former Minister of State for Urban Affairs, Andre Quellet stating, property tax can be a serious constraint on municipal governments... It is variations in property tax burdens caused by differences in the tax capacities of municipalities and in the ability of Canadians to pay property taxes which I [Andre Quellet] think serve to reduce the ability of certain municipal governments to provide adequate levels of public services, [including housing]...

Carter and McAfee, op.cit., Pg, 239

In response to these narrow operating parameters, some municipalities are reducing services, and cutting programs at a time when rising levels of urbanization are placing greater demands and expectations on the municipality to maintain, if not increase the level of municipal services. In a few cases, the literature suggests some municipalities, such as Toronto, Montreal, Ottawa, and Vancouver, have responded to these revenue limitations by developing independent and joint, cost effective, and innovative, initiatives aimed at maintaining or expanding municipal services. However, these municipalities are the exception. In some municipalities, the shortage of municipal revenues has been a severe limitation on the municipality's ability to develop policy, particularly housing and planning policy.

In Provincial and Municipal Roles in Canadian Planning, Cullingworth (1985) claims, policies can be heavily influenced by their fiscal consequences. Cullingworth adds, that increased municipal reliance on the province for external funding, (ie: via conditional or unconditional transfer payments) increases provincial control over the municipality while simultaneously eroding municipal autonomy. Consequently, municipalities have been reduced to "puppets on a shoe string". The financial base has been narrowed to such a large extent that the right to make municipal decisions is available to the highest government bidder. As a result, political responsibility for local matters is rapidly drifting upwards. With the present upward drift of responsibility for urban matters municipalities lose in two ways. First, senior levels of government are deterred from dealing aggressively with urban matters;<sup>113</sup> and second, senior government policy

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<sup>113</sup> J. Barry Cullingworth, "Provincial and Municipal Roles in Canadian Planning", Cities, Vol 2, No 3, August 1985, Pg. 229

making fails to establish well defined linkages with local communities.<sup>114</sup> The limited revenues received from the collection of property taxes is just one aspect of a complex problem. A second aspect is rate payer opposition to an increase in property taxes.

The only way by which the public will look favorably on raising property taxes, is if the taxes are directly and visibly linked to public benefits or ear marked for improving public services such as infrastructure renewal or road improvement.<sup>115</sup>

Radewich (1986) states, prior to the 1940s tax payer opposition to proposed municipal housing projects discouraged local attempts to broaden or expand their housing role. Slum clearance and low cost housing proposals were frequently vetoed by large segments of the employed tax paying public which remained unsympathetic to the plight of the jobless and working class poor.

A third aspect of this complex problem is the erosion of municipal autonomy which can be attributed to the municipality's growing reliance on conditional transfers from the senior levels of government.

Conditional and unconditional transfers including grants from senior to lower levels of government contain an element of uncertainty that makes long term planning practically impossible.<sup>116</sup> Such funding can be reduced or halted from one year to the next. There are many urban revitalization and housing rehabilitation programs that have been altered or halted due to uncertain funding.

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<sup>114</sup> Cullingworth, op.cit., Pg, 229

<sup>115</sup> Carter and McAfee, op.cit., Pg, 238-239

<sup>116</sup> L'Heureux, op.cit., Pg 194,

....According to a former executive member of the Association of Municipalities of Ontario, (AMO), Marlene Catterall, municipalities are kept in the dark as to the future direction that senior governments will take in housing program development. Municipalities are asked to operate within a vacuum, planning housing projects without the assurance of forthcoming funding or even program continuity.....<sup>117</sup>

The present system of senior government grants tends to narrow the scope of local government in housing to those issues deemed important by higher levels of government.<sup>118</sup> If the senior levels of government do not recognize a specific need, or place a low priority on justifying that need, it is very difficult for local government to take action since the costs of such action must normally be recovered through property taxation.

In order for cities to undertake responsible social housing planning, either three to five year funding agreements are required or a three year notice to change or terminate programs is necessary for municipalities to complete transactions.<sup>119</sup> Carter and McAfee (1990) explain there is an enormous loss of credibility and momentum if cities encourage social housing only to find programs altered or funds are inadequate to house low income households.

The uncertainty surrounding the availability of funding can be seen in the context of the City of Winnipeg Community Programs Division's role in administering and delivering RRAP, and WHRC's activities and operations.

Community Programs Division Housing Branch Manager, Mr Jim Cassidy suggests, a major constraint facing municipal administrators of

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<sup>117</sup> Heather Lang-Runtz, "Municipal Housing Role Explored at Conference", Canadian Housing, Vol 1, No 2, Winter 1984, Pg. 17

<sup>118</sup> L'Heureux, op.cit., Pg 194-196

<sup>119</sup> Carter and McAfee, op.cit., Pg. 238



RRAP, is the uncertainty as to whether the municipality will receive the financial capital needed to administer and deliver the federal Residential Rehabilitation Assistance Program, and whether such capital will be sufficient to meet the demand for RRAP assistance.<sup>120</sup> This uncertainty discourages and in some instances, prevents the municipality from making any comprehensive rehabilitation plans or commitment to RRAP applicants waiting to receive RRAP assistance.

Under the present system, there is a lack of consultation between Canada Mortgage and Housing Corporation, (CMHC) and Community Programs Division managers over RRAP budget allocations in relation to Community Programs Division delivery capabilities.<sup>121</sup> As such, CMHC does not adjust the RRAP capital budget to reflect Community Programs Division administrative, and delivery capabilities, given existing or potential resources including staff compliment, and demand, or need for RRAP assistance. Rather CMHC allocates capital funds annually.

The entire budget must be expended by the Community Programs Division annually, specifically by December 31st, regardless of demand or need for RRAP assistance. If the city fails to expend its entire budget, it risks receiving a smaller allocation in the following year.<sup>122</sup>

Community Programs Division Manager, Mr. Kowlessar states that present RRAP funding has dropped from previous years; the consequence being a continued deterioration of established or substandard housing. At the same time, federal RRAP funding has failed to keep pace with the costs

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<sup>120</sup> Cassidy, op.cit., interview

<sup>121</sup> Cassidy, op.cit., interview

<sup>122</sup> Cassidy, op.cit., interview

associated with delivering the program.<sup>123</sup> In chapter four of the thesis, the examination will explain how the city compensated for the shortage of recoveries needed to fund the delivery of RRAP. A second element of uncertainty surrounding the Division's delivery of RRAP involves the availability of RRAP funding from the city.

Presently the federal Residential Rehabilitation Assistance Program neither provides sufficient revenues to cover the costs of delivering RRAP assistance, nor does the federal government cover all the costs associated with delivering RRAP.<sup>124</sup> As is explained in chapter four, CMHC recoveries paid to the Community Programs Division for the delivery of RRAP only cover half of the actual costs of delivering RRAP. The total amount of RRAP administrative revenues vs. expenditures during the period 1988-1993 is illustrated in table 3.1.

Overall, uncertainty surrounding funding has discouraged the Community Programs Division from undertaking comprehensive planning for housing. The uncertainty has also discouraged the Division from committing itself to the delivery of RRAP to a specified number of homes. The uncertainty surrounding the availability of funding for the maintenance, rehabilitation, and supply of low income housing can also be seen in the context of WHRC housing initiatives.

Radewich (1986) states, a major constraint on the WHRC has been the lack of financial resources. At the most basic level, this has meant the

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...Mr Kowlessar adds, the federal fee for service delivery does not cover the entire cost of delivering the programs. Therefore part of the administration and delivery costs must be financed by the city...

Kowlessar, op.cit., interview

124 Kowlessar, op.cit., interview

Table 3.1 RRAP Administrative Expenditures vs. Administrative Revenues

Year	Administration Expenditures	Administration Revenues	Revenue as a % of Expenditure
1988	\$817,681	\$325,016	40%
1989	\$648,924	\$325,910	50%
1990	\$659,232	\$320,880	49%
1991	\$668,180	\$322,200	48%
1992	\$613,820	\$310,132	51%
1993	\$412,520	\$213,600	52%

Source: Community Programs Division. City Planning Department.  
Winnipeg. 1994

presence of minimum staff. In broader terms, limited public funds for reducing capital costs have shifted WHRC activity from single to multiple unit renovations. For all intents and purposes, WHRC sales program has been abandoned. Whereas its participation in land acquisition is largely dependent on the decisions of the public and private sectors.

Since its formation, WHRC has relied heavily on government funding even though it was established with the long range goal that it would eventually become self sustaining. The provincial and municipal operating grants have remained important in absolute terms, yet they have comprised a shrinking share of the operating revenues since 1981.<sup>125</sup> Increasing revenues from rental income, project management resources, and CMHC rental subsidies have not kept pace with expenditures forced to rise by mortgage financing costs.<sup>126</sup> Development activity has been supported by capital funding from private sector mortgages, the provincial government, forgivable RRAP loans under Section 56.1, and the tri-level Core Area Initiative Agreement. Presently, the WHRC relies heavily on funding via the federal-provincial non profit housing program.<sup>127</sup> The proposed termination of this program, has placed WHRC's future in jeopardy. Like Mr. Cassidy, Mr. Ducharme concurs with the notion that the uncertainty surrounding the availability of external funding for WHRC activities is a major constraint.<sup>128</sup>

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<sup>125</sup> Kowlessar, op.cit., interview

<sup>126</sup> Kowlessar, op.cit., interview

<sup>127</sup> ...Mr. Ducharme, states WHRC has always been a reflection of topical programs currently in place and consequently has been largely dependent on external funding of its external sources...

<sup>128</sup> Telephone Interview with General Manager of the Winnipeg Housing Rehabilitation Corporation, (WHRC) Mr. Al Ducharme, January 18, 1994, 10:45am, 949-2880

Mr. Ducharme explains, 'there is always failure when an organization operates in the dark not knowing its future from day to day'.<sup>129</sup> The lack of a financial and political commitment from senior and local levels of government discourages WHRC from undertaking comprehensive long term planning for housing.

Over the past several years the financial stability of WHRC has been weakened by several changing conditions and events including: a reduction in non profit program funding; elimination of the Canadian Home Insulation Grants Program; and the impending expiry of the five year provincial and municipal funding agreements.<sup>130</sup> Mr. Ducharme acknowledges, WHRC has yet to receive a financial or political commitment to the renewal of these agreements.<sup>131</sup>

According to Mr. Neal Kowlessar, WHRC must begin to reexamine its direction, goals, objectives, and mandate, given it is a self sustaining organization, and given it is facing a decline in external funding, rising costs, increasing demand for affordable housing, and shrinking revenues. None of the three levels of government have the wherewithal to support large increases in funding to housing over the next decade, therefore WHRC must be prepared to affect the housing market in dynamic and meaningful ways using cost effective, and innovative initiatives and solutions.

In developing these initiatives the municipality must be prepared to facilitate the efforts of WHRC. One way it can facilitate WHRC efforts in

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<sup>129</sup> Ducharme, op.cit., interview

<sup>130</sup> Radewich, op.cit., Pg, 94

<sup>131</sup> Ducharme, op.cit., interview

developing affordable, cost effective, and innovative, housing is through regulatory reform.

### ***Regulatory Barriers***

....The aim of regulatory reform is to increase housing affordability and improve the utilization of existing housing. Regulatory reform can also point the way to innovative approaches to house design, house construction, and community development, that will better meet the housing needs of communities in a less expensive manner than at present...<sup>132</sup>

Presently, there is a need for regulatory reform in the City of Winnipeg. The city is over regulated particularly in the area of established or existing housing stock.<sup>133</sup> Municipal regulatory barriers restrict infill housing development and discourage residential rehabilitation. In addition, municipal planners abuse their regulatory powers by discouraging and restricting private sector or non profit housing development.<sup>134</sup> For example, in 1974, the city thwarted Manitoba Housing and Renewal Corporation, (MHRC) plans to develop family public housing.<sup>135</sup> The MHRC was frustrated by its inability to obtain suitably zoned land or to secure proper zoning from the City of Winnipeg's Planning Department on land that MHRC held in the city.<sup>136</sup> Consequently, MHRC looked to alternatives to meet what it viewed as a housing crisis.<sup>137</sup>

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<sup>132</sup> Hulchanski et.al., op.cit., Pg, 13

<sup>133</sup> Cassidy, op.cit., interview

<sup>134</sup> Boyd, op.cit., Pg, 98-99

<sup>135</sup> Boyd, op.cit., Pg, 98-99

<sup>136</sup> Boyd, op.cit., Pg 98-99

<sup>137</sup> Boyd, op.cit., Pg, 98-99

The failure of the MHRC to gain the proper zoning from the city of Winnipeg in part gives credence to Stanbury and Todd's (1990) notion, that the chief villain [responsible for the shortage of adequate and affordable housing] is a web of municipal land use and zoning regulations which codify communities determination not to have it. Zoning regulations were originally intended to impose sensible order on growth, many ordinances now serve as barriers to all but the costliest housing.<sup>138</sup>

Third, there is a need to update the antiquated by-laws and standards, some of which date back to 1913. Most of these old by-laws and standards aimed at established housing stock are not flexible towards new, cost effective, and innovative building materials and methods. City of Winnipeg Zoning Inspector, Ron Weston suggests there is a need for greater flexibility and a uniform city wide zoning by-law for residential, commercial, and other development.<sup>139</sup> In the end, the lack of a uniform city wide zoning by-law and flexibility in building codes, development standards, and zoning by-laws, raises the cost of low income housing. A second regulatory obstacle that discourages the development of special needs housing is occupancy restrictions.

In 1984, Winn-Serv Inc, sought to establish a group home for mentally challenged residents in a River Heights neighborhood. The city objected to

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<sup>138</sup> W.T. Stanbury, & John D Todd, The Housing Crisis: The Effects of Local Government Regulation, The Laurier Institute, BC, January 1990, Pg. 4

<sup>139</sup> ...Mr. Weston states, if a zoning inspector for one district of the City, (ie: St. Boniface) is absent or on vacation for a week or more, the zoning inquiries or complaints for that area are placed on hold until the zoning inspector returns, since he or she are the only inspectors familiar with the by-laws for that area...

Winn-Serv's proposed initiative, arguing the establishment of a mentally challenged group home contravened a 1913 by-law which prohibited the establishment of group homes within 984 feet of similar development within the same area. In addition it prohibited the establishment of group homes with eight or more occupants in areas zoned for single family housing or duplexes. At the time, the by-law required operators of group homes to apply for special city permission in order for the home to be located in a single family neighborhood. It also required special permission if the group home housed more than three mentally challenged occupants. In the end, the group home received permission to locate in the River Heights neighborhood. However, this type of by-law draws attention to antiquated regulations that are discriminatory and infringe on the civil liberties of most low income or special needs residents.

Boyd (1989) elaborates on this notion, and explains in 1986, the Winnipeg Zoning Coalition charged that the city by-law requirement for public hearings related to the establishment of group homes was discriminatory in that it attempted to zone people and therefore violated individuals rights. Despite such challenges to the city by-law, the city has been successful in defending its right to zone land for group home use. The Court of Queens Bench ruled that the by-laws are neither discriminatory nor infringe on Canada's Charter of Rights. The impact of this ruling on the Winnipeg Zoning Coalition, and sponsors of mentally challenged group homes, has been to effectively limit the amount and type of housing available for the post mentally ill and battered women. In the end, the city has demonstrated the least sensitivity when it comes to issues of zoning for group homes for the mentally challenged or occupancy restrictions in the case of domestic abuse shelters.



In Housing Needy Canadians Without Massive New Government Funding, (1990-1991), Clayton suggests several ways cities can become more responsive to the needs of low income and special needs residents, by reforming regulations:

....In part, this involves: (1) reforming zoning restrictions that specify apartment densities in terms of units rather than square footage, and discourage the construction of small rental units when market opportunities arise; (2) reforming regulations that prevent the addition of secondary suites in either existing or newly built houses. These types of restrictions limit the supply of adequate and affordable housing units. Regulatory reform must also involve a reexamination of occupancy restrictions that restrict the number of unrelated occupants living in a house. Finally regulatory reform must involve limiting, or removing restrictions that discourage or prevent the intensification of existing housing through the conversion of larger units to smaller units, or rooms, or the construction of rooming houses in existing neighborhoods. This type of municipal regulatory reform may facilitate the development of adequate and affordable housing.<sup>140</sup>

According to Hulchanski et.al., (1990) regulatory initiatives offer municipalities a significant means of using their authority in support of low income housing. However, zoning, land and building development standards are commonly viewed as being exclusionary as opposed to inclusionary toward low cost housing. The authors of Facilitating the Production of Affordable Housing through Regulatory Reform and Streamlining Approval Processes, (1991) concur with this claim.

...Most municipalities have established minimum development standards which far exceed basic health, safety, and convenience needs. These unnecessarily high standards derive from a desire to ensure a high quality of development which will have a positive, rather than negative, effect on existing property values,

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<sup>140</sup> Frank Clayton, "Housing Needy Canadians Without Massive New Government Funding", Canadian Housing, Vol 7, No 4, Winter 1990-1991

and ensure that the resultant property taxes will adequately cover the costs of providing services...<sup>141</sup>

A Report by Energy Pathways (1991) also concludes, most regulations are exclusionary. The Role of Planning: The Impact of Regulations on the Provision of Low-Income and Affordable Housing, (1991), explains existing planning regulations are developed with physical objectives in mind. Insufficient consideration has been given to the broader social, economic, and environmental implications of regulations. For example, low income housing is often constructed at the edge of the city to take advantage of lower land costs. However, the peripheral location of such housing leads to decreased access to employment and services, and higher transportation costs for residents. In addition, the isolation and concentration of particular groups also give rise to unnecessary economic and social costs to the individual and society. Overall there is considerable evidence which demonstrates that planning regulations have not been used as efficiently, effectively, and economically as possible.

In the case of regulations pertaining to the rehabilitation and maintenance of existing housing stock and neighborhoods, Energy Pathways (1991) recommends, revising regulations to encourage residential rehabilitation and maintenance. Current building standards and land use

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...According to the CMHC Report, Facilitating Production of Affordable Housing Through Regulatory Reform and Streamlining Approval Processes (1986), these standards can be divided into two categories: (1) zoning-which does not permit certain types of affordable housing, such as mobile homes, accessory apartments, convertible units and high density forms of development, and which precludes many types of conversions and intensification of the existing housing stock.... (2) site development and servicing standards- which are often set at such high levels that the provision of affordable forms of housing is rendered totally impractical....

CMHC, Facilitating Production of Affordable Housing Through Regulatory Reform and Streamlining Approval Processes A CMHC Paper prepared for the National Conferences of the Canadian Association of Housing and Renewal Officials, May 26-28 1986, Toronto Ontario, Pg. 7

regulations frequently pose a significant obstacle to: (1) the rehabilitation of housing, and other building types, particularly in inner city areas; to: (2) more efficient use of the existing stock; and to: (3) more environmentally appropriate patterns of development.<sup>142</sup>

Relatedly, current building codes and zoning by-laws may bear little or no relationship to residential units built before the regulations were updated.<sup>143</sup> Mr. Ducharme states, the WHRC regularly encounters rigid CMHC building and site standards which affect its development and renovation projects.<sup>144</sup> In the case of the WHRC, non residential building conversions, (ie: conversion of warehouse to apartment building) are affected by a lack of adequate CMHC building code equivalencies.<sup>145</sup> The lack of uniform building code equivalencies is part of a larger organizational problem that directly and indirectly limits the effectiveness of all three levels of governments in their day to day activities. The lack of a efficient and cost effective organizational model is one reason the City of Winnipeg planning activities are disjointed and fragmented. It also explains the absence of a financial and political commitment to a separate housing department which would allow the city to broaden and diversify its low income housing role.

### *Organizational Barriers*

Sparrow (1982) contends that, the absence of an efficient and cost effective administrative and organizational infrastructure discourages the

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<sup>142</sup> Energy Pathways, The Role of Planning: The Impact of Regulations on the Provision of Low-Income and Affordable Housing, Prepared for CMHC by Energy Pathways Inc, Ottawa, March 21, 1991, Pg, 7

<sup>143</sup> Energy pathways, op.cit., Pg, 7

<sup>144</sup> Ducharme, op.cit., interview

<sup>145</sup> Radewich, op.cit., Pg, 94-95

municipality from broadening and diversifying its low income housing role. In some municipalities, the administration has trouble getting water bills out on time and are intimidated by the thought of taking on new challenges of running what it views as a complex housing department or corporation.

In the case of Winnipeg, Ufoegbune (1993) states, that the City of Winnipeg has faced organizational problems in terms of departments dealing with housing issues.

An example, of these organizational problems is seen in city councillors repeated failure to give the administration a financial and political commitment to establish a separate housing and community programs department.

Ufoegbune (1993) states, that there is no doubt that the proposal to establish a separate housing department is in line with the argument that the failure to integrate housing and housing related activities at the municipal level is a major source of housing failure. The need for an integrated approach is reflected in the large number of civic departments and agencies involved in housing.<sup>146</sup> The large number of departments and agencies involved in housing are illustrated in Appendix 3.1. One possible solution to this integration may be to amalgamate Winnipeg's Community Programs Division activities, WHRC, Social Services Housing Division, and Housing Inspection Programs into a separate Department of Housing and Community Programs.

Plunkett (1976) concludes, municipalities must be prepared to accept the challenge of reorganizing their administrative structures. The local government that has a real commitment to housing action must accept the

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<sup>146</sup> Ufoegbune, op.cit., Pg, 87

necessity of actively seeking a better institutional environment, with maximum room to maneuver and pursue its objectives in a manner consistent with what it perceives to be the real needs of the area it serves. To secure these conditions, a local government will build widespread community support in order to demonstrate that it is effectively meeting the needs of its area.

Hulchanski et.al, (1990) support the notion that municipalities must build widespread community support. This involves building private/public sector partnerships with third sector organizations such as private non profit and cooperative groups, and the private sector. These types of partnerships have proved successful at a time of shrinking revenues, rising demand for subsidized housing, and decreasing government assistance.

### *Summary*

To sum up, this chapter has identified and examined the administrative, financial, organizational, political, public, and regulatory barriers and constraints that influence and shape the municipality's role and level of involvement in low income housing. The literature reveals that if municipalities are to overcome the barriers and constraints that affect their role and involvement in low income housing city councillors must be prepared to: (1) recognize the municipality's housing demand and need for adequate and affordable housing; and (2) make a financial and political commitment to addressing the demand or need.

In the case of Winnipeg, the literature suggests the main barriers and constraints that determine and shape the city's role in low income housing include:

- (1) restrictive provincial legislation;
- (2) jurisdictional constraints;

- (3) municipal government's lack of political will and commitment to low income housing;
- (4) insufficient municipal revenues;
- (5) a weak political structure;
- (6) inflexible regulations;
- (7) public opposition to low income housing;
- (8) municipal dependency on senior government funding and programming;

In the case of the latter, many municipal actions or initiatives are limited by the uncertainty of whether they will receive funding from the senior levels of government, and the amount of senior government funding available to administer or deliver a particular program.

In the end, all of these factors in part determine and shape the municipal housing role. This often results in a highly fragmented, compartmentalized, and passive municipal housing role, and the absence of comprehensive planning at the municipal level.

In Chapter four of the thesis the examination will address the factors that determine and shape the City of Winnipeg's facilitator role, level of RRAP activity, and funding, delivery capacity, and method of funding the delivery of RRAP in the context of NIP, CIP, CAI, CAI II, and the post CAI period. In doing so the study will explain how the city responded to selected federal funding and program changes to RRAP during the period 1973-1994.

## Chapter Four

### The City of Winnipeg Response to Federal Funding and Program Changes to RRAP:1974-1994

In 1974, the City of Winnipeg signed an agency agreement with the federal government to assume responsibility for the administration and delivery of the federal government's home repair program known as the Residential Rehabilitation Assistance Program, (RRAP).<sup>147</sup> As discussed in chapter two, RRAP is delivered by the City's Community Programs Division and was originally intended to serve as a complementary social housing program to the Neighborhood Improvement Program. However, RRAP has continued to complement other federal, provincial, and municipal initiatives such as the Community Improvement Program, Core Area Initiative Home Repair and Renovation Programs, and Manitoba Winnipeg Community Revitalization Program.

Through RRAP, the Community Programs Division provides assistance in the form of forgivable home repair loans and grants to homeowners which are to be used to upgrade dwelling units to a minimum standard of health and safety and at the same time extend the life of the

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...The RRAP delivery process consists of five steps: (i) preliminary application, the delivery agent meets with the applicant to discuss the assistance available from the program and the needs of the applicant; (ii) initial inspection, RRAP inspectors verify that the dwelling meets the RRAP eligibility requirements and identify the work required to bring the property up to the level of health and safety identified by RRAP standards; (iii) description of work and cost estimate, if the inspector has decided that the dwelling is eligible for RRAP then a specification report is completed for the property; (iv) final application, the agent assists the applicant to complete the final application for the RRAP loan; (v) progress and final inspection, the delivery agents issues progress reports during the rehabilitation of the dwelling based on RRAP inspector reports....

dwelling.<sup>148</sup> In the case of landlords, the City delivered federal rental RRAP until the program's cancellation in 1989.

During the 20 years in which the city has been delivering RRAP, a housing rehabilitation industry has been established, significant rehabilitation employment has been generated,<sup>149</sup> neighborhood stability has been facilitated, and the city has assisted hundreds of landlords, and thousands of homeowners, particularly those on fixed income such as the elderly.<sup>150</sup> The city would have been unable to assist the latter given the absence of the program, the city's limited revenue base, lack of financial and political commitment to low income housing,<sup>151</sup> and provincial jurisdictional and revenue generating restrictions on the municipality. In short Winnipeg has grown dependent on RRAP.

Despite this dependency, federal funding and program changes to RRAP have created uncertainty over the program's future in Winnipeg.

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...Homeowner RRAP provides assistance to homeowners in specific income categories for work required to bring the dwellings up to a minimum level of occupancy, based on health and safety factors. Applicants with an annual household income of \$13000.00 can receive a loan of \$10,000.00. A portion of this loan is forgivable. The forgivable portion is based on a sliding income scale which ranges from \$13000.00-\$23000.00. As income increases, the forgivable portion of the loan decreases. Under the terms of the loan, the work must only include necessary repairs such as to the structure, plumbing, heating, and electrical, aspects of the dwelling. In the case of disabled RRAP, repairs to the structure, plumbing, heating and electrical systems must be completed prior to instituting disabled amenities.... A RRAP information bulletin describing the Program is included in appendix 4.1.

Community Programs Division, "Status Report on The City of Winnipeg Involvement in Housing Initiatives: The Role of the Community Programs Division," Department of Environmental Planning, City of Winnipeg, November 1990, Pg. 4

149 Community Programs Division, "Federal Withdrawal from Social Housing", Department of City Planning, City of Winnipeg, 1993, Pg. 4

150 Community Programs Division (1993), op.cit., Pg. 2

151 Inperson Interview with Community Programs Division Manager, Mr. Neal Kowlessar, City of Winnipeg, July 14, 1994, 9:00AM, 986-5257



Some of the changes include: cuts to the social housing budget during Prime Minister Mulroney's Conservative administration between 1984-1993; cancellation of rental RRAP in 1989; the federal government's unwillingness to make a long term financial or political commitment to RRAP; and the federal government's temporary cancellation of homeowner RRAP in the 1993 budget. These are just some of the events that have contributed to the Community Programs Division recurring struggle to find existing or complementary funding sources and develop innovative funding methods to maintain, and in some cases enrich RRAP's presence in Winnipeg.

The purpose of chapter four, is to identify whether selected federal funding and program changes to RRAP correspond with changes to the municipality's role and level of activity in delivering RRAP, or whether there are other factors that resulted in municipal changes to the delivery of RRAP. The chapter begins by identifying the rationale behind RRAP in Winnipeg, and whether the rationale, housing policies, and mandate, reflect change or have broadened in light of federal funding and programs changes to RRAP.

### **The Rationale Behind RRAP in Winnipeg**

The federal government initially established the Residential Rehabilitation Assistance Program in response to an acknowledgment that older deteriorating neighbourhoods were worth saving.<sup>152</sup> This was the case in Winnipeg.

According to a Community Programs Division study, Inner City Revitalization, one of the major problems facing Winnipeg in the early 1970s was that its inner city was deteriorating and experiencing significant

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<sup>152</sup> CMHC, op.cit., Pg, 1

population loss. Household growth was declining and new growth was gravitating towards existing suburban land. The total housing stock in the inner city was in very poor condition. Moreover, a significant proportion of this stock was being lost through placardings and demolitions and not being replaced by public or private construction. In addition, affordability problems were being experienced by many families as well as special needs groups such as the elderly and disabled.

In response to these conditions, the city began delivering RRAP and the cost shared Neighborhood Improvement Program, (NIP). Both programs emphasized building on the positive aspects of the neighborhood through strategies of preservation, improvement, and rehabilitation. These programs were aimed at revitalizing the neighborhood and rehabilitating its housing stock to a level of a safe, healthy, and stable living environment.<sup>153</sup> Despite NIP's demise in 1978, RRAP continues to be directed towards the rehabilitation of housing, thereby ensuring an adequate supply of safe and affordable housing. There are several reasons RRAP continues to play an important role in preserving Winnipeg's low income housing stock. These are outlined below.

First, 68% of Winnipeg's housing stock is need of regular maintenance. Second, 8% of Winnipeg's housing stock is in need of major repairs. Third, nearly 50% of the City's housing stock is over 45 years old.<sup>154</sup> Mr. Kowlessar indicates, these statistics in part reflect the fact that Winnipeg has the second oldest housing stock in Canada. Hence there is a strong need for

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<sup>153</sup> Anthony Young, Federal Perspectives in the Development of the Neighborhood Improvement Program and Residential Rehabilitation Assistance Program:1969 to 1973, Thesis, University of Manitoba, 1979, Pg. 1

<sup>154</sup> Statistics Canada, "Profiles of Census Tracts in Winnipeg", Parts A&B, Statistics Canada, Ottawa, 1994

maintenance. As housing stock ages it deteriorates. RRAP is a program that allows low income homeowners to maintain their homes. There are close to 44000 housing units in need of regular maintenance.<sup>155</sup> Given the fact that the city can RRAP 200-300 units annually, the Community Programs Division can generate enough RRAP activity for the next 15 years.<sup>156</sup> In the case of the rental sector there is also a strong need for maintenance as many apartment buildings are close to 25-30 years old and will soon require a major retrofit such as new mechanical, heating, and ventilation systems.<sup>157</sup> According to Federal Withdrawal from Social Housing the Trend, 73% of the apartment units are in need of maintenance including major repair.<sup>158</sup> Given the rising vacancy rates, and low incomes of many tenants, repairs to apartments can be burdensome to some landlords and cause them to neglect the overall maintenance of the facility.

In the case of older housing stock that was RRAPed in the 1970s and early 1980s, Mr. Kowlessar suggests it is time to go back into the NIP and CIP neighbourhoods and re-RRAP the units.<sup>159</sup> He adds, RRAP was initially intended to extend the life of the dwelling for 15 years. Many of the

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<sup>155</sup> ...Mr. Kowlessar defines regular maintenance as structural, electrical, plumbing, and heating system repairs...

Kowlessar (July 94), op.cit., interview

<sup>156</sup> Kowlessar, (July 94) op.cit., interview

<sup>157</sup> Tom Carter, "Funding for Social Housing: What Are the Priorities", Institute of Urban Studies Newsletter, Issue No 45, Institute of Urban Studies, University of Winnipeg, Spring 1994, Pg 2

<sup>158</sup> Community Programs Division, (1994) op.cit., Pg, 16

<sup>159</sup> .....Prior to 1991, CMHC forbid housing units from being re RRAPed or RRAPed more than once.

Kowlessar, (July 94) op.cit., interview

properties which were brought up to standard at that time are again in need of major repair. Therefore there is a need to extend the life of the dwelling for another 15 years.

Mr. Cassidy cites lower incomes and a higher cost of living as another reason for RRAP. Salaries are not keeping pace with cost of living and shelter costs. Community Programs Division RRAP applicant statistics support this claim. As can be seen in appendix 4.2, there was a rise in the number of applicants spending more than 30% of their household income on shelter. Mr. Cassidy adds that there are a rising number of welfare recipients that own a home. In these two cases, the homeowner has fewer dollars to spend on house maintenance and therefore relies on some form of government assistance, to maintain their home. Hence there is a strong demand for RRAP.

The strong demand for RRAP is reflected in RRAP waiting lists. In 1993-1994, there were 300-400 people on the RRAP waiting list. Mr. Cassidy indicates these figures are quite high given the Community Programs Division did not advertise the program in 1993-1994. In recent years, the waiting list has averaged 200-300 applicants. The rise in demand for RRAP can be seen in the rental RRAP waiting list for the period 1982-1989. This is illustrated in figure 4.1.

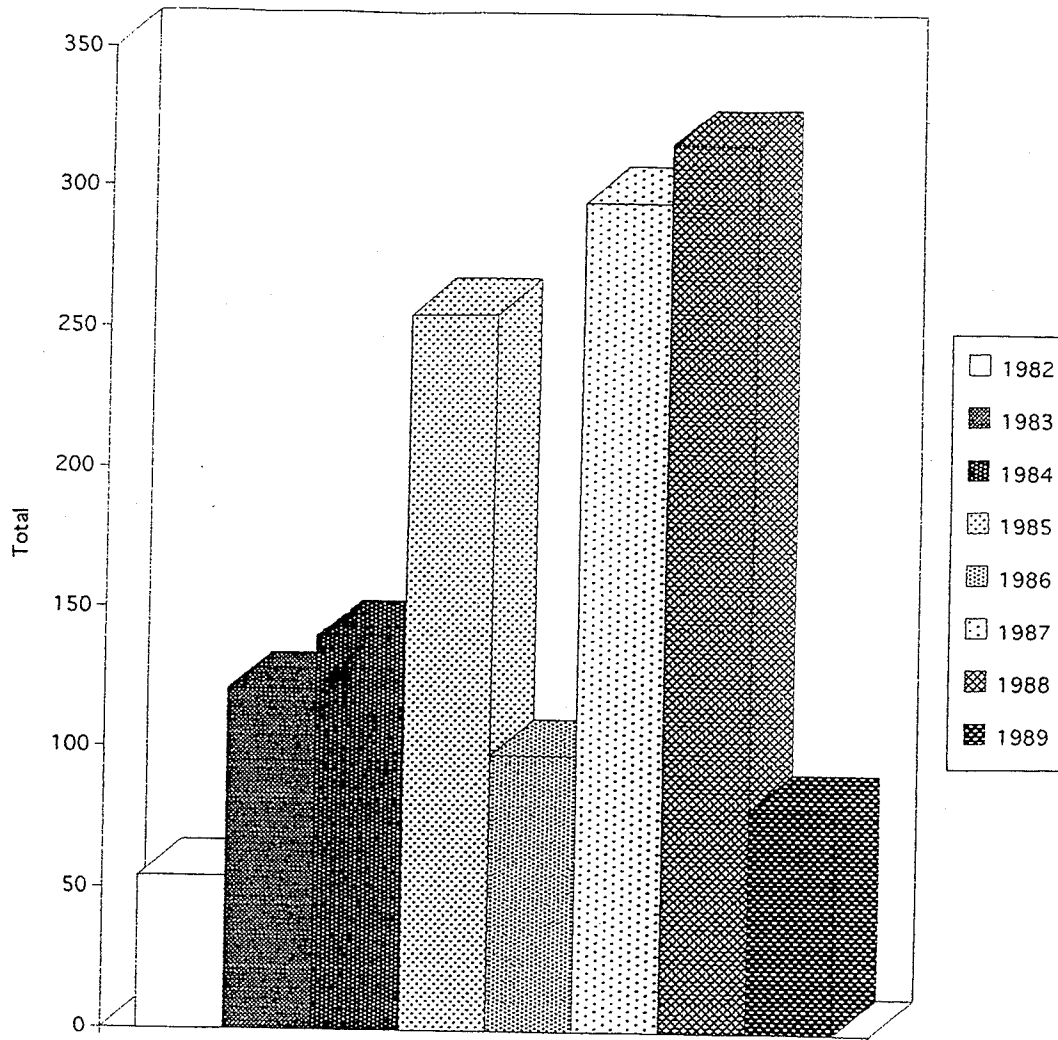
Prior to 1991, Mr. Kowlessar indicates a significant proportion of RRAP applicants on the waiting list were elderly. This changed during the early 1990s because of the turn over in housing ownership as younger applicants moved into older housing stock vacated by the elderly. Over 50% of the applicants resided in housing stock 26-50 years old.<sup>160</sup> As is illustrated in

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<sup>160</sup> Community Programs Division, "Residential Rehabilitation Assistance Program Summarized Statistics 1991-1993", City Planning Department, City of Winnipeg, 1993

Figure 4.1 Rental RRAP Waiting List 1982-1989

1982	1983	1984	1985	1986	1987	1988	1989
54	121	140	255	98	295	316	79



Source: Community Programs Division, City Planning Department, Winnipeg, 1994.

appendix 4.3, the majority of RRAP applicants during the period 1991-1993 were between 25-44 years old. They were single and considered main stream as opposed to disabled applicants. In 1993, the applicants had fewer dependents than in the previous two years. The length of residency suggests that the majority of applicants were first time home owners. A significant proportion also had incomes in excess of \$13000.00. Nevertheless, they were spending more than 30% of their income on shelter. Consequently these applicants had less disposable income to spend on essentials such as food, clothing, and transportation. These statistics reflect the type of applicants presently on the RRAP waiting list, and in need of RRAP.

Finally, RRAP is needed in the city to preserve, improve, and rehabilitate older housing stock, thereby preventing its placarding and demolition. The illustration in appendix 4.4, suggests the highest number of inner city residential placardings and demolitions occurred during the 1970s and early 1980s. Even though their number has dropped from the 1970s, and early 1980s, a significant proportion of inner city housing stock is still being lost to this process. During the period 1990-1993, 861 inner city dwelling units were lost to placarding and demolition activity. The loss of this stock means fewer affordable housing units in the inner city.

**Has the rationale for RRAP broadened in response to federal funding and program changes to RRAP?**

In 1982, the rationale or need for RRAP broadened in response to federal changes to RRAP, designating it as a universal program.<sup>161</sup> Prior to 1982, RRAP was part of a total comprehensive revitalization strategy aimed at facilitating neighborhood stability, and economic and program support for

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<sup>161</sup> Kowlessar, (July 94) op.cit., interview

low income households. In addition, it was only delivered in designated NIP neighborhoods. Following the 1982 change, RRAP was focused as a housing program, and delivered universally, in the absence of a comprehensive revitalization strategy. It was targeted to all neighborhoods in the city. Mr. Kowlessar suggests RRAP became a much broader program as it began to recognize housing needs in other parts of the city based on an increase in applications for RRAP assistance.

**Do Winnipeg housing policies, and mandate, reflect federal funding and program changes to RRAP?**

A review of Plan Winnipeg Towards 2010, the City of Winnipeg Act, and city housing policies, suggest part of the city's housing mandate is to provide programs and funding for home repair and community revitalization. Yet as explained in earlier chapters the city has been unwilling to make a unilateral financial or political commitment to pursuing this mandate. Mr. Kowlessar indicates that the City did not begin to pursue this mandate until it began delivering federal social housing programs using federal dollars. One example of this is NIP and RRAP. It continued to pursue this mandate during the Core Area Initiative as an equal financial partner with the other two levels of government. In the case of the latter, the city not only broadened its housing role, but it broadened its delivery capacity, including RRAP's delivery capacity. The city was able to negotiate with the federal government to give special attention to Winnipeg thereby increasing the federal budget allocated to the City.

In the end, federal funding and program changes to RRAP are not reflected in city housing policies, or mandate. Mr. Cassidy supports this notion, arguing federal funding and program changes to RRAP are not directly reflected in city housing policies, or mandate, as most municipal

policy makers lack an awareness of the city's housing role and initiatives. He adds that most city policies are aimed at short term issues and problems that are manageable, and easily focused on in the municipal budget such as infrastructure renewal, or road construction. As such, the city policies and objectives also tend to reflect what is happening locally as opposed to nationally.

### **The Municipal Delivery of RRAP During NIP and CIP 1974-1983**

In 1974, the city began delivering RRAP as a complementary initiative to the Neighborhood Improvement Program, (NIP). Both NIP and RRAP were introduced by the federal government as the intended replacement for urban renewal.<sup>162</sup> They were also part of a comprehensive policy as discussed in chapter two. NIP was created to provide funding for improvements to the public infrastructure in selected low income residential areas and RRAP was introduced to subsidize the rehabilitation of private housing stock in these areas. RRAP was initially delivered in four designated Neighborhood Improvement Program neighborhoods. By the end of 1978 two additional neighborhoods were designated NIP areas. These designated NIP areas are illustrated in map 4.1.

During NIP, the city collected and banked CMHC delivery fees, paid to the Community Programs Division for the delivery of RRAP on a per unit basis.<sup>163</sup> The fees were banked in recognition of the fact that recoveries only covered half of the total cost to deliver RRAP. Nevertheless these banked

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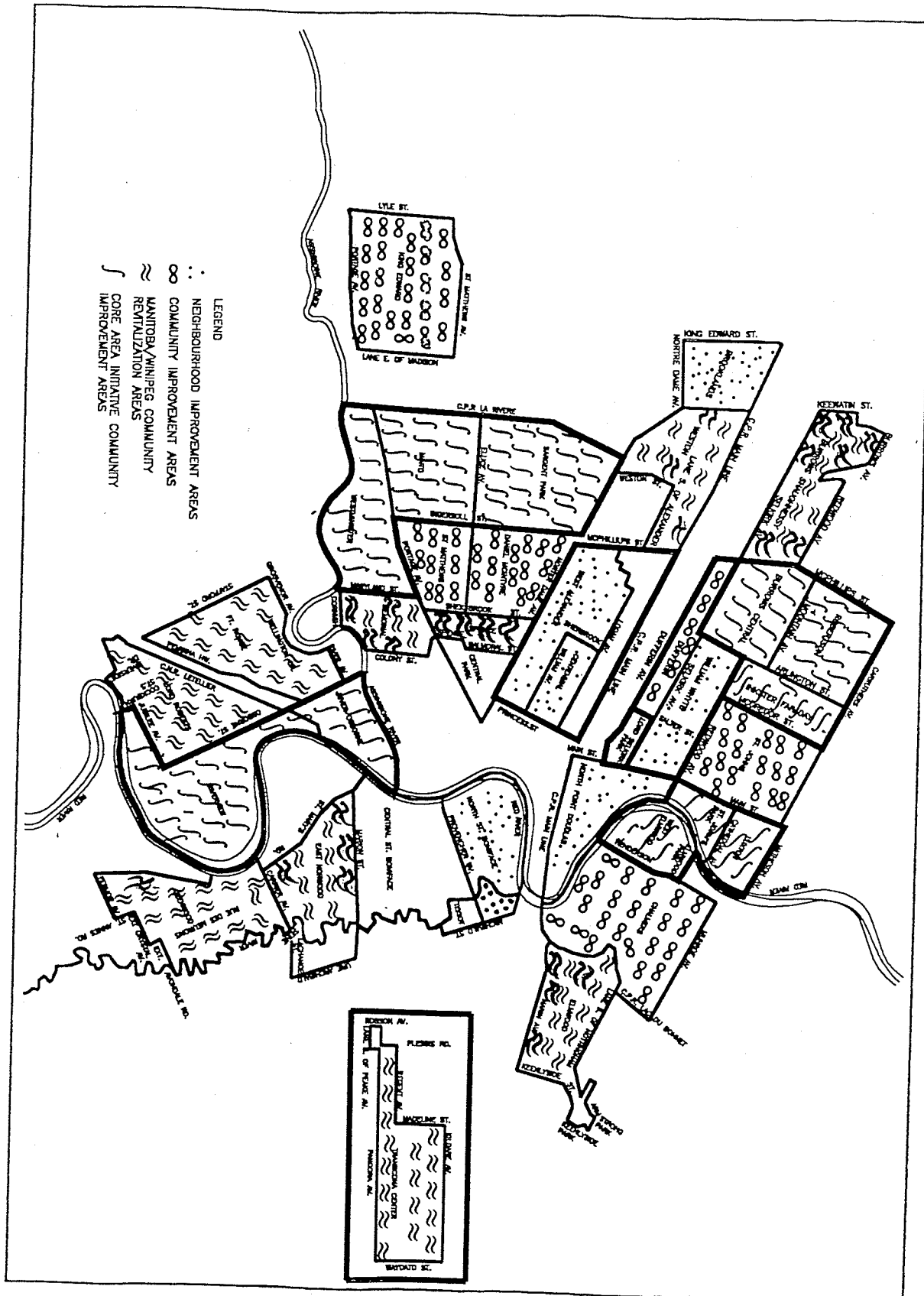
<sup>162</sup> CMHC, op.cit., Pg. 11

<sup>163</sup> The CMHC delivery fees paid to the City for the delivery of RRAP are referred to as recoveries by the city and are banked in a city reserve account. They are intended to cover RRAP inspector salaries, RRAP clerks salaries, and related costs associated with the delivery of RRAP....

Kowlessar, (July 94), op.cit., interview



Map 4.1 NIP, CIP, &amp; CAI Neighborhoods



Source: Community Programs Division. City Planning Department. City of Winnipeg. 1994.

recoveries could be used at a future date to fund RRAP administration once NIP capital funding expires and ceases to fund RRAP administration.<sup>164</sup> By banking CMHC delivery fees, the Community Programs Division was able to assure a city commitment to the long term delivery of RRAP should it be unable to secure city funding or a complementary source of funds that could be used to finance the future delivery of RRAP. This marked the beginning of a creative financing strategy for RRAP. Normally, the CMHC recoveries would have gone into general revenues and be lost to the program. The chart in figure 4.2, illustrates the creative financing model developed by the Community Programs Division during NIP and CIP.

There were no significant federal funding or program changes to RRAP during the 1974-1977 period that directly affected the delivery of RRAP in the city. The first significant federal funding and program change to RRAP, that affected the municipal delivery of the program, occurred in 1978.

In 1978 the federal government amended the National Housing Act, (NHA) and disentangled administration and delivery of social housing to the provinces under the Federal-Provincial Global Funding Agreement. In Winnipeg, the Neighborhood Improvement Program ended, and was replaced by the Community Improvement Program, (CIP).<sup>165</sup> This change

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...The fee for service was neither sufficient to meet the total costs of inspection work carried out by the city, nor did it provide adequate front end financing to meet the costs of an expanded RRAP administration during the CIP and CAL...

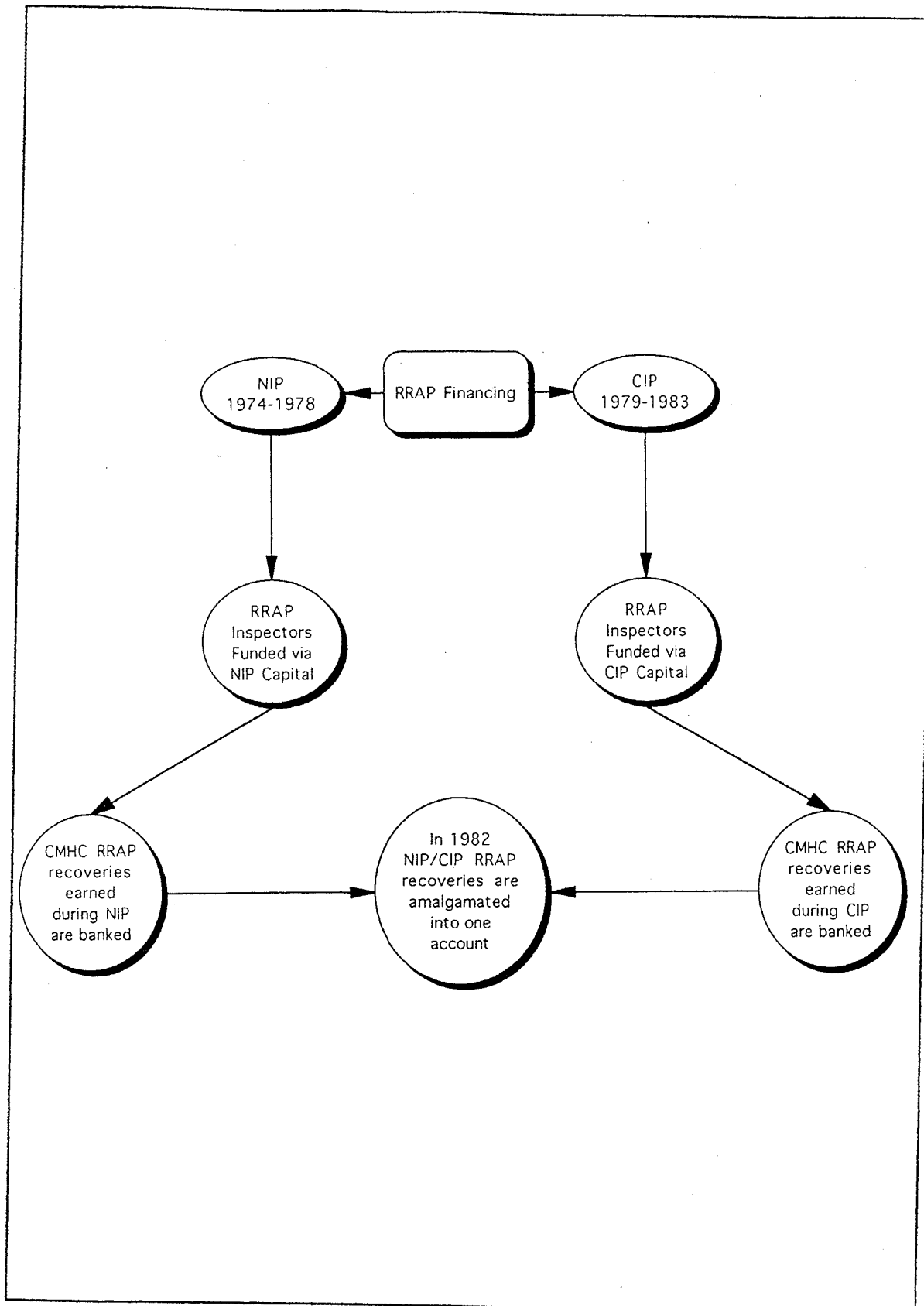
Community Programs Division, (1987) op.cit., city council minutes

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...Mr. Kowlessar indicates NIP ended in 1978. However, NIP was a five year program. Therefore areas that were designated NIP program areas in the final year of the program, (ie:1978) continued to receive RRAP activity until the five year period ended. As such Brookland, West Alexander, and William Whyte were designated NIP areas in 1978. Therefore RRAP continued to be applied in these areas until 1983 and in some cases later.....

Kowlessar, (July 94) op.cit., interview

Figure 4.2 Creative Financing Model Used During NIP &amp; CIP



was complemented by a change to RRAP, which was the geographical expansion of the Residential Rehabilitation Assistance Program by the designation of "new rehabilitation areas", to which RRAP was targeted.<sup>166</sup> These new areas were designated CIP neighborhoods.

One of the first signs of this expansion, was the delivery of RRAP in four new areas which are identified in map 4.1, as Chalmers, St. Mathews, Dufferin, and Daniel McIntyre. Mr. Kowlessar states that the extension of RRAP to these four neighborhoods did not produce any notable changes in RRAP operational procedures albeit, did produce changes in the way the city financed the delivery of RRAP, the volume of RRAP activity, and volume of RRAP funding. As occurred under NIP, the city continued to bank CMHC recoveries earned from the delivery of RRAP and financed the delivery of the program using CIP capital funding.<sup>167</sup>

There was a small increase in the take-up of RRAP assistance following the geographical expansion of RRAP in 1978. This increase is reflected by a rise in the level of RRAP activity, particularly in NIP neighborhoods. The Community Programs Division RRAP delivery statistics reveal an increase of 24% in the total number of units RRAPed in 1978 over the total number of units RRAPed in 1977. The volume of RRAP funding increased by 16% over the total volume in 1977.

This initial rise in the level of RRAP activity and volume of funding, was cut short by a change to rental RRAP in 1979. It was not until the early

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<sup>166</sup> Young, op.cit., Pg, 119

<sup>167</sup> ...In areas where RRAP was still being applied in NIP neighborhoods, NIP financed the delivery of RRAP....

Kowlessar, (July 94) op.cit., interview

1980s that the level of RRAP activity and volume of funding began to rise once again during CIP.

*How did the federal change to Rental RRAP Affect Take-Up of Rental RRAP?*

In 1979, the federal government terminated direct loans to landlords with the intention of limiting demands on the capital budget.<sup>168</sup> As is discussed in chapter two, this change was consistent with changes to Canadian housing policy at the time. These changes focused on neo conservative strategies that de-emphasized the federal housing role. The initial effect of this change was a reduction in take up of rental RRAP which in turn, resulted in lower levels of rental RRAP activity during the early 1980s.

At the local level, the total number of units RRAPed in 1979, dropped by 22%. The volume of RRAP funding also dropped in 1979 by 30%. This drop is illustrated in table 4.1.

The decline in total number of units RRAPed and total capital funding can be attributed to several factors.<sup>169</sup> First, there was little interest in rental RRAP. According to Clatworthy, Frenette, and McKee's (1979) study, homeowner and landlord interest in RRAP was not overwhelming. Due to the low take up of RRAP, substantial blocks of funding allocated to Winnipeg, were returned to the federal government.<sup>170</sup> Mr. Cassidy, indicates the low interest in rental RRAP was attributed to limited funding,

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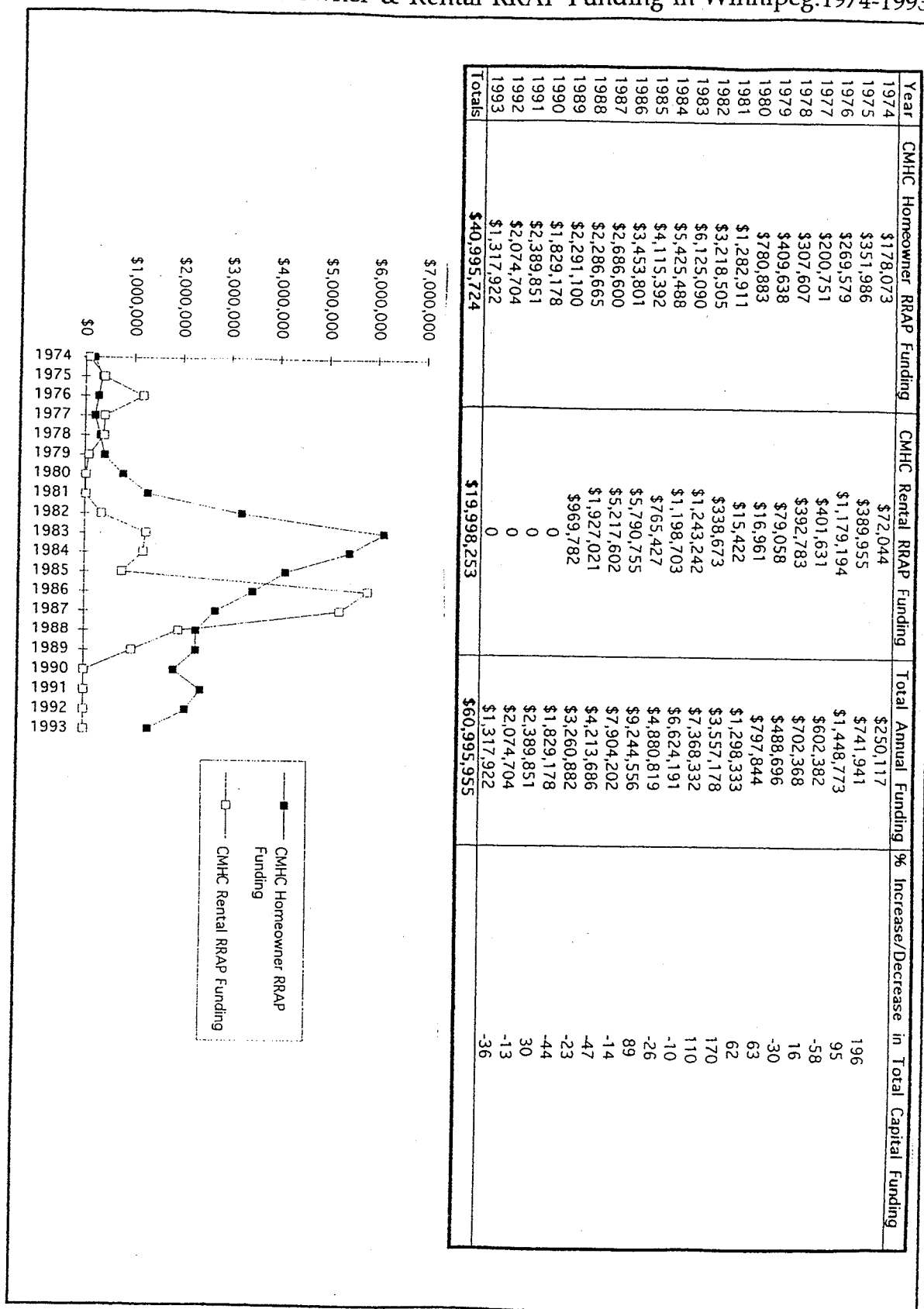
<sup>168</sup> CMHC, op.cit., Pg 12

<sup>169</sup> .....total RRAP repayable dollars+total RRAP forgivable dollars=total RRAP capital dollars....

Kowlessar, (July 94) op.cit., interview

<sup>170</sup> Clatworthy et.al., op.cit., Pg 40-41

Table 4.1 Total Homeowner &amp; Rental RRAP Funding in Winnipeg:1974-1993



Source: Community Programs Division, City Planning Department, Winnipeg, 1994

small forgivable loans, unattractive program terms,<sup>171</sup> and the notion that landlords were required to borrow capital from a commercial lending institution. Many landlords were not able to secure the capital required to participate in rental RRAP.<sup>172</sup> The chart in appendix 4.4 illustrates inner city placardings and demolitions outnumbered rehabilitated and renovated units during the 1970s. The high number of placardings and demolitions during the 1970s suggests this was a popular way of dealing with older, dilapidated housing stock.

A comparison of the city's role in delivering RRAP during NIP and CIP reveals no notable change in RRAP operational procedures. Mr. Kowlessar states CIP was in parts a continuation of NIP. As such, RRAP continued to complement CIP activity. Despite no notable change in RRAP operational procedures, there was a change in the city's level of RRAP activity and volume of RRAP funding which was brought about by the geographical expansion of RRAP during CIP. The city's volume of RRAP activity and volume of RRAP funding in CIP areas continued to rise during the early years of the Core Area Initiative, (CAI I). This rise in RRAP activity tended to be concentrated among homeowner units and was particularly visible in the St Johns and King Edward neighborhoods. The total number of units

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...In May 1978, the following changes were made to rental RRAP, the maximum loan that could be borrowed was \$10000 of which 50% the first \$5000 of repairs to a maximum of \$2500 could be forgiven... ..In July 1979, landlords were eligible to receive an increase in hostel/rooming house limits-50% of costs to a maximum of \$3750 for the first three bed units and 50% up to \$2000 for each additional bed unit.... Mr. Cassidy, states many landlords were discouraged from taking up RRAP assistance as this would involve abiding by rent controls, or having a ceiling imposed on their rent for 15 years.

In person Interview with City of Winnipeg Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, July 12, 1994, 1:00 pm, Ph # 986-5179.

172 Cassidy, (July 94) op.cit., interview

RRAPed increased by 42% in 1981 and 117% in 1982 due to an expansion of RRAP in the Core Area Initiative Community Improvement Action Areas.

### **The Municipal Delivery of RRAP During CAI I:1982-1985**

The federal government designated RRAP as a universal program in 1982. The result being, RRAP was no longer strictly applied to Neighborhood or Community Improvement Program areas. Rather, RRAP was applied universally, to all areas of Winnipeg.<sup>173</sup>

At the same time, the federal government committed an additional 1.5 million dollars a year for a period of five years for the expansion of the RRAP program, as part of the tri partite Core Area Initiative Agreement, (CAI). The additional RRAP funding was, in part, brought about by municipal lobbying and cooperation with the senior levels of government which was associated with the City's Housing and Neighborhoods housing policy.<sup>174</sup> Municipal lobbying and cooperation with the senior levels of government represented a significant municipal initiative, reflecting the city's move towards a facilitative housing role, at a time when both municipal and provincial housing roles were basically ill defined.<sup>175</sup> The expansion of RRAP was consistent with the CAI goal to renovate 4000 units by the end of CAI I term, and the municipal program with respect to city involvement in the provision of housing as adopted by council on December 5th, 1979.<sup>176</sup>

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<sup>173</sup> .....Despite the universal designation of RRAP, program activity tended to be concentrated in areas with old housing stock such as in the inner city core area north and south of CPR lines...

Kowlessar, (July 94) op.cit., interview

<sup>174</sup> Community Programs Division, (1990) op.cit., Pg. 1

<sup>175</sup> Community Programs Division, (1990) op.cit., Pg. 1

<sup>176</sup> ....In December 1979, Winnipeg city council adopted in principle a number of municipal program approaches defining the role the city wished to play over



The Core Area Initiative Agreement also introduced a Home Repair Grant Program and Loan Forgiveness Hardship Program. Both programs were designed to complement and enrich RRAP during the CAI.<sup>177</sup> They did this by increasing the volume of funding, expanding on eligible items allowable for repair under RRAP, and providing added assistance to applicants with low adjusted household incomes.<sup>178</sup>

Mr. Kowlessar, and Community Programs Division RRAP delivery and budget statistics reveal that these events did not produce changes in the city's RRAP operational procedures. However, they did produce changes in the city's delivery capacity, volume of RRAP activity, volume of RRAP funding, and in the way the delivery of RRAP was financed during the CAI.

Following the 1982 federal changes to RRAP, there was an increase in the city's RRAP activity. The increase was in part attributed to the geographical expansion of RRAP, particularly in Core Area Initiative Community Improvement Action Areas,<sup>179</sup> which are identified in map 4.1.

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the next five years in the maintenance and revitalization of inner city housing..

Community Programs Division, "Request for Municipal Approval of and Signing of the Residential Rehabilitation Assistance Program Agency Agreement Between CMHC and the City of Winnipeg for the Year 1981", City of Winnipeg Department of Environmental Planning, Winnipeg, 1981 City Council Minutes

<sup>177</sup> ....During the first CAI, the three levels of government allocated 11.5 million to CAI home repair and renovation programs, including housing programs for renovation, by-law enforcement, home ownership incentives, and housing development assistance.

Ufoegbune, op.cit., Pg. 102

<sup>178</sup> Community Programs Division, (1990), op.cit., Pg. 6

<sup>179</sup> ...Community Improvement Action Areas were those neighborhoods contiguous to an existing NIP or CIP neighborhood. For the implementation of the federally funded RRAP program, the concept of the Community Improvement Area was a logical extension of the RRAP program normally operational in a NIP or CIP neighborhood.... The CIP action area concept allowed the housing problems of a community to be dealt with as an entity, building on the base

The city responded to the geographical expansion of RRAP by hiring additional RRAP property standard inspectors. The chart in figure 4.3 illustrates the fluctuation in RRAP staff based on funding availability. The inspectors were hired on the understanding that they would be deemed temporary city employees for the duration of the Core Area Initiative.<sup>180</sup> The CAI RRAP inspectors were concentrated in CAI neighborhoods and were funded through the CAI Home Repair Administration Fund.<sup>181</sup> The fund was intended to sustain CAI RRAP activities. At the same time, as CAI RRAP inspectors were being financed through the CAI Home Repair

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created by the joint NIP RRAP programs operational in the one neighborhood which provides the focus and catalyst for CIP areas. The NIP/CIP neighborhood operation within each CIP area provided the expertise and resources for extending services into surrounding neighborhoods which have housing maintenance and revitalization problems but which do not on their own exhibit sufficient criteria to be designated as NIP/CIP neighborhoods. The premise underlying this approach was that it is more logical to support the maintenance and revitalization of a group of neighborhoods which have a common and traditional identification and interdependence than it is to support only one neighborhood at a time...

Community Programs Division, (1981) op.cit., city council minutes

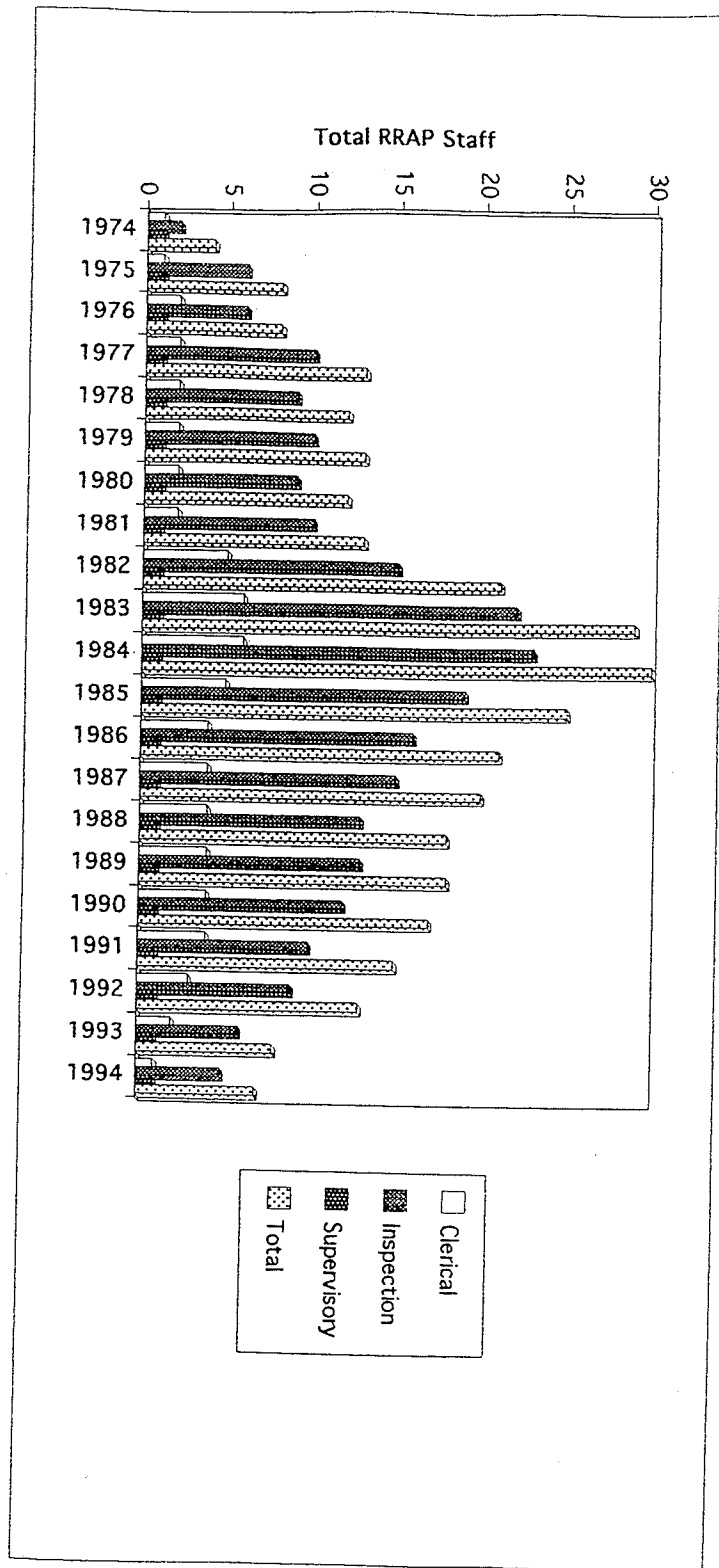
180 ....As temporary employees the inspectors did not receive any of the benefits that regular city employees received, and it was made clear that as soon as CAI funding ceased, the Core Area Inspectors would be subject to layoffs as opposed to being integrated into city line departments as regular employees....

Kowlessar, (July 94) op.cit., interview

181 ...The CAI Home Repair Administration Fund was to be used to hire home repair delivery staff and establish a home repair center. Funding was based on a \$3.5 million CAI loan forgiveness allocation to homeowner and landlords and a commitment from CMHC to promote the renovation of 4000 residential units over the tenure of CAI I. The budget called for the expenditure of \$3,154,000.00 with \$2, 181,000.00 obtained through the CAI and \$973,000.00 through CMHC agency fees. The budget for the CAI Home Repair Administration Fund for the period 1981-1986 was \$2,181,000.00... NIP/CIP inspectors were paid out of amalgamated NIP/CIP recoveries and delivered RRAP universally, or in the suburbs...

Community Programs Division, "Allocation of Core Area Residential Rehabilitation Assistance Program Agency Fees to Core Area Home Repair Delivery Beyond September 30", 1987, City of Winnipeg City Council Minutes

Figure 4.3 Total RRAP Delivery Staff Employed During the Period 1974-1994



Source: Community Programs Division, City Planning Department, Winnipeg, 1994

Administration Fund, CMHC recoveries earned for the delivery of CAI RRAP were banked in a separate recoveries account.<sup>182</sup>

In the case of NIP and CIP RRAP inspectors, CIP capital financed the delivery of RRAP. Mr. Kowlessar adds that banked RRAP recoveries earned from the delivery of RRAP inside and outside NIP and CIP areas were amalgamated in a separate recoveries account during the CAI in order to keep funding for the two groups of inspectors separate.<sup>183</sup>

Following the termination of the Community Improvement Program in 1983,<sup>184</sup> Mr. Kowlessar indicates that the Community Programs Division had two options: first, the Community Programs Division could approach the city for funding to continue the delivery of RRAP outside the Core Area;<sup>185</sup> second, it could continue the delivery of RRAP by financing RRAP inspectors through NIP/CIP banked recoveries. After seeking city approval, the Community Programs Division utilized the second option. The non CAI

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<sup>182</sup> ....Mr. Kowlessar states, separate expenditure and recovery accounts had to be established in order to account for CAI and NIP/CIP recoveries and expenditures separately.

Kowlessar, (July 94) op.cit., interview

<sup>183</sup> ....The total amount of recoveries amalgamated in one account were \$362,590.00, which was kept separate from CAI RRAP recoveries...

Community Programs Division, "Administration Fees Paid by CMHC for the Administration of RRAP in NIP/CIP Neighborhoods", City of Winnipeg Memo, March 31, 1982

<sup>184</sup> ....CIP ended in 1983. However CIP was a five year program, accordingly neighborhoods designated to receive CIP funding in 1982 or 1983 did not terminate activities until their funding ran out at the end of the 5 year period. Mr. Kowlessar, indicates a few NIP/CIP RRAP inspectors moved in to other city line departments....

Kowlessar, (July 94), op.cit., interview

<sup>185</sup> Mr. Kowlessar indicates this was not a feasible option given the city's past failure to make a financial commitment to housing.

Kowlessar (July 94) op.cit., interview

RRAP administration expenditures were financed out of the NIP/CIP recoveries account following the termination of CIP in 1983. Figure 4.5 illustrates the creative financing model used to finance the delivery of RRAP during the CAI.

A second sign that RRAP activity was rising was the increase in RRAP applicants on the RRAP waiting list. Figure 4.1 illustrates the rise in landlord applicants on the rental RRAP waiting list. Mr. Cassidy attributes the rise in RRAP demand and activity to two factors. First, RRAP was made available to a wide range of eligible applicants who lived outside designated CIP and NIP neighborhoods. Therefore the program was reaching a much larger and broader group of people. Second, the program was more generous in offering larger forgivables and assistance during CAI I. It was also tied in with other CAI home repair and renovation programs such as the home repair grants and loan forgiveness for hardship program.

#### *Core Area Initiative Home Repair Grants Program*

Under the CAI Home Repair Grants Program, landlords and homeowners who received RRAP assistance were eligible to receive an additional home repair grant that could be applied to home repairs or renovations throughout the year. The Home Repair Grants Program budget for the period 1981-1986 was \$2,800,000.

#### *Core Area Initiative Loan Forgiveness Hardship Program*

Under the CAI Loan Forgiveness Hardship Program homeowners receiving RRAP assistance were eligible to receive higher forgivables, particularly if they had low adjusted household incomes. For example, homeowners that had household incomes under \$9000.00 were eligible to receive a RRAP forgivable loan of \$6250.00, compared to \$5000.00 for regular RRAP applicants. In addition, homeowners were eligible to receive a grant

up to \$1250.00 depending on their income. Some 900 households took advantage of this program during the first CAI.<sup>186</sup> Many of these would have been unable to finance the mandatory repairs required by RRAP in the absence of this additional funding.<sup>187</sup> The Loan Forgiveness Hardship Program budget for the period 1981-1986 was \$1,200,000.00.

The high interest rates during the early 1980s, and the federal and provincial government's desire to combat soaring interest rates and stimulate the economy through residential construction and renovation led to the establishment of a provincial government interest write down program. The Manitoba Government's interest write down program complemented the Core Area Home Repair Programs by providing grant funds to write down the RRAP interest rate from market to zero percent depending on income.<sup>188</sup> This in turn encouraged greater take up of home repair assistance.<sup>189</sup>

In the end, the complementary home repair programs allowed people that were previously disqualified from applying for home repair assistance such as RRAP to reapply to the program. Mr. Cassidy states the stacking of complementary funding on top of RRAP funding allowed the CAI to offer more assistance per RRAP applicant.<sup>190</sup>

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<sup>186</sup> Community Programs Division, (1990), op.cit., Pg, 13-14

<sup>187</sup> Community Programs Division, (1990), op.cit., Pg, 13-14

<sup>188</sup> Community Programs Division, (1990), op.cit., Pg. 15

<sup>189</sup> Cassidy, (July 94), op.cit., interview

<sup>190</sup> ....Mr. Cassidy, states that under the CAI, many RRAP applicants were eligible to receive \$5000 forgivable plus an additional forgivable \$5000 in complementary funding through various CAI home repair programs.....

Cassidy, (July 94) op.cit., interview

This is one reason the volume of RRAP activity and funding was high during the 1983-1986 period. As can be seen in figure 4.4, this high level of activity tended to be concentrated among homeowner units. Prior to the increase in delivery capacity associated with the CAI, the Community Programs Division renovated an estimated 400 units per year.<sup>191</sup> In 1982, the volume increased to 650, and continued to be sustained at over 1000 units up to 1986, thereby, giving credence to the notion that the volume of RRAP delivery in Winnipeg is a product of funding levels.<sup>192</sup> The high volume of home repair activity in Winnipeg during the CAI distinguished Winnipeg and its home repair programs as the "flag ship" of the Residential Rehabilitation Assistance Program in Canada.<sup>193</sup>

By 1986, the total number of units RRAPed in the City of Winnipeg peaked. The city had surpassed the CAI goal of RRAPing 4000 units. Together with the CAI budget, the CAI Home Repair Administration Fund was depleted. At the same time, the CAI Home Repair Grants Program and CAI Loan Forgiveness Hardship Program ended. The depletion of these funds resulted in a struggle to find sufficient resources to continue the delivery of Core Area RRAP. As was the case when CIP ended in 1983, the Community Programs Division faced several options: first, the city could either fund the delivery of Core Area RRAP through general revenues until the CAI 2 budget was approved; second, the city could layoff CAI RRAP inspectors, abandon the delivery of RRAP, and risk losing Core Area RRAP recoveries to the city's general revenues account; or third the Community

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<sup>191</sup> Community Programs Division, (1987), op.cit., city council minutes

<sup>192</sup> Community Programs Division, (1987), op.cit., city council minutes

<sup>193</sup> Community Programs Division, (1987), op.cit., city council minutes

Figure 4.4 Homeowner RRAP Activity &amp; Funding

Year	Total Homeowner Units RRAPed	% Increase/Decrease	Total Homeowner RRAP Funding	% Increase/Decrease
1974	66		\$178,073	
1975	114	73	\$351,986	98
1976	66	-42	\$269,579	-23
1977	51	-23	\$200,751	-25
1978	67	31	\$307,607	53
1979	103	54	\$409,638	33
1980	203	97	\$780,883	91
1981	295	45	\$1,282,911	64
1982	571	93	\$3,218,505	150
1983	940	65	\$6,125,090	90
1984	864	-8	\$5,425,488	-11
1985	720	-17	\$4,115,392	-24
1986	569	-22	\$3,453,801	-16
1987	371	-53	\$2,686,600	-22
1988	465	25	\$2,286,665	-14
1989	431	-7	\$2,291,100	0.2
1990	347	-19	\$1,829,178	-20
1991	421	21	\$2,389,851	30
1992	390	-7	\$2,074,704	-13
1993	246	-36	\$1,317,922	-36
Totals	7300		\$40,995,724	

Source: Community Programs Division, City Planning Department,  
Winnipeg, 1994



Programs Division could seek city council approval to use CAI RRAP recoveries to fund the delivery of RRAP until the CAI II Budget was approved. At which time, the budget would be used to finance the delivery of Core Area RRAP. The city approved the latter option, releasing \$650,000.00 from the CAI RRAP recoveries account. The creative financing model employed by the Community Programs Division during the CAI is illustrated in figure 4.5.

### **The Municipal Delivery of RRAP During CAI II 1986-1992**

In 1986, the three levels of government renewed the Core Area Initiative Agreement committing an additional \$11.0 million to Core Area Initiative Housing Programs, including two new complementary home repair programs known as the Core Area Home Renovation Program, (CAHRP), and the Core Area Rental Unit Repair Forgiveness Program.<sup>194</sup> Both programs were intended to complement and supplement RRAP assistance during CAI II. The renewal of the CAI also provided an additional \$850,000.00 to the Core Area Home Renovation/Administration fund, (formerly known as the CAI Home Repair Administration Fund).<sup>195</sup> This allocation was a significant drop in funding compared to the \$2,181,000.00 allocated to the CAI I Home Repair Administration Fund. As was the case

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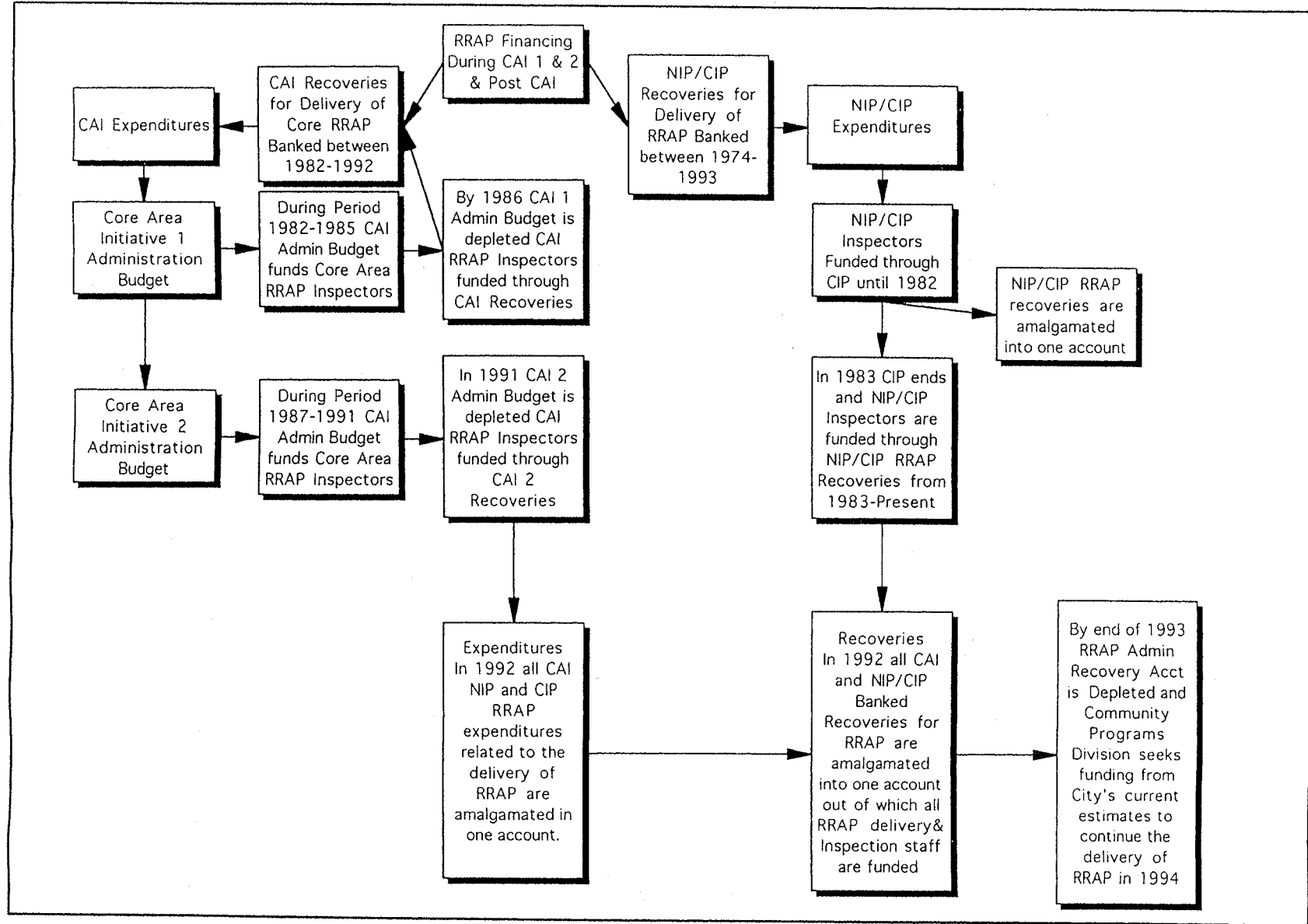
<sup>194</sup> ...During the second CAI, the three levels of government committed \$100 million compared to \$96 million in 1981, CAHRP began in 1988 and ended in 1991. The Core Area Rental Unit Repair Forgiveness Program, began in 1987 and was extended to 1990....

Kowlessar, (July 94), op.cit., interview

<sup>195</sup> ....The \$850,000 was part of a \$2,400,000 administration budget which was required to deliver the Core Area Home Renovation component and to complement RRAP in the Core Area of Winnipeg...

Community Programs Division, "CAI Program Authorization:Housing/8", Canada-Manitoba-Winnipeg Tri Partite Agreement for the Development of the Winnipeg Core Area 1986-1991, March 21st 1988

Figure 4.5 Creative Financing Model Used During CAI I, CAI II, &amp; Post CAI



during CAI I, this fund was used to fund the delivery of Core Area RRAP and allowed the city to increase its delivery capacity for home repair activities.

During this same period, the federal government designated RRAP as a social housing program under the Federal-Provincial Global Operating Agreements. It also introduced a revamped rental RRAP program together with a new method of targeting RRAP funds known as Core Need Income Thresholds or (CNITS).<sup>196</sup>

Mr. Kowlessar and Community Programs Division home repair program delivery and budget statistics confirm that these changes did not directly affect the city's operational procedures or role in delivering RRAP. However, they did affect the city's delivery capacity, volume of RRAP activity and funding. They also affected the way the delivery of RRAP was funded

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.....Mr. Kowlessar reflects on the CMHC CNIT concepts and states: the Core Need Income Threshold is a concept that involves more effective use of federal dollars via the targeting of assistance to those most in need. CNITS relates household size, (as an expression of bedrooms required) to gross income. For example, a couple would require one bedroom, the same as for a single person. A family with two young children of the same gender requires two bedrooms, but if the children are male and female, three bedrooms are required. Appendix 4.5 illustrates the CNITs for Winnipeg for the period 1987-1993. Mr. Kowlessar adds, that CNITS neither affect the city's delivery role, nor take up of RRAP, or level of RRAP activity. There are two reasons CNITS did not have a significant impact on the municipality's delivery role: First, most people applying for RRAP assistance were not aware of changes to RRAP eligibility requirements prior to applying for RRAP assistance. Therefore their decisions were not influenced by changes to RRAP eligibility requirements. Second, the Community Programs Division was already targeting RRAP assistance to those most in need through CAI programs prior to the introduction of CNITS. Therefore there was no change in targeting using CNIT guidelines as most RRAP applicants were already being targeted using criterion similar to CNITs..... However, Mr. Kowlessar adds, the city did feel the effects of targeting after 1989, as fewer RRAP applicants were eligible to receive the forgivable portion of the RRAP loan due to their higher incomes.... In short, the program became more restrictive since applicants with higher incomes were ineligible to receive a forgivable loan....

during the CAI. These changes were visible following the introduction of the revised rental RRAP program.

The revised rental RRAP program resulted in an increase in municipal RRAP activity, particularly rental RRAP activity. As can be seen in figure 4.6, the total number of rental units RRAPed in 1986 increased by 57% over the total number of rental units RRAPed in 1985. Relatedly, total rental RRAP funding increased by 660% over total funding in 1985. The increase in activity can be attributed to a rise in forgivable funding.<sup>197</sup> Prior to the 1986 change, landlords were eligible to receive up to \$3500.00 of forgivable funds per unit. Under the renewed program it was possible to receive up to \$17000.00 of forgivable funds per unit.<sup>198</sup> Forgiveness was determined by: (1) the extent of work required; and (2) the after work rent, where the lower the rent as a percentage of market, the higher the forgiveness level;<sup>199</sup> In practice the average landlord forgivable loan per unit was just over \$7500.00.<sup>200</sup> This was double the allowable RRAP forgiveness prior to 1986. The higher forgivables encouraged landlords to invest their funds in the renovation of their substandard buildings. Accordingly, landlords invested \$2,914,500 and \$2,500,000 in 1986 and 1987 respectively.<sup>201</sup>

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<sup>197</sup> ....Mr. Cassidy suggests, the changes to rental RRAP removed the unattractive program terms and low forgivables characteristic of rental RRAP following the 1979 program changes...

Cassidy, (July 94) op.cit., interview

<sup>198</sup> Community Programs Division, "Rental RRAP", City of Winnipeg Department of Environmental Planning, Winnipeg, 1992, Pg 1

<sup>199</sup> Community Programs Division, (1992) op.cit., Pg 1

<sup>200</sup> Community Programs Division, (1992) op.cit., Pg 1

<sup>201</sup> Community Programs Division, "Federal Withdrawal from Social Housing: The Trend", City of Winnipeg Planning Department, Winnipeg, 1994, Pg, 5

Figure 4.6 Rental RRAP Activity &amp; Funding

Year	Total Rental Units RRAPed	% Increase/Decrease	Total Rental RRAP Funding	% Increase/Decrease
1974	23		\$72,044	
1975	96	317	\$389,955	441
1976	185	93	\$1,179,194	202
1977	73	-60	\$401,631	-66
1978	87	19	\$392,783	-2
1979	16	-82	\$79,058	-80
1980	9	-44	\$16,961	-78
1981	7	-22	\$15,422	-9
1982	86	11	\$338,673	2096
1983	411	378	\$1,243,242	267
1984	482	17	\$1,198,703	-4
1985	506	5	\$765,427	-36
1986	796	57	\$5,790,755	660
1987	313	-61	\$5,217,602	-10
1988	252	-19	\$1,927,021	-63
1989	239	-5	\$969,782	-50
1990	0		0	
1991	0		0	
1992	0		0	
1993	0		0	
<b>Totals</b>	<b>3581</b>		<b>\$19,998,253</b>	

Source: Community Programs Division, City Planning Department,  
Winnipeg, 1994

According to a Community Programs Division study on rental RRAP, the enhanced program resulted in increased take up commensurate with a more realistic level of assistance.<sup>202</sup> Accordingly CMHC forgivable funds and loans, increased from an average expenditure of under a million dollars prior to 1986 to over \$5,000,000 per year in 1986 and 1987.<sup>203</sup> The initial popularity of the program resulted in the rehabilitation of 1100 rental units at these new budget levels.<sup>204</sup> The popularity of the program following the revision is illustrated in the high number of RRAP applicants on the rental RRAP waiting list in 1986. According to Federal Withdrawal from Social Housing the Trend, (1994), landlords applying to rental RRAP had to wait two years for assistance following the change.<sup>205</sup> In short the revised program was extremely popular following the 1986 change. In the three years it operated, 1,680 rental units were renovated.

*Core Area Rental Unit Repair Forgiveness Program*

The high level of rental unit repair and renovation activity was also attributed to the Core Area Rental Unit Repair Forgiveness Program. The purpose of this program was to improve the conditions of existing core area rental housing stock, and to ensure such improvements were available to a range of household income levels. According to Federal Withdrawal from Social Housing: The Trend, the program accommodated an increased level of

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<sup>202</sup> Community Programs Division, (1992), op.cit., Pg, 1

<sup>203</sup> Community Programs Division, (1994), op.cit., Pg 4-5

<sup>204</sup> Community Programs Division, (1994), op.cit., Pg, 5

<sup>205</sup> Community Programs Division, (1994), op.cit., Pg, 5

housing rehabilitation within the Core Area by providing additional funds.<sup>206</sup>

As a complementary program to rental RRAP, the Core Area Rental Unit Repair Forgiveness Program supplemented annual cash flow of funds received from CMHC from the delivery of RRAP.<sup>207</sup> As indicated earlier the program offered up to \$17000 forgivable funds per unit.<sup>208</sup> However, the average forgivable loan being \$7000.00 per unit;<sup>209</sup> the 1986-1989 period, an additional 488 core area rental units were repaired. Three different sources invested a total of \$8,868,000 through this program.<sup>210</sup>

#### CAHRP

The second home repair program to supplement RRAP during CAI II, was the Core Area Home Renovation Program, (CAHRP). Like the Core Area Rental Unit Repair Forgiveness Program, CAHRP was adopted as a key component of the CAI strategy to stabilize core area neighborhoods and population base through the rehabilitation and renovation of existing housing stock.

CAHRP was aimed at assisting low income homeowners in maintaining their dwellings as well as improving their living conditions within the geographic boundaries of inner city or core area neighborhoods.

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<sup>206</sup> Community Programs Division, (1994), op.cit.,Pg 13

<sup>207</sup> Community Programs Division, (1990), op.cit., Pg 3

<sup>208</sup> Community Programs Division, (1994) op.cit., Pg, 13

<sup>209</sup> Community Programs Division, (1988) op.cit.,

<sup>210</sup> The three different sources of funding were Core Area funding \$2,750,000; federal RRAP \$3,467,000; and Private Sector funding \$2,601,000. The Core Area Rental Unit Repair Forgiveness Budget during this period was \$1.25 million...

Community Programs Division, (1994), op.cit., Pg, 13

Under CAHRP, qualifying homeowners were eligible to receive home renovation financing up to \$15000.00 for non luxury repairs and renovations to their dwellings.<sup>211</sup> The \$7500.00 forgivable loan could be earned by residing in the home for a period of five years.<sup>212</sup> In addition to the \$7500.00 forgivable loan, eligible applicants were able to receive \$1250 as hardship assistance in cases where homeowners were experiencing financial hardship in completing key repairs to any of the structural, electrical, plumbing, heating, or fire safety areas of the dwelling.

Despite the high level of assistance provided to hard ship cases through CAHRP, Ufoegbune (1993) contends, CAHRP did not benefit families with children. Rather it benefited the elderly. The elderly were the largest group that participated in the program. According to Mr. Kowlessar, this was not unusual given the majority of applicants that applied for home repair and renovation assistance were elderly up until the 1990s.<sup>213</sup> Irrespective of this fact, Ufoegbune (1993) claims, the program did not improve affordability problems among inner city families. The programs repayable loan provisions resulted in increased shelter costs for households who can afford home

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<sup>211</sup> ....The program was targeted at owners of single family attached and detached dwellings... ....To qualify applicants must have owned and occupied their home; The dwelling must have been located in the CAI boundaries; In additional applicants could not have received RRAP assistance within the past 5 years of applying of CAHRP. Relatedly, applicants could not have received assistance through CAHRP...

Community Programs Division, (1990), op.cit., Pg 3

<sup>212</sup> ....Like RRAP, the forgivable loan was based on the cost of renovation; the annual household income of the applicant/homeowner; and the ability of the applicant to assume a repayable loan.... Relatedly the basic and hardship forgivable loans were earned over five years of occupancy....

Community Programs Division, "Innovative Programs to Create Affordable Housing", City of Winnipeg Department of City Planning, Winnipeg 1992, Pg 7

<sup>213</sup> Kowlessar, (July 94) op.cit., interview



ownership.<sup>214</sup> Ufoegbune (1993) adds that take up of CAHRP was very low in the central or core area neighborhoods. He attributes the low take up to lower income levels and lower rates of home ownership in these areas.<sup>215</sup>

During the operation of CAHRP, table 4.2a indicates 77 additional homeowner units were repaired in the core area.<sup>216</sup> In cases where, CAHRP funding was stacked on top of RRAP funding table 4.2b indicates the total number of units repaired increased to 228 units. However when RRAP and CAHRP funding were combined table 4.2c indicates 305 units were repaired. By 1993, CAHRP resulted in the repair of 535 homeowner units which would not have qualified for repair under RRAP.<sup>217</sup>

Together with RRAP, CAHRP overcame problems of partial rehabilitation and affordability.<sup>218</sup> It also reached those hardship cases which may have been disqualified from participating in federal RRAP by virtue of

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<sup>214</sup> Ufoegbune, op.cit., Pg, 103

<sup>215</sup> Ufoegbune, op.cit., Pg, 103

<sup>216</sup> ...A Community Programs Division study indicates, that take up of CAHRP in the absence of RRAP was limited by the requirement that a minimum of \$5000 in repairs be applied to the dwelling....

Community Programs Division, "Status Report for CAHRP", City of Winnipeg Department of Environmental Planning, Winnipeg, 1991, Pg, 1

<sup>217</sup> ..The total cost of rehabilitation was \$4,624,000 of which \$2,115,700 was in the form of CAHRP grants and \$1,238.700 was federal homeowner RRAP grants....

Community Programs Division, (1994), op.cit., Pg, 13

<sup>218</sup> .....According to a Community Programs Division study, the stacking of CAHRP unto RRAP raised the average cost of rehabilitation. At the same time the delivery of the two programs for the same unit proved to be very cumbersome and confusing to the homeowner. CAHRP was delivered jointly by the province and city....

Community Programs Division, "Housing Issues which Should be Discussed at the Federation of Canadian Municipalities Meeting at Montreal", City of Winnipeg Department of Environmental Planning, Winnipeg, 1990, Pg, 4

Table 4.2 A,B, &amp; C, CAHRP &amp; RRAP Funding:1988-1990

CAHRP FUNDING	1988	1989	1990	Total
Dwelling Units	4	38	35	77
CAHRP Forgivable	\$4,973	\$88,341	\$83,416	\$176,730
CAHRP Repayable	\$1,177	\$17,305	\$11,250	\$29,732
Repayable Loan, (MHRC)	\$26,203	\$92,583	\$130,716	\$249,502
Owner's Equity	\$500	\$57,881	\$62,491	\$120,872
<b>Total Financing</b>	<b>\$32,853</b>	<b>\$256,110</b>	<b>\$287,873</b>	<b>\$576,836</b>
<i>Average Renovation Cost</i>				\$7,491
<i>Average Forgivable Grant</i>				\$2,681

Table A

RRAP Supplemented with CAHRP Funding	1988	1989	1990	Total
Dwelling Units	63	73	92	228
RRAP Forgivable	\$279,745	\$320,626	\$381,644	\$982,015
CAHRP Forgivable	\$135,705	\$264,091	\$444,378	\$844,174
CAHRP Hardship	\$25,951	\$32,806	\$66,841	\$125,598
Repayable Loan CMHC	\$49,025	\$58,818	\$108,856	\$216,669
Owner's Equity	\$25,206	\$19,053	\$64,893	\$109,152
<b>Total Financing</b>	<b>\$515,632</b>	<b>\$695,394</b>	<b>\$1,066,612</b>	<b>\$2,277,638</b>
<i>Average Renovation Cost</i>				\$9,990
<i>Average Forgivable Grant</i>				\$8,560

Table B

CAHRP and RRAP Funding Combined	1988	1989	1990	Total
Dwelling Units	67	111	127	305
RRAP Forgivable	\$279,745	\$320,626	\$381,664	\$982,015
CAHRP Forgivable	\$140,678	\$352,432	\$527,794	\$1,020,904
CAHRP Hardship	\$27,128	\$50,111	\$78,091	\$155,330
Repayable Loan (CMHC & MHRC)	\$75,228	\$151,401	\$239,572	\$466,201
Owner's Equity	\$25,706	\$76,934	\$127,384	\$230,024
<b>Total Financing</b>	<b>\$548,485</b>	<b>\$951,504</b>	<b>\$1,354,485</b>	<b>\$2,854,474</b>
<i>Average Renovation Cost</i>				\$9,359
<i>Average Forgivable Grant</i>				\$7,076

Table C

low income, and expanded the list of eligible items that may qualify for home repair. In essence, it was a much broader version of the federal RRAP.

Despite the presence of the Core Area Rental Unit Repair forgiveness Program, and CAHRP, Community Programs Division RRAP delivery statistics reveal a decrease in the total number of units RRAPed during the 1988-1990 period. At the same time, RRAP capital funding and staffing levels dropped.<sup>219</sup> The drop in volume of RRAP activity and funding can be attributed to a combination of events including the discontinuation of CAHRP, and the Core Area Rental Units Repair Forgiveness Program; and the federal Conservative Government strategies to: reduce social spending through budget and program cuts, such as the cancellation of rental RRAP

*How did the cancellation of rental RRAP affect the City's role and level of activity in delivering RRAP?*

The city did not begin to fully notice the affects of social housing budget cuts until the cancellation of rental RRAP. Up to this point, Mr. Cassidy indicates the cuts were small and insignificant. They had little impact on the city's role or level of activity in delivering RRAP.

In 1989, the federal government cancelled the Rental Residential Rehabilitation Assistance Program. There are several reasons for the cancellation. First, the federal government argued that rental RRAP was not targeting assistance to those most in need. According to a Community Programs Division study on rental RRAP, the program was not fully targeted

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...Mr. Cassidy attributes the loss of staff to expansion occurring in other areas of the city. He adds, as RRAP activity started to decline, opportunities in other areas of the planning department became available. Accordingly a few members of the RRAP delivery team moved into line departments within the planning department...

Cassidy, (July 94), op.cit., interview

to core need households, (households spending over 30 % of their income on housing).<sup>220</sup> The reason being, landlords were not required to rent the renovated units to core need tenants.<sup>221</sup> The second reason the federal government wanted to cancel rental RRAP was the need for fiscal restraint. The elimination of rental RRAP, resulted in annual savings up to \$55,000,000.00.<sup>222</sup> Mr. Cassidy, attributes the cancellation of rental RRAP to the fact that rental RRAP funds were not benefiting tenants over the long term. Rather they were being used to make short term, and aesthetic repairs to the facility in compliance with outstanding Maintenance&Occupancy by-law orders.<sup>223</sup> Therefore there was a need to target federal money more effectively.

Second, Mr. Kowlessar suggests, the federal government was not getting the "biggest bang for their buck". In other words, the program was too concentrated and not reaching enough people. Consequently, the federal government was not noticing the benefits that they originally intended to notice from the program. Mr. Cassidy adds that the political benefits were not flowing back to the federal government. Consequently they were unable to capitalize on the benefits resulting from the program.

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<sup>220</sup> Community Programs Division, (1992), op.cit., Pg, 2

<sup>221</sup> Community Programs Division, (1992), op.cit., Pg, 2

<sup>222</sup> Community Programs Division, (1992), op.cit., Pg, 2

<sup>223</sup> Mr. Cassidy adds, in the case of Winnipeg a significant amount of rental RRAP funds were benefiting the slum landlord, as opposed to benefiting the landlords who were making a genuine and sincere effort to rehabilitate their apartment units. The general feeling was that if landlords were not going to repair the apartments the first time around, then maybe they are not the people that should be getting the money....

Cassidy, (July 94) op.cit., interview

The program's cancellation contradicted the 1985 federal provincial municipal consultation process that resulted in a revamped rental RRAP program in 1986. The termination of rental RRAP funding also resulted in the delivery of a much smaller Residential Rehabilitation Assistance Program. In the case of Winnipeg, RRAP became smaller due to the elimination of rental RRAP activity and funding. In figure 4.7, the chart illustrates the total number of units RRAPed decreased by 48% in 1990. Similarly, total RRAP funding decreased by 44% in 1990. Staffing levels for RRAP also dropped. Despite the change in volume of RRAP activity, and funding, Mr. Kowlessar states, the cancellation of rental RRAP did not affect the city's role or operational procedures governing the delivery of RRAP. However, RRAP inspectors delivering rental RRAP had to be integrated into the homeowner RRAP program.

The cancellation of the program seriously affected the long term renovation strategy for sub standard rental units.<sup>224</sup> At the time of the cancellation the city was programming at a specific staff and budget level which anticipated an increase in the annual budget due to a late transfer of funds from other municipalities which were unable to use all their RRAP funding allocation.<sup>225</sup> The city was working on a waiting list that went back to December 1987, which included 165 dwellings with three or more units and 131 dwellings of two units.<sup>226</sup> In total 3,838 rental units were not to benefit from the subsidy that was available to assist in improving the living

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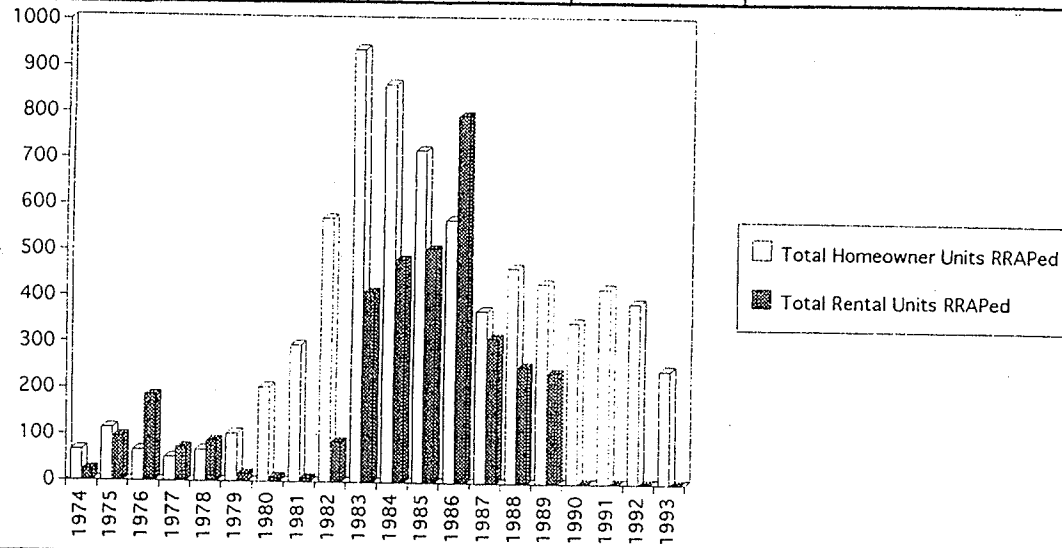
<sup>224</sup> Community Programs Division, (1992) op.cit., Pg 1-2

<sup>225</sup> Community Programs Division, (1992) op.cit., Pg, 1-2

<sup>226</sup> Community Programs Division, (1992) op.cit., Pg, 1-2

Figure 4.7 Total Homeowner &amp; Rental RRAP Activity in Winnipeg: 1974-1993

Year	Total Homeowner Units RRAPed	Total Rental Units RRAPed	Annual Totals	% Increase/Decrease in Total Units RRAPed
1974	66	23	89	
1975	114	96	210	135
1976	66	185	251	19
1977	51	73	124	-50
1978	67	87	154	24
1979	103	16	119	-22
1980	203	9	212	78
1981	295	7	302	42
1982	571	86	657	117
1983	940	411	1351	105
1984	864	482	1346	-0.37
1985	720	506	1226	-8.9
1986	569	796	1365	11
1987	371	313	684	-50
1988	465	252	717	4.8
1989	431	239	670	-6.5
1990	347	0	347	-48
1991	421	0	421	21
1992	390	0	390	-7
1993	246	0	246	-37
Totals	7300	3581	10881	



Source: Community Programs Division, City Planning Department, Winnipeg, 1994.

conditions of thousands of low and moderate income tenants.<sup>227</sup> In order to alleviate some of the impact on its programming, the city negotiated the transfer of transferred \$1,500,000 from the Core Area Initiative Grant for Home Ownership to the Core Area Rental Unit Repair Forgiveness Program.<sup>228</sup> This allowed the city to extend the delivery of rental unit repair assistance, and complete existing rental unit repair commitments in 1990.

The discontinuation of rental RRAP dealt a "heavy blow" to the renovation industry which developed around RRAP. During the past 20 years, Winnipeg developed a housing rehabilitation industry made up of a small number of contractors. Over 20 small firms at a time have continually responded to RRAP and have developed the expertise required for estimating and solving many unforeseen problems. The loss of rental RRAP dealt a serious blow to the renovation industry at a time when it was in need of stimulation.<sup>229</sup> It also affected a whole web of related industries including building suppliers, sub contractors, trucking firms, architectural, and engineering firms.

The loss of rental RRAP also had a devastating effect on inner city infrastructure and neighborhood stability. According to Federal Withdrawal from Social Housing: The Trend, market conditions were too restrictive to encourage private sector intervention in the supply of inner city housing. The poor market conditions and lack of financial assistance contributed to the

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227 .....Overall across Canada, Winnipeg ranked with Montreal, Vancouver, and Toronto in the number of rental units renovated and in the take up of federal RRAP funding...

Community Programs Division, (July 94) op.cit., Pg. 6

228 Community Programs Division, (1992), op.cit., Pg. 2

229 ....Rental RRAP was cancelled in the midst of a recession.

significant amount of residential demolition's in the inner city. There were 362 apartments and 74 row housing units demolished during the period 1986-1991.<sup>230</sup>

In the wake of the rental RRAP cancellation, and social housing budget cuts, home repair and renovation activity began to slow down and level off. According to the Status Report on City of Winnipeg Involvement in Housing Initiatives, (1990), it became increasingly difficult to encourage take up of homeowner RRAP. In 1990, the city embarked on an advertising campaign to encourage the take up of RRAP. Unlike previous campaigns, it had a small affect on take up. Consequently, there were no long waiting lists or concentrations of clients either geographically or age wise. There were several reasons for the low level of RRAP activity. First, the market was saturated.<sup>231</sup> Second, CMHC failed to upgrade the amount of forgivable funding in spite of a 30% to 40% increase in material and labor costs.<sup>232</sup> Third, there was a lack of flexibility in the program. For example, homeowner's were not allowed to partially RRAP their dwelling. Rather they were required to perform all the repairs or nothing.<sup>233</sup> This in turn disqualified homeowner's from the program. Fourth, RRAP became a smaller program due to the depletion of CAI funds and the expiration of the CAI II home repair and renovation programs in 1991. The depletion of Core Area RRAP funding and the expiration of complementary home repair

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<sup>230</sup>

...The total number of units demolished during this period was 1356....

Community Programs Division, (July 94) op.cit., Pg, 7

<sup>231</sup> Community Programs Division, (1990), op.cit., Pg, 7

<sup>232</sup> Community Programs Division, (1990), op.cit., Pg, 7

<sup>233</sup> Community Programs Division, (1990), op.cit., Pg, 7



programs ended supplementary funding to RRAP. Consequently, the volume of RRAP activity and funding declined following the termination of the Core Area. Staffing levels also declined during this period.

In the aftermath of CAI II expiration, the Community Programs Division struggled to secure funding for the continued delivery of RRAP. As was the case when CIP, and CAI I ended, the Community Programs Division faced several options. First, the Community Programs Division could lay off CAI RRAP inspectors. Second, the Community Programs Division could re-integrate CAI RRAP inspectors into the regular RRAP program. The Community Programs Division chose this latter option. At the same time, the Community Programs Division amalgamated CAI and NIP/CIP RRAP recoveries and expenditures into one separate account.<sup>234</sup> Accordingly RRAP delivery expenditures including salaries, were funded out of one recovery account until the end of 1992.

#### **The Municipal Delivery of RRAP During the Post CAI:1992-1994**

The post CAI period, was a period in which the federal government accelerated social spending and program cuts in an effort to shed its social housing role. One of the most significant social housing budgets cuts occurred in 1990; at which time, the federal government cut the social housing budget by 50%. This was followed by a 22% cut in 1992. These cuts were not viewed as unusual but rather were viewed as an ongoing attempt to save \$622 million over the next five years by restraining social spending. They were consistent with federal housing policy and social housing budget

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...The total remaining recoveries from the delivery of RRAP was \$620,000.00

Community Programs Division, "Core Trial Balance", City of Winnipeg Environmental Planning Dept, Winnipeg, 1982-1993

cuts over the past decade.<sup>235</sup> In the case of Winnipeg, the total number of units RRAPed dropped by 7% in 1992. RRAP capital funding and the total number of delivery staff also declined. Mr. Kowlessar states that four RRAP inspectors were laid off due to these budget cuts. He also attributes the layoffs to the fact that the fees paid to the municipality for RRAP delivery amounted to 47% of the actual administration costs. Mr. Kowlessar adds, the city was not able to RRAP as many units given its smaller delivery capacity and as such the recovery fund began to be depleted.

By 1993, years of social housing budget cuts culminated in the federal government's termination of new funding for social housing. In the April 1993 budget, the Minister of Finance, Don Mazankowski cut social housing funding by 29% and announced,

...the government will not increase its support for social housing, through CMHC, beyond the current funding level of about \$2 billion a year. CMHC will no longer fund housing through 35 year subsidy commitments which impose most of the costs of today's housing support on future tax payers. Increased efficiencies in the financing and delivery of its programs will enable CMHC not only to maintain its existing housing stock in good repair but also to provide some scope for new social housing commitments. Within this funding level, special purpose funding for shelters for victims of family violence, the National Strategy for the Integration of Persons with Disabilities and for native housing on reserves will continue....<sup>236</sup>

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...During the decade 1980-1990, the allocation of social housing units across Canada (excluding RRAP) decreased from 31,392 to 15,130 units, a decrease of 51.8%. In the period 1990-1992, there was a further reduction of 45% to a level of 8215 units. This represents an overall decrease in social housing units of approximately 74% since 1980...

Community Programs Division, (1993), op.cit., Pg. 1-2

236 CHRA, "Canadian Housing Update", Canadian Housing Renewal Association, Ottawa, May 3, 1993

This decision to cap new funding for social housing resulted in the termination of the federal provincial non-profit housing program, RRAP, the Rent Supplement Program, and the Urban Native Program as of January 1, 1994.

Carter, (1994), suggests these cuts were a reflection of the rising debt and the serious fiscal crisis, that governments are facing. Carter adds, the cuts may have also been made in recognition of the fact that a number of social housing units added to the social housing inventory each year were having little affect on reducing the number of households in need.

Federal Withdrawal from Social Housing, contends, the April 1993 budget announcement brought to fruition what the federal Conservative government had hoped to accomplish through the constitutional review of 1992. Through that review, the federal government proposed to withdraw from direct participation in the housing sector by recognizing the exclusive jurisdiction of the provinces in the area of housing. With the rejection of the Charlottetown Agreement on Constitutional Reform in 1992, the federal government decided to accomplish this withdrawal through the budget process.<sup>237</sup>

The city responded to the termination of RRAP by initiating preparations to wind down the RRAP delivery operation. At the same time, the city exercised its role as a housing facilitator and independently lobbied the federal government to reinstate the Residential Rehabilitation Assistance Program as well as other social housing programs. Together with other municipalities, the Federation of Canadian Municipalities, (FCM) and the

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<sup>237</sup> Community Programs Division, (1994), op.cit., Pg. 2

Canadian Housing Renewal Association, (CHRA), the city lobbied the federal government to reinstate RRAP at the Big City Mayor's Conference.<sup>238</sup>

In response to this lobby campaign, the federal government announced the extension of RRAP as an emergency home repair program which was to run from January 1, 1994 to June 30, 1994. This change was seen as a token gesture in the midst of a federal election campaign. Given 1993 was an election year, all three federal political parties developed policy platforms enunciating their position with respect to social programs and spending. However, unlike the federal Progressive Conservative Party, New Democratic Party, Reform Party, and Bloc Quebecois, the Liberals were the only party to have a comprehensive and comprehensible policy that recognized the importance of social housing programs, including RRAP. This policy was contained in the Red Book, "Creating Opportunity".

Creating Opportunity recognized that the quality of housing needs to be improved in order to achieve adequate standards of safety, health, and energy efficiency. Second, it recognized that existing housing represents a major social investment which should not be allowed to deteriorate. Third, it recognized that investment in the renovation of existing housing whether owner occupied or rented will enhance older modest income opportunities and fuel other forms of neighborhood improvement. Fourth, it recognized that it is cheaper and more environmentally sound to renovate older homes in established neighborhoods than to allow them to run down. Fifth, it recognized the economic, physical and social, importance of reinstating RRAP. Sixth, it recognized the importance of RRAP in ensuring the provision of affordable and adequate housing.

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<sup>238</sup> Kowlessar, (July 94) op.cit., interview

In keeping with its policies, the Liberal Party promised to reinstate RRAP. In addition it would seriously consider the reinstatement of rental RRAP, should it win the federal election. In February 1994, the newly elected Liberal government fulfilled that promise by committing \$100 million to RRAP over the next two years. It is presently drafting a new rental RRAP program that will be implemented in 1995.<sup>239</sup>

Mr. Kowlessar states that the city was unable to take advantage of the program's reinstatement beyond April 1994, due to the depletion of banked RRAP recoveries.<sup>240</sup> Consequently the Community Programs Division faced two options. First, it could abandon the delivery of RRAP. Second, it could seek funding from the city's current budget for the delivery of RRAP. The Community Programs Division chose the latter option. In March 1994, the city approved the Community Programs Division request for funding and committed \$350,000.00 for the delivery of RRAP in 1994. This was a significant milestone in the history of the Community Programs Division and City of Winnipeg. This was the first time the Community Programs Division requested and received a financial commitment from the city for the delivery of RRAP.<sup>241</sup> This financial commitment has allowed the city to

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<sup>239</sup> In person interview with Federal-Provincial Liaison at CMHC, Mr. Ron Reader, July 26, 1994, 1:00pm, 983-5659

<sup>240</sup> ....The problem the city faced at the end of December 1993, was that there was only \$114,000 left in RRAP recoveries to continue RRAP. This would only last to the end of April 1994. At which time the city would have to terminate its RRAP agency agreement with CMHC, and accommodate Community Programs Division staff within other line departments....

Kowlessar, (January 1994) op.cit., Pg, 2

<sup>241</sup> ...Administration costs for the delivery of RRAP have never been budgeted for from the city's current estimates. Salaries and operating costs have been paid from a number of funding sources including the capital budgets of NIP and CIP, and CAI.

Kowlessar, (1994)., op.cit., Pg 2

continue its delivery of the Residential Rehabilitation Assistance Program. As of July 1994, the city had RRAPed 58 units, despite the fact that it had only received its 1994 RRAP capital budget from the federal government on April 21, 1994. It was expected to assist an additional 150 of the 380 applicants on the RRAP waiting list by the end of December 1994.<sup>242</sup>

### Summary

In summary, the analysis of the empirical data reveals that municipal changes to volume of RRAP activity, volume of RRAP funding, delivery capacity, and method of funding RRAP delivery, are directly affected by selected federal funding and programs changes to RRAP which at times reflected changes to Canadian housing policy. In fact, RRAP delivery capacity, volume of funding and level of activity fluctuate with federal funding and program changes to RRAP.

However, complementary programs and supplementary funding to RRAP also affect the volume of RRAP activity and funding, delivery capacity, and method of funding RRAP delivery, as was the case during NIP, CIP, and the CAI.

During the first CAI, 7,309 residential units were repaired or rehabilitated compared to 1,023 units during the second Core Area Initiative.<sup>243</sup> As such, the City of Winnipeg delivered \$11,517,320 in funding for housing programs during the first CAI compared to \$11,000,000 during the second CAI.<sup>244</sup> In total, the CAI was responsible for the renovation or

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<sup>242</sup> Cassidy (July 94), *op.cit.*, interview

<sup>243</sup> Ufoegbune, *op.cit.*, Pg, 102

<sup>244</sup> Ufoegbune, *op.cit.*, Pg, 102

conversion of 8,332 residential units.<sup>245</sup> The total number of units repaired or renovated with the assistance of CAI home repair program funding is illustrated in table 4.3 respectively. Within this same period, the city of Winnipeg repaired 3,000 units through the RRAP program.<sup>246</sup> During the late 1980s, and early 1990s, Winnipeg ranked second to Vancouver among Canadian Metropolitan areas in terms of federal funding spent on home repair, and third across Canada in terms of dwelling units renovated over the period 1986-1991.<sup>247</sup>

By the end of 1993, the city facilitated the repair of 7300 homeowner units for a total cost of \$47,975,000 and 3,580 rental units for a total cost of \$37,273,000.<sup>248</sup> All of these repairs were made with the assistance of the federal RRAP program. The total monies expended in the repair of these 10,880 housing units was \$85,248,000, most of which came from the federal government and from the owners of the housing.<sup>249</sup>

Given the absence of the complementary home repair and renovation programs, and supplementary funding it is unlikely the city would have been able to achieve this high level of repair and renovation activity on its own.

Similarly, the absence of NIP, and CIP, capital funding and the Core Area Initiative Home Repair/Renovation Administration Fund, would have prevented the city from acting as a delivery agent of RRAP. As mentioned above, the recoveries generated from the delivery of RRAP funded half of the

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<sup>245</sup> Ufoegbune, op.cit., Pg, 107

<sup>246</sup> Ufoegbune, op.cit., Pg, 107

<sup>247</sup> Community Programs Division, (1993), op.cit., Pg, 4

<sup>248</sup> Kowlessar, (1994), op.cit., Pg, 2

<sup>249</sup> Kowlessar, (1994) op.cit., Pg, 2

Table 4.3 CAI I &amp; II Housing Program Activity and Expenditures

Program	Housing Activity	CAI I Expenditure	Total Expenditure
Home Repair	6629 dwelling units repaired. 979 homeowners and tenants received additional loan forgiveness	\$6,181,000	\$56,321,160
Core Area Residential Upgrading & Maintenance Program (CARUMP)	Inspection of 1518 dwellings	\$1,311,320	\$4,000,000 to make repair in compliance with M&O By-law order
Expanded Non Profit	Construction of 166 dwelling units, conversion or renovation of 480 units	\$2,025,000	\$14,756,190
Grant for Homeownership (CAIGHO)	305 new housing units purchased, 480 units were purchased and renovated	\$2,000,000	\$20,000,000
CAI Home Repair Administration Fund		\$2,181,000	\$2,181,000
Total	There were 7309 housing units renovated, and 471 units constructed. There were also 1518 housing units inspected.	\$13,698,320	\$97,258,350

Program	Housing Activity	CAI II Expenditure	Total Expenditure
Core Area Home Renovation Program, (CAHRP) 1988-1991	There were 535 homeowner units repaired via CAHRP	\$2,115,715	\$4,623,953
Core Area Residential Upgrading & Maintenance Program, (CARUMP)	5430 dwelling units in 1003 buildings were inspected, with 828 maintenance and occupancy by-law order to repair issued	\$1,548,649	\$1,548,649
Core Area Initiative Grant for Home Ownership, (CAIGHO)	Grants provided for the purchase of 198, (178 existing and 20 new houses)	\$1,686,505	\$8,640,000
Core Area Rental Unit Repair Forgiveness Program 1986-1990	There were 488 rental units repaired	\$2,036,236	\$8,161,545
Housing Development Stimulus (includes first agreement)	1 private, 13 private non profit and 5 cooperative development, 307 new units created	\$2,425,450	\$27,006,838
Core Area Home Renovation- Administration Fund		\$850,000	\$850,000
Total	1023 dwelling units repaired 198 existing or new homes purchased 307 new units created 1003 units inspected	\$10,562,645	\$50,730,985

Source: Winnipeg Core Area Initiative, "Final Status Report of Programs and Projects", Winnipeg, 1981-1991



actual cost of delivering RRAP. The city had no means of funding the other half. Therefore, by using this and similar sources of complementary funding, the city was able to finance the delivery of RRAP. At the same time it was able to bank all CMHC RRAP recoveries for use at a later date when complementary programs or funding were unavailable. The fees were banked in recognition of the fact that the city was not prepared to make a financial commitment to low income housing, through its capital and current budgets but was prepared to allocate funds earned from CMHC on a fee for service basis to be utilized for RRAP delivery. As a delivery agent for RRAP the city is dependent on complementary programs or supplementary funding in order to fulfill its role in delivering RRAP.

The presence of these complementary programs and supplementary funding proves that the City of Winnipeg will only participate in low income housing initiatives if the federal or provincial government plays the lead role and provides funding equal or greater than the city's contribution.

The complementary programs and funding not only allowed the city to increase its volume of RRAP activity, funding, and delivery capacity, but it also allowed the city to define and shape its role as a housing facilitator at a time when its housing role was basically ill defined. The city did this as an equal partner in the CAI, by: (1) participating in lobby campaigns to secure additional funds from the senior levels of government for RRAP and CAI home repair and renovation programs; (2) co-developing, and delivering, innovative home repair and renovation programs as a complement to RRAP; and (3) developing creative financing methods to ensure the continued delivery of RRAP at times when complementary programs or supplementary funding was unavailable.

The analysis of the empirical data reveals there is still a high demand for RRAP in the city at a time when federal funding for home repair and renovation activity is being reduced. The CAI home repair and renovation program repaired a small percentage of the total stock in need of repairs or renovation.<sup>250</sup> Accordingly, Ufoegbune (1993) concludes, public sector housing measures have not met the need for affordable housing in the inner city.

The analysis of empirical data also suggests, that many of the funding and programs changes to RRAP have been brought about by changes in Canadian housing policy and the federal government's political ideology. The changes have also occurred in recognition changing socio-economic needs and an increased awareness of problems associated with Canada's aging housing stock. The city's high demand for RRAP is one of the reasons the city planning department has struggled to develop innovative methods of funding that ensure RRAP's permanent presence in Winnipeg.

Despite the changes in volume of RRAP activity, and funding, the city's role in delivering RRAP has not changed. It still operates under the original City of Winnipeg mandate pertaining to home repair and renovation activities. Nor has there been any change in operational procedures governing the delivery of RRAP. In the end, RRAP is becoming a smaller program, at a time when RRAP's demand and geography is expanding.

In chapter five, the study will examine the broader implications of federal funding and program changes to RRAP, and changes to the volume of municipal RRAP activity and funding for the homeowner, tenant, housing stock, delivery agent, renovation industry, and city.

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<sup>250</sup> Community Programs Division, (1994) op.cit., Pg, 16-19

## Chapter Five

### The Implications of Change in the City of Winnipeg

In light of federal funding, and program changes to RRAP, and changes in the volume of municipal RRAP activity, and funding, several questions need to be answered.

First, what do federal funding and programs changes to RRAP, and changes in the volume of municipal RRAP activity and funding mean for older housing stock and low income homeowners, and tenants?

Second, what do these changes mean for the renovation industry, and related spin-off industries?

Third, what do these changes mean for the delivery agent, and the city?

#### **Implications of Change for the Housing Stock, Homeowner, and Tenant,**

The implications of federal funding and program changes to RRAP, and changes in the volume of municipal RRAP activity and funding are viewed in two contexts: (1) the housing stock; and (2) the homeowner or tenant. According to Carter (1994), the poorest housing stock in the home ownership sector is most often occupied by the low income and elderly. These are two groups in society that are less able to upgrade and repair their dwellings without some form of government intervention.<sup>251</sup> A smaller RRAP program means fewer low income homeowners will be able to access the program. At a time when demand for federal home repair funding is on the rise.

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<sup>251</sup> Carter, (1994), op.cit., Pg, 2

Mr. Cassidy states that the decline in federal funding may mean the introduction of even more strict eligibility requirements, and even more effective targeting of RRAP assistance through CNITS.<sup>252</sup> This in turn, will result in less forgivable funding per applicant or a higher level of applicant disqualification's. It is unlikely that ineligible or disqualified applicants will undertake major repairs on their own. Mr. Kowlessar supports this argument stating, a significant proportion of the low income people moving in to the inner city, particularly into old inner city housing stock are low income aboriginals from rural areas, and new immigrants.<sup>253</sup> They have neither the wherewithal, nor the finances, to undertake any type of repair or renovation work to their dwelling.<sup>254</sup> Consequently, some of these people will continue to reside in inadequate and unsuitable housing stock. In the end, the quality of housing may suffer as federal funding for home repair activity becomes more difficult to access. As quality of housing suffers, the occupant's quality of life may suffer.

According to a Report of the Auditor General to the House of Commons in 1991, inadequate, overcrowded, and unaffordable housing can contribute to social and health problems such as sickness, marriage breakdown, alcoholism, and child abuse.<sup>255</sup> The financial results can be measured in terms of higher costs of health care, social assistance benefits, policing, and penitentiary service. In some cases, the elderly may be forced

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<sup>252</sup> Cassidy, (July 94) op.cit., interview

<sup>253</sup> Kowlessar, (July 1994), op.cit., interview

<sup>254</sup> Kowlessar, (July 1994), op.cit., interview

<sup>255</sup> Canadian Housing Coalition, "Canadian Housing Coalition Fact Sheet:Housing for Aboriginal People", Fact Sheet #6, Ottawa, 1993

into senior homes due to their inability to maintain their dwelling without some form of government intervention.<sup>256</sup>

Without repair, and renovation, a substantial portion of the housing stock may deteriorate to the point where it needs to be replaced. A case in point, is illustrated in Winnipeg's Memorial neighborhood. Following the termination of rental RRAP, landlords lacked a financial incentive to maintain their rental properties. Some landlords allowed their properties to decay, investing next to nothing in their maintenance.<sup>257</sup> The few blocks on the east side of Maryland Street from Broadway to Wolseley Avenue demonstrate how previously good housing can degenerate into slum housing conditions.

During the 1986-1991 period, 1,356 housing units were lost to demolition.<sup>258</sup> Many of these were located in inner city neighborhoods where demand for adequate and affordable housing remains high.<sup>259</sup> Table 5.1 illustrates the total number of housing units demolished annually during the period 1986-1991. Many of the units demolished were not replaced. Normally, these units would have been replaced by the federal provincial non profit social housing program. However, recent budget cuts to this program have limited the construction of new social housing units.<sup>260</sup>

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<sup>256</sup> Kowlessar, (July 94) op.cit., interview

<sup>257</sup> "Report of Committee on Housing to Winnipeg Presbytery of the United Church", Winnipeg, October 1991, Pg, 51

<sup>258</sup> Community Programs Division, (1993), op.cit., Pg, 3

<sup>259</sup> Community Programs Division, (1993), op.cit., Pg, 4

<sup>260</sup> Kowlessar, (July 94), op.cit., interview

Table 5.1 City of Winnipeg Demolitions 1986-1993

Type of Building	1986	1987	1988	1989	1990	1991	1992	1993	Total
Single Family	184	188	167	110	104	95	43	40	931
Semi Detached	16	18	14	14	4	6	12	10	94
Row Housing	16	19	9	14	9	7	9	6	89
Apartment	87	101	60	30	37	47	53	51	466
Total	303	326	250	168	154	155	117	107	1580

Source: Community Programs Division, "Federal Withdrawal from Social Housing", City Planning Department, Winnipeg, 1993

The loss of these units, and the inability of some residents to repair their existing dwellings may have a significant impact in Winnipeg's older neighborhoods. This impact may take the form of urban blight. It may also result in an increase in residential demolitions as funds for renovation that would have been normally available decrease or are eliminated. In some of these cases, inner city residents living in the deteriorated housing stock may be displaced by demolition to housing which has conditions equal to, or worse than, the conditions in which they previously lived.<sup>261</sup>

In Moving Spoils Grades, Redekop, (1994) contends, core area children are paying the price for substandard housing. Young families move from place to place because landlords do not keep subdivided houses or apartments in livable condition. Consequently, inner city children who change schools three or more times prior to grade six are likely to find themselves two grades behind class mates in academic development. The higher the rate of transfers from school to school the greater the drop in grades in reading, mathematics, and spelling. The implications of a smaller RRAP program extend beyond the homeowner and housing stock to the renovation industry.

#### **Implications of Change for the Renovation and Spin Off Industries**

Over the past two decades, Winnipeg has developed a housing rehabilitation industry which is made up of a small number of renovation contractors. On average 40 small firms have continually responded to RRAP since 1982, and have developed the expertise required for estimating and solving many unforeseen housing problems.<sup>262</sup>

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<sup>261</sup> Cassidy, (July 1994), op.cit., interview

<sup>262</sup> Community Programs Division, (1993), op.cit., Pg, 4

According to Federal Withdrawal from Social Housing: The Trend, (1994) RRAP creates thousands of jobs directly and indirectly. The Canadian Home Builders Association estimates that for every \$10,000 spent on renovation, 0.5 person/years of direct employment is created.<sup>263</sup>

Therefore a decline in federal RRAP funding, more restrictive eligibility requirements, and a smaller RRAP program in Winnipeg may mean there will be less work, and more competition among renovation contractors for new work. This competition may force some contractors out of business.<sup>264</sup> As a result, there could be higher unemployment among renovation contractors and sub contractors such as electricians, plumbers, carpenters, roofers, and painters.<sup>265</sup>

In 1993, a smaller Residential Rehabilitation Assistance Program in part contributed to a decrease in the total number of contractors working with RRAP. For example, in 1993 there were 28 contractors registered in the Residential Rehabilitation Assistance Program compared to 38 contractors in 1992.<sup>266</sup> Similarly, the total number of contractors obtained by RRAP applicants decreased from 112 in 1992 to 86 in 1993.<sup>267</sup>

The building suppliers may also be affected by a lower level of residential repair and renovation activity. The negative impacts would be noticed in reduced sales of building materials and supplies including structural supplies of concrete, wood, and steel. Table 5.2 compares the drop

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<sup>263</sup> Community Programs Division, (1994), op.cit., Pg, 25

<sup>264</sup> Community Programs Division, (1993), op.cit., Pg, 4

<sup>265</sup> Canadian Housing Coalition, op.cit., fact sheet #7

<sup>266</sup> Kowlessar, op.cit., Pg, 4

<sup>267</sup> Kowlessar, op.cit., Pg, 4



Table 5.2 Types of Repairs &amp; Expenditures

Types of Repairs	1992	1993
Thermal	\$409,165	\$242,801
Doors	\$415,025	\$274,474
Finishes	\$382,249	\$241,734
Mechanical	\$225,874	\$169,111
Electrical	\$242,062	\$153,586
Other	\$671,375	\$369,681
<b>Total</b>	<b>\$2,345,750</b>	<b>\$1,451,387</b>

Source: Community Programs Division, City Planning Department,  
Winnipeg, 1994

in expenditures for different types of repairs made to a dwelling through the RRAP program. This drop in expenditures will in turn affect the lumber, mining, and gravel industries. In short all areas of the economy may feel the effect of a smaller RRAP program.

### **Implications of Change for the City and Delivery Agent**

What does the downward trend in federal funding for RRAP and the decline in the city's RRAP delivery capacity mean for the local economy?

From March 1982 to the end of 1992, the Winnipeg economy was strengthened by the expenditure of \$78,245,750, for the repair of 9,248 dwellings. CMHC funding accounted for \$53,357,700 or 68% of the total cost.<sup>268</sup> Accordingly the downsizing, or elimination, of RRAP may have a reverse effect on the city economy as the number of units RRAPed and related expenditures decrease.

A smaller RRAP program will also affect the growth of local property taxes. Housing stock which has undergone major repairs is usually assessed higher than older deteriorated stock. This in turn means more tax revenues per property for the city. If housing is assessed at a lower rate, then the overall city assessment will decrease since assessment is based on the market value of the property. This in turn will place a greater burden on the rate payer who lives in the suburb. Over the long term, suburban residents may pay higher taxes to support social programs aimed at alleviating problems associated with inadequate, unaffordable, and unsuitable housing.

A smaller RRAP program also means less building permit revenue for the city. During the period 1988-1991, the City of Winnipeg issued 1,470 Residential Alteration Permits for RRAP, which had a total capital value of

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<sup>268</sup> Community Programs Division, (1993) op.cit., Pg, 4

\$12,367,910, and generated building permit fees in the amount of \$64,594.<sup>269</sup> The federal government would also receive less GST (Goods and Services tax) revenue. In 1991, the city collected \$15,654 in GST from CMHC agency fees.<sup>270</sup>

The impact of a smaller RRAP program would be felt at the neighborhood level. The city's capacity to maintain aging and deteriorating housing stock is reduced by a smaller RRAP program. One of the first signs of reduced delivery capacity would be a rise in the number of deteriorated residential properties which in turn may contribute to a destabilization and deterioration of the neighborhood, and lowering of property values. The rise in deteriorated housing stock and neighborhood conditions detracts from private sector investment. In some cases, it may cause commercial lending institutions to "red line" the area.<sup>271</sup> As mentioned in chapter four, the Residential Rehabilitation Assistance Program is a major complementary resource for neighborhood stability. As was the case during NIP, CIP, and the CAI, RRAP complements neighborhood revitalization activities. Accordingly, a smaller RRAP program, would reduce the effectiveness of neighborhood management, revitalization and preservation, and social equity, strategies, identified in Plan Winnipeg Towards 2010. It might also reduce the effectiveness of neighborhood revitalization strategies implemented through the Manitoba Winnipeg Community Revitalization Program. Presently RRAP is delivered citywide and fulfills Plan Winnipeg goals of neighborhood management and social equity through which

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<sup>269</sup> Kowlessar, op.cit., Pg, 4

<sup>270</sup> Community Programs Division, (1993), op.cit., Pg, 5

<sup>271</sup> Kowlessar, (July 94), op.cit., interview

adequate, affordable, and decent housing for all residents is emphasized.<sup>272</sup> A smaller RRAP program or possible elimination of the program would leave the city with an inadequate vehicle to fulfill these goals. It would also leave the city without an inadequate vehicle for fulfilling its mandate under the City of Winnipeg Act.

In the case of the city's role as a delivery agent for RRAP, Mr. Kowlessar suggests that the Community Programs Division role in delivering RRAP is uncertain given the decreasing federal commitment to RRAP.<sup>273</sup> He adds that the long term outlook is negative if the federal government fails to make a financial commitment to RRAP beyond 1995.<sup>274</sup> If the federal government discontinues RRAP after 1995, the city will end its involvement as a delivery agent for RRAP. As explained in earlier chapters, the city is not prepared to replace RRAP with a similar program. The city housing role is limited by a lack of revenue and political will. It is also limited by provincial restrictions on municipal revenue generating activities and greater involvement in low income housing initiatives.

In the end a smaller RRAP program, will weaken the city's role as a housing facilitator. In some cases, the city may revert to strictly a traditional housing role and limit its involvement in housing to enforcing regulations such as zoning by-laws, M&O by-laws, and physical planning, and providing hard services. At the same time, allowing the Province to assume full responsibility for new low income housing initiatives in the City of Winnipeg in accordance with its constitutional mandate.<sup>275</sup>

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<sup>272</sup> Kowlessar, (1994), op.cit., Pg, 3

<sup>273</sup> Kowlessar, (July 94), op.cit., interview

<sup>274</sup> Kowlessar, (July 94), op.cit., interview

<sup>275</sup> Kowlessar, (July 94), op.cit., interview

## Summary

In summary this chapter has examined some of the broader and more tangible implications associated with federal funding and program changes to RRAP and changes to the volume of municipal RRAP activity and funding. The chapter has focused on implications that reflect the downward trend in federal commitment for RRAP and the municipality's decreased delivery capacity at a time of growing demand for RRAP assistance. Overall there are many implications that can be linked to federal funding and program changes to RRAP and changes to the volume of municipal RRAP activity and funding.

All of the implications identified in this chapter suggest that the downward trend in federal commitment for RRAP, and the city's decreased delivery capacity may contribute to higher levels of deteriorated housing stock; poorer quality of life; a weakening of the economy; lower levels of economic growth, higher unemployment levels; neighborhood destabilization; urban blight; lower property values; less municipal revenue; and a smaller municipal housing role.

In chapter six, the thesis will conclude by reviewing the study findings, and identifying the role the City of Winnipeg is likely to play in low income housing in an era of federal disentanglement, and changing economic, political, and social conditions.

## Chapter Six

### Conclusion

This study began with the following question: What role should the municipality play in low income housing in an era of federal disentanglement, and changing economic, political, and social, conditions? In answering this question, this chapter will summarize the study findings and present its conclusions.

One of the intentions of this study has been to identify and illustrate how various factors determine and shape the municipal role and level of involvement in housing. The study has shown the housing roles' municipalities adopt, and actions they take are not influenced solely by changes to national housing policy, or programs, but are influenced by a wide range of local, regional, and provincial factors; some of which are examined throughout this study. In responding to these factors, some municipalities are adopting a wide range of roles which can be classified in one or more of the following categories: the reactor, comprehensive developer, or facilitator category. Whereas others are acting rather than reacting on the diverse needs of the municipality. In addition, a few municipalities are actively facilitating or partaking in the comprehensive development of innovative housing initiatives. Irrespective of the housing roles or initiatives municipalities adopt, they must be encouraged to act rather than react to the locality's housing needs and problems. At the same time, they should not confine their involvement to any one particular role or initiative. Rather, they should adopt a wide range of roles or initiatives depending on the diverse needs of the municipality.

However, if municipalities are to act comprehensively and effectively, the senior levels of government, particularly the provinces, must be prepared to allow municipalities equal autonomy over housing, and remove the limitations on the lower levels of government, such as revenue and jurisdictional limitations. As has been discussed in chapter two, this has occurred in Ontario and Quebec through mandatory and supportive legislation.

At the same time, city councils must also remove the financial and political limitations on the municipality. In other words, municipalities must be prepared to acknowledge the locality's housing needs and problems and make a financial and political commitment to addressing these needs or problems. They in turn must act on this commitment using cost effective and innovative means. For example, one way of acting on this commitment is by forging cooperative and working relationships with the senior levels of government, and more importantly with the Third and/or private sector(s) that are aimed at addressing local housing needs and problems.

The study has shown that unlike some of the municipalities in Ontario, and Quebec, the City of Winnipeg is unwilling to unilaterally or actively participate in the provision of low income housing initiatives. As has been explained, there are several reasons for this position.

First, the city maintains the development and provision of low income housing is the responsibility of the senior levels of government, particularly the Manitoba government. The province plays the lead role in housing. Accordingly, the city is more inclined to facilitate and administer senior government housing initiatives. The city will participate in the provision of low income housing initiatives in cases where the senior levels of government allow the city an equal role in program decision making and

development. In such cases the city will match the senior level government financial and political commitment. This occurred during the Core Area Initiative. The municipality's unwillingness to assume a lead role, gives credence to the notion that at times, the city lacks leadership in its role as a housing facilitator.

Second the city does not have the revenue capacity to handle a larger housing role. Their revenue base is too small to support a larger housing role or innovative housing initiatives.

Unlike some of the municipalities in Ontario and Quebec, the City of Winnipeg is unable to take advantage of a mutually beneficial housing partnership with the province. As has been illustrated some Ontario and Quebec municipalities have been forced to respond to changes to Canadian housing policy such as the introduction of disentanglement policy by assuming a larger role and responsibility for low income housing. In these provinces, federal disentanglement policy and provincial inaction, or inadequate provincial housing programs has given municipalities a reason to assume a larger housing role. In other cases, the province has assumed a larger housing role with the intention of passing more responsibility to the municipality in return for more provincial revenues. The provinces responded to a larger administrative role for non profit and public housing by passing some of the costs and responsibilities to the municipality.

In Manitoba, the province has assumed full responsibility for non profit and public housing. As such it bears the full impact of federal disentanglement policy. In the final analysis, the City of Winnipeg has yet to feel the full impact of disentanglement policy on its housing role or initiatives as described in this study. Nevertheless, the more noticeable impacts may be felt in the city, in terms of a larger need for adequate and



affordable housing over the next few years, particularly if the federal-provincial non profit housing program is not replaced. The city may also notice the impacts if the provincial housing programs fail to work, fill the federal program gap, or address the city's low income housing needs or problems in an adequate and effective manner. Finally, it may be noticed in terms of a smaller commitment to WHRC, or termination of the city commitment.

While the city, may not be actively involved in unilaterally developing innovative low income housing initiatives it does have a multi faceted housing role and therefore it is not limited to performing one particular function. This multi faceted role is illustrated through its extensive involvement in NIP, CIP, CAI, and MWCRP. As mentioned in chapter one, the city housing role consists of many active components which fall in to two areas. First, the city exercises a housing role in new subdivisions through plan examination and building inspections. Second the city exercises a role in existing housing through by-law enforcement, infill housing initiatives, and home repair initiatives such as RRAP. Given the city's wide range of housing activities it has been difficult to draw definite conclusions about the municipal housing role based solely on the city's involvement in RRAP. However, it has been possible to draw conclusions on whether there is a direct relationship between federal funding and program changes to RRAP and changes to the city's role and level of RRAP activity.

In the case of RRAP, the City of Winnipeg's housing role has become more clearly defined. But as a facilitator of RRAP, the city's role has not changed in response to federal disentanglement or any other factors. However, as a facilitator of home repair activity its level of activity, level of funding, delivery capacity, and method of funding the delivery of RRAP,

have all changed in response to federal funding and program changes to RRAP, including: the geographical expansion of RRAP, program and funding changes at the local level, including changes to NIP and CIP, and the introduction of complementary home repair programs and supplementary funding during the tri partite CAI. As mentioned in chapter four, these complementary home repair programs allowed the city to define and shape its role as a housing facilitator at a time when its role was basically ill defined.

*What role should the municipality play in low income housing in an era of federal disentanglement, and changing economic, political, and social, conditions?*

As municipalities approach the 21st century, they will have to make do with less from the senior levels of government, at a time when demand for subsidized housing and government home repair assistance is rising. The decline in social spending means municipalities must target scarce social housing dollars more effectively, and develop innovative ways of addressing the municipality's diverse housing needs including developing public private sector partnership; forging cooperative links with the senior levels of government; identifying new sources of funding; and educating the public and politicians about low income housing needs, and the municipality's role in addressing these needs. Overall municipalities must become more responsive to the needs of the people and the community.

However in order to become more responsive, Plunkett (1976) contends, municipalities must accept the necessity of actively seeking a better institutional environment, with maximum room to manoeuvre, and pursue its objectives in a manner that is consistent with what it perceives to be the real needs of the area it serves. To secure these conditions, a local

government may have to build widespread community support in order to demonstrate effectively that it is meeting the needs of its area.

In addressing housing problems, municipalities must not focus solely on housing but should look beyond housing to the socio-economic needs of low income residents including: employment, education, health care, and life skills. By working together, at the grass roots level in response to local housing needs municipalities can strive to ensure social equity.

In the case of Winnipeg, the city's Ad Hoc Committee on Housing Report, (1989) provides a strong direction for the city's future involvement in housing. However, it is unlikely the city will act on many of the committee report recommendations in the immediate future given fiscal restraint, downsizing, and limited resources in all three levels of government.

#### *Suggested Recommendations*

However, should Winnipeg's city council plan to act on the Ad Hoc Committee on Housing Report recommendations at some point in the future, it must be prepared to look beyond short term budget issues that focus on the provision of hard services, or works and operations. In addition it must be prepared to make a long term financial, and political commitment to addressing some of the social problems of the inner city including the problems of inadequate, unsuitable, and unaffordable housing stock. Winnipeg's city council must also be prepared to act on its commitment and respond in a pro active manner to the needs and problems of low income Winnipeggers.

One way it can respond in a pro active manner is by more consciously focusing existing municipal housing structures, policies, and initiatives on low income housing. This includes placing greater emphasis on facilitating low income housing initiatives. Second, it involves increasing city council,

and public awareness of the city's low income housing role through public education and information dissemination. The city council and general public must be made aware that the city has an obligation to uphold its housing mandate and the importance of maintaining the housing structures which fulfill this mandate, particularly at a time when senior levels of government are reneging on their housing responsibilities through budget and program cuts. In addition, the city council and public must be made aware of ways to access the municipal housing structure. Third, it involves establishing a visible city wide low income housing service which is accessible to the public and committing municipal resources to the maintenance and possible expansion of this service. Fourth, it involves undertaking a comprehensive housing needs assessment and review of the city's low income housing needs. This needs assessment must not be limited to an analysis of physical housing conditions but should look at all aspects of need including the socio-economic needs of the residents who live in low income housing. In short it means being holistic in its approach. Finally it involves developing public private sector partnerships.

In the end, the city's housing role as a facilitator of RRAP, remains uncertain given the absence of complementary funding sources needed to finance the delivery of RRAP. There is no guarantee that the city will commit another \$350,000 to fund the administration of RRAP in 1995. As mentioned in chapter five, if the federal government fails to make a long term commitment to RRAP beyond 1995, the city's role as a facilitator of home repair activities will weaken and may eventually disappear. Until that time, the city will continue to facilitate the delivery of the federal home repair program, albeit a much smaller home repair program.

If these latter chain of events are to be reversed, and the City of Winnipeg is to uphold its housing mandate, as identified in the City of Winnipeg Act, Plan Winnipeg, and City of Winnipeg housing policies, city council must be prepared to commit administrative funding to housing initiatives such as RRAP, as the need arises. Irrespective of the amount, administrative funding will act as a catalyst that will encourage funding from other sources such as the senior levels of government, the private sector, and the third sector or non profit organizations; thereby ensuring the survival of the municipal housing role.

**Key Informant Interviews**

Community Programs Division Manager, Mr. Neal Kowlessar. City Planning Department. Winnipeg. January 14, 1994. 2:00pm. Ph 986-5257. (in-person).

Community Programs Division Manager, Mr. Neal Kowlessar. City Planning Department. Winnipeg. July 14, 1994. 9:00am. Ph 985-5257. (in-person).

Community Programs Division Housing Branch Manager, Mr. Jim Cassidy. City Planning Department. Winnipeg. January 20, 1994. 1:00pm. Ph 986-3663. (in-person).

Community Programs Division Housing Branch Manager, Mr. Jim Cassidy. City Planning Department. Winnipeg. July 12, 1994, 1:00pm. Ph 986-3663. (in-person).

Retired Professor & City Commissioner, Dr. Earl Levin. Winnipeg. January 8, 1993. 11:50am. Ph 582-6224. (telephone).

Winnipeg Housing Rehabilitation Corporation General Manager, Mr. Al Ducharme. Winnipeg. January 18, 1994. 10:50am. Ph 949-2880. (telephone)

CMHC Federal-Provincial Liaison, Mr. Ron Reader. CMHC. Winnipeg. July 26, 1994. 1:00pm. Ph 983-5647. (in-person)

City of Winnipeg Zoning Inspector, Mr. Ron Weston, City Planning Department, Winnipeg, March 18, 1993, 1:00pm, 986-5296

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**Appendix 1.0 Glossary of Terms**

<b>RRAP</b>	Residential Rehabilitation Assistance Program
<b>MWCRP</b>	Province of Manitoba-City of Winnipeg Community Revitalization Program
<b>CAHRP</b>	Core Area Home Renovation Program
<b>WHRC</b>	Winnipeg Housing Rehabilitation Corporation
<b>MHRC</b>	Manitoba Housing Renewal Corporation
<b>CIP</b>	Community Improvement Program
<b>NIP</b>	Neighborhood Improvement Program
<b>CAI</b>	Core Area Initiative
<b>CMHC</b>	Canada Mortgage Housing Corporation
<b>FCM</b>	Federation of Canadian Municipalities
<b>CHRA</b>	Canadian Housing and Renewal Association

**Appendix 1.1 Selected Federal Funding & Program Changes to RRAP**

- 1978) The federal Liberal government designates new rehabilitation areas to which RRAP is targeted in concert with the introduction of the Community Improvement Program. These "new areas" result in the geographical expansion of RRAP.
- 1979) The federal Conservative government terminates direct loans to landlords through RRAP and reduces landlord forgivable funding with the intention of limiting demands on the capital budget.
- 1982) The federal Liberal government designates RRAP as a universal program and targets RRAP city wide as opposed to selected NIP & CIP neighborhoods thereby resulting in the geographical expansion of RRAP activity. In Winnipeg, the federal government supplements existing RRAP funding by an additional 1.5 million dollars as part of the CAI I agreement.
- 1986) RRAP is officially designated as a federal social housing program by the federal Conservative government, and RRAP assistance is targeted through Core Need Income Thresholds, which are also introduced in 1986. At the same time the federal government introduces a revamped rental Residential Rehabilitation Assistance Program.
- 1989) The federal Conservative government terminates Rental RRAP across Canada as part of its strategies to cut social housing costs and target existing funding to those in most need.
- 1990-1992) The federal Conservative government accelerate social housing budget cuts including cuts to RRAP funding as part of its campaign to target scarce funding to those in most need, reduce the budget deficit, cut social spending, and extract itself from social housing programming and funding.

**Appendix 1.1b Selected Federal Funding & Program Changes to RRAP cont.**

- 1993) The federal Conservative government cuts social housing funding by 29% and announces the termination of RRAP effective January 1, 1994. In response to public pressure, the federal government temporarily extends RRAP as an emergency home repair program.
- 1994) The federal Liberal government reinstate RRAP by committing \$100 million to RRAP over the next two years.

## Appendix 1.2a Examination Matrices

Examination Issue	In 1978, the federal Liberal government introduced a new Community Improvement Program. At the same time it designates new rehabilitation areas to which RRAP is targeted. These new areas result in the geographical expansion of RRAP. How did the city respond to this geographical expansion of RRAP? Did this expansion, increase the volume or RRAP activity and funding at the local level? Did it result in increased delivery capacity?
Method of Analysis	Critical analysis of key informant interview data: correlate interview findings and geographical expansion of areas with rise in number of units RRAPed, rise in delivery staff, rise in volume of RRAP capital funding, rise in delivery capacity;
Indicators	Rise in total number of units RRAPed; rise in total level of capital funding; rise in total delivery staff level; change in method used to finance the delivery of RRAP;
Data Sources	Key informant interviews with Community Programs Division Manager, Mr. Neal Kowlessar, Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, RRAP staffing statistics, RRAP delivery statistics, RRAP capital funding statistics

Examination Issue	In 1979, the federal Conservative government terminates direct loans to landlords through RRAP and reduces landlord forgivable funding with the intention of limiting demands on the capital budget. How did the City of Winnipeg respond to this change? and what affect did it have on take-up of rental RRAP assistance?
Method of Analysis	Critical analysis of key informant interview data: correlate federal program change with key informant interview findings, and with the decline in total rental RRAP activity with decline in total rental RRAP funding;
Indicators	Decline in total number of rental units RRAPed; Decline in rental RRAP funding;
Data Sources	Key informant interviews with Community Programs Division Manager, Mr. Neal Kowlessar, Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, RRAP delivery statistics, RRAP capital funding statistics

Examination Issue	In 1982, the federal Liberal government designated RRAP as a universal program thereby resulting in the geographical expansion of RRAP. At the same time it supplements existing RRAP funding by an additional \$1.5 million dollars as part of the CAI agreement. Did the city increase its delivery capacity for RRAP? How did the city respond to these changes? Did these changes raise the volume of RRAP activity and funding in Winnipeg or were there other factors that contributed to a higher level of RRAP activity?
Method of Analysis	Critical analysis of key informant interview data: Correlate federal funding and program changes with key informant interview findings, the geographical expansion of RRAP, and with the increase in RRAP delivery capacity, rise in volume of total RRAP funding, and total units RRAPed, and increase in delivery staff; correlate geographical expansion of RRAP and increase in delivery capacity with introduction of complementary home repair programs and funding through the CAI.
Indicators	Increase in total number of units RRAPed, rise in total number of homeowner unit RRAPed, rise in total number of RRAP delivery staff, rise in total RRAP capital funding, rise in complementary home repair program funding, increase in complementary home repair and rehabilitation activity.
Data Sources	Key informant interviews with Community Programs Division Manager, Mr. Neal Kowlessar, Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, RRAP delivery statistics, RRAP capital funding statistics, CAI home repair activity and funding statistics, RRAP delivery staff annual statistics;

## Appendix 1.2b Examination Matrices cont.

Examination Issue	The federal Conservative government introduced a revised rental RRAP in 1986. During this same year it officially designated RRAP as a social housing program, and introduced a new method of targeting social housing assistance, known as CNITs. What impact did these changes have on the city's delivery capacity, level of RRAP funding and level of RRAP activity? How did the city respond to these changes?
Method of Analysis	Critical analysis of key informant interview data; Correlate federal funding and program change to RRAP with key informant interview findings, the increase in rental RRAP activity and funding, the increase in RRAP delivery staff, and the introduction of CAI II complementary home repair programs and funding;
Indicators	Increase in total number of rental units RRAPed, increase in total rental RRAP capital funding; increase in delivery staff, rise in total RRAP capital funding, rise in complementary home repair program funding, increase in complementary home repair and rehabilitation activity.
Data Sources	Key informant interviews with Community Programs Division Manager, Mr. Neal Kowlessar, Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, RRAP delivery statistics, RRAP capital funding statistics, CAI home repair activity and funding statistics, RRAP delivery staff annual statistics;

Examination Issue	In 1989, the federal Conservative government terminated rental RRAP, as part of its strategies to cut social spending, reduce the budget deficit, and target existing funding to those most in need. How did the city respond to this change? How did the change affect the city's delivery capacity, level of RRAP activity and funding?
Method of Analysis	Critical analysis of key informant interview data; Correlate federal program change with changes in delivery capacity, total RRAP activity and funding, level of homeowner and rental RRAP activity and funding in the City of Winnipeg;
Indicators	Decrease in total number of units RRAPed and decrease in total capital funding, decrease in total number of rental units RRAPed and elimination of rental RRAP capital funding; decrease in total number of RRAP delivery staff;
Data Sources	Key informant interviews with Community Programs Division Manager, Mr. Neal Kowlessar, Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, RRAP delivery statistics, RRAP capital funding statistics, CAI home repair activity and funding statistics, RRAP delivery staff annual statistics;

Examination Issue	During the period 1990-1992, the federal Conservative government accelerated social spending cuts, including cuts to social housing programs such as RRAP. The intention being to reduce social spending, balance the budget, target limited funding to those most in need, and extricate itself from social housing programming and funding. How did these cuts to social housing funding affect the city's delivery capacity, level of RRAP activity, and funding? What was the city's response to these changes?
Method of Analysis	Critical analysis of key informant interview data; Correlate federal funding and program changes with key informant interview findings, and change in city's delivery capacity, total capital RRAP funding, total number of units RRAPed, and change in delivery staff level;
Indicators	Decrease in total number of units RRAPed; Decrease in total capital funding; Decrease in total number of RRAP delivery staff; expiration of CAI complementary home repair programs and supplementary funding;
Data Sources	Key informant interviews with Community Programs Division Manager, Mr. Neal Kowlessar, Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, RRAP delivery statistics, RRAP capital funding statistics, CAI home repair activity and funding statistics, RRAP delivery staff annual statistics;



## Appendix 1.2c Examination Matrices cont.

Examination Issue	In April 1993, the federal Conservative government cut social housing funding by 29% and announced the termination of RRAP effective January 1, 1994. In response to public pressure, and in the midst of the federal election campaign, the federal Conservative Government extends RRAP as an emergency home repair program in Sept 1993. How did the city respond to this planned elimination of RRAP. Was there any change in delivery capacity, or change in level of RRAP activity or funding at the local level?
Method of Analysis	Critical analysis of key informant interview data; Correlate key informant interview findings with federal funding and program changes to RRAP, and change in total number of units RRAPed, total capital funding, and change in delivery staff levels;
Indicators	decrease in total capital funding; decrease in total number of units RRAPed, decrease in total number of delivery staff,
Data Sources	Key informant interviews with Community Programs Division Manager, Mr. Neal Kowlessar, Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, RRAP delivery statistics, RRAP capital funding statistics, CAI home repair activity and funding statistics, RRAP delivery staff annual statistics;

Examination Issue	In 1994, the newly elected federal Liberal government reinstates RRAP by committing \$100 million to RRAP over the next two years. How did the city respond to this program and funding change? Did this change affect city delivery capacity?
Method of Analysis	Critical analysis of key informant interview data; Correlate key informant interview findings with federal funding and program changes and change in method of funding the delivery of RRAP, and changes in total capital funding and total number of units RRAPed
Indicators	depletion of banked CMHC RRAP recoveries, decrease in total capital funding, decrease in total number of units RRAPed;
Data Sources	Key informant interviews with Community Programs Division Manager, Mr. Neal Kowlessar, Community Programs Division Housing Branch Manager, Mr. Jim Cassidy, RRAP delivery statistics, RRAP capital funding statistics, CAI home repair activity and funding statistics, RRAP delivery staff annual statistics; Community Programs Division internal reports pertaining to RRAP;

## Appendix 2.1a Reasons for Federal Disentanglement

Literature Authors	Provincial Autonomy & Jurisdiction	Fiscal Restraint, Rising Government Deficit, & Poor Economy	Administrative Duplication & Overlap
Bacher (1993)			
Banting (1990)	Provincial demands for greater provincial autonomy and voice in federal social welfare initiatives and spending power;		Banting indicates the aim of disentanglement is to extricate the federal government from the tangle of NHA programs and duplication and overlap of responsibility;
Carter & McAfee (1990)			
Carroll (1990)			

## Appendix 2.2b Reasons for Disentanglement cont.

Literature Authors	Provincial Autonomy & Jurisdiction	Fiscal Restraint, Rising Government Deficit, & Poor Economy	Administrative Duplication & Overlap
McKee (1993)		McKee contends fiscal retrenchment contributed to the federal decision to disentangle itself from the delivery of social housing. Rising federal housing expenditures and increased public demands to limit series of changes in Canadian housing policy which included a move away from direct daily involvement in social housing towards a position of disentanglement;	
Schubert (1993)		Schubert supports the notion fiscal retrenchment influenced the federal decision to disentangle. Schubert argues all of the economic, political, and social developments behind disentanglement were not the exclusive product of either one government agenda nor were they directly linked consequences of a decentralized or weakened federation. Rather they consistently followed on changes in the fiscal capacity of the federal treasury;	

## Appendix 2.2c Reasons for Disentanglement cont.

Literature Authors	Regional Equity	Political Survival
Bacher (1993)		Bacher states the federal government disentangled itself from social housing in order to distance itself from program failures, and politically sensitive housing issues;
Banting (1990)	Banting cites the federal government's need to maintain regional equity as yet another reason for federal disentanglement;	
Carter & McAfee (1990)		Carter and McAfee suggest the federal government wanted to distance itself from a housing role associated with weakness or failure in the housing market;
Carroll (1990)	Carroll argues the need for regional equity was a main factor behind the federal decision to disentangle itself from social housing. Carroll suggests the desire to disentangle the multitude of housing programs, reduce federal involvement and equalize the subsidy share led to the establishment of the Federal-Provincial Global Operating Agreements which ensured the continuation of federal disentanglement;	

## Appendix 2.2d Reasons for Disentanglement cont.

Literature Authors	Regional Equity	Political Survival
Pomeroy		
Social Housing	Social Housing Review points out the federal government wanted to disentangle itself from social housing in order to be in a position that would ensure regional equity among the provinces. It wanted to deal equitably with provinces of unequal financial capacity;	

# Appendix 3.1 Housing & Community Improvement Functions by Department

A. HOUSING PROGRAMS	DELIVERY AGENT(S)	SUPPORT SERVICES	CENTRAL FUNDING	OTHER FUNDING	COMMISSIONER(S) RESPONSIBLE FOR
° Home Repair	Housing & Community Improvement Branch, Dept. of Environmental Planning	° Inspections - Env. Planning ° Health Dept. ° Social Services - Relocation & emp. projects	C.M.H.C.	° Province ° Core Area	Environment
° By-Law Enforcement	° Health ° Environmental Plng. ° Fire	° Social Services	City	possible Core Area	Environment Finance
Private sector Housing dvlpmt't, on small lots	° Hsg. & Com. Imp. ° Land Surveys & Real Estate		° Core Area ° City	° M.H.R.C. ° C.M.H.C. ° Private dvlpmt't funding	Environment Finance
° Land Assembly	° Land Surveys & Real Estate ° Hsg. & Com. Imp. ° Ind. Plng. Branch (Urban Renewal)	° Civic Properties	Tri-govt. - NIP-CIP Urban Renewal & Core Area		Finance Environment
° Management & Use of City-owned Properties	° Land Surveys & Real Estate	° Civic Properties Hsg. & Com. Imp. Branch	City		Finance Environment
° Support to Non-profit	° Housing & Com. Imp. ° Land Surveys & Real Estate		° C.M.H.C. ° M.H.R.C.	° Core Area ° City of Wpg.	Environment Finance
° Housing Analysis & Research	° Development Plans, Research & Housing & C.I. Branches - Env. Planning	° Health ° Social Services ° Police ° Fire ° Land Surveys & Real Estate	City		Environment
° Liaison with other govt's	° Housing & Com. Imp. Branch		City		Environment
B. COMMUNITY IMPROVEMENT PROGRAMS	Housing & Com. Imp. Br. of Env. Plng.	° Civic Departments	Tri-gov't cost-shared funding	° City	Environment

Source: Community Programs Division. City Planning Department.. 1994  
Winnipeg

Appendix 4.1

# INFORMATION

## The Residential Rehabilitation Assistance Program (RRAP) for Homeowners

### PURPOSE OF THE PROGRAM

To assist low-income homeowners who are unable to afford adequate and suitable housing accommodation by providing financial assistance for the repair of their homes.

### PROVINCES AND ELIGIBLE AREAS

This program is available in the provinces of Nova Scotia, Prince Edward Island, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and the Northwest Territories. All areas in these provinces, both urban and rural, are covered by this program. Similar programs, serving the same purpose, operate in the other provinces.

### FINANCIAL ASSISTANCE FOR THE REPAIR OF A HOMEOWNER PROPERTY

If your house needs major repair, you may be eligible for Homeowner RRAP financial assistance to help cover the cost of materials, labour, legal fees, finance costs, building plans and permits.

The assistance is provided in the form of a loan. Depending on your household income, you may not have to repay a portion of the loan.

### THE AMOUNT OF FINANCIAL ASSISTANCE AVAILABLE

The loan amount you may receive depends on the actual cost of repairs and where you live.

- If you live in an urban area the maximum amount is \$10,000.
- If you live in a rural area the maximum amount is \$25,000.

This loan, at current interest rates, can be repaid over a period of up to 20 years. Loans of up to \$25,000 may be secured by a promissory note.

### PART OF THE LOAN MAY NOT HAVE TO BE REPAYED

The portion of the loan which may not have to be repaid (the forgivable amount) depends on your household income and where you live.

If you live:

- in Zone 1, the southern areas of most provinces, the forgivable amount is up to \$5,000.
- in Zone 2, the northern areas of most provinces, the forgivable amount is up to \$6,250.
- in Zone 3, the farthest northern areas, the Territories, Labrador and northern Quebec, the forgivable amount is up to \$8,250.

Homeowners "earn" this forgivable amount by continuing to own and live in the house for five years.

### **YOU ARE ELIGIBLE FOR HOMEOWNERSHIP RRAP IF:**

- your household income is below the established "income ceilings" which vary by household size and by areas within the province.
  - you own the home and live in it.
  - your home lacks basic facilities or requires major repairs in one or more of the following areas:
    - ☐ structural
    - ☐ electrical
    - ☐ plumbing
    - ☐ heating
    - ☐ fire safety
- or your home is crowded and is in a rural area.

The type and quality of the repair work should give your house a further useful life of at least 15 years.

### **INELIGIBLE REPAIRS**

Work carried out before your Homeowner RRAP loan is approved in writing is not eligible.

### **MORE INFORMATION**

If you live in Newfoundland, New Brunswick, Quebec or Yukon, you can get more information about the home rehabilitation programs by getting in touch with your provincial housing agency. In the rest of Canada, for more information about Homeowner or territorial RRAP, get in touch with your nearest CMHC office.

*In Newfoundland, New Brunswick, Quebec and Yukon funding for home rehabilitation programs is provided jointly by the Government of Canada and the provincial territorial governments. In the rest of Canada, funding for Homeowner RRAP comes entirely from the federal government through Canada Mortgage and Housing Corporation.*

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CMHC offers a wide range of housing-related information. For details, contact your local CMHC office.

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**Canada**



## Appendix 4.2 Percent of Income Spent on Shelter

% of Income Spent on Shelter	1991	%	1992	%	1993	%
25 or less	182	43	157	40	98	39
26-30	47	11	47	12	27	11
over 30	189	45	186	47	121	49
<b>Total</b>	<b>418</b>	<b>100</b>	<b>390</b>	<b>100</b>	<b>246</b>	<b>100</b>

Source: Community Programs Division, City Planning Department,  
Winnipeg, 1994

## Appendix 4.3 Age of RRAP Applicants

Age	1991		1992		1993	
	Number	Percent	Number	Percent	Number	Percent
Under 25	11	2%	9	2%	6	2%
25-44	127	30%	123	31%	82	33%
45-64	116	28%	95	24%	69	28%
65-74	94	22%	97	25%	60	24%
Over 74	71	17%	66	17%	29	12%
<b>Total</b>	<b>419</b>	<b>100</b>	<b>390</b>	<b>100</b>	<b>246</b>	<b>100</b>

Source: Community Programs Division, City Planning Department,  
Winnipeg, 1994

## Appendix 4.4 Winnipeg Inner City Residential Placardings and Demolitions

Year	Total Units Placarded	Total Units Partially Placarded	Total Units Demolished	Total Units Placarded & Demolished	Total Units Repaired/Rennovated
1974	167		46	213	
1975	137		83	220	
1976	180		67	247	
1977	214		79	293	
1978	220		126	346	319
1979	179		50	229	193
1980	149		42	191	61
1981	98		40	138	43
1982	167		51	218	
1983	187		43	230	
1984				22	
1985				28	
1986	157		42	199	
1987	96	0	24	120	
1988	112	144	37	293	
1989	112	126	22	134	
1990	146	116	27	173	
1991	130	117	38	168	
1992	145	116	28	173	
1993	90	98	16	106	
Totals	2686	717	861	3741	616

The numbers presented in this table are based on City of Winnipeg Health Department Statistics on hand for Winnipeg's Inner City, and are considered complete by the Health Department for the Period 1974-1993.

Source: City of Winnipeg Health Department, Winnipeg, 1994

## Appendix 4.5 City of Winnipeg Core Need Income Thresholds 1987-1993

Year	1 Bedroom	%	2 Bedroom	%	3 Bedroom	%	4 Bedroom	%
1987	\$16,500		\$20,500		\$25,000		\$26,500	
1988	\$17,000	3.03	\$21,500	4.88	\$26,500	6.00	\$28,500	7.55
1989	\$18,000	5.08	\$22,500	4.65	\$26,500	0.00	\$29,500	3.51
1990	\$18,000	0.00	\$23,000	2.22	\$28,000	5.66	\$31,000	5.08
1991	\$18,500	2.78	\$23,500	2.17	\$28,000	0.00	\$31,000	0.00
1992	\$19,000	2.70	\$24,000	2.13	\$29,000	3.57	\$33,500	8.06
1993	\$19,000	0.00	\$24,000	0.00	\$29,000	0.00	\$32,000	(4.48)

Source: CMHC, Ottawa, 1994

August 18, 1994

To: D. Pollock

From: L. Mate

Re: Homeowner RRAP Information Sheet

Further to our telephone conversation of yesterday and your follow-up fax, CMHC has no objection to placing our information sheet (NHA 5901-1 The Residential Rehabilitation Assistance Program (RRAP) for Homeowners) in your city planning thesis appendix.

Should you wish to use only parts of the document it must be made clear that it is being used with permission and the excerpts are from the CMHC publication etc etc.

Good luck with your master of city planning thesis

L. G. Mate

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