

SOCIAL HOUSING – LINES OF THINKING

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Introduction

The housing sector requires constant attention in order to ensure that it evolves in harmony with the current social and economic situation. The shortage of affordable housing is a problem shared by many municipalities in the country, hindering the development of the economy and the fulfillment of community needs. The situation in Québec is such that different types of affordable housing are lacking, including social and community housing for which demand has increased as a result of various factors.

According to the City of Montréal, affordable housing must be characterized by its relative accessibility, meaning that a rent or mortgage (including property taxes and heating costs) should not exceed 30 per cent of the gross monthly income for any given household. The reference to a 30-per cent affordability ratio is recognized by the OECD and used in Montréal as well as in all western countries. Other factors should also be considered, including requirements in terms of surface area and dwelling location. Social housing is a form of affordable housing that accommodates target groups of citizens, including seniors, people living on their own, and new arrivals, although it is not limited to these groups.

The lack of social housing not only affects the lives of the applicants; it also, inevitably, influences the workings of the real estate market since each market factor plays an instrumental role in the industry's performance. It is therefore crucial to support initiatives that aim to stimulate the creation of affordable housing, encourage ownership of different types of dwellings, and construct social and community housing.

1. Portrait Of The Social Housing Situation In Québec

The precariousness of the affordable and social housing situation in Québec accentuates the need for intervention and a revision of current policies. A 2.8 per cent increase in the average rent since 2008 is a result four times higher than that declared by the Régie du Logement. This increase, on top of the effects of the economic crisis, have greatly influenced the number of rent default cases reported to the Régie du Logement. Between 2001 and 2009 the number of cases concerning rent default is said to have increased by 17.2 per cent throughout the province.

The shortage of rental housing units is severe in the Rouyn-Noranda area, followed by Montréal (2.5%), Gatineau (2.2%), Saint-Jean-sur-Richelieu (1.8%), Saguenay (1.5%) and Québec City (0.6%). Forecasts for population changes by the Institut de la statistique du Québec (ISQ) reveal that the trend towards a reduction in household size will continue, highlighting as a result the growing need for housing.

Social housing is offered by three types of organizations—low-rent housing bodies, housing cooperatives and non-profit (NPO) housing organizations—based on needs or eligibility. Low-rent housing, typically associated with the notion of social housing, consists of public properties managed by individual municipal housing bureaus (OMH). Tenant selection is subject to a provincial by-law, but is carried out on a municipal or regional basis, and mainly takes household income into account. Housing cooperatives and non-profit housing organizations may sometimes be confused because of their similarities: cooperatives belong to all of their members, while non-profit housing is the property of an organization that has obtained financing from various private and government sources. These two types of housing bodies select their own tenants in order to fulfill either a specific mission—social integration for example—or to promote the socio-economic mix of their members or tenants. Tenant selection for subsidized housing where tenants receive a rent supplement is carried out under the same by-law to which the municipal housing bureaus are subjected. In the case of cooperatives, members are required to contribute to the management, upkeep and other features of their housing project in order to reduce running costs.

Although many social and affordable housing options are available, excessive waiting lists in Québec as well as persistent delays in access to this type of housing signal the severity of the crisis within the province. In conjunction with already unstable circumstances, future demographic and economic forecasts suggest that unless there are substantial improvements, this sector will simply no longer be able to meet demand. The current climate, undoubtedly aggravated by the economic crisis, has forced new households to ask for help in housing, thus lengthening the list of claimants and adding to the three increasingly present socio-demographic groups: old people on their own, childless couples and immigrant families. Waiting list data clearly show the extent of the need among households, and expose the urgency for solutions to be applied. Quoting the most recent data, namely those from the 2006 Census, FRAPRU reports that 448,840 households allocated more than 30 per cent of their income to rent, 203,085 households spent 50 per cent or more, and 87,075 households devoted 80 per cent or more, which is unacceptable. It is imperative to realize that this picture is not representative of the increase in demand that has arisen as a result of the economic crisis. Moreover, at the end of 2008, 39,075 households were waiting for housing in low-income accommodation, and as of June 5, 2009, the waiting list at the Montréal municipal housing bureau numbered 22,775 applicants.

2. Social Mix

Social mix is an idea that is complementary to initiatives to create affordable, social and community housing. By encouraging communities to desegregate, social mixing offers solutions to many social problems, thus reversing the vicious cycle of impoverishment. Efforts towards the cohabitation and uniform distribution of various social groups with the goal of improving social balance is what characterizes this integration concept, which often raises debate in the communities concerned. Certain more sensitive details should therefore be carefully considered when planning future mixed housing projects in order to promote harmonious cohabitation, and to communicate, through the project design, an integrated visual image instead of one traditionally associated with social housing.

For the past few years France has been trying to remedy the prevailing problems of ghettoization, integration and concentration of poverty faced by its citizens. Many other governments may potentially be interested in adapting these measures to their own needs. In 2002, France also set up an indice de mixité sociale [social mix index] to combat the ghetto phenomenon, which mainly measures taxable income, household size and age of household members. The loi Solidarité et Renouvellement Urbains [Solidarity and Urban Renewal Act] (SRU Act) was also passed in France, with the goal of imposing a 20 per cent rate of social housing per city of 50,000 residents. A lack of precision as to how sectors are divided and the possibility for developers to withdraw under certain conditions have up until now prevented the desired impacts from being attained. However, as a supplement to this law, a new approach has been proposed for 2010, namely to introduce a land use plan that will identify more specific objectives quantifying the rate of social housing prescribed for each arrondissement [borough].

Furthermore, municipalities have each drawn up their own land use plan, focusing on zoning and reservation by-laws for social housing with the aim of encouraging people from different levels of social class to live cooperatively together.

3. Government Efforts (Federal And Provincial)

Each level of government is encouraged to develop and participate in efforts that help to create affordable housing and facilitate access to social housing. Several assistance measures for Quebecers have already been established, including the Renovation Québec Program and the Rent Supplement Program, both offered by the provincial government. The AccèsLogis and Affordable Housing Québec programs, which are also available to Quebecers, are financed by the federal, provincial and municipal governments. In addition, the Canada Mortgage and Housing Corporation (CMHC) offers subsidies of up to \$5,000 in the framework of the Affordability and Choice Today (ACT) program. This financial aid is proposed to developers and workers in the housing sector who must collaborate with their municipality in order to produce a range of choices of sustainable and affordable housing. At the beginning of 2010, 22 new subsidies were announced within this initiative, including two contributions to projects in Québec. In spite of the latter pledge, FRAPRU deplores the federal government's lack of attention, via the CMHC, to the affordable housing sector. Moreover, the effects of CMHC subsidies will be of little consequence in Québec, considering that only two ACT projects of a value of \$5,000 have been planned for 2010 and that financial assistance through the AccèsLogis program comes from both the federal and the provincial governments.

In 2008, the federal government announced the remittance of a 1.9 billion dollar credit to be distributed over a five-year period in order to finance assistance measures for housing and renovation. The concrete results of this financial aid remain entangled within the province. This could be a result of the nationwide distribution of this sum, whose allocation does not particularly favour Québec, or at the least, the affordable housing sector. Apart from a few contributions mixed in with subsidies and Awards of Excellence, the CMHC's participation is clearly insufficient since it seems to merely glide over housing issues without really resolving them.

In a news release published on March 4, 2010, Mr. François Saillant, on behalf of FRAPRU, revealed his organization's reaction to the Flaherty budget announcement. He accuses the government of neglecting the issues that affect mainly low- or modest-income households. For example, he finds it particularly disgraceful "that the budget did not announce any follow-ups to the \$2 billion investment over two years stated in the January 2009 recovery plan for the construction and renovation of social housing ending in March 2011." He also states that Québec will receive less than \$29 million annually for social housing construction, if this amount is not further reduced before the federal government takes back all of its subsidies. He also deplores the federal government's decision not to improve its homelessness initiatives, the financing for which has been frozen for the past ten years.

It is inconceivable that since 1994 no commitment has been made in terms of recurrent investments in affordable and social housing. Since 2000, subsidies targeting this sector depend almost entirely on the federal government's budget surplus, which is unfortunately no guarantee of funds.

4. CONCLUSION

Affordable and social housing are key elements in the housing sector. A specific shortage in these niches affects the whole of the housing market. A shortage in the rental housing sector means that tenants must concentrate a higher portion of their income to paying their rent. The wealth of these households begins to disintegrate and home ownership becomes a more difficult goal to attain.

Promoting home ownership among a certain category of tenants would encourage an increased number of dwellings in the affordable housing sector.

More government financing would also be necessary to successfully lower construction costs and convince investors of the profitability of new and affordable social housing, in spite of lower rents.

A region's vitality depends largely on the quality of life and welfare of all of its citizens. The QFREB therefore encourages the integration of the most susceptible households, the reduction of housing segregation and the promotion of home ownership and access to subsidized housing, inevitably maximizing the productivity, harmony and development of the social and economic environment.