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(Signed)..... *Ivan O. McFarlane*

PERMANENT ADDRESS:

53 Hilton Avenue,
.....
Toronto 4, Ontario
.....
.....

DATED..... *Apr 21* 1969

HOUSING POLICY: Three levels of Government action

by

Ivan O. McFarlane

**A Thesis submitted to Carleton University in partial
fulfilment of the requirements for the degree of
Master of Arts in Public Administration.**

School of Public Administration

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ABSTRACT

This thesis evaluates government's actions in response to the indicators of housing need as they arose during the past half century.

The analysis of Central Mortgage and Housing Corporation in Chapter III indicates this housing has been used as an economic regulator, per se, and to buttress homeownership as part of Canada's value system. In the post-1949 era, more emphasis has been put on assisting the very poor and those unable to acquire adequate housing due to income deficiencies.

Chapter IV deals with Ontario Housing Corporation, the archetypal provincial housing agency. The appearance of these agencies nullified the developmental potential of municipalities but has re-emphasized local responsibility for initiating housing.

O.H.C.'s policy and programmes are critically examined to ascertain their viability and utility in view of current social needs and government's social responsibility.

The concluding Chapter attempts to develop a comprehensive programme to provide balanced communities and to assess the effect of the recent Report of the Federal Task Force on Housing and Urban Development on federal/provincial relations.

C O N T E N T S

I	Introduction	1
II	Federal Government Intervention	14
III	Agencies Responsible for Executing Housing Policy	31
IV	Agencies Responsible for Executing Housing Policy - continued	74
V	The Future Government of Housing	133
Appendix A - International Comparison of Housing Stock		157
Appendix B - Dwellings completed, With and Without Public Assistance, Canada, 1921-1949.		158
Appendix C - Non-farm Family Incomes and Family Incomes of N.H.A. Borrowers for new housing, Canada, 1959-1967.		159
Appendix D - Non-farm Family Income Groups, 1954-1967		160
Appendix E - Ontario Housing Corporation Organization Chart		161
Appendix F - Dwelling starts, completions and under construction, All Areas, by Province, 1950-1967 (Dwelling Units)		162
Bibliography		163

CHAPTER I

INTRODUCTION

The federal housing programme in Canada, as in the United States, began in the wake of the Depression. Canadian attitudes toward housing since 1929 have been reactions to economic situations of varying critical proportion, and reflections of the changing attitudes toward property-derived status. With each change in the socio-economic climate government passed legislation (such as the 1935 Dominion Housing Act) or some other measure designed to sue housing as an economic lever.

The war years brought full employment in Canada. By 1941 prices of goods and services, including rental accommodation, had advanced to the point where the federal government used its war-time emergency legislation to control prices, wages, rents, the allocation of materials, etc. All three levels of government responded with ad hoc measures but there was no definitive statement of housing policy which was realistic or meaningful.

The expressions of intent so far make references to the provision of a decent, safe and sanitary dwelling for every citizen¹ or "construction of new houses, improvement

1. Hon. J. R. Nicholson, Minister responsible for Central Mortgage and Housing Corporation. Statement made in the House of Commons, Canada. May 28th, 1964.

of living conditions and the expansion of employment".¹

The following assessment of the housing situation reflects the dominant socio-economic posture of most Canadians towards government responsibility for housing ...

The provision of housing accommodation in Canada was regarded as exclusively a private matter up to the period of housing shortage which made itself apparent after the last War.

Government functions, so far as they operated, were the prescription of the general laws covering real property.²

Within twenty years after publication of the Curtis Report in 1944, Canadians from all regions of the country, except possibly British Columbia have revised their attitudes and have accepted and approved government commitment to substantial expenditure on housing programmes.

The most pervasive cause for this "volte face" has been the social response to urbanization and its demands which are not yet fully grasped. Changes in living patterns have become drastic and these are being continually buttressed by sustained economic prosperity.

The proximate objective is that everyone should have

1. The National Housing Act, 1944. 8 George VI. Chapter 46.

2. Housing and Community Planning, Final Report of the Sub-Committee, Advisory Committee on Reconstruction, King's Printer, Ottawa, 1944, p. 25. Hereafter referred to as the Curtis Report.

access to adequate housing but this so far has proved impossible because the filtering process has been ineffective¹ and the paradox of there being approximately one quarter of all Canadians unable to purchase rental or home-owner accommodation because of rising costs of housing.²

Having grasped the difference between housing need and demand, and having had vivid demonstration of that need,³ the politicians and public opinion molders have seized housing as a hobby-horse, and are seeking economic distribution of housing as an aspect of welfare and social utility.

All indicators, economic and political, point to even greater crises in the total Canadian housing picture and particularly in urban areas. In Ontario where the most publicized efforts are being made to ameliorate conditions, 21,746 units of public housing have been developed in three years. This figure is almost twice the record of the Federal-

1. "... process by which purchase of a new home or the leasing of a new apartment results in a chain of moves, with each succeeding move in most cases involving property of lesser value, is known as the "Filtering Process".
O. J. Firestone, Residential Real Estate in Canada, University of Toronto Press 1951, p. 210. A bouyant real estate market has defeated this principle.

2. "With new houses in Metropolitan Toronto selling for an average of \$30,000 and older houses at about \$24,000, only high income people can afford an adequate standard of housing". Toronto Real Estate Board release, dated December 13, 1967, p.4.

3. Housing need is based on health, welfare, moral and ethical studies whereas "demand" is determined by economic criteria.

Provincial partnership in Canada between 1949-1964.¹

While Ontario has been active in the public sector, there has been a downturn in overall dwelling starts throughout the economy.² At the same time public programmes accounted for an average of 0.1% of the total starts during 1961-1966.³ Against this background it was not unpredictable that the Report of the Economic Council of Canada had such devastating effects.

by the end of the 1960's housing starts and completions in Canada will need to rise to annual levels of at least 200,000 units to fully meet the nation's requirements at that time. The increase in the number of new households in 1970 is estimated to account for some 140,000 of these requirements replacement deemed at 50,000 units per year by 1970; this is the amount of new buildings necessary simply to keep the total housing stock intact ... Finally .. the total stock of vacant dwellings available on the

1. Ontario figures cited in Ontario Legislature. Debates p. 1492, March 17, 1967, by Hon. S. J. Randall, Federal-Provincial figures. Canadian Housing Statistics, 1966, Table 53, p. 58.

2.	<u>Period</u>	<u>Total Starts</u>	<u>Starts N.H.A. Assistance</u>
	1949	90,509	29,250
	1958	164,632	81,950
	1964	165,658	55,349
	1965	166,565	54,842
	1966	134,474	51,029

Extracted from "Table I, Dwelling Starts, Completions and Under Construction, Canada, 1921-1966 (Dwelling Units)", Canadian Housing Statistics, 1966, C.M.H.C., p. 17.

3. Op. cit., "Starts by principal sources of financing, Canada, 1961-66 (Dwelling Units)", Table 18, p.33.

housing market will have to increase by roughly 10,000 units ... to facilitate a smooth adjustment between the demand and supply for housing. .. The foregoing appraisal implies that over 750,000 new housing units would have to be constructed over the four years to 1970¹

Simultaneously the annual increments in population growth, or (what is more important for purposes of this study) the increase in the rate of family formation has pushed the social need for housing to a point where the capacity of the residential construction industry to provide it is questionable. A related but discrete underlying dynamic of the housing shortage is the nonexistence of effective demand for housing at a time when urbanization and rising income levels were reflected in higher levels of expectation.

Under most circumstances such developments could be expected to result in escalating housing costs. But they have been pushed by higher than normal cost increases in other areas of the economy. These cost-push pressures have in turn been reinforced by a limited supply of serviced land in some areas and by the natural tendency for activity to be concentrated in the higher price ranges of the housing market.

The greatest burden is borne by those in the weakest competitive position in the housing market - those with low incomes relative to their housing requirements. This has

1. Economic Council of Canada, Fourth Annual Report,
Queen's Printer, Ottawa, September, 1967, pp. 133-134.

not been without precedent during the past fifty years, but it was not until the Depression Years that something decisive was done. In 1935 the House of Commons established a special committee to study housing with the following terms of reference -

To consider and report upon the inauguration of a national policy of house building to include the construction, reconstruction and repair of urban and rural dwellings in order to provide such dwelling houses as may be necessary; upon such terms and conditions as may be best adapted to the needs and requirements of the people, having regard to the cost of such a policy and the burden to be imposed upon the treasury of Canada, and to recommend the manner in which such a work should be proceeded with.¹

Some of the several conclusions of the Special Committee were that -

- A national emergency will soon develop unless the building of dwellings be greatly increased.
- The formation, institution and pursuit of a policy of adequate housing should be accepted as a social responsibility.
- There is no apparent prospect of the low-rental housing need being met through unaided private enterprise building for profit.²

1. Journal of the House of Commons Canada, No. 23, 1935, p. 135.

2. Final Report of the Special Committee on Housing, 1935, p. 375, quoted in Canada Advisory Committee on Reconstruction, Housing and Community Planning (Final Report on Sub-Committee), Ottawa, King's Printer, 1944, p. 26. Subsequently referred to as the "Curtis Report".

The reaction to these jeremiads was passage of legislative acts¹ and implementation of certain fiscal measures² whose net effect was a restraint on interest rates which previously had been maintained through inertia, custom, and lack of confidence in the real estate situation. In addition there was a host of administrative inadequacies which overshadowed the fact that the housing experiment was so small that it made slight significance for purposes of economic stabilization.³

The Curtis Report was remarkable in its prescription of government's assumption of social responsibility, but in view of the existence of the war, it was more remarkable that the federal government would enact appropriate legislation. It must be noted however that emphasis of the Act was on "the expansion of employment in the postwar period" and its basic purposes were economic rather than social. In order to administer the Act, and hence the housing policy and programme, Government created Central Mortgage and Housing Corporation and the stage was set for a post-war housing expansion.

1. The Dominion Housing Act, 1935, and the National Housing Act, 1938, its successor; the Home Improvement Loans Guarantee Act, 1937, are discussed in Chapter III.

2. Rent Control and the provisions of Wartime Housing are dealt with in Chapter II.

3. Curtis Report, p.32.

Because of the severe impact of the Depression, there has been much concern for the vulnerability of housing as Canada's largest domestic industry. In fact there has been almost equal attention given to figures for housing "starts and completions" as to stock-market quotations.¹ Hardly anything novel or purposeful has been done in community planning or housing since the Nineteen Forties - only the policy makers and functionaries have changed.

The current miasmic situation is due to absence of policies,² public intolerance, misdirection and a singular lack of co-ordination of effort by all governmental levels to influence and direct the supply of housing. The capacity of the Federal Government to choose and to execute its own housing programme in the public sector is limited severely by provincial and municipal jurisdictional boundaries. In the public sector we are only recently discovering how to blend national, provincial and local programmes into a useful and continuous working relationship. However, the watershed came in 1964 when the Federal Government announced amendments to the National Housing Act,³ which facilitated

1. Humphrey Carver. Unpublished paper prepared for Canadian Welfare Council Conference on "Housing and the Environment" held in Toronto, August, 1967, pp. 1-2.

2. Op. cit., p. 6. Carver regards government declarations as "little more than philosophies and attitudes rather than statements of policy".

3. Cap. Statutes of Canada, Eliz. II, 1964, C. 15.

creation of provincial housing agencies. Ontario was the first to take advantage of the new legislative provision and established the Ontario Housing Corporation¹ to discharge its constitutional responsibility for housing² and to complement the work of Central Mortgage and Housing Corporation. The Province had at last made an auspicious step into the field of housing following its unspectacular and ineffectual stint at hypothecating in 1948-50.³

In reviewing a paper on "Housing in Metropolitan Areas", the Toronto Study Group noted that -

By most commonly accepted standards the supply of housing is adequate, both quantitatively and qualitatively, and both by comparison with the developing countries and most parts of western and eastern Europe and by comparison with most other large metropolitan areas in Canada and the United States.^{4,5}

Despite this favourable comparison, there is widespread concern about housing due to factors mentioned earlier. The immediate causes of the "housing crisis psychosis" have been the decline in the availability of mortgage funds from private sources coupled with the inability of public funding to offset this decline, and the challenges of election year

1. Cap. 135, The OHC Act, S.O.13, Eliz. II

2. British North America Act S. 92 (13).

3. RSO 1960, Housing Development Act, C. 182.

4. Unpublished review prepared for Centennial Study and Training Programme in Metropolitan Problems, York University, August, 1967.

5. Appendix A - International Comparison of Housing Stock derived from United Nations 1965 publication.

in Ontario.

There were several periods of housing shortage of critical proportions in Canada prior to the spate of social legislation and public awareness of the Nineteen Sixties.

The following is a cursory examination of the history of the housing situation in Canada since the Depression.

The Bruce Report in 1934¹ catalogued the Toronto conditions which were worse than the current crises with regard to living conditions.

A number of factors, including increasing personal incomes and the shift of population from rural areas to the cities commencing in the 1910's put a squeeze on urban housing. A Post Office survey conducted in 1942 of 15 major centres showed only one city with a vacancy rate as high as one-half of one per cent. For practical purposes there were no vacant dwellings in Canadian cities.²

In 1947 Mayor Saunders of Toronto hoped to discourage immigration by placing a newspaper advertisement referring to the "acute housing shortages in Toronto, Ontario".³ In the following year another influence became evident when mortgage funds were unable to meet all housing demands for

1. Report of the Lieutenant Governor's Committee on Housing conditions in Toronto, King's Printer, Toronto, 1934.

2. O. J. Firestone, Residential Real Estate in Canada, University of Toronto Press, 1951.

3. Advertisement appearing in article by R. G. Lillie, "20 Years of Housing - C.M.H.C., 1946-1966". Habitat, Vol. 9, 3 and 4, p. 3.

the first time since the end of World War II.¹

In 1953, in the face of a tight money situation with its attendant effects on the availability of mortgage funds, the Federal Government legislated to induce more money in order to sustain the house building industry.²

It is noticeable that social conscience was not exercised over the plight of urban wage-earners with families. Their freedom of choice has been severely restricted because apartment developers have not been catering to families with children. Besides, the middle-income earner cannot afford the cost of homeownership.³

All of these factors have been of the same gravity as the current crisis which demanded the attention of the news media, candidates for political office, the public and Canada's eleven jurisdictions at the recent Federal-Provincial Conference on Housing and Urban Development. More

1. Canadian Housing Statistics, Table 47, indicates the following:

<u>Year</u>	<u>% of Insurance Companies Assets Invested in Mortgages</u>
1930	22%
1945	13%
1953	31%

2. N. H. (Amendment) Act, 1953.

3. Accepted income to house costs ratio is 1:3, but there is no place in the current market for the industrial worker who earns \$5,500 p.a. on 1967 figures while house prices range from \$24,000 - \$30,000. Sources: DBS employment and average weekly wages and salaries, June, 1967. TREB figures for houses. Supra, footnote 5.

recently Federal Transport Minister, Paul Hellyer, headed a Task Force on Housing and Urban Development criss-crossing the country to poll public opinion on remedies available.

However, the main component of the 1967 housing crisis resides in the fact that the Economic Council of Canada in its Fourth Annual Review¹ stated a demand of 3/4 million new housing units by 1970.

Canadians' minds boggled at the implication of urban growth which is predicted to continue unabated. The Economic Council Report did not attempt to analyze the social need for housing, nor to suggest that any particular level of government had a social responsibility for housing.

This thesis will trace the attempts to define a housing policy for Canada from as early as 1919 when the City of Toronto created a housing authority to the recent conference on Housing and Urban Development which ended prematurely and without any apparent hard-core decisions.

The housing posture will be evaluated against a framework of national economic policy within which it must of course be accommodated.²

There will be no reiteration of the field covered by Mr. Lionel Feldman³ who also documented the eighty or

1. Op. cit., p. 134.

2. Paul F. Wendt, Housing Policy - The Search for Solutions. University of California, 1963.

3. Lionel Feldman, Unpublished M.A. Thesis "Provision of Public Housing in Canada", 1962.

more steps involved in the public housing procedures.¹

This thesis will, in fact, study "housing policy", it will ..

Examine from a particular standpoint, the functions, capacities and responsibilities of government, and its relations with the governed. And to study those things today is to study the social, economic and political changes now at work in this country, the impact these changes are making upon the housing conditions, and the repercussions that changes in housing conditions and housing aspirations have upon our economy, our way of life and our government.²

1. Lionel Feldman: "A housing project wends its weary way", Canadian Public Administration, June, 1963, Vol. VI, No. 2, p. 229.

2. D. V. Donnison, The Government of Housing, Penguin, 1967, p. 9.

CHAPTER II

FEDERAL GOVERNMENT INTERVENTION

Following Ontario, which has the distinction of passing the first public housing legislation in 1913, the Federal Government undertook sporadic action after the publication of the Mathers Commission Report in 1919¹ which depreciated high prices of land and material, the shortfall of housing production and poor conditions.

Loans were authorized to provincial governments under the provisions of the War Measures Act, 1919, but the operation was geared to ownership, not low rental. Ottawa did not supervise development of housing and the first attempt was unsuccessful. Additionally, through lack of experience, the device of a local housing authority to manage the housing portfolio was not universally used. Because local agencies were not involved there was a reaction against public participation in housing, and this has been reflected in subsequent narrow application of the housing legislation.

1. Report of the Royal Commission on Industrial Relations (Mr. Justice Mathers, Chairman) Supplement to Labour Gazette, Ottawa, July 1919.

Under the Canadian Farm Loan Act of 1927 houses were built but this was incidental to the purpose of the legislation.¹

However, the Federal Government's intervention in housing on a continuing basis occurred during the Depression in order to speed up economic recovery and support the principle of homeownership.

In response to the recommendations of a Special Committee on Housing,² the Dominion Parliament passed a triad of laws of limited scope but sufficient significance to affect housing throughout the years. The Dominion Housing Act³ had three basic purposes: to reduce the existing high rate of unemployment, stimulate housing construction and therefore the quality of new housing by imposing building standards as a condition of the mortgage loan. An essential feature was the joint loan device introduced to resolve the problem caused by inadequate second mortgage funds. The Federal Government put up 20% of construction cost or appraisal value while the lending institution provided 60% of cost or value.

The joint-loan system increased both supply of and demand for mortgage funds, and introduced the following revolutionary practices in mortgage lending techniques - a

1. RSC 1927, Cap. 66

2. Supra., pp. 5-6.

3. Statutes of Canada, 25-26 George V, 1935, Cap. 58

higher ratio loan; subsidized interest rate by federal participation in the loan, a longer amortization period of 20 years; blended equal monthly repayments of principal and interest and creation of a tax fund for future tax payments.

The Home Improvement Loans Guarantee Act, 1937¹ to increase employment by encouraging home repairs, introduced the technique of mortgage insurance. Lending institutions were guaranteed against possible losses from home improvement loans they extended. Federal liability was limited to 15% of the loans made by any one lender, and the total guarantee limited to \$50 million. This was the framework to which Home Extension loans were added in 1944, and the terms have remained substantially intact in Part IV of the existing N.H.A. Federal liability is now limited to 5% of the loans granted and guaranteed not to exceed the \$500 million;

In 1938, the Dominion Housing Act was superseded by the National Housing Act² organized in three parts:

- (a) Part I related primarily to homeownership and confirmed the principle of joint-loans contained in the 1935 Act and extended assistance to remote areas.
- (b) In Part II, public housing was referred to for the first time and a measure of federal responsibility for it was made in the provision for "low rental" projects. The limited dividend company loan techniques gave the initiative to private groups having authentic welfare motivations. A condition for public housing loans was that the area in which the project was to be

1. Statutes of Canada, I George VI, 1937, Cap. 58.

2. National Housing Act, 1938, 2 George VI, Cap. 49.

built had to be adequately planned and zoned to assure suitability of the project. Lack of provincial co-operation and the outbreak of war prevented the passage of enabling legislature in four provinces, including Ontario.

- (c) Part III of the Act was a tax-compensation measure designed to encourage the small owner-occupier. The Act authorized Federal payment of municipal taxes on new houses started between July 1938 - December 1940, to the extent of 100% in the first year, 50% in the second and 25% in the third. In view of the dire financial circumstances of municipalities at that time, the prescribed conditions excluded many from enjoying the tax benefit.

The operation of the Act was placed under a National Housing Administration in the Department of Finance.

In 1941, the National Housing Administration was instrumental in issuing a National Building Code to meet the lack of uniformity in provincial and municipal building codes. Although this code was advisory, not mandatory, it was instrumental in raising construction standards.

The exigencies of the Second World War drew the federal government increasingly into housing through measures relating to space allocation, rent control and War-time housing. Departing from previous practice, the government undertook the direct supply of housing. It established a Crown Company, Wartime Housing Limited¹ responsible to the Minister of Munitions and Supply (Hon. C. D. Howe).

The powers of rent control were implicit in the functions of the Wartime Prices and Trade Board and superceded

1. P. C. 1286, February 24, 1941.

provincial law governing property relationships. Initially higher rentals encouraged building for rental but shortage of materials and labour stopped the supply. With the supply situation of war, the device was useless and opinion ventured at this time was that,

rent control without a rationing system ... is apt to do the defence workers more harm than good¹

Direct housing construction and the other wartime measures were not of continuing significance, although the operation of Wartime Housing Enterprises raised three important issues:

- (i) Emergency powers and the respective roles of the federal, provincial and municipal governments in post-war period.
- (ii) The expedients adopted in matters of land acquisition.
- (iii) Establishing municipal tax rates in view of the Crown's tax exemption privileges in the British North America Act, s. 125 and the provisions of the Assessment Act of Ontario.

The Veterans Land Act, 1942² was passed to assist settlement of war veterans. In addition the Home Extension Plan, 1942, and Home Conversion Plan Orders in 1943 were introduced to allow acquisition of large units in Ottawa for conversion to suites.

In the meantime the Advisory Committee on Reconstruction had seized upon the task of converting the nation's economy from a wartime to a peacetime basis. A subcommittee

1. Wright, C. M., "Housing Policy and Wartime and Reconstruction", I. L. Review, Vol. XLV, #3, p. 252, 1942, quoted in Curtis Report, p. 4.

2. 6 George VI, Cap. 33.

on Housing and Committee Planning was established at a time when war marriages, increasing urbanization, the rise of incomes and the enforced limitations of new house building combined to create congestion and housing shortages.

The Curtis Report,¹ released in March, 1944, indicated the need for "bold action and initiative"² in both public and private fields of housing. The subcommittee recognized governmental co-operation, interest group activity and an informed and educational publicity programme as integral parts of future housing programmes.

The Report listed the requirements in areas such as town planning, home ownership and related programmes; low rental housing, farm housing and reduction of costs.

This Report remains the most comprehensive assessment of housing situation. It also provided a way around a possible constitutional impasse in post-war period by stating -

that the assumptions of primary financial responsibility and initiative by the Dominion Government is quite consistent with active participation by provincial governments without any impairment of their constitutional rights.³

The federal government reacted by passing the National Housing Act, 1944,⁴ to prevent the anticipated

1. Curtis Report, p. 9.

2. Ibid., p. 10.

3. op. cit., p. 10

4. 1944, 8 George VI, c-46.

worsening of the housing shortage following demobilization and to use housing as an instrument of economic leverage.

This new Act continued the use of the pre-war techniques of joint loans, loans to limited-dividend companies and home improvement loan guarantees. More important, it indicated the federal government's acceptance of a measure of continuing public responsibility for housing need. The "ad hoc" arrangements of the War Years were replaced by established provisions which led ultimately to the Federal-Provincial partnership. (90% loans with 50-year amortization terms were available for low-rent housing).

The special conditions of wartime from 1939-47 involved the federal government in matters of rent control, space allocation and provision of housing for defence production workers. But these matters were not of continuing significance and did not establish policy precedents which might have affected subsequent housing legislation.

Because of these and the differentiation between need and demand, emphasis was placed on the social aspects of housing and improvement in standards. In addition, behind the development of a national housing programme, was a basic economic consideration, that of maintaining a volume of construction commensurate with the requirements of the economy at that time.

This concept of a minimum standard of living to satisfy varying regional and local needs, dictated the following provisions: -

1. Direct house building, viz. Integrated Housing Plan, Emergency Shelter Programme, Veterans Rental Housing Plan administered by Central Mortgage and Housing Corporation, and the Armed Services Housing developed by Department of National Defence.
2. Loans, viz., The new National Housing Act. This promoted low and moderate rental projects built by limited dividend Corporations.
3. Guarantees, viz., Rental Insurance Plan to the insurance companies which invested up to 5% of their total assets in housing. A guarantee limit of \$125 million established in 1946 was remained despite the changed economic conditions since.

In 1945 the Central Mortgage and Housing Corporation Act¹ established the Corporation as the Federal agency in all matters relating to housing, with the main task of administering the National Housing Act, 1944. At that time Central Mortgage and Housing Corporation was responsible to the Minister of Resources and Development but was shifted in 1946 to the Minister of Reconstruction and Supply (C. D. Howe) and given power to acquire housing units and convert them for the purpose of accommodating the defence staff. In addition C.M.H.C. was empowered to buy and sell or to lend on the security of mortgages although the conditions were not explicit in the legislation. However, this power reflected a concept of Ottawa as a potential source of funds to mortgage holders who may wish to liquidate or monetize them.

Between 1945 and 1949 only a few but important steps were taken.

In order to stimulate the development of outlying

1. 1945, 9-10 George VI, c-15.

1. Direct house building, viz. Integrated Housing Plan, Emergency Shelter Programme, Veterans Rental Housing Plan administered by Central Mortgage and Housing Corporation, and the Armed Services Housing developed by Department of National Defence.
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1. 1945, 9-10 George VI, c-15.

resource sites, the 1946 National Housing (Amendment) Act¹ enabled the federal government to embark on a programme of direct lending to make up for the inadequacy of private risk capital. In the following year a similar amendment² extended federal financing to outlying areas and small towns where mortgage activity was insufficient. These measures were designed to fill gaps in the mortgage financing market and the effect on housebuilding activity was minimal.

Under the 1948 amendment to the National Housing Act, all the assets of Wartime Housing Ltd. were transferred to Central Mortgage and Housing Corporation and the power given to it in 1946 enlarged to embrace land acquisition, installation of services and housing development S. 37 (1) and guarantee of annual rents to builders of housing projects. The rental income guarantee scheme was introduced to reduce the risks inherent in new rental investment. Interest on loans for projects was lower than conventional market rates and C.M.H.C. was authorized to make loans where private funds were not forthcoming.

By far the most important legislative development was the 1949 amendment³ which empowered a joint partnership

1. 1946, 10 George VI, c-16.

2. 1947, II George VI, c-40

3. The qualitative and quantitative aspects of this Act will be discussed in Chap. 4.

enterprise of the federal, provincial (or municipal) governments to build and own housing projects and assembled land on a shared 75:25 basis.

The federal government's new posture was to offer capital-financing and subsidy-sharing to provincial or municipal governments on request. Initiating responsibility for house construction was passed to the other levels of government and the area of participation extended to include non-public agencies and housing authorities.¹ In addition, municipal participation in subsidies had a quid pro quo of a tax assessment less than normal taxes together with no capital contribution. Where no capital was required, the municipalities collected full normal taxes and the tenants were charged economic rents. However, the rent scale was convertible to a rent-to-income basis wherever circumstances demanded, but the Crown tax exemption privileges were invoked. The relevance of this for municipalities with a poor revenue base was highly important inasmuch as the burden of municipal services was to rest exclusively on the property tax.

Canada, like all other highly industrialized countries, was moving inexorably towards a welfare-oriented value structure and an acceptance of vastly increased governmental responsibilities. Besides, the urban revolution was in full stride.

1. These "ginger groups" are given special treatment in Cap. 5.

The re-apportionment of responsibility for housing with the implications for education and other infrastructure costs without a re-allocation of tax sources was going to play havoc with the administration of municipal tax structure. A solution in Ontario was not forthcoming, despite the many tax-sharing agreements, until the Cabinet's indication that it would accept the Report of the Smith Committee.¹

To put federal participation into proper perspective one must consider the basic philosophy underlying its legislation, its gradualism and then examine the impact.

Two aspects of the federal government's philosophy are paramount, namely, that - first, it should be possible through government assistance to get houses built that would otherwise not have been built, thereby improving the living standards of Canadians. Besides, building houses in addition to those that would be built without public assistance should involve expenditure which in turn would provide jobs and income hence contributing to economic stability in the country. This latter attitude was very evident during periods of high unemployment and low income and its importance was indicated by inclusion of the phrase "creating needed employment" in the preamble² to the legislation.

Insofar as its financial resources allowed the federal government actively supported the principle of private

1. The Ontario Committee on Taxation, Report 67,
Queen's Printer, Toronto.

2. Firestone, op. cit., p. 116.

The re-apportionment of responsibility for housing with the implications for education and other infrastructure costs without a re-allocation of tax sources was going to play havoc with the administration of municipal tax structure. A solution in Ontario was not forthcoming, despite the many tax-sharing agreements, until the Cabinet's indication that it would accept the Report of the Smith Committee.¹

To put federal participation into proper perspective one must consider the basic philosophy underlying its legislation, its gradualism and then examine the impact.

Two aspects of the federal government's philosophy are paramount, namely, that - first, it should be possible through government assistance to get houses built that would otherwise not have been built, thereby improving the living standards of Canadians. Besides, building houses in addition to those that would be built without public assistance should involve expenditure which in turn would provide jobs and income hence contributing to economic stability in the country. This latter attitude was very evident during periods of high unemployment and low income and its importance was indicated by inclusion of the phrase "creating needed employment" in the preamble² to the legislation.

Insofar as its financial resources allowed the federal government actively supported the principle of private

1. The Ontario Committee on Taxation, Report 67, Queen's Printer, Toronto.

2. Firestone, op. cit., p. 116.

homeownership. Whenever its own funds were severely taxed or limited, the government gave guarantees to the conservative banking system on loans for homeownership, thus buttressing the middle-class value system.

That the legislation developed gradually was to be expected in view of Canada's socio-economic ethic and its short experience with public housing. Housing provisions were expanded, revised and modified to take account of changing socio-economic conditions and the experience gained in administering previous Acts dating back to 1918.

Further analysis of the Acts showed the emphasis placed on the residual character of government measures in the direct housing field. Existing financing and home-building methods were left undisturbed, with assistance being confined to marginal cases. Moreover in the pre-War years, housing was fully regarded as a matter within provincial jurisdiction with federal participation confined to cost-sharing measures for public housing.¹

Canada had finally moved firmly into public housing although its legislation and administrative techniques were oriented to the world of finance rather than towards a social prescription. But the effects of the Depression were too over-whelming for economy to be disregarded; neither could the legislative provisions have had much impact.

1. P. C., 1286, February 24, 1941.

Subsequent federal participation was for the most part undertaken by the housing agency, Central Mortgage and Housing Corporation, whose activity will be reviewed below. Yet there were other legislative acts beyond the administrative purview of Central Mortgage and Housing Corporation which circumscribed or affected the country's housing programmes.

The post-war reconstruction activity and the scarcity of capital to meet all development investment requirements resulted in deficiencies in the supply of private mortgage funds. At the same time the burgeoning economy showed signs of inflation and the government introduced counter-cyclical measures which had a direct, impressive impact on the residential construction industry.

The 1951 amendment to the National Housing Act statutorily raised the joint-loan interest rate to 5% to compare with the general level of interest rates and to facilitate participation by approved lenders. For the first time, therefore, the rate was tied to the current Federal government long-term borrowing rate.

In 1953 the municipal grant system for slum clearance was broadened to permit a Federal contribution where the cleared land was to be used for rental housing development either under the Federal-Provincial instrumentality or by a limited-dividend company or a life insurance company. Slum clearance need not have been undertaken for housing purposes provided that alternative sites were available or

the cleared land used for government purposes.

By the end of the first post-war decade the Federal Government had therefore become securely involved in the mortgage field. The setting of interest rates, determining loan sizes and amortization periods and limiting the volume of direct Federal lending activity influenced the pace of N.H.A. lending. However this was to be de-emphasized in favour of incentives to induce a greater supply of private mortgage funds for house building.

The next legislative landmark was the National Housing Act, 1954, the aim of which was to increase the supply of private mortgage funds for housebuilding. A system of mortgage insurance for new residential construction, replaced the joint-loan system in effect since 1935, though the Act did not affect the government's direct lending powers. The Act defined chartered banks and the Quebec Savings Bank as approved lenders, without the limitations imposed by the Bank Act; and liquidity was provided both by the marketability of mortgage instruments and insurance protection on each loan. The result is that the Federal government has an enormous mortgage reserve fund from the insurance charged, and its hypothecating role has changed to that of "lender of last resort". Fuller comment on the significance of this operation follows.

Additional amendments in the Fifties related to a continuation of previously existing programmes including slum clearance and financing new residential construction

but more in the nature of a "holding operation" than in supporting wider growth. Assistance was restricted to areas of more than 5,500 population.

In 1956 an amendment enlarged the scope of research activities into housing and conditions of urban areas but its effectiveness was limited by retention of the proviso that there had to be some housing content before or after slum clearance. Until 1960, C.M.H.C. as a residual lender was obliged to assume a more active role in financing prospective homeowners in areas of less than 5,000 population while simultaneously providing more low rent accommodation. The impact of greater density in urban areas, education and capital demands of municipalities demanded the attention of the federal government in the 1960's.

Besides increasing loan maxima, ratios and amortization periods on insured loans, the 1960 National Housing Act Amendments¹ started a cost-sharing and loan programme for municipal sewerage development. Universities became eligible for 90% low interest loans amortized over a 50 year period and this alternative method of financing housing allowed universities to devote their own capital resources to other educational requirements.

By far the most effective legislation in the field of housing and urban development were concerned was enacted in 1964. The concept of urban renewal was expanded to

1. N.H.A., 1960/61, c-1.

include slum clearance, rehabilitation and conservation activities besides re-introducing strong arguments for local responsibility. In addition to partnership arrangements, a new dimension was added for public housing with an offer of 90% loans to provinces (municipalities) and a 50% share of subsidies.¹ The philosophy being that,

public housing ought to be regarded as an inherent part of the planning and building of the whole community; the density and the character of housing for low income people ought to be integrally related to a municipality's open spaces and community centres, in both new suburbs and in urban renewal. Consequently .. the whole responsibility for ownership, physical development and operation ought to be placed with a municipality or its housing agency and the loan agency (Sec. 35D) was intended to have this effect.²

The same commentator felt that this intention was obscured by the appearance of Ontario Housing Corporation and its policy of acting with vigour and determination.³

Provincial agencies such as Ontario Housing Corporation⁴ add significantly to the country's capacity to provide public housing by assuming their proper jurisdictional responsibility. Yet their appearance limits the municipal role both by assuming all powers except that of initiating a project and because of their financial capabilities.

The right to assume this continuing public

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1. National Housing Act, 1964, c-15, S. 9.
 2. Humphrey Carver, op. cit. p. 12.
 3. Ibid., p. 12.
 4. Hereafter cited as OHC.

responsibility was now based on the 'property and civil rights' clause which took precedence over emergency powers previously invoked by the federal government. At the same time this satisfied federal policy which dictated as far back as 1949 that initiative rested with municipalities and provinces.

There was a shift from the paternalistic approach of Ottawa and the appropriate line of expectation began with a local manifestation of need for housing up to the senior government which had the legislative and financial resources.

This analysis provides a profile of federal intervention in housing from 1918 to 1949 and a somewhat cursory resumé of the Central Mortgage and Housing Corporation¹ era.

A further appraisal of C.M.H.C. is given in Chapter III.

1. Hereafter cited as C.M.H.C.

CHAPTER III

AGENCIES RESPONSIBLE FOR EXECUTING HOUSING POLICY

A. Central Mortgage and Housing Corporation

The story of housing in Canada since the end of World War II is largely the story of C.M.H.C., the federal government's housing agency.

One aftermath of the depression era and the postwar demands was the introduction by the Hon. H. J. Isley of legislation to create a statutory Crown Corporation¹ to administer the National Housing Act Home Improvement Loans Guarantee Act, and provide discounting facilities for loans and mortgages. In addition to its finance-oriented functions, it acquired the Emergency Shelter Administration (Wartime Prices and Trades Board). Since the federal involvement was one of a semi-commercial nature, and in view of the negotiation and risks, the corporate form of organization was decided on. The Curtis Report had estimated the total urban deficiency at 320,000 houses with the necessity to erect 23,000 units in 1946 and to augment this by an additional 6,000 annually.²

In short order C.M.H.C. fell heir to the staff and operations of Wartime Housing Limited. Because of the

1. The Central Mortgage & Housing Corporation Act, 1945, 9-10 George VI, cap. 15.

2. Op. cit., p. 12.

exigencies of the Defence Programme, building material and labour were commandeered by the Ministry of Reconstruction and Supply. By close co-operation with the War Assets Corporation, and with a set of pre-determined priorities, more than 10,000 units were completed under the Veterans Rental Plan. The success of these programmes carried over to its activities concerning farm loans, mortgage lending and 'the boom psychology' and socializing the production of the residential construction industry by way of the integrated Housing and Rental Insurance Plans.

The Nineteen Forties closed with C.M.H.C. having assisted in the development of one out of five units in Canada and in the housing of approximately 600,000 people.¹ In addition, there were other important activities undertaken in the immediate years after Central Mortgage and Housing Corporation's establishment. In the interest of housing design and construction qualities, C.M.H.C. sponsored a "Small House Design" contest under the auspices of the Royal Architectural Institute of Canada in order to obtain plans suitable to the varying needs of Canada's major regions. In the same year, 1946, the National Research Council, financed by Central Mortgage and Housing Corporation, undertook technical investigations into new methods and materials. C.M.H.C. was in an advisory

1. Appendix "B", Reproduction of Table 22, Firestone, p. 124.

capacity and effected liaison with lenders, builders and manufacturers.¹

C.M.H.C.'s Economic Research Division produced "Canadian Housing Statistics" which is now an integral part of the information data necessary to determine the trends in housing. Of equal importance was the information and education programmes which blanketed the country and gave accurate intelligible answers, paving the way for a successful start by the Corporation.

When 1949 ended with the small success scored, C.M.H.C. faced a new era in which the emergent problems were shortage of serviced land and slum clearance.

A new dimension to the government of housing was added by the National Housing Act (Amendment) 1949, creating the federal-provincial partnership which signalled the return to more orthodox constitutional arrangements: municipalities had the responsibility to initiate housing projects. Ownership vested in the partnership while tenant selection and property management were handed over to housing authorities composed of local people. In addition, assistance was extended to limited dividend companies for residential development to house elderly citizens and other moderate income groups who did not qualify for federal-provincial units but could not purchase private residential accommodation.

1. Recommendations of the Curtis Report.

As of January 1, 1964, with respect to Ontario, C.M.H.C. assumed the role of banker treating Ontario Housing Corporation like any other developer and extending to it loans totalling 90% of mortgage value.

Under the C.M.H.C. Act, the 1954 Housing Act as amended and other housing acts, the Corporation has wide powers in such fields as mortgage operations including loan insurance provisions and mortgage liquidity; public housing; urban renewal; research and community planning, and other activities such as university housing.

C.M.H.C. has had a profound effect on housing and community planning because its activities reached into all aspects of the Canadian environment. Its main thrust has not been directed to an economic distribution of housing, but instead to attracting a steady supply of mortgage funds to all the wheels of the construction industry.

Provisions dating from 1954 are the insured loans designed to support the output of new housing for sale or rent; the intention being to increase both demand and supply of mortgage money. Demand is stimulated through the provision of higher loans and longer amortization periods than are available on the conventional mortgage market for comparable housing accommodation. National Housing Act loans on new houses are now available up to 95% of the first \$18,000 and 70% on the balance of the assessed

valuation of the subject property.¹ Furthermore, loans may be amortized over 35 years or longer at the discretion of Central Mortgage and Housing Corporation² if the gross debt ratio is approved.³

In addition, a maximum interest rate, now 8.3/4%, is based on a new formula permitting the maximum National Housing Act rate to fluctuate in relation to the changing yields on long-term government of Canada bonds. The rate is reviewed quarterly in accordance with that formula.

On the other hand, to induce lenders to buttress the supply of mortgage funds, protection against loss through default is provided under an insurance policy for which the borrower pays a single premium representing 2% of the loan for homeownership loans and 2½% for rental housing. The results have been generally negative, because the available capital financing has been directed into areas more profitable than residential mortgages.

Faced with an unrealistic interest rate out of tune with market forces, private enterprise has not met the demand for loans, and C.M.H.C. has had to step in to stabilize the market fluctuations. The Economic Council of Canada noted that:

1. National Housing Act 1968, cap. S.

2. N.H.A., 1960, C. 1, S. 2 (11).

3. Gross debt ratio established as 27% of the borrower's income.

given the nature of the capital markets -- their structure, institutions and responses -- tightening credit tends to fall with an uneven impact across the spectrum of demand, bearing especially heavily on the housing sector. Housing thus becomes an 'economic regulator' which acts to offset excesses in demand elsewhere in the system ... competing demands for funds are rather less interest-sensitive than the residential mortgage demand ... Housing demand as a result has tended to contract during periods of strongly rising economic activity and during periods of deliberate monetary restraint, serving to stabilize the overall level of demand in the economy, but at the expense of producing a great deal of instability in the housing sector itself.¹

Other facets of C.M.H.C.'s mortgage operations relate to loans to speculative builders for apartment building to meet the demand in urban areas but the major problems facing families have been high rents and the almost total refusal by developers to provide adequate family accommodation. The problems have not only been ignored but appear to have increased.

C.M.H.C. also issues guarantees to speculative builders without the usual pre-sale requirement, and provides a second mortgage facility, i.e. buying mortgage paper from approved lenders or holding it as security against loans. This measure provides liquidity for conventional lenders but has not really increased the quantum of mortgage financing. Finally, it has been acting as a lender of last resort in its role of banker to provinces.

C.M.H.C.'s mortgage operation led to an increase in the housing stock but this went almost entirely to those

1. Economic Council of Canada, 4th Annual Review, p. 24-25.

higher-income earners in Canada.

Governmental policy appeared to have shifted its emphasis (in the provision of a portion of the mortgage loans) to more indirect intervention (through the guaranteed repayment of such loans should potential owners default). Curiously enough, housing policy in Canada has been more evident in the field of mortgage financing of home ownership than in any other respect.

This set of policies resulted in the expansion of vast suburban areas on the periphery of large city centres and has probably been responsible for many problems emerging from urban sprawl.

At current house and mortgage ratios, amortization costs on a \$30,000 house (valuation) over 35 years exceed \$200 monthly¹ with an equity of \$4,500. This effectively removes any homeownership aspirations of most Canadians. The information in Appendices C and D based on 1961 income data would indicate that the lower third of the income distribution accounts for only a small proportion of the housing provided under the loan insurance provisions. At the same time the high costs of homeownership being \$27,637 and the established gross debt service ratio prevent the average wage earner from taking advantage of these

1. Figures on current house prices in Metro Toronto, approved by the Toronto Real Estate Board.

provisions.¹ These conclusions have even greater impact when it is realized that the benefits of C.M.H.C. provisions are concentrated in centres with a population of 5,000 or more. In smaller municipalities where development is marginal the housing loan provisions are rigid and tend to reinforce an already set pattern of unequal distribution.

The net effects of these attempts at stimulating demand and supply have been higher housing costs for those who can function in the private housing sector.

At the present time, C.M.H.C.'s operations reflect the same gradualism characteristic of the 1935-1949 period. Appropriate stimulants must include removal of all rate controls except a realistic statutory ceiling. Secondly, it must improve the environment for investment in the N.H.A. mortgage by loosening up its secondary market facility, and thirdly, improve national fiscal-monetary policy mix to relieve home building of the heaviest burden in every tight money period.²

1. App. C - Table 56 "Non-Farm family incomes and family incomes of National Housing Act borrowers for new housing, Canada, 1959-67, Canadian Housing Statistics, 1967, p. 64.

App. D.- Table 58 "Non-Farm family income groups, 1954-67", *ibid.*, p. 65.

2. Adapted from "Recommendations to Sen. J. J. Starkman's Subcommittee on Housing", House and Home, Vol. 32, #1, July, 1967, p. 5.

This sentiment echoed by Hon. E. J. Benson in a speech to the N.H.B.A. meeting in Ottawa on January 22, 1968. The higher loan ratio, i.e. 95% of total value, have been approved by Parliament.

With the approbation of C.M.H.C., loan insurance provisions have remained attuned to market criteria but have not helped the lowest income sector:

Canadian housing policy has been heavily committed to the support and aid of the private market; and rather to the production of housing than to its distribution, which has been left almost entirely to these private market forces.¹

However, in its favour the corporation has developed a very intimate knowledge of real estate values and operations throughout Canada and knows the local market situations very well because of its regionalized organization.

The 1964 amendments updated the social provisions of the housing Act including significant changes in the following areas:

Public Housing for Low-Income Groups

C.M.H.C.'s area of responsibility includes provisions designed for the exclusive benefit of special groups. These are loans to limited-dividend and non-profit companies; federal-provincial partnerships for capital financing and operational subsidies; and mortgage loans and subsidies to

1. Statement by Hon. J. R. Nicholson to the House of Commons Debates, May 24, 1964.

provincial (municipal) housing agencies. Loans to 90% of the mortgage value amortized over 50 years with an interest rate related to the yield on long-term bonds, are available to limited dividend companies, e.g. City of Toronto Limited Dividend Corporation. Sponsoring companies are limited to a 5% maximum return on their equity and must restrict tenancy to people of moderate incomes.

Similar provisions are available to non-profit companies e.g. service clubs, providing housing for altruistic reasons.

The performance for the period 1946-1966,¹ was as follows:

	<u>Limited Dividend</u>			<u>Non-Profit</u>		
	<u>Units</u>	<u>Hostel Beds</u>	<u>\$000</u>	<u>Units</u>	<u>Hostel Beds</u>	<u>\$000</u>
Ontario	16,447	102	124,089	1,115	579	11,557
Canada	36,300	1,115	264,241	2,861	3,088	35,162

There is no estimate of persons benefiting but certainly not more than 44,000 families -- a mere drop in the bucket when the proportion of elderly persons and low income families are considered. Most significant is the implication that

1. Extracted from Table 40, "National Housing Act Assistance for Rental Projects for Low Income Groups", Canada, 1946-1966, CHS. 1966, p. 49.

provincial governments would undertake this specific activity, and loans are supplemented by provincial subventions where housing is developed for senior citizens. Ontario's performance is dealt with subsequently.

Since 1949, C.M.H.C., acting on behalf of the federal government, has formed partnerships with provinces (municipalities) for housing construction, for sale or rent. All provinces passed enabling legislation and (excepting Nova Scotia and Prince Edward Island which engaged in co-operative housing) provided rental accommodation. In 1964 the phrase "public housing" appeared in the Act and the provisions were extended to include acquisition of existing housing thereby facilitating Ontario's creation an "instant housing stock" to alleviate the needs of low income families.

During the period 1949-1967, C.M.H.C. made an outlay of \$115,546,000 on 13,088 units across Canada. Assuming an average family size of five persons¹ only 65,440 were housed.

Despite the goal set by the responsible federal minister of "a decent standard of housing for all Canadians" public housing represents the greatest single area of failure in federal housing policy.

The entire approach to public housing was broadened by the 1964 amendment,² The Province of Ontario stepped

1. Op. cit., Table 40.

2. A new section, 35B defined the term "public housing agency" to include a corporation "wholly owned by the government of a province or any agency thereof".

boldly into the housing field with the creation of Ontario Housing Corporation and embarked on a programme of acquisition and construction. Ontario Housing Corporation inherited 6,599 units from the federal-provincial partnership and in its bold programme to the end of 1966, had borrowed 90% mortgage loans totalling \$95,326,000 for construction of 7,502 units.¹

The two methods of land assembly prescribed in the National Housing Act are amortization of loans over 15 years up to 90% mortgage value and lending 75% of the acquisition costs similar to the federal-provincial partnership arrangement for providing public housing. The loan facilities have not been used, because of provincial hesitation to do so but provision is made for the federal-provincial partnership to buy land for residential purposes, install services and dispose of it.

The performance to date, as indicated in Table 3, has been marginal, a mere \$30,000,000 (generating total expenditure of \$40,000,000) and the major proportion went to Ontario where vast holdings had been accumulated. Of particular importance is the 1700-acre Malvern site which could be the nucleus of a "new town" site and has a population potential of 50,000 persons.

C.M.H.C. has not been prepared to compete with private realtors and developers and has released acreage in

1. Ibid., Loans for Public Housing Projects (S. 35D, NHA).

areas only when effective demand is evident but entrepreneurial activity scarce.

The available statistics are inadequate in that they offer no information of the extent of undeveloped land which could be placed on the market in keeping with current community requirements. An educated guess is that in Ontario, the acreage is 5000 and with high density patterns, and allowing for commercial and other uses, 20,000 family units could be developed.

Subsidy arrangements provided in S. 35E have not been quantified although they have been an important concomitant of the capital financing. The subsidy is the difference between the economic rent (determined by amortization, maintenance and other costs) and the actual rent paid by the public housing occupants. C.M.H.C. contributes 75% under the 1949 federal-provincial arrangement and 50% where public housing has been developed under S. 35D of the amended act.

The financing of loans at 90% of mortgage value, introduced in 1964, was intended to involve municipalities to a much greater extent, but the objective was thwarted by the appearance of Ontario Housing Corporation and other provincial agencies which undertook the development function. To the end of 1966 all approved loans, totalling \$95.3 million under this section¹ had been made to Ontario Housing

1. Table 40 CHS, 1966, p. 49.

Corporation.

Discussion of this aspect will form an integral part of Chapter 4 on Ontario Housing Corporation.

Far reaching amendments in 1964 allowed public and private participation, and providing for C.M.H.C.¹ to share costs of studies and schemes. The phrase "Urban Renewal" was for the first time written into the Act and was finally adopted as a matter of public policy to regenerate urban areas.²

There have been two widely varying definitions of renewal which had no practical differences during the incumbency of Hon. J. W. Spooner, but this situation may conceivably change.³

The broad definition of renewal which emerges from the Minister's statement is: any action, undertaken by whomever it may be to redevelop, rehabilitate or conserve any part of the urban fabric.

In contrast ... is the interpretation given to it in the statutes. According to the National Housing Act, an urban renewal area means a blighted or sub-standard area of a municipality for which the government of the province in which the area is located has approved

1. National Housing Act, Part III.

2. House of Commons, Debates, 1964, Hon. J. R. Nicholson, May 28, 1964.

3. Hon. J. W. Spooner, Ontario Minister of Municipal Affairs gave strict interpretation of the relevant statutes, thus restrained municipal action in this area, despite the breadth of the Federal pronouncements. Hon. J. W. Spooner was defeated in the October 1967 provincial election.

the implementation of an urban renewal scheme. In the Ontario Planning Act, redevelopment is limited to redevelopment by "the planning or replanning, design or redesign, resubdivision clearance, development, reconstruction and rehabilitation of a redevelopment area".¹

The overall programme now included rehabilitation² conservation³ as well as normal slum clearance⁴ activities.

Canada has not so far documented its urban renewal activities as in the United States where there has been extensive computer analyses and well-reasoned treatise on the subject⁵ followed by political review from interest groups.

At the time of its publication, The Federal Bulldozer, caused serious evaluation of the United States Renewal Programme, its form, problems and accomplishments.

Dr. Anderson's book is both an evaluation of the goals, methods and accomplishments of the U.S. federal authorities and at the same time a direct comparison of the results of

1. Definitions in the Metro Toronto Planning Board Urban Renewal study - "The Role of private enterprise in urban renewal". Murray V. Jones, March, 1966, pp. 4-5.

2. Rehabilitation described as: raising standards by way of physical improvements. These include additional space, repairs and street pattern changes.

3. Conservation described as: maintaining these standards and higher ones on a long range basis. Factors include adequate planning, owners participation taxation and assessment. Mortgage loan insurance was offered on existing houses in order to facilitate improvement and create a more favourable climate for re-sale.

4. Complete removal by bulldozer (complete demolition of existing buildings).

5. Anderson, Martin The Federal Bulldozer, M.I.T. Press, (1964).

federal activity and private enterprise since 1949.

The goals established in the 1949 U.S. legislation were,

eliminate substandard housing ... stimulate sufficient housing production to eliminate shortage ... and realize the goal of a decent home and a suitable living environment for every American family.

The procedures involved designating the area of renewal, land acquisition, displacement and relocation, site clearance and improvement and the disposal of improved land. Dr. Anderson's thesis was that the conception and execution of the programme had dire consequences in respect to housing, living conditions, relocation, small business, tax base. He raised the question of the constitutionality of the legislation and then made a strong case for the unfettered operation of free enterprise.

His critics have for the most part emerged from the ranks of the interest-groups, e.g. N.A.H.R.O.¹ and consultants in the urban renewal field. One reviewer² referred to his book as a "journalistic rehash of anti-urban sentiment".

It had been conceded, however, the book had successfully rejected the adequacy of renewal, the feasibility of

1. National Association of Housing and Redevelopment Officials with headquarters in Washington, D.C. The Great Lakes Region includes Canada, east of the Manitoba/Ontario boundary.

2. Candobe, Isodore, "Journal of Housing" No. 9, October 1964, N.A.H.R.O., p. 473.

rehabilitation and the economic benefits of potential for tax increases. The main arguments revolved around the confrontation of the inherent virtues of private investment against those of public investment; the disregard for city planning objectives and the fact that in the 1940's private enterprise could not function in the morass of legislative and financial roadblocks.

The Canadian government took a bold step with respect to urban renewal in 1964 when enlarged programmes were announced in the legislative amendments aimed at "a decent standard of housing for all Canadians".¹ The regenerative effect of redevelopment, rehabilitation and conservation were intended to lead to construction of public housing and commercial development in the same areas.

To date there has been very spotty application of the urban renewal provisions. Where urban renewal did occur, it reduced drastically the number of buildings in need of repair and, as in the case of Toronto, has replaced them with developments such as Alexandra Park.² No additions to housing stock have resulted, although relocation exercises have been successful and proof of inter-governmental

1.. Hon. J. R. Nicholson, Supra.

2. This public housing development was adjudged winner of 1966 Canada House Design Council Award.

co-operation with private enterprise exists.¹

On the successful application of urban renewal rests the equation of making the urban core more attractive so as to balance the pull of new towns in the suburban areas.

Since 1960, the Act has contained provisions for assisting universities to build or acquire student residences, by way of loans up to 90% of the project cost, amortized over 50 years.

Loans totalling \$126,000 have been granted to build accommodation for 25,000 students,² and this has, of course, relieved universities of the problem of capital fund drives for such developments. They can now concentrate their energies and money on matters of scholarship. The 1964 amendment³ and subsequent interpretations have extended the benefits of these provisions to secondary institutions and teaching hospitals. The full implications are discussed subsequently.⁴

Housing activities within the purview of C.M.H.C. extend beyond the bricks-and-mortar aspect; they include measures to improve health and sanitation standards, viz.

1. Based on an unpublished paper "An Appraisal of the Urban Renewal Program in Canada", Stanley Pickett, for the inaugural seminar of the Centre for Urban Studies, University of Toronto, 1964.

2. Table 59, CHS, 1966.

3. S of Canada 1964, Cap. 15, S II.

4. Chapter 4 - O.H.C.

construction of sewage treatment facilities and trunk sewer lines (Sec. 36E).

Loan terms, similar to others offered, were available to municipalities in addition to a subsidy of 25% of the indebtedness which was forgiven where the development took place prior to March 31, 1967. This measure had the effect of a special anti-pollution incentive and was largely responsible for the total disappearance of the earth-closet in other than strictly poor rural areas. The programme must be reviewed alongside Central Mortgage and Housing Corporation's policy of refusing mortgage loans for multiple-unit developments in municipalities where convertotype disposal systems or septic tanks are used.

Current C.M.H.C. policy allows

loans for single detached houses where council indicates that a sewage plant will be operational within three years. However construction costs of disposal systems for these are high and inhibit housing development. At the same time since no multiple units are allowed, urgently needed housing for senior citizens cannot be built.

The major role of Central Mortgage and Housing Corporation is the administration of substantial financial resources made available by the Government of Canada; the establishment of housing standards; the stimulation of sound planning; encouragement of excellence in urban design and environment, and the stimulation of research in housing, community planning

and related matters.

The other areas of operations are research and planning. The Community Planning Association of Canada participates on a national and local basis in orderly community and regional planning. The Canadian Welfare Council is interested in the social aspects of low income housing. The Canadian Council on Urban and Regional Research has as its objective the encouragement and promotion of urban and regional research in Canada. Research grants to study housing of special groups, such as university students, involve an outlay of approximately \$2,000,000 a year.

There is also unstinting assistance in terms of staff secondment and advice to other jurisdictions establishing housing corporations, including provincial governments and emerging nations such as Nigeria and Trinidad.

Central Mortgage and Housing Corporation has displayed two distinct patterns of housing responsibility.¹ After replacing the Wartime Housing Limited, its intervention in the housing field was designed to sustain employment, and its legal and financial resources helped shape succeeding programmes. Its proper objective, solving the housing shortage, was hindered because of contradictions inherent

1. D. V. Donnison. Government of Housing. Penguin, 1966, p. 9.

in the gradual and residual nature of its policy, but this uncertain phase ended in 1949 when there was a definite development towards a coherent national role. If a philosophy can be ascribed to C.M.H.C. following the 1949 housing act, it was to provide assistance to the very poor and those unable to acquire housing in the private market due to inadequate incomes. Further, it is to accomplish a blend of all types of people in neighbourhoods so that children may develop in an environment where gross poverty was not a distinctive characteristic.

The principal roles were then to assist selected groups in securing housing in the "open" markets via the loan insurance apparatus which rationalized and stimulated the mortgage market. The capital and operating assistance for public housing involved municipalities and charitable organizations but inadequate administrative arrangements limited the development of public housing.

A third step was to encourage development of housing authorities as "ginger groups" to determine local needs. This idea foundered on the rocks of political expediency, but its basic weaknesses arose from public ignorance of housing objectives and the insidious "culture of poverty" of those in public housing.

The hallmark amendments to housing legislation enacted in 1964 were yet another device in C.M.H.C.'s intervention in an otherwise "normal" but unworkable system.

Urban renewal measures represented a direct attack on the environmental conditions suffered by many urban dwellers.

However, the next logical step, the development of a comprehensive programme, is imminent. Its direction and outcome must await the performance of provincial agencies like O.H.C. which have assumed their full responsibility in a field they had abdicated due to the exigencies of the 1939-45 war.

The Corporation's fate was examined last December during the Federal-Provincial Conference on Housing and Urban Development. Provincial complaints of lack of federal funds and demands for more tax revenues, diverted attention away from their failure to deal with the problem of growth in our urban areas. In spite of the chaos, C.M.H.C. will continue its efforts to remove regional deficiencies because of its valuable network of offices and information bank on the total housing situation.

The real answer to Canada's ~~dilemma~~ rests with the provinces who must be seized with the determination of priorities having regard to their own taxing capacity¹ and with the municipalities who have sometimes exercised their right of initiative as though it contained only veto powers.

On balance, C.M.H.C. has not exerted the beneficial

1. Problems of Urban Development: Introductory remarks by the Prime Minister of Canada. Federal-Provincial Conference on Housing and Urban Development, Ottawa, December, 1967.

influence commensurate with its financial powers. The primary reason relates to it having authority for public housing, urban renewal and other activities disproportionate to its responsibilities.

The best conclusion relating to C.M.H.C.'s role up to 1964 is that the government of Canada was strongly in favour of every family attaining homeownership. Not only was this enunciated regularly in parliament but housing officials used the mortgage operations exclusively to encourage homebuilders to provide houses for sale.

Canada's transformation into a nation of homeowners represented a change in living patterns and conferred an air of odium on those who could neither afford homeownership nor existing rental costs.

In other areas of research and community planning, the National Building Code has not had universal applicability. Prefabrication is still a debatable proposition, although a possible cost-saving item. The 11% sales tax on building materials has not been repealed or reduced and this possibility seems far off in view of remarks made repeatedly by Finance Minister E. J. Benson.

The future role of C.M.H.C. will be circumscribed by the financial difficulties now being experienced and by the co-operation from the provinces with respect to the broad changes in federal housing policy suggested by former Prime Minister L. B. Pearson.

B. The Municipal Corporation

Legislation establishing government responsibility for public housing in Canada was introduced in 1949. It stipulated as a matter of public policy that the initiative in implementation rested with municipalities, because that level of government was allegedly closest to popular needs.¹ Public housing was made a joint partnership enterprise of the federal and provincial governments on a shared 75%:25% basis but the federal government had no constitutional right to negotiate directly with municipalities. Ontario municipalities were reluctant to invest in good housing for its poorer citizens having regard to the financial limitations imposed by Queens Park and the partnership developed only 6,599 units between 1949-64.

In Metropolitan Toronto, each of the thirteen municipalities² exercised responsibility for housing within its wards but for practical purposes the core city bore the brunt of the problems.

Toronto pioneered in the field of housing standards through the passage of legislation in 1936 following the release of the Bruce Report,³ but there was no vigorous

1. N.H.A., 1949, Section 35.

2. Reduced to six following recommendations of the Goldenberg Report.

3. Report of the Lieutenant-Governor's Committee of Housing Conditions in Toronto. King's Printer, Toronto, 1934.

enforcement of the by-law. The Report noted

a serious shortage of physically satisfactory housing in Toronto. While this is temporarily hidden by economic depression, the inability of tenants to pay rent, and the presence of a substantial proportion of house and apartment vacancies, it is sure to make itself painfully apparent when there is marked improvement in economic matters.¹

Besides the structural deficiencies of the housing stock and the financial straits of a large segment of the population, a housing shortage was already emerging. Available units amounted to about 1% of the housing stock whereas a vacancy rate of about 4% was regarded as 'normal'.² The problem emerged because the control of housing development in Toronto was divided among several municipal departments. The Department of Public Health was responsible for preventing buildings from deteriorating; although the regulations were inadequate and undefined. The Department of Buildings provided for the structural safety of buildings, while overall city development was handled by the City Planning Department. Departmental rivalry and lack of clear-cut policy objectives thus led to a growing housing problem.

In addition to the difficulties of divided jurisdiction, there were the basic economic factors such as land costs. Speculation was rife and had become a determinant of land prices and land assessment.

1. Ibid., p. 32.

2. Ibid., p. 33.

Due to possible commercial uses, land in the city centre bore a higher valuation than choice residential property. For example, an assessment of land was about $3\frac{1}{2}$ times greater in bad districts than in Rosedale, or \$43,555.44 per gross acre as against \$12,882.54. This unfair assessment also applied to buildings. In good housing areas land was assessed at 50% of the building value; in bad areas it was 131.8%.¹ Other factors included construction costs, mortgage financing, inadequate municipal services and exorbitant rents. The social effects of this situation were described as undermining ... "the whole basis of social and family life which constitutes the foundation of our economic order".² In practical terms this meant families doubling-up, insanitary conditions, child neglect and higher taxes to provide welfare and crime prevention services.

Perhaps due to these findings and conclusions, hardly a year has elapsed since 1934 without some specific public proposal being made to City Council with respect to improving the bad housing conditions.

In 1947 Toronto's responsibility was enlarged, from mere concern with housing quality to include housing development. The city created the Housing Authority of

1. Ibid., p. 35.

2. Ibid., p. 35.

Toronto¹ as its housing agency and developed about 4,000 units including Regent Park North.

The 1949 National Housing Act (Amendment)² ostensibly designed to reinforce municipal initiative, destroyed the effectiveness of the H.A.T. with the establishment of Metro Toronto Housing Authority. This latter agency had entire responsibility for physical development, ownership management and of subsidized public housing for families. This included South Regent Park, a 732 unit project across the street from Regent Park North which was initiated by the city's agency.

The creation of Ontario Housing Corporation successfully negated the intention of the 1949 amendment in that the Government of Ontario used the corporation as its housing agency under powers contained in Section 35. The provisions of Section 16³ have similarly been nullified since activity in these areas would parallel the Corporation and conceivably reduce its effectiveness rather than supplement it. Perhaps the most salient fact is C.M.H.C.'s refusal to commit direct loans under this legislation since the 1962 introduction of

1. The Housing Authority of Toronto is subsequently referred to as H.A.T.

2. S. 35 vested authority in "an appropriate federal-provincial agency".

3. Section 16 relates to limited dividend companies. Section 16A to non-profit Corporations.

Ontario's Twelve-Point-Programme.¹

The failure of public housing in Canada is due in equal measure to the failure or inability of senior governments to provide the money required, as well as to municipal unwillingness to initiate programmes. In Metro Toronto, where approximately one-fifth of the country's publicized housing shortage exists, the suburban municipalities refused to act. The central city was handicapped by high land costs and insufficient serviced land residentially zoned.

Provision of public housing at any time in Canada's history is determined by whether or not local initiative existed. One aspect of local initiative, the formal governmental structure was very inadequate and public housing development was only achieved through pressure exerted by private citizens and certain voluntary organizations.²

In the early sixties mounting public pressure led to a re-evaluation of public responsibilities and the Rose Committee concluded that

the evidence is incontrovertible that the basic responsibility for the development and implementation of public housing and urban renewal programmes in Metro Toronto should be assigned to its Metro Corporation and the Metro Council.³

1. Information given by an O.H.C. official.

2. Community organizations include Association of Women Electors, the Community Planning Association of Canada (Metro Toronto Branch) and the Citizens' Housing and Planning Association.

3. Consultative Committee ... Interim Report, October, 1965, p. 3.

The basic policy question was therefore resolved. Several factors were considered. The Metropolitan Corporation had the financial resources, while the core city with the greatest demonstrated need could not satisfy that need. From a sociological standpoint the Metro area afforded great internal mobility hence the problem was area-wide and not contained by artificial sub-metro boundaries.

But perhaps the political considerations weighed most heavily. Any action on problems of this magnitude and universality had to be viewed within the overall planning context and as part of an area-wide system of priorities. Having regard for this, boundaries were inappropriate. In Toronto the two-tiered Metro system proved to be suburbanism entrenched in a modern-style constitution, and no municipal co-operation was evident or seemed likely. Finally, no policy-determining machinery existed and in any event ratepayers associations were highly organized and articulate against public housing in the suburbs.

In one fell swoop the bureaucratic jungle was cleared and out of a proliferation of agencies, only the provincial agencies emerged with their powers intact.¹

1. Agencies operating simultaneously were, Housing Authority Toronto (Regent Park North), City of Toronto Limited Dividend Housing (Moss Park), Metro Toronto Senior Citizens Housing Limited, Province of Ontario - Ontario Housing Corporation.

Having determined the locus of responsibility, the Report made a number of recommendations,¹ which may be bypassed in view of political realities. However there are certain policy determinations in respect of housing, urban renewal building standards and code enforcement which the constituent municipalities undertake.

In 1966 Metro Chairman, William Allen, noted that the

Metro plan ... was adopted by Metro Council "not as an 'official plan' within the meaning of the Planning Act, but instead, as a statement of the policy of Metro Council ..."²

The principles and policies subscribed to are -

- Housing
11. For both family and non-family accommodation at suitable densities.
 12. Multiple family permitted and integrated in low density residential areas by -
 - (a) diversification at varying densities to obtain a mix of home-owners and renter,
 - (b) families in low and medium densities, with non-families in high density areas,
 - (c) high densities close to parks and transportation routes.
 13. Public Housing in areas suitable for residential uses. Metro Council will assume the municipal responsibility for financial contributions.

1. Part VII of the Final Reports lists 10 recommendations, p. 35, ff.

2. Foreward to the Plan of the Metro Toronto Planning Board, December 15, 1966.

Urban
Renewal

14. Conservation via public acquisition.
15. Renewal based on Metro and sub-Metro studies on the following conditions -
 - (a) the appropriateness of new land uses,
 - (b) relocatees can be accommodated in the present housing stock.¹

It is necessary to examine the municipal functions which affect the provision of public housing.

Public Housing

Since 1964, Metropolitan Council² passed resolutions³ requesting Ontario Housing Corporation to develop 8,500 units for low-income families. Metro makes no capital contribution but it provides 7½% of the subsidy requirements. In order to retain some control, the municipal corporation created a committee to determine location of units for purposes of tenant assimilation, having regard to the availability of educational and other facilities. The committee of officials -- Metropolitan Toronto Housing Advisory Committee is comprised of the Commissioners of Housing and Planning -- Metro; Director of Research -- Metro Toronto School Board; Statistician -- Metro Toronto Separate School

1. Ibid., p. 5, ff.

2. Reduced from thirteen to six municipalities as recommended in the Goldenberg Report.

3. Metro Council Resolutions dated February 9, 1965 .. for 4,500 and 4,000 units respectively. Council has in fact accepted the recommendations of its Welfare and Housing Committee embodied in Reports Nos. 1 and 2.

Board. Ontario Housing Corporation is also represented.

With the introduction of new procedures Metro Toronto Senior Citizens Housing Limited still develops housing for the aged but Housing Authority of Toronto and the Limited Dividend Housing Corporation have been absorbed by O.H.C. The former 'balkanized' approach to the problem has ended theoretically but the suburban-city impasse is evident whenever location of units is discussed.

This arrangement has worked reasonably well, resulting in a public housing stock of 12000 units located all across Metro.¹

The O.H.C.'s vigour has impressed the majority of urban municipalities particularly those wishing to add housing as an incentive to prospective industrial developers. One of the main motivating factors has been removal of the 7½% capital contribution previously required from municipalities. In all participating municipalities, the procedure is:

- (a) adopt resolution request O.H.C. to carry out a Survey of Need and Demand for family and senior citizen housing,
- (b) co-operate with O.H.C. with respect to press advertisements, etc., announcing the survey work and asking citizen's participation,

1. The dispersal of Ontario Housing has been restricted by the adamantness of some Metro Corporation members as evidenced by the following location statistics: City of Toronto 16%, East York, Etobicoke, North York, Scarborough and York.

- (c) receive O.H.C.'s report at a council meeting and subsequently pass a resolution outlining acceptance of amendment to or rejection of the Corporation's recommendations.¹

The action is then taken up by municipal officials working in co-operation with O.H.C. development officials.

Participating municipalities contribute 7½% of subsidy, for operating public housing, and waive all taxes in excess of \$25 per senior citizen suite. Recently the Hon. Stanley Randall announced talks aimed at raising the limit to \$100 in an attempt to encourage further municipal participation. Management of the units outside of Toronto, Ottawa and Hamilton is undertaken by housing authorities in order to remove the operations from direct political interference. While this arrangement is undoubtedly feasible, it usurps the role of the Housing Committee of Council among whose official functions is management of public housing units. In addition to the 41 housing authorities, O.H.C. is responsible for direct management where new development occurs.

Urban Renewal

In the field of urban renewal although the initiative for public action rests with municipality, as with so many other matters the enabling legislation is federal and

1. These findings, including prototype resolution are outlined in the H.O.M.E. brochure.

provincial. The extent of the federal powers has been outlined earlier¹ and the province removed the 'housing content' limitation from redevelopment.²

Municipal legislation and activity are related to urban renewal, zoning and code enforcement and assessment. In several cases the municipal Official Plans were inadequate or outdated, and renewal was considered only in terms of slum clearance and the effect of municipal revenues. Generally, the emphasis was on public action, and redevelopment was undertaken for residential uses only.

Part of the difficulty is due to the complex procedure of designating an area for renewal and having the plans approved. Besides, public disapproval reinforces the problem.

The procedure includes municipal council debates, committee and departmental discussions and other levels of discussion and approval where Board of Control (and metropolitan government, where applicable) is involved. The Official Municipal Plan, contained in a by-law, must then

1. Supra, p. 44, note 2.

2. The Planning Act, 1955, ss. 20-22.

gain approval from seven authorities.¹

If public housing is contemplated as part of the renewal the charade could take ten years to finalize, as was the case of the Napier Place Urban Renewal Scheme

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1. (i) Minister of Municipal Affairs: with respect to designation of a redevelopment area,
- (ii) Minister of Municipal Affairs: concerning municipal action to acquire and clear land,
- (iii) Ontario Municipal Board: the redevelopment plan. This is contingent on the availability of federal assistance,
- (iv) C.M.H.C.: under provisions of National Housing Act, Section 26, the Plan has first to receive provincial approval,
- (v) Minister of Municipal Affairs: implementation of the Plan under the Ontario Planning Act, Section 20(8),
- (vi) Minister of Municipal Affairs: the shared-costs in redevelopment, the Planning Act, Section 22.
- (vii) Ontario Municipal Board: should municipal debentures be required.

documented by the Rose Committee.¹ Unfortunately, in this as in other instances, renewal resulted in a net decrease in units although those accommodated were afforded superior housing than previously existed.

1. The pattern of progression is as follows:

1. Initiation - identified as a renewal area in 1956 and formally initiated by City Council and Metro Council for participation in providing public housing - June 1965.
2. Preliminary planning involving 4-level liaison.
3. Criticism and review.
4. Implementation and co-ordination by the City Development Department after all agreement executed and approvals given.
5. Land acquisition and clearance - City Real Estate Department.
6. Land Titles - City Legal Department.
7. Relocation of displaced families and households - City Development Department.
8. Design and construction of public housing - by Ontario Housing Corporation after all titles have been cleared.
9. Financing Capital requirements for public housing - C.M.H.C./O.H.C.
10. Financing Capital requirements for public works - 3 levels of government.
11. Administration of public housing - Ontario Housing Corporation.
12. Financing rental subsidies - 3 levels of government.
13. Neighbourhood Improvement Programme - co-ordinate by City Development Department.

Source: Consultative Committee (Final Report), pp. 18-19.

The problems inherent in any such programme dependent on inter- and intra-governmental participation are reinforced by the tokenism of the province in the general area of planning. For instance, urban renewal studies (National Housing Act, Section 33 (1)(h)) are financed on a 75%:25% basis by C.M.H.C. and the municipalities although they are as much a provincial as a federal responsibility. Ironically, the province exerts great authority over the municipal plans by way of approving the 75%:25% cost-sharing agreements. The Official Plan, is the total municipal responsibility and expense and a real exercise in local autonomy. Only in the area of implementation is there tripartite co-operation and financial participation. Urban renewal in Ontario municipalities has been thwarted by this lack of rationalization of procedural requirements.

Other related problems concern the control function of C.M.H.C. vis-a-vis O.H.C. and the Department of Municipal Affairs in housing and renewal matters; and the City Development Department which is concerned with relocation. But the crux of the issue is whether renewal resulting in additional new housing stock will be given higher priority than total clearance.

A third restraint on renewal operations has been the activity of homeowners affected by expropriation due to urban renewal. They have organized on an area basis and are becoming effective pressure groups. Court decisions on

government policy compensation are discussed below.

To recapitulate, public urban renewal has been undertaken where the existing land use is blighted or substandard and ought to be eliminated even though there may be no apparent economic demand for the new uses available. In most cases the public housing provided has not satisfied the demonstrated need for housing.

The rehabilitation and conservation aspects of urban regeneration are achieved by municipal by-laws on zoning, housing and building standards.

Zoning is concerned with land use and density which affect renewal primarily by their influence on costs in relation to the price of land. Zoning changes facilitate redevelopment¹ while encouraging rehabilitation and conservation by excluding redevelopment. However unrealistic setback and parking space requirements render rehabilitation impossible and costly to undertake in older residential areas. The R.A.I.C. opined that, zoning by-laws, though avoiding the worst, do little to encourage the best in urban land-use development and renewal.² As a result of the Federal Task Force on Housing, it seems probable that there will be even more widespread acceptance of the scientific

1. As in Toronto's first private redevelopment for residential purposes only at Pelham Park Gardens.

2. M. V. Jones quoting from the Report of the Zoning Committee of the R.A.I.C., 1964, p. 57.

standards determined by the Division of Building Research of the National Research Council.

Municipal housing code enforcement has been a most significant renewal activity in Ottawa, particularly in the light of the large amount of additional clearance carried out directly by the National Capital Commission and the National Capital Plan. In 1964, Ottawa City Council approved a by-law designed to buttress enforcement of a twelve-year minimum standards housing law. Along with enunciating the standards with greater clarity, council placed codes operation under the directorship of a housing standards officer who had overall responsibility for Ottawa's public housing and co-ordination of the urban renewal scheme.

The great drawback to increased housing supply is however the municipal building by-law which, particularly in urban areas like Toronto, have called for very high and costly standards of new construction. Prefabricated housing units appear to be less costly and easier to assemble and may be part of the solution to Canada's housing shortage. Their acceptance and use have been prevented because of the multiplicity of building codes and regulations and the "traditional" standards which are outdated. The built-in economies will not be enjoyed by 75% of Canada's population who now live in areas where the National Building Code is accepted due to the fact that some municipalities use

different versions of it. Other restrictive features relate to very stringent fire regulations precluding stud construction¹ and the fact that builders have to satisfy all levels of government on this matter.

Dr. Legget says National Building Code is a 'performance code' but municipal officials stick conservatively to the codes. Building Supplements always list the conventional materials and construction methods acceptable to 'performance standards' hence breakthroughs are rejected.²

It is conceivable that bungalows would be available at prices 33% lower than those built conventionally and multistory houses at 50% less than present prices. While this reduction would not immediately benefit the low-income earner, mass production would lower this part of the cost factor equation, and eventually the filtering process might become operative.

The cost of providing services in most areas approximates \$3,000 - \$4,500 per lot and imposts escalate costs as developers are usually required to set aside land for school and public uses at a written-down price. Additionally, prepayment of services is another requirement adopted by some municipalities and even small urban municipalities are demanding standards equal to those set in

1. Alcan Design Homes cannot be erected in the City of Toronto in view of this stipulation.

2. Dr. Legget, Director, Division of Building Research, NRC.

Toronto (particularly Etobicoke). Inasmuch as these requirements eliminate the small builder and reduce the operational margin of large developers, they reduce drastically the supply of housing for those of limited means. Added to these legislated standards, these are external diseconomies -- the need to maintain a stable tax structure and the costs of education -- which virtually sets a minimum value of about \$27,000 on new single family houses. The cost factor has also reflected the lack of uniformity of building codes among municipalities and the stubborn refusal of municipalities to respond to new techniques, material and construction methods.

One of the major causes of the housing crisis, and indeed a rationale for public intervention in housing, is the high shelter cost. Most countries are caught in the dilemma arising from having too optimistic a standard and economic pressures working against its realization,¹ and they are being forced to revise housing standards to make them appear more realistic alongside the economic level and housing conditions dictated. It appears that the costs outweigh the benefits of the high standards set by building bylaws, and do in fact have a negative effect on a municipality's capacity in the area of housing.

1. Dr. H. Sazanami, Paper No. 10, "Housing in Metropolitan Areas", presented at the Centennial Study and Training Programme on Metropolitan Problems, Toronto, August, 1967, pp. 16-17.

Assessment

While assessment practice can and does promote public housing, its efficacy renders it vulnerable to attack from tax-minded municipal councils. Irrational assessments tend to operate against municipal participation in public housing. On the other hand, apartment units of the kind usually developed for public housing are usually assessed at a higher percentage (36%-95%) of assessed value than are owner-occupied houses. This arrangement would result in higher revenues from the provincial grants-in-lieu of taxes since these grants are equal to the assessed taxes. These benefits are offset by municipal practice of assessing subsidized public housing at rates less than those applied to privately owned houses and public housing offered at economic rent. (The term applied is "full recovery basis" but most units have been converted). The reason for this lower assessment is to reduce operating costs which are borne proportionately by all governments. In the case of South Regent Park, O.H.C. by special arrangement pays a grant less than full taxes because it is in direct proportion to full taxes as is the actual rental revenue to economic rent. The Tax Rebate to tenants approved by the Ontario cabinet does nothing to regulate this situation.

Not until regional government is established across the province to equalize tax loads and enforce suitable codes relating to housing and urban development; not until

the cost of education is removed from the property tax, will the municipality have the financial resources commensurate with its political responsibility for public housing.

CHAPTER IV

AGENCIES RESPONSIBLE FOR EXECUTING HOUSING POLICY

Ontario Housing Corporation

Constitutionally, the responsibility for "property and civil rights" is vested in the provinces¹ despite the dominance of the federal agency which had assumed this role during the war years along with other emergency powers.

On August 11, 1964, with the formation of Ontario Housing Corporation,² Ontario became the first province to exploit the opportunities created by the National Housing Act amendments to step boldly into the public sector of housing. The philosophy and programmes were not new. They were, in fact, the natural culmination to a timely process which had begun half a century earlier.

The process reflected at times confusion arising out of shared jurisdiction, government disinterest and lack of direction. The province's previous participation began with the Housing Accommodation Act, 1913, intended to

1. B.N.A., Section 92(13).

2. The Ontario Housing Corporation Act, Chapter 135, 1964, (subsequently referred to as O.H.C.).

3. Ontario Housing Act, 1919, cap. 54.

encourage accomodation in cities and towns. It created the Toronto Housing Company which rang up a mediocre record. Subsequently, the Ontario Housing Act¹ was passed to provide for the erection of buildings as also was the Municipal Housing Act of 1920.² In the same year the Toronto Housing Commission³ was created to provide accommodation for those of "moderate means". Because its chief function was building for sale, the Commission's benefits were denied the lower income groups in Toronto.

The abject failure of these early attempts was documented in the Bruce Report, 1934.⁴ As is the situation today, the political parties made a football of housing and there were unfortunately several broken promises. One worth mentioning was the housing plank of the Progressive Conservative platform during the election campaign of 1943.

An Ontario Housing Commission will be created to plan a great housing programme throughout the whole province for the purpose of creating employment in the period of adjustment and at the same time, bring to an end the unsatisfactory housing conditions in many parts of Ontario.⁵

This pledge was not fulfilled until twenty years later..

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1. Ontario Housing Act, 1919, cap. 54.
 2. Municipal Housing Act, 1920.
 3. Toronto Housing Act, 1920, confirmed the Municipal by-law creating the Housing Commission.
 4. Supra, p. 53, note 3.
 5. Legislature of Ontario. Debates. April 11, 1967, p. 2038. Mr. Elmer Sopha. M.L.A. citing statement by George Drew made on July 3, 1943.

Provincial action was deferred until 1946 when the Planning and Development Act facilitated municipal action to effect housing improvement and urban renewal through certain planning and zoning powers.¹ Between 1948-1952 several steps were taken to achieve a better integration of federal and provincial legislation. Through the Housing Development Act² the province entered the second mortgage market and embarked on a programme of assistance to municipalities engaged in redevelopment and housing. The Housing Branch of the Department of Planning and Development was established to administer the new legislation. Through its various divisions it maintained a liaison with -

- (a) municipalities with respect to survey of need, municipal services and municipal requirements;
- (b) federal-provincial partnership regarding budget and control functions;
- (c) C.M.H.C. with respect to technical matters.

The federal-provincial instrumentality developed 6,599 dwelling units of rental housing projects in two categories, the first being full recovery, where economic rentals were charged and the other, subsidized housing. In 1960, the arrangements were changed in respect of new projects and subsidized rents were set at approximately

1. Ontario Planning and Development Act, 1946, ss. 15-23.

2. Statutes of Ontario, 1948, George VI, Cap. 44.

twenty-two per cent of the tenants' income; the two senior governments made grants equal to full taxes to municipalities and the capital and current costs were shared on a $75:17\frac{1}{2}:7\frac{1}{2}$ formula.

These early attempts at hypothecating ended in 1949 when higher loan ratios and a new federal-provincial partnership arrangement was announced by the federal government.¹ Later in the 1950's there was a brief application of the Rent Control Act² and the Leasehold Regulations Act,³ but the net effect was a restriction of the housing supply.

On February 23, 1962, the Hon. John P. Robarts unveiled the "Twelve-Point Programme" in the Legislative Assembly,⁴ envisaging a broader and more comprehensive assault on the housing problems. The programme was admittedly experimental⁵ and at this juncture we need only be concerned with three highlights of the programme.

The Rent Certificate Plan (point 2) under which the Metropolitan Toronto Housing Authority leased privately owned units and housed tenants at rents compatible with the rental scale for federal-provincial developments. This

1. N.H.A., 1949.

2. Statutes of Ontario, Rent Control Act, II Elizabeth, 1953, Cap. 93.

3. Statutes of Ontario, George VI, 1961, Cap. 46.

4. Ontario Legislative Assembly Debates, February 23, 1962, Mr. Robarts, p. 579.

5. Ibid., p. 580.

device proved useless because the private rental market was a seller's market, and the plan was withdrawn in 1966.

The United States situation was on a much grander scale but the analysis was relevant in understanding the Ontario experiment. In a brief to the United States Senate Committee on Banking and Commerce, (Subcommittee on Housing) the National Association of Housing and Redevelopment Officials stated -

the cost of subsidizing families at an average income of \$4,000 under the public housing formula, could be \$37.00 per unit per month. In other words the difference between the rent supplement of \$66.00 and the public housing subsidy of \$37.00, or \$29.00, per month goes down the drain.¹

Grants (point #5) totalling \$903,000, were made to the City of Toronto Limited Dividend Company as a rent deduction scheme to assist tenants in the Moss Park Redevelopment Project. These grants were discontinued after O.H.C. was incorporated because the City's development programme then paralleled the Corporation's.

The Housing Advisory Committee (point #7) was a committee of experts in housing and related fields to advise the Minister of Economics and Development which had a very momentous effect on the Ontario housing programme. Headed by the late Kenneth D. Soble, the committee's administrative and secretarial services were provided by the Director and

1. N.A.H.R.O. Statement, dated April 1, 1965, p. 112.

staff in the Housing Branch of the Department of Economics and Development. The Committee's terms of reference were to analyze critically the existing programme; examine the responsibilities and powers of the responsible Minister,¹ the posture of both senior governments, the morass of divided jurisdiction within the province and the spectre of rising housing costs.

Simultaneous with the Committee's study, the federal government proposed amendments to the National Housing Act indicating Ottawa's intention to adopt the role of banker and to have the provinces assume authority commensurate with their responsibilities.

The relevant changes were -

to authorize the Corporation to make loans and contributions to provincially or municipally owned housing agencies for constructing or acquiring public housing projects and operating such projects, and to authorize the Corporation to contribute a portion of the operating losses on any such projects that provide subsidized housing accommodation to individuals or families of low income;

to permit federal-provincial public housing projects to include existing housing and hostel or dormitory type housing accommodation.²

This contemplated direct federal-municipal action on capital and operating (rental subsidy) costs of public housing. Assuming that larger urban centres took advantage of this proposal they would naturally need approval of the

1. H.D.A., 1960, ss. 2, 3 and 6.

2. N.H.A., 1964.

provincial minister, who also had authority to approve sharing the rental subsidy costs. The implication for Ontario was that it would be contributing to housing developments over which it had no jurisdiction re design, cost control, management or maintenance costs.

Additionally there was the unwieldiness of the federal-provincial partnership to consider¹ and the possibilities of goal conflict between Ottawa and Queen's Park. The absence of a definitive statement of policy from either government, and the total unrelatedness of the housing programme to social need and demand in economic terms required an escalated programme to be implemented. Not without importance were the signs of an increasing public awareness of the need.

The legislative and administrative arrangements were unwieldy and self-defeating. Despite the financing arrangements, the municipality exercised a certain primacy because the entire operation rested on its willingness to initiate the project and participate. City councils have not been averse to rejecting developments approved by the partnership or to pigeon-hole survey reports.

However the problem of overlapping was more serious with respect to public housing in Metro Toronto, and across

1. The procedure for approval was unwieldy. At the provincial level it involved more than eighty steps, and C.M.H.C. imposed twenty-seven Feldman, L. D., "A Housing Project Wends Its Weary Way", C.P.A., June, 1963, Vol. VI, #2, p. 229.

the province for special groups. In Metro, five agencies were involved in housing and all depended on provincial approval.

The division of responsibility for housing among departments was dysfunctional. The Department of Municipal Affairs absorbed the Community Planning Branch of the Department of Economics and Development and undertook administration of the Planning Act¹ besides the Municipal Act.² The Planning Act provided for municipal housing and planning by-laws requiring approval under the Municipal Act or the Ontario Municipal Board Act. It also detailed the statutory authority for urban renewal schemes³ which were affected by the National Housing Act⁴ and the Expropriation Procedure Act. Until the McRuer Commission⁵ recommendations are accepted the question of compensation for those affected by expropriation will delay urban development schemes.

The Ontario Water Resources Commission Act,⁶

1. R.S.O., 1960, Chap. 296, "to encourage and regulate the 'orderly development' of municipalities".

2. R.S.O., 1960, Chap. 249.

3. Op. cit., s. 30(a) offers a solution to conservation and rehabilitation problems.

4. N.H.A. 1964 amendment, ss. 20-23.

5. Royal Commission Inquiry into Civil Rights, Ontario, February, 1968, Chairman: Justice J. C. McRuer.

6. R.S.O., 1960, Chap. 281.

administered by the Ontario Water Resources Commission, provides for water quality control. Where provincial projects are built, the Commission recovers the full capital costs by charging for service on a fee basis over the life expectancy of the water or sewerage plant. The extent of the Commission's jurisdiction is such as to prevent multiple housing developments in areas without sewerage disposal system.

Financial assistance for housing is administered by the Ontario Department of Social and Family Services (Homes for the Aged Branch) by virtue of the Homes for the Aged and Rest Homes Act¹ and the Charitable Institution Act.²

The Department may make capital subventions of 50% to counties and districts operating these homes. Similar assistance is also extended to districts in organized territories, while in unorganized areas the province defrays the entire cost. Operating expenses are shared by municipalities and the senior governments on a 30:70 ratio. In keeping with the pattern of divided jurisdiction, the prerequisites for federal subventions (ranging up to 75% of cost) included a need-and-demand survey by the Department of Economics and Development (Housing Branch) and its Minister's approval before municipalities could participate.

1. R.S.O., 1960, Chap. 174.

2. R.S.O., 1960, Chap. 51.

Matters were further complicated because capital grants of \$500 per unit were available from the Department of Family and Social Services.¹

Participation under the Charitable Institutions Act is restricted to churches, fraternal and other socially motivated groups. The province makes capital grants of \$5,000 per resident bed (actual construction costs amounting to approximately \$11,000) and subsidizes the recurrent operation up to 80%.

These programmes, like the public housing, are aimed at a special clientele and supplement Ontario's overall housing programme. Because of the welfare connotations their administration seems to be properly located within the Department of Social and Family Services.

In all this confusion, the real responsibilities of the Housing Branch were restricted to developing houses on 'cleared land' under federal-provincial aegis. It was inevitable that a logical redistribution of powers and functions should occur.

The most pressing factor however was the escalating cost in both private and public sectors of housing, particularly since 1960. In Ontario construction costs

1. A similar power was granted the Minister of Economics and Development under the Housing Development Act but the then incumbent Minister of Welfare refused to relinquish jurisdiction.

averaged \$13.23 a square foot in 1964, equal to a 21.4% increase since 1960. Land prices over the same period were \$4,600 per serviced lot, a 58.6% increase. This virtually ruled out construction of single detached houses. At the same time architectural designs were neglecting amenities for children in multi-unit developments. Municipal imposts, services and allowance for public lands resulted in high-cost housing, sufficient to maintain a stable tax structure. In the case of rental accommodation developed under N.H.A. S. 16, it appeared that structural quality was sacrificed in order to minimize costs; and maintenance was neglected because of the small profit margin. These considerations led to the passage of legislation¹ establishing O.H.C., a statutory Crown Corporation acting on behalf of the Minister of Economics and Development whose powers were contained in the Housing Development Act, Section 6.

Thirty years earlier the Bruce Report had prescribed a provincial bureau, supplemented by a national housing commission as something positive to encourage the construction of new and necessary housing. O.H.C. was the answer to this and also the election pledge of 1943 previously unfulfilled.

O.H.C. was established as the end result of point #7 to be a single agency responsible for all aspects of housing in Ontario in the knowledge that provinces would

1. O.H.C. Act, Statutes of Ontario, 13 Elizabeth II, Chap. 135.

have virtual autonomy in the planning, development and administration of their housing programmes.¹

The principal statutory powers are as follows:

The Housing Development Act, Section 2(1)

- (a) Guarantee moneys loaned to persons to be used in the construction of a building development;
- (b) advance moneys or guarantee moneys loaned to any building development corporation to undertake a building development;
- (c) advance moneys or guarantee moneys loaned to persons to acquire and rehabilitate housing units;
- (d) make grants in aid of any housing development.

The Corporation may also enter into agreements with the Crown in right of Canada respecting rental housing and land assembly projects² as contemplated in the National Housing Act, Section 35D; exercise expropriation powers;³ plan, construct and manage any joint housing projects.⁴

The Ontario Housing Corporation Act confirms the above-mentioned powers,⁵ and augments them by the addition of power to borrow sums of money⁶ and ability to obtain

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1. Extract from O.H.C. Information Brochure, p.4.
 2. H.D.A. Section 6(1), R.S.O., 1960, Chap. 182.
 3. Ibid., Section 7(2).
 4. Ibid., Section 6(2).
 5. O.H.C. Act, Section 6 (1-3).
 6. Ibid., Section 8.

funds from the Consolidated Revenue Fund.¹

Other legislation coming within the purview of the Corporation are the Condominium Act² facilitating individual ownership of individual units in a multiple-unit development; and the Elderly Persons Housing Aid Act³ which extends a \$500 capital grant for each bed in a project built by a limited-dividend housing corporation. Although specifically excluded by name from the benefits of this Act, it must be construed that the provisions of the Act extend also to non-profit corporations.⁴

A Board of Directors⁵ was named from among the members of the Ontario Housing Advisory Committee, with responsibility for policy determination and the Minister of Economics and Development had parliamentary responsibility for the Corporation's activities.

1. Ibid., Section 10.

2. The Condominium Act, 1967, S.O. 1967, Chap. 12.

3. S.O., 1952, Chap. 27.

4. Loans are to be made on the same terms and conditions to non-profit corporations as to limited-dividend housing corporations. N.H.A., Section 16A(2); S.C. 1964, Chap. 15 S(5).

5. Board personnel as follows:

Chairman: Late K. D. Soble, succeeded by E. E. Clow,
(Port Arthur)

Vice-Chairman and Managing Director: H. W. Suters,
former Director of the Housing Branch

Members: Mrs. J. J. McHale (London), W. M. Ladyman (Toronto),
Major H. P. Langer (Toronto), H. J. Trusler
(Toronto), Col. E. W. Tyrill (Fort Erie), Dr. A. Rose
(Toronto), Late G. A. Lascelles, City of Toronto
Controller of Finance.

There have been two vacancies since December, 1966.

The Corporate structure embraced the personnel of both the Housing Branch and the Metro Toronto Housing Authority and has grown rapidly and steadily,¹ due no doubt to the great amount of administrative efficiency and its organizational structure.²

O.H.C.'s purpose was to provide "good adequate housing (which) is the right of all persons for modest income families and special groups".³

The appearance of a provincial agency, buttressing C.M.H.C.'s operations in the public sector, was the result of the Twelve-Point Programme described as a "forward looking attack 'on major problems of housing'".⁴

In August, 1966, Ontario Student Housing Corporation⁵ was established as an autonomous corporation operating as an arm of O.H.C.'s Development Division with the purpose of providing residential accommodation at provincially assisted universities, etc.

1. Vide, Organization Chart at Appendix E.

2. Purpose, process, people and place, have become complementary bases of organization, vide. H. A. Simon, "The proverbs of administration", p. 69, in Basic Issues in Public Administration, D. C. Rowat (ed) Macmillan, New York.

3. Hon. S. J. Randall, Minister responsible for O.H.C. in a policy statement contained in publicity material, 1964.

4. Hon. J. P. Robarts, Ontario Legislative Assembly Debates, February 23, 1962.

5. Ontario Order-in-Council 3417/66 dated August 18, 1966.

O.H.C. assumed functions of both the Housing Branch (Department of Economics and Development) and the Metro Toronto Housing Authority, and Twelve-Point Programme outlined in February, 1962. Points Nos. 2, 6 and 8 have been previously discussed. Point #4, Joint Studies, have resulted in rationalization of procedures aimed at development of public housing. The other features of the Programme were incorporated in a new scheme on March 17, 1967,¹ popularly known as the Home Ownership Made Easy Plan.

The Board of Directors is responsible for determining policy but its efficacy is limited because it includes no high ranking public servant, apart from the Managing Director, with intimate knowledge of government priorities. Despite this disadvantage the Corporation has had a remarkably successful beginning because of its wide range of powers and the public acceptance of government action in housing.

The record does not yet clearly indicate where policy is made. O.H.C. has characteristics shared by all government organizational forms but is not a full-fledged proprietary crown corporation like its federal counterpart.²

1. Legislature of Ontario Debates. Hon. S. J. Randall, p. 1405.

2. The Royal Commission on Government Organization, Vol. 5, Queen's Printer, Ottawa, Table I, Crown Corporations, p. 53. The Characteristics are: incorporation - Special Act of the Legislature; Statutory Classification - Agency! Operations financed by - votes; Staff appointment - The Public Service Act, 1961-62; Management - Civil Service in part.

The scale and character of public and student housing operations depend on what the public interest requires, hence policy initiation must rest with the Minister.¹ This diminution of Board power is regrettable in view of the expertise of its members.² One salient factor has been the apparent good relationship with the Minister because of the practical problems which might have arisen. It must be noted that the Act does not stipulate the Board's terms of tenure.

On the other hand the corporation is a non-departmental organization which should mean a restriction in the ministerial function; the corollary being the legislature's acceptance of a corresponding diminution of ministerial accountability. In fact, O.H.C.'s operations are financed by votes, involving parliamentary scrutiny. In order to give it flexibility, proper planning and management, there should be an "assurance of some stability of revenues from public funds over a period of years".³

1. The concept of "Managerial revolution" has not yet been adopted in this jurisdiction.

2. E. E. Clow is prominent in the construction industry in the Lakehead; Mrs. McHale, Jr. - an acknowledged expert on gerontology; Dr. Albert Rose - a Canadian expert on the social aspects of housing; W. Ladyman - economist and prominent trade union executive; P. Langer - Toronto developer; A. J. Trusler - Treasurer of Confederation Life Insurance Co. and Mortgage financier; Col. E. Tyrrill - Municipal law expert.

3. Op. cit., p. 46.

The O.S.H.C. directorate is the same as O.H.C.'s in addition to four senior government officials.¹ This Board is nominally more influential because of the departmental interests. Both directorates discharge their duties in monthly plenary sessions and in subcommittees dealing with finance development and tenant matters. These matters are the executive responsibility of three deputy managing directors.

Operational Divisions - Property Management

O.H.C. is a management authority under powers granted in Section 7 of the Act and the H.D.A. Section 6(2), responsible for applications, tenant selection, placement; budget control and liaison with municipal housing authorities; management functions in Metropolitan Toronto and in new areas; and development and administration of the Rental Scale.

In Metropolitan Toronto as in Hamilton and Ottawa, a central housing registry is maintained to handle preliminary processing of applications for public housing administered by the Corporation and the municipality.

The operations of the Property Management Division may best be examined by tracing the procedure involved in housing an applicant for public housing. Duly completed application forms filed with the registry are forwarded to

1. The deputy ministers in the Departments of Education, Revenue and University Affairs; and the Deputy Managing Director (Development) of O.H.C.

the Tenant Placement Branch of the Corporation. Applications are treated confidentially.

Social need is recognized as the only criterion for housing an applicant and having ascertained the need, the Branch reviews the application to establish the degree of urgency. The most urgent cases are those applicants accumulating the highest points based on, physical inadequacies; family size; income and percentage applied to rent; health factors; family separation due to lack of accommodation; and notice to vacate. The system is weighted heavily in favour of those served eviction notices.

In the post review period, an experienced staff member who can recognize "genuine need" visits applicants in their homes and assesses plumbing facilities, state of the building and housekeeping ability and note is made of the municipality in which Metro Toronto applicants prefer to reside.

The Home Visitor's report establishes a hierarchy of needs, but each application is the subject of further discussion between her and the Tenant Selection Officer "who is ultimately responsible for offering a housing unit to an applicant".¹

The fifth step in the procedure is housing applicants in order of point rating. The most urgent cases are housed

1. Ontario Housing Magazine, 1966, Vol. 12, p. 3.

immediately or join the "bank" to await vacancies as they arise. The maxim 'first come, first served' is not necessarily followed. The first applicant housed is the one accumulating most points.

Written offers of accommodation must be accepted within four days or become invalidated. The acceptance rate over the past years has been 80%.¹

Periodically the Tenant Placement Branch dispatches form letters to applicants of long standing to ascertain their continued interest in obtaining public housing and possible changes in their family make-up.

Outside of Metro Toronto the procedure is different. Where provincially constituted housing authorities exist, they administer the housing portfolio via a Management Agreement signed with the Corporation. The document outlines the authority's responsibilities and is supplemented by an operating manual with detailed instructions on tenant selection and rental rates.

Besides, the Corporation has a management employee in other municipalities (not including Metro Toronto) which have recently encouraged public housing development. The application form serves both families and senior citizens and is obtained from the appropriate housing authority or

1. Ontario Housing Magazine, 1966, Vol. 12, p.3.

from the Property Management Division. Not unexpectedly the resources for review, visit, selection and management are limited. In the exceptional case reference may be made to the Housing Committee of the Municipal Council.

The most critical issues surrounding this aspect of the Corporation's work are the rent scale and lack of community facilities. The current subsidized rent scale was evolved by C.M.H.C. and O.H.C. at the staff level and approved by both governments. It replaced the 1949 Carver-Hopwood Rent Scale which was unrelated to the cost of living. Effective May 1, 1967, it has dominion-wide application with certain variations depending on the services supplied. The scale, including provision of heat, hot water, water, stove and refrigerator, has a base of \$32.00 per month related to incomes up to \$192.00. This ratio of 16.7% increases gradually to 30% on incomes of \$560.00, and the subsidy is related to family income rather than the size of accommodation provided.

The scale may be criticized as being regressive for a number of reasons. Public housing does not become an economic half-way house when increasing rents destroy a tenants' incentive or ability to save. This situation is being studied currently and a rent freeze instituted since May, 1968. Even at the base of the scale, rents are relatively high for the low-income Canadian family. In a study of the pattern of urban family expenditure, the

Financial Post used D.B.S. 1964 figures to indicate a minimum gross income of \$6,395 to meet all living expenses. Shelter costs amounted to 16.8% of income and there was no provision for savings or investment.¹

This relatively excessive rent discourages tenants from either seeking higher paying jobs or remaining when they do get them with the result that policy is thwarted and public housing is usually characterised by poverty-stricken or marginal families. Unlike the U.K. there is no "spread" which includes permanent tenants with middle-class values.

Another major drawback in the management divisions relationship with its tenants has been the absence of community agencies or any attempt at creating social animation. Public housing management involves more than a clear understanding of housing objectives and the culture of those likely to inhabit the development.²

The administrators do not have training or education in public housing management because there are no post-secondary institutions offering such discipline, and those most likely to seek employment have had experience in the private rental market. In the absence of advice to the

1. Financial Post, January 13, 1968, p. 13.

2. Dr. Albert Rose elaborates on this issue in "Canadian Housing Policies", pp. 14-19; background paper prepared for the Canadian Conference on Housing, 1968, sponsored by the Canadian Welfare Council.

contrary, it is suggested that the intention is to attack the myriad problems of the economically disadvantaged by mere provision of shelter. It also appears that the employment of graduate social workers would be inimical to the interest of what is essentially a real estate operation.

The Metro Registry contains a list of about 10,000 applicants but departmental enquiries indicated that only 47% are valid. The gravity of the housing situation would not seem therefore to be as great as publicized but this contradicts all available evidence. Those families who are "a bit down on their luck" or very poor in Toronto must number more than 4,700 and may very well be unaware of the programme or unwilling to be identified as potential public housing tenants. The Division allows the housing authorities wide berth in their management operation but their prime function as "ginger groups" has never been exercised.

Finance and Administration

This division acts as servicing agent for the other corporate components and engages in debt management under powers conferred by Section 8 of the Act. All capital financing is borrowed: 10% from the Provincial Treasurer at 6.3/8% and the balance from C.M.H.C. at 6.5/8%. These preferred rates place the Corporation in an enviable position, particularly in a period of tight money. Depending on the availability of Provincial Guarantees and the state of the money market the Corporation may offer debentures to finance public housing development.

Grants-in-aid are made to assist housing development for the elderly¹ but the area of housing research has been neglected, doubtless because of the availability of federal grants to individuals, universities and other institutions.

Development

Like the other divisions, the nucleus of this component came from the Metro Toronto Housing Authority and was later augmented by former C.M.H.C. staff members.

More than the others it has been in the public eye because of its various programmes and the vigour it displayed in the first phase of the Corporation. This phase lasted from 1965 to mid 1966 and was characterised by removing the jungle of red-tape stifling housing development in the public sector. The National Housing Act gave provincial agencies power "to acquire existing housing accommodation",² and in response to Metro Council's request for housing, the division's technical response was outright and immediate purchase of units. The immediate results boded well for low-income families but there was no increase in the total existing housing stock nor was there any easy replacement for those taken from the private market.

1. Housing Development Act, Section 2(1)e and the Elderly Persons Housing Aid Act.

2. Section 35D.

The remainder of the division's operations cover the field of housing for families and senior citizens and development¹ and student housing for post-secondary institutions.²

Steps involved in creating public housing

Procedure is for municipality to request a survey as in a prescribed manner.

Following receipt and registration by the Corporate Secretary, the Municipal Resolution is referred to the Planning and Research Section for action. The following steps are then taken:

1. In consultation with the municipality, publicize the forthcoming survey. A socio-economic study based on D.B.S. in-depth reports is then conducted via mail, questionnaires and personal interviews with city officials, Housing Authority members, where they exist, and interested residents. The survey completed, its recommendations are then referred to the Board of Directors for approval.
2. The Corporation requests from C.M.H.C. "approval to proceed with further investigation".
3. Survey Report is presented to the Municipal Council and following acceptance by Council, formal resolution is made requesting an Ontario Housing development.³

1. Housing and land development provided for by the H.D.A. 2(1) and 6(2); O.H.C. Acts 8 and 10(1) which are complemented by the N.H.A., Section 35.

2. Student Housing is an autonomous corporation shaping O.H.C.'s staff. Its powers are H.D.A. 6(2); Order in Council 3417/66, Sections 13-14 which complement the N.H.A. Section 36(b).

3. Ontario Housing is the term applied to all types of housing developed by the Corporation. Its main purpose is to remove the stigma attached to public housing.

The development group presents a report to the Provincial Treasurer with estimates, requesting authority to issue calls for tenders or building proposals. Where necessary land is optioned by the property agents.

4. A proposal document is then prepared and given wide circulation to builders across the province and a six-week cut-off date is established.
5. At the prescribed time the Tender Opening Committee opens and records the various submissions made. This committee is composed of officers of the Legal and Development Divisions.
6. At regular intervals the Review Committee, chaired by the Deputy Managing Director of Development or his deputy examines the documents with respect to prices, proponent's bona fides, site and architectural features. The outcome of individual proposals are in fact determined by this committee of technical people. At this stage there is an opportunity for valuable "feedback" from the Property Management groups whose responsibilities include maintenance.
7. Proposals and tenders are then presented to the Board of Directors at the next scheduled monthly meeting where they are deliberated against the background of the community needs. Resolutions are then passed giving approval.
8. Successful submissions are returned to the Development Branch (Administration staff) for simultaneous preparation of loan applications to -
 - (a) Central Mortgage and Housing Corporation for 90% of the cost under terms of the National Housing Act: Section 35(c) for construction and Section 35(a) for land assembly purposes; and for 50% subsidy payments under Section 35(e).
 - (b) Provincial Treasury for 10% of the capital costs and 50% subsidies. (The municipality makes a 7½% subvention, i.e. 30% of the province's contribution).

9. Following receipt of both loan approvals from C.M.H.C. and Ontario Treasury Board, final negotiations are carried out involving Ontario Housing Corporation the successful proponent and the municipality. O.H.C. then makes a formal announcement of contract award on behalf of the Minister of Economics and Development (Changed to be Minister of Trade and Development).¹
10. The Engineering and Construction staff inspect the work in progress along with Central Mortgage and Housing Corporation's field inspectors and the responsible municipal officials. Liaison with Central Mortgage and Housing Corporation and municipality is important because of progress payments.
11. Projects completed to prescribed standards are then handed over by Construction to the Property Management Division for disposition.

The procedure for Metro Toronto begins with a Municipal Resolution described earlier,² omits steps preliminary to resolutions but resumes the pattern from point 2 and follows through.

The ten steps in the development of Ontario Housing represent a drastic reduction in procedure previously required.³

A noteworthy point is the judicious use of committees in issues demanding co-ordination. The committees are formal and continuing, and have terms of reference related to

1. The Department of Trade & Development Act, 1968.

2. Supra., p. 59, note 1.

3. Feldman, Lionel, "A Housing Project Wends its Weary Way", Canadian Public Administration, June 1963, Vol. VI, #2, p. 229. "In any of these involved steps one factor amiss can and does cause delay. A conservative estimate of the number of steps a project goes through at the provincial level, including the subdivision approval, is in excess of eighty".

specific objectives. They ought therefore to be recognized and shown as units of organization.¹ In four years of operation the Corporation's record of development² was:

	Houses for		
	Families	Senior Citizens	Industry
Built	5,272	1,320	100
Purchased	3,019	16	-
Under development	13,297	3,963	-
Total	21,588	5,299	100

In 1967 the Corporation had "used 96.3% of all federal money available for public housing and made 81.9% of all public housing starts in Canada".³

Dr. Rose has referred to the 1965-1968 period as Phase II in the Corporation's existence,⁴ highlighted by almost exclusive use of the 'builders proposal document'.

1. The Analysis of Organization in the Government of Canada, Civil Service Commission, Ottawa, 1964, pp. 58-59.

2. Figures given by Hon. Stanley Randall in keynote address to 16th Annual Housing Conference, Waterloo, 1968. Quoted in Ontario Housing, Volume 14, No. 4, p. 4.

3. Ibid.

4. Albert Rose, Canadian Housing Policies, pp. 58-61.

This technique¹ not only developed the housing industry but proved that housing could be supplied at reasonable prices in Ontario.

A timely criticism of the Development Division is its disregard for the local housing authority contrary to the provisions of the Management Manual and the fact that they represent one aspect of local initiative. Housing authorities were created as "ginger groups" and to reduce political interference in housing management. While they have contributed greatly to research into housing² they have been prevented from assisting in the early stages of housing development³ to the present time.

1. P. E. H. Brady, Deputy Managing Director, O.H.C. until October, 1968, discusses the technique ... 'One of the basic requirements was that housing units had to meet the standards as set out in the national building code or that of the municipality concerned, whichever was the higher. This method proved to be very successful as to immediate delivery, quality of design, layout and price. There was some concern at the beginning as to whether design and general layout would suffer by virtue of proposals coming in from private merchant builders. Some of the best designs and best layouts of developments owned by the Corporation were assembled using this technique. Quantitatively, 85 per cent of the housing that had been put under way by the Corp. as of July 1966 were builder-proposed units'.

2. Good Housing for Canadians, A study by the Ontario Association of Housing Authorities, 1964.

3. "Housing Managers have no jurisdiction (in the absence of a Management Agreement) hence no right to inspect units under construction .. 'the knowledge of local conditions and the experience gained from managing existing houses would be useful". Extract from Minutes of Meeting - Eastern Regional Managers' Conference held in Arnprior, 1968.

Phase III of the corporation began in 1966 with the incorporation of Ontario Student Housing Corporation as an autonomous corporation. Its executive arm is a branch of the Development Division.

O.S.H.C. assistance relieves universities of any capital expenditure on residential plant. It does not however take the place of the long standing arrangement whereby universities receive grants totalling 60% from the Federal Government and \$1,400 per bed towards the project cost. Some institutions are still committed to this formula for financing construction of residences.

Government policy seems to be that accommodation will eventually be provided at all post-secondary institutions and teaching hospitals. The machinery already exists. Post-secondary institutions make a formal request to the Department of Education while teaching hospitals approach the Ontario Hospital Services Commission. From that point, the procedures are similar to those for providing residences at provincially assisted universities.

The flow chart situation is as follows:

1. University submits a request to the Department of University Affairs outlining housing requirements in a document such as the University of Toronto's Committee on Users Report. This committee was comprised of Senate members, academic staff and students. Simultaneously, the University seeks approval to negotiate with Ontario Student Housing Corporation.
2. The Department of University Affairs advises Ontario Student Housing Corporation on the course of action to be taken, i.e., usually approval.

3. Ontario Student Housing Corporation and the University collaborate to prepare a builder proposal document establishing the requirements and standards expected, viz. type of social organization required in the student residences, basic design and engineering parameters of the plant.
4. When approved, the document is given wide circulation among contractors in Ontario. The proposal call date is three months later because of its complexity and size.
5. Submissions sent to Ontario Student Housing Corporation's administrative offices are analysed by the University and Ontario Student Housing Corporation meeting in committee to select a successful proponent.
6. Separate recommendations are submitted by the University and Ontario Student Housing Corporation to their individual Review Committees.
7. If the recommendations are acceptable to both, and there is a very wide area of common interests, Ontario Student Housing Corporation then submit a report to the Board of Directors requesting approval.
8. Following approval by the Board, a letter of intent is issued to the successful bidder.

From this point the procedure is similar to that for public housing development but for a \$17.50 application fee in respect of each student bed. An added advantage however is the provision for O.S.H.C. to issue debentures instead of being committed to a 50-year mortgage. This facilitates financing and other procedures related to development.

Under the regulations, O.S.H.C. bears all the capital costs up to a maximum of \$7,777 for both hostel and self-contained accommodation. Management arrangements differ according to the location of the units.

- on campus: units developed on lands owned by and forming part of the campus is normally undertaken by the institution under the terms of a Management Agreement signed with O.S.H.C. The capital costs are repaid to the Corporation over a maximum of 60 years.
- off campus: management of graduate student hostels on land acquired by O.S.H.C. is by the institution. Self-contained suites for married students on land acquired by the Corporation are managed by the Property Management Division of O.H.C. The institution guarantees rentals over a 50 year period sufficient to amortize O.S.H.C. costs.

It must be noted that O.S.H.C. treats universities in exactly the same manner as O.H.C. treats municipalities. Neither corporation will act except in response to a definite request approved by the Department of University Affairs.

Land Assembly

The Land Assembly Branch has authority to engage in land assembly activities for public housing and for sale as residential lots as provided for in legislation of both Governments.¹

Initiative rests as usual with municipalities and also more recently with O.H.C. under the expanded terms of reference of the HOME plan. The Land Development Scheme has prompted owners of undeveloped land and serviced lots to make offers of sale. Procedure is as follows:

1. Offer of sale from land owner or his agent.
2. Site inspection and report by Property Agent.

1. N.H.A., S. 35C, for public housing purposes; N.H.A., S. 35A, for land development plan; H.D.A., S. 6. O.H.C. Act, S. 8.

A provincial Task Force was established following announcement of the HOME Plan to collaborate on land banking policies. Understandably its meetings have been secret.

3. Development Manager assesses land use potential, examines municipal zoning by-laws and servicing problems.
4. Simultaneously, the Chief Appraiser carries contracts on appraisal.
5. Findings of 2 - 4 submitted to Review Committee whose recommendations are forwarded to the Board of Directors.
6. If the Board approves, the Corporation sends an offer to purchase.
7. The remaining steps coincide with those described for housing development.
8. At the same time Board approval is given, formal submissions made to C.M.H.C.,
 - (1) to conduct further investigation, i.e. spending amounts up to \$300.00 an acre for soil tests, surveys, planning and engineering studies,
 - (11) to enter into a Land Holding Agreement.

Following the land acquisition, the Branch issues contracts for installing services and prepares for the sales programme. The administrative steps involved are:

- (1) The Branch establishes terms of reference for planning to be done by the Chief Architect or by outside consultants.
- (11) Draft plan submitted to Municipality for approval.
- (111) When obtained, a firm of consulting Engineers is retained to prepare an estimate of cost. This cost estimate provides the basis for arriving at the book value of lots.
- (iv) Report to Board of Directors, if approved.
- (v) Formal submissions are then made to Central Mortgage and Housing Corporation to -
 - (a) develop the land in a joint venture, and
 - (b) participate in a Land Development Agreement.

- (vi) Submission to the provincial Treasury Board made on the basis of consultants' estimates.
- (vii) Issue call for tender to install services.

The Federal-Provincial Partnership arrangements for land assembly (Section 35C) are not used by the Land Development Branch because disposal of lots would not be effected under lease arrangements. Under Section 35A, the Corporation seeks a 90% mortgage loan from Central Mortgage and Housing Corporation to be repaid over 15 years.

The land development scheme which has the potential of becoming a 'land bank' signals yet another bold phase in the Corporation's short daring record.

The flow chart study indicated the great use made of the committee system. Besides those mentioned is the Technical Consultants Committee which examines submissions from planning, architectural and engineering consultants.

In the absence of direct knowledge of the working of committees, no appraisal can be given but future students of housing will rate their performance on the basis of membership appropriate to subject matter; agenda; chairmanship; whether decisions are widely circulated; and if cost in time and money was justified by the nature of decisions made.

It is suggested that the Planning and Research Section should become a research unit having advisory function to top management while carrying out surveys at the instance of municipalities.

During surveys, tentative steps should be taken to option land so as to head off speculation and ascertain availability of real estate on which to develop units.

The other operational division is Information Services. The Corporation made an inauspicious start and its efforts almost negated because of an inarticulate public relations group. Perhaps affected by the magnitude of the housing problem and buffeted by complaints of lowering property values, the division failed to launch an educational programme informing Ontario Citizens about government's reasons for intervening in the field of housing. Ultimately Toronto residents accepted the fact of public housing with the help of well researched newspaper articles.

This situation has improved immeasurably with changes in personnel and through talks to service clubs, municipally sponsored groups, tours of Ontario Housing development, information programmes involving councils, legislators and students. By such means and co-sponsorship of the annual O.A.H.A. conferences the communications lag is being steadily narrowed. The other phalanx of the Information Section is a bi-monthly magazine with a circulation of approximately 4,000.¹

Any assessment of the Corporation would be incomplete without mention of the dynamism of the late Mr. Kenneth Soble, first Chairman of the Board of Directors, who guided O.H.C. through those very important first three phases.

1. Ontario Housing emerged from the departmental newsletter when the Corporation was established.

In 1964, the political realities demanded a policy declaration much stronger than anything previously made in Canada; and possibly naive in that it had to reflect human needs. As a result, the responsible Minister issued the following statement:

Good adequate housing is the right of all persons. this fact must be regarded as basic to any housing program, at any level. The Government of Ontario is exceedingly aware of the pressing need for adequate housing for modest income families and special groups. It is aware of the right of these persons to be properly housed and it has accepted the responsibility for providing the necessary aid. The housing process in Ontario has been an evolutionary one. The Ontario Housing Corporation has emerged as the end product of the changing times and our accumulated experience.¹

O.H.C. had two objectives: dispersal of public housing through the community and the acquisition of a large housing stock. To these were subsequently added the encouragement of homeownership and community development. Purchase of existing units was a necessary expedient to fulfill the primary objectives of deghettoization and integration since a massive construction programme would require time to be effective.

The operation produced 2,493 "instant units" in Toronto and the Metropolitan area and to that extent reduced the available supply of private rental housing.

Beside the real difficulties experienced by those

1. Hon. S. J. Randall, Excerpt from statement on O.H.C. promotional literature, "Grey Brochure", 1964, p. 1.

displaced, there were incipient signs of protest from the suburban boroughs regarding location of low-income families among them.

Those considerations aside, the Corporation had by March, 1967, laid the groundwork for accomplishing all its objectives.

Policies and Programmes

In the Speech from the Throne, January 1967, measures to mount a comprehensive attack on the housing shortage were announced.¹ Reaction to this programme was varied² and immediately its scope was extended.³

In February one of a series of Federal-Provincial housing conferences was held in Toronto. Delegates, invited from interested organizations and groups, did not include low-income persons or their accredited representatives (if such were identifiable). Although this important component has always been missing from the decision-making machinery on housing, there have been no attempts to involve the poor or low-income earner in housing discussions. Neither has there been any concern indicated in Canada similar to that in the United States with regard to administration of the War on Poverty.⁴

1. Legislature of Ontario, Debates.

2. Toronto Daily Star, January 23, 1967.

3. Debates, January 24, 1967.

4. The OEO has been accused of "organizing the poor into politically active groups". Article entitled "Sargent Shriver and the role of the poor" by Barbara Carter, The Reporter, May 5, 1966, p. 17.

Finally on March 23, 1967, the Ontario Government revealed its policy and programme known as the Home Ownership Made Easy Plan and embracing new features in addition to significant programmes already established. There was still no provision for participation by the poor but the integrity of local government was retained.

In a statement of policy, the Hon. Stanley J. Randall said:

The provision of adequate accommodation at economically realistic cost in terms of rentals or purchase price is a matter of concern to all levels of government -- Federal, Provincial and Municipal. Constitutionally, provinces are responsible for ensuring that the housing needs of their citizens are met. The Government of Ontario recognizes and accepts its responsibility to provide or assist in the provision of adequate accommodation for its citizens.

By creating Ontario Housing Corporation and Ontario Student Housing Corporation, by implementing an ongoing programme of rental housing for families and senior citizens of low income, by implementing a programme to provide residential accommodation for married and unmarried students, by evolving and introducing the H.O.M.E. plan and thus creating a climate in which government agencies and private enterprise can combine their resources to make available substantial quantities of housing at moderate cost, the Government of Ontario is confident that in reasonable time the housing needs of this Province will be met.¹

In two and one-half years, O.H.C. had shifted its posture because of a natural evolutionary process and also external factors. Its earlier aims had been met by way

1. Foreword to the Home Ownership Made Easy Plan Brochure, tabled in the Ontario Legislature on March 20, 1967. Subsequently the Plan will be referred to as H.O.M.E.

of the Rent Certificate Plan (Point #2) and acquisition of privately developed housing (Point #3). The development of a small but 'instant' housing stock was impressive and had simultaneously facilitated some amount of social integration of low income families. In the meantime, the construction programme was underway and it was both necessary and possible to add to the housing stock by way of new construction. By April, 1967, the Corporation's development programme was on schedule and the three-year 12,000 unit target was being met.¹

The external factors were in all cases based on escalating costs and a reduction in the amount of non-family type accommodation being provided. Apartment developers were not catering to the urban families to any great extent and where they did the rental market had become very 'hard'. O.H.C. determined therefore to step into what was regarded as the area of private enterprise; to engage in land development. This grew out of the realization that the 12,000 target was inadequate for realistic housing requirements, and the dire predictions made at the Federal-

1. The Late Kenneth D. Soble, Chairman of the Board of Directors set the target. The Hon. S. J. Randall tabled an appendix to his remarks outlining O.H.C. programme for the period 1965-67. Actual and anticipated starts were: Low-income families - 10,099; Elderly persons - 2,510; Student accommodation - 5,282. Legislature of Ontario, Debates. April 11, 1967, pp. 2074-2080.

Provincial housing conference in Toronto¹ The main causes of the housing shortage identified and discussed were already universally known but not faced:

most developers are being hard hit by the tight money situation. Most cannot arrange mortgage funds unless they are willing to pay a high premium - so high that it makes it uneconomical to proceed with planned projects. Besides lack of funds, the fact is that the available suitable land for housing development in the Metro areas has practically disappeared. Although direct government lending is available for houses, housing cost is still out of reach of the average wage earner, increasing the demand in apartment accommodation for which no direct government funds are even under consideration.²

The implication was of course that the cost of developing land was prohibitive in urban areas, where raw land costs, servicing, financing and miscellaneous charges had to be considered. The average price of a residential lot in Ontario was \$9,000 and this was in keeping with prevailing consensus that land values varied directly in relation to their proximity to the Central Business District.³ However the advantages of being distant from the C.B.D. are minimized due to costs and local municipal policy regarding extending trunk services.

1. February 16, 1967, at the Royal York Hotel.

2. Urban Development Institute releases -- Toronto, emphasis supplied.

3. TREB figures on lots. Land value assumption based on Rand Corporation study for Los Angeles cited by E. F. Brigham, "The Determinants of Residential Land Values", Land Economics, November, 1965.

In view of these developments, O.H.C. made a shift regarding property ownership. Even without benefit of research into population, economic and housing surveys, town planning and regional development studies, the idea of a 'land bank' was deemed feasible. Land banks have been accepted in Scandinavian countries, and were mooted in Canada lately.¹ The Progressive Conservative government in Ontario had at least been pragmatic in moving in this direction or at the most (but perhaps not necessarily) moved to the left of its philosophical position.

Land acquisition and holding by public bodies has an economic rationale. It may be argued that reasonable residential lot prices would ensue by buying before migration or speculation added increments of new value. There would also be no need to expropriate and be involved in compensation difficulties. These arguments would be acceptable to the Opposition, offering as they did, chances for land reform and vesting ownership in municipal corporations. For the Conservatives, it meant a resolution of the housing problem by private enterprise mechanism.

The other determinant was the introduction of leasehold as another form of tenure. Not only was O.H.C. supporting a new attitude to property, but it was attempting

1. Dr. Alec Laidlaw, Chairman at Federal-Provincial Conference on Poverty and Opportunity, Ottawa, December, 1965.

to remove the land component from the cost of homeownership. This approach was a natural concomitant of the move to buttress homeownership against its alternative -- rental accommodation.

Public intervention in this sector of housing was deemed necessary because those in the lowest quartile had inadequate liquid assets for down-payment on houses; however the land development plan would allow people to exercise effective demand for homeownership. This programme was assured success because of historical preferences for homeownership. Renting being an imperfect substitute for ownership, in the short run "when rent levels equal or approach the monthly cost of owning, people will shift into home ownership as soon as their economic circumstances will permit them to make the shift".¹ In the long run consumer wants evolve historically along emulative lines, explaining the growth of the pattern.²

There are several economic and non-economic factors to be considered in the buy v. rent situation. Among the first are the desire for status, security, independence and freedom. In addition, among the most significant goals -

1. Coons, Alvin E. and Glaze, B. T., Housing Market Analysis and the Growth of Home Ownership, Ohio State University, Bureau of Business Research, 1963, p. 24.

2. Ibid., p. 24, Based on J. K. Galbraith's analysis, in "The Affluent Society" 152-160.

were emotional (psychic, family and ego). The simple acceptance of ownership as a cultural value and the presumed importance of financial objectives were less significant than supposed.¹

This goal was fostered by those who believe it socially and politically stabilizing, and the sociologists supported it through fear of social disintegration from the decline of family life.

The economic motives are investment, building up an equity and being less costly than rent.²

Against these must be measured the mobility afforded by renting and the high shelter costs without the advantages of equity.

If the social anonymity of urban areas diluted the strength of this tradition and if costs were prohibitive, other forms of tenure had to be provided.

These then were the considerations prompting the government to embark on the H.O.M.E. Plan. Public attitudes were presumed favourable and had in fact been so initially. The plan embraced existing programmes, new assistance toward homeownership and in the initial year generated capital expenditure in excess of \$300 million.

Following discussion of the policy implications and

1. Rostow, Irving, "Home Ownership Motives", American Sociological Review, XIII (December 1948), p. 757.

2. Recent surveys indicate a preference among high income earners to rent because of the high cost of homeownership.

the mechanical details, attention will now be focussed on the programmes comprising H.O.M.E.

Public Housing for families and senior citizens

At the end of 1968 O.H.C. had 21,055 units under management, giving it the enviable record of being Canada's biggest landlord. This portfolio provided shelter for a number equivalent to the Prince Edward Island's population.¹ Ontario's programme is geared to produce about 20,000 units annually, but this is short of the goal set by the Economic Council of Canada.² In any event it has been described as "more bravado than performance"³ and the record supports the charge. In the selected municipalities, public housing comprises a very small part of the housing stock:⁴

	<u>Unit per 000</u>
6 municipalities less than 1000 population	14.02
32 municipalities with 1000- 5000 "	4.5
28 municipalities with 10000-25000 "	5.6
22 municipalities with 25000-75000 "	3.8
10 municipalities with over 75000	4.4

1. O.H.C. undated release for distribution to High Schools.

2. Economic Council of Canada, Fourth Annual Review, September, 1967.

3. Legislature of Ontario. Debates, Mr. Stephen Lewis, p. 1016, March 20, 1968.

4. Based on 1966 Census Population figures except for Metro Toronto. The proportions indicated by the Census, Metro Area Age Distribution Data (Catalogue 92-625) were applied to the Corporation's portfolio.

Among the largest municipalities, density rates were low ranging from 1.3 per 1000 for Mississauga and 2.5 for Metro Toronto to a high of 3.6 for Ottawa. The exceptions were Hamilton and Windsor with public housing densities of 9.1 and 9.8 respectively.¹

With more public awareness, the Corporation's activity in this area, on an escalated basis, is predictable. Alternative, and in some instances, ancillary plans should be considered for implementation. One alternative is a guaranteed income plan. The plan, as assessed by Professor Levitan including the negative income tax, must resolve two basic issues:² "the amount of aid that would be given to the poor and the impact that the guaranteed income would have upon the incentive to work".

The reviewer discussed proposals by economists Friedman and Tobin which received widest currency. Friedman, an opponent of the welfare state

favours an income guarantee, but he would eliminate publicly supported welfare programmes to maximize consumer "free choice". Income maintenance (would) be limited to 50 per cent of minimum needs.³

This proposal can be dismissed in that the poor or low-income family with only half the income needed to reach a

1. Public housing density for the U.S. is 4 per 1000. Source: The President's Message to Congress "Crisis in the Cities", Feb. 22, 1968.

2. Levitan, Sar A., "The Pitfalls of Guaranteed Income" The Reporter, May 18, 1967, Volume 36, No. 10, pp. 12-15.

3. Ibid., p. 13.

predetermined poverty threshold could hardly replace the services including subsidized housing now offered under such programmes. The Tobin plan would provide \$400 annually per individual in addition to their retaining two-thirds of their income, thus a family of five could earn up to \$6000 a year before losing its income guarantee. This scheme would appear to eliminate poverty but due consideration must be given to the tax paying public who provide the benefits.

Aside from the high costs a negative income tax would introduce new problems such as: uniform benefits to all recipients despite the disparities in their living costs for urban and rural areas; administrative difficulties and abuse, and a reinforcement of the pattern of economic differences across the province. Besides, labour mobility would be seriously prevented. Whether the plan would enhance the poor's effective demand or lead to yet another round of spiralling costs, is debatable, but the Ontario government should examine it as an alternative to its welter of social action programmes.

Whereas a rationale for public action in the field of housing has already been established, it is still feasible to suggest that private entrepreneurs be given incentive to develop housing under the provisions for limited-dividend companies and non-profit corporations.¹

1. Task Force Recommendation No. 12, Report of the Task Force, p. 37. Sections 16 and 16A, N.H.A. and Section 2 of the Housing Development Act apply.

Incentives would be in the form of higher dividends on the entrepreneurs' 10% equity on the building or a guaranteed market in which houses are intended for sale. The U.S. Department of Housing and Urban Development is experimenting with a plan whereby private developers and/or property management groups will undertake total administration of low-income housing while providing community services in an all out effort to combat urban poverty.¹ This would be a decided improvement over the Ontario situation in that government would cease being the biggest landlord and public housing would tend to lose the real estate characteristic which it undoubtedly has. The question to be resolved is whether socialization of an appreciable part of the construction industry's output is more desirable economically, socially and politically than underwriting housing which entrepreneurs will eventually own.

Community Development Housing

Where in small communities, there is a serious shortage of rental accommodation for moderate income families subject to periodic transfer, O.H.C. will provide housing accommodation at economic rent.²

This scheme carries out the intention of the Twelve-Point programme with respect to special needs in small communities. Developments of this type can conceivably

1. Journal of Housing, November, 1967.

2. Extract from the H.O.M.E. Plan, Community Development Housing, p. 9.

change the morphology of Northern Ontario, leading to more orderly growth in new resource areas where community facilities are non-existent. Thus far, the instance in which this Plan has been applied has been Brunetville where several houses have been refurbished and much needed municipal services installed.

Lease Purchase Plan

Existing O.H.C. tenants may purchase the dwellings they occupy as soon as their economic circumstances allow.¹ Seventy units in Guelph developed by the Federal-Provincial partnership have been offered for sale as a pilot project and another 3000 will become available for disposal when a suitable formula has been accepted by all governments concerned. The lease purchase benefits will however be restricted until the National Housing Act is amended to allow C.M.H.C. to refinance the resale of units developed by O.H.C. under the 90% mortgage arrangement.²

The scheme will help satisfy the demand for home-ownership among O.H.C. tenants although it will be of little benefit to those earning about \$5,000 annually. Thus it will not fulfil one of the goals set by the Task Force.³

1. Adapted from the H.O.M.E. Plan, Ontario Housing - Tenant Purchase, p. 35.

2. Legislature of Ontario. Debates. Hon. Stanley Randall, p. 38, February 15, 1968.

3. Report of the Federal Task Force on Housing and Urban Development, Ottawa, Jan. 1969, Recommendation #8, p. 33.

Various policy and administrative difficulties remain to be resolved in order to produce a formula acceptable to all involved. A lease purchase scheme must necessarily include a graduated scale of lease payments for persons of different income levels thereby implying some form of provincial subsidy to those unable to afford full amortization costs. Given the current desire for homeownership this scheme should be popular in Ontario but it might founder if participants are not trained to accept middle-class values and homeownership responsibilities.

Whether or not the real estate fraternity reacts unfavourably would depend on the extent of the programme and the effects on property values. However, in the final analysis the success of the scheme will depend on Ottawa's willingness to subsidize mortgage rates and as yet this would not appear possible.

Housing for Industry

".... designed to encourage and facilitate the diversification and expansion of industry, particularly in new resource areas".¹

O.H.C. provides assistance to municipalities and industries where adequate guarantees are given as in the case of Griffith Mines for whom 100 housing units were built at Ear Falls. In addition to creating new housing stock, the Corporation, acting as a land developer performs a service

1. The H.O.M.E. Plan, Housing for Industry, p. 19.

function to the Minister whose portfolio includes trade and development. This close inter-departmental intelligence ensures that industrial development will not be impeded by lack of housing.

Land lease with deferral of ground rent

This scheme is to assist homeowners of advanced years and limited fixed income, displaced as a result of compulsory acquisition of their dwelling by a public authority, to purchase suitable alternative accommodation without financial hardship.¹ This will apply only in cases of expropriation for purposes of urban renewal. A more equitable arrangement than others, it embodies the "home for a home" principle which was only recently accepted by government.

The scheme however fails to confer this consideration on the homeowners' heirs and this is undoubtedly inimical to their ownership potential. The other area of inequity relates to treatment of tenants displaced. Whereas the scheme as part of an urban renewal exercise would seriously come to grips with slum landlords, it needs to be buttressed by realistic alternatives to slum housing such as 'rent supplement assistance to those forced out of their homes -- by federally assisted government action'.²

1. Op. cit., Deferred Ground Rent, p. 27.

2. Message from the President of the U.S. relative to the problems and future of central city and its suburbs.
89th Congress, 1st Session, March 2, 1965.

Land development and its disposal on a
leasehold or freehold basis

This scheme is to encourage homeownership among moderate income earners by removing the land costs from the capital cost-equation of homeowning. Under the Plan, O.H.C. will be engaged in what amounts to second mortgage activity of a very unusual type - the land lease.¹

More than any other programme in H.O.M.E., the Land Development Plan has been subject to a great deal of criticism because of its inability to reduce costs to the prospective cash purchasers. In most cases lots were sold at increased prices so as to defray the Corporation's administrative costs. This mitigates any possibilities of complaints of competition from private real estate developers. Other cost factors result from increasing red tape involved in obtaining approval from the O.H.C. Board and C.M.H.C. for each transaction. This may be bypassed by obtaining 'carte blanche' from both directorates at the beginning of each year for a predetermined acreage or lots in each region and urban area.

Another factor is the interest charged on C.M.H.C. mortgage which must be computed in the eventual cash price or ground rent charged.

Apart from the cost inhibiting the effectiveness of the Plan, there is the stark reality that in 1967 no houses were erected on lots developed under the Plan. O.H.C. has

1. H. W. Suters, Addressed delivered at Brock University October 17, 1967. Lots may be acquired by lease over 50 years; or by freehold via outright purchase or a long-term sale agreement over a 35 year period.

so far purchased and made available 3,309 serviced lots in 13 municipalities across the province.¹ In addition, a large acreage of unserviced land has been acquired and added to existing stock as at Malvern (in Metro Toronto) which will require at least two years for servicing and hence providing no solution whatever to the current crisis. At the same time raw land is being bought at prices in excess of those for serviced lots on which construction could commence immediately. The H.O.M.E. lots are unfortunately in areas distant from the loci of urban crisis and have therefore had dubious impact on the problem.

Additional drawbacks relate to the inadequate information given, hence the public has been misinformed. O.H.C. ought to have given a "total package" by setting up joint O.H.C./C.M.H.C. offices dispensing mortgage information and precise detail as to what the prospective homeowner could expect,

Various alternative plans are available. The Minister (of Economics and Development) is given authority to acquire concentrations of land in selected areas at a price equal to the accountable cost to the persons who acquire the property at a proper price, plus a proper return on their investment. This rules out the speculative profit which is involved in the escalation

1. Disposition of lots: Lease - 2,214; Cash sale - 93; Agreement of sale - 526; Unsold - 476.

of land costs in Metro.¹

The New Democratic Party suggested these expropriation measures but was rejected by the government.²

In addition, the NDP recommended a tax on undeveloped land in order to ensure its quick entry into the market for housing purposes. This together with a penalty on land speculation recommended by the Task Force appear to impose sufficient pressures to ensure orderly land development by private developers. Urban development in Canada encompasses more than land policy. It requires an examination of the structure of municipal government to check its efficacy for current day use. If the regional government concept does not include all urban areas we must modernize the municipal system so as to facilitate the planning process.

The main causes of the housing crisis have been identified as exorbitant land costs and scarcity of mortgage financing. Insofar as the land development plan has not eliminated or reduced these difficulties, it has been totally inadequate. The following suggestions appear to have more practicality. O.H.C. should socialize the entire output i.e. the distribution of the residential construction industry. It should establish machinery whereby prospective

1. Legislature of Ontario. Debates, April 11, 1967. J. Renwick, p. 2033.

2. Ibid., Hon. C. MacNaughton, Provincial Treasurer.

owners may obtain all assistance for consummating deals. It should involve interested, capable builders in the Plan and invest in large numbers of "Demonstration Homes" with a \$1,600 price tag. It should finance homeownership on the pattern of the Veterans' Land Act. It should encourage conventional lenders to commit greater amounts of mortgage funds by way of tax benefits (a federal responsibility) and provide mortgage financing over and above that currently provided by the financial intermediaries (a provincial governmental device using the Savings Office of Ontario). These measures would tend to ensure or guarantee sale of all housing constructed at costs within the means of middle-income earners.

Review of interest rates at 5-year intervals and extension of amortization periods up to 50 years have been suggested!¹ Whilst interest rate adjustments worked very well in the U.K. where building societies operate, there doesn't seem to be a place for them among Canadian financial institutions. At any rate their advantages would not extend to those who could not obtain mortgages under conditions which exist currently.

Another alternative would remove government from the role of land developer and reduce its financial commitment

1. H. W. Suters, Managing Director, O.H.C., speaking at National House Builders' Assn. convention, Ottawa, January, 1968, Toronto Telegram, January 24, 1968.

for land purchases. Some of the U.K.'s financial difficulties arise from its heavy investment in non-productive housing and Canada can learn from this experience. Details of this proposal are as follows:

1. A land developer submits draft plan to the Department of Municipal Affairs with copies to the Corporation;
2. O.H.C.'s Technical Consultants Committee reviews plan and if it is acceptable the developer would be eligible to participate in the H.O.M.E. plan;
3. On receiving approval from both agencies the developer would proceed with installation of services;
4. O.H.C. appraisers then inspect to ascertain fair market value for lots. Collaboration with C.M.H.C. is vital in view of its extensive reliable information on local real estate markets which are not homogeneous;
5. The developer markets the lots;
6. Interested purchasers (cash or lease options) then apply to the Corporation which:
 - (a) reviews the proposals and checks the gross debt ratio, etc.
 - (b) signs agreement with purchaser
 - (c) purchases individual lot at agreed price established by appraisers
 - (d) sells or leases the lot at cost plus small administrative fee as in the V.L.A. procedure.

This short uninvolved system would accomplish the following things:

1. In municipalities with several subdivisions O.H.C. activity will eliminate rivalry among developers. The competitive edge will still remain as developers must find potential purchasers.
2. The Corporation will not commit millions of dollars in a fixed asset (albeit an appreciating one) while the servicing and debt charges increase. Private entrepreneurs will be financing development which they are capable of.

3. Land prices will remain stable at a reasonable level, and not be inflated as now occurs.
4. O.H.C. would still develop in special and outlying areas, but in the urban areas the full talents of developers would be used.
5. O.H.C. will then concern itself with the social environment and locational policy.

Student Housing

The philosophy behind any programme of student housing is to afford an opportunity whereby students and senior fellows may mix under ideal conditions.

Nothing can replace the value of students of living in community with other students.¹ O.S.H.C. was created to provide this milieu at post-secondary educational institutions including teaching hospitals and community colleges. At December, 1968, 9,300 student beds had been provided for at thirteen universities and preliminary plans made for an additional 4,483.² In terms of number of units, the Corporation had an admirable record and had fulfilled the objectives of overcoming the shortage of accommodation. Besides offering an alternative to the inadequate environment of those in lodgings or living at home, it allowed administrative and student participation in determining the type of buildings and social systems to be placed on campus.

Qualitatively, O.S.H.C.'s performance is subject to

1. Adopted from University of Guelph-Student Housing Study, November, 1965.

2. O.H.C. undated release.

adverse criticism because of its very capacity to produce large developments. Except at York University where there are two towers containing less than two hundred suites, all other university developments run to several hundred beds and recreational facilities within a large complex. They are not built as integral parts of a college (for universities with a collegiate system); they are not small enough to foster loyalty among the occupants, nor do they, on their own, supplement the university's educational programme.

The burden of blame must be shared equally by the Corporation and the Users Committee of the various universities. Universities which do not experience large enrolment problems may resort to the other residential financing arrangements in order to develop communities for scholars. A strong movement to this would adversely reduce the Corporation's programme since universities exercise the counterpart of municipal initiative. This area of housing needs constant re-examination in terms of choices of accommodation and the changing socio-cultural activities of the university population.

Condominium Housing

In August 1967 the Attorney General of Ontario introduced the Condominium Act permitting stratification of land titles in this province. Simply stated, this means that persons may purchase individual apartment units or

town houses within a larger multiple development while sharing common ownership of the rest of the property.

O.H.C. announced a 3,500-unit condominium development in Chapel Glen Village, Toronto, within a week of the last provincial general election. To date nothing tangible has been done to develop the units. In the meantime private contractors have presented plans calling for 1,400 units located in Toronto and Ottawa,¹ but financing difficulties and public unawareness of the implications of stratified titles have hindered development.

Recently interest has been renewed in condominiums following release of the Task Force Report on Housing and Urban Development,² and O.H.C. announced that more emphasis will be placed on them under the H.O.M.E. plan. Servicing is currently proceeding on 3000 acres in the Kitchener area, 1600 around Hamilton and 1800 in Metro Toronto to accommodate 42000 housing units. Based on a \$1,200 downpayment per apartment unit, the \$17,000 home, ex land, will at current mortgage rates cost approximately \$140 a month over the 25 year term.

Besides contributing to the cause of homeownership,

1. Toronto Daily Star, January 31, 1969, p. 51. Article entitled "North York hopes condominium may be answer to housing crisis".

2. Tabled in the House of Commons by Hon. Paul Hellyer. Commons Debates. January 29, 1969, p. 4881.

3. Op. cit.

condominium living offers several advantages for potential occupants, municipal governments and the residential development industry. In addition to the appeal of owning a maintenance-free apartment or house, families will once again be able to exercise a choice in the type, size and density of their house. The in-migration of substantial citizens from the suburbs will be facilitated and the vitality of the city core restored.

In the field of finance an entirely new mortgage market will be created by use of the mortgage bond as units may be mortgaged individually, thereby inducing those with a limited investment portfolio who might otherwise have remained outside the market.

This facet of the H.O.M.E. Plan should provide an answer to the dilemma of the middle-income urban dweller who is affected by the dysfunctions of the market systems, but if sale of units is unrestricted the higher income groups could conceivably purchase the available units. Only through an efficient filtering process or discriminatory sales policy in favour of the middle-income earner would the plan become effective.

In addition to the eight sub-schemes of the H.O.M.E. Plan, O.H.C. exercises partial responsibility in other fields of housing. Housing for Indians has been the subject of agreement between the provincial Minister of Social and Family Services and the Minister responsible for C.M.H.C.,

but sporadic negotiations have taken place with respect to housing on and off the reserves. Authority for rehousing in case of national disaster has been delegated by the Attorney General to the Corporation which conducts municipal workshops in the procedures to be effected in an emergency.

Finally, the Corporation has at the instigation of the Late Chairman, Ken Soble, an on-going enquiry into the efficacy of prefabrication and industrialized building systems in meeting the housing needs. Although prefabricated units have a cost advantage and meet the N.H.A. requirements, their widespread use is prevented because of local municipal building and zoning regulations. The Corporation's role would be greatly enhanced if, as the country's largest developer, it informed the public, municipal councils and ratepayers' groups about the soundness of industrialized building.

O.H.C. has the legislative and financial powers to tackle the housing crisis in Ontario, a crisis being experienced by those living in poverty and those in the middle income range. As long as it can distinguish between these two facets of the problem and apply the appropriate solutions, clean adequate accommodation will be available as the right of all persons.

CHAPTER V

THE FUTURE GOVERNMENT OF HOUSING

Acting on a Cabinet decision of July 17, 1968, the Hon. Paul T. Hellyer, Federal Minister of Transport established a Task Force on Housing with the following terms of reference:

to examine housing and urban development in Canada and to report on ways in which the federal government, in company with others of government and the private sector, can help meet the housing needs of all Canadians and contribute to the development of modern, vital cities.¹

The Task Force represented a new departure in inquiry-making in that it had Cabinet approval but was not vested with the legal powers or formalities of a Royal Commission.²

Following three months of hearings during which time the Task Force travelled 25,000 miles criss-crossing the country listening to submissions on 250 of the more than 400 briefs presented, its Report was tabled in the House of Commons.³ It immediately received approval and in some instances acceptance from the news media and some interest

1. Hon. Paul Hellyer's letter of transmittal to Prime Minister Trudeau dated January 22, 1969, re Report of the Task Force on Housing and Urban Development. (Subsequently referred to as the Report of the T.F.).

2. Report of the Task Force, p. 1.

3. January 29, 1969.

groups.

The Report is highly significant because of its major premise: an overwhelming majority of Canadians desire to own single-family dwelling units. Equally important is the fact that it represents the views of the Hon. Paul Hellyer who apparently has considerable influence in the Federal Cabinet. As a result, the Report may very well become the point of departure for all housing action as did the respected Curtis Report 25 years ago.

Subject to critical analysis the current Report appears very inadequate:

in reading the report one can scarcely believe that any experience has been accumulated during the past quarter century¹

Besides, its complete implementation would involve worrisome demands on the national economy unless other pressing needs of the society were de-emphasized.² More serious defects in the Report relate to the casual mention of the problems of Indians, Metis, Eskimos and the rural areas, and the omission of provincial representatives from its membership. Perhaps its greatest drawback are the recommendations which intrude on provincial jurisdiction at a time when Canadian federation is subject to so much re-assessment and uncertainty.

1. Dr. Albert Rose's critique in an editorial "The Flaws in the house that Paul built". The Globe and Mail, February 4, 1969, p. 7.

2. D. H. Fullerton, a bond-market expert advances his postulate, Toronto Daily Star feature article, February 10, 1969.

The recommendations are summarized under six main headings: financing; land cost and utilization; construction costs and techniques; social housing and special programmes; urban development; administrative structure and research. A detailed and in-depth critique would best be undertaken as a major research project after a reasonable period of time has elapsed. Hence this student will attempt only an assessment based on the current housing situation and its parameters set by general social and economic conditions.

With the full realization that Canada will continue to become much more highly urbanized, the Task Force prefaced its recommendations with a general declaration of principles to which the Government of Canada should adhere.¹

1. Housing and urban development are an urgent priority for the people of Canada and must be treated as such by their elected representatives at all levels.
2. Every Canadian should be entitled to clean, warm shelter as a matter of basic human right.
3. While it will take some time to realize this goal, a concerted effort is required by all concerned - governments and the private sector - in the years immediately ahead. A minimum objective must be to produce 1 million additional housing units within the next five years.
4. Within the natural constraints of geography and necessary economic and social limitations, the aim of government policies should be to generate sufficient housing stock of various forms so that all Canadians may exercise their own freedom of choice as to the style and tenure of housing in which they live.

1. Report of the Task Force, pp. 22-23.

5. This fundamental freedom of choice should not be restricted to those able to compete in the private market, but should also be an underlying principle of public policies to assist low-income groups.
6. The provision of housing assistance to low-income groups can be effective in the long-term only if accompanied by the social and vocational assistance necessary to strike at the root of the poverty problem. The long-term objective must be to sufficiently raise income levels so that all but the most deprived families can compete themselves in the private market.
7. The housing needs of most Canadians can and should be met through the private market. Governments, in providing the necessary regulatory framework, should seek to encourage, not inhibit, the construction industry in serving the population at large.
8. While an active program of new construction is necessary to overcome the present housing shortage, economic, social and aesthetic considerations demand that greater care and effort be taken to preserve and, where necessary, rehabilitate existing housing stock.
9. If Canada needs more housing in a quantitative sense, greater effort also must be made to meet qualitative needs, both in terms of individual housing units and the urban environment in which they exist. Requirements for educational facilities, adequate urban transportation, sufficient open and recreational spaces, clean unpolluted air - in short, for human and humane urban development - can only be met through effective planning by public agencies.
10. To achieve maximum effectiveness, urban planning must be carried out within a realistic geographical and constitutional context but as free as possible of artificial political, economic and social boundaries.

Recommendations one to twelve relating to financing¹ are intended to facilitate and expand homeownership. A target of 200,000 housing annually to 1973 and \$20 billion capital expenditure has been established and the Task Force

1. Report of the Task Force, pp. 23-37.

intends to enlist the aid of private intermediaries particularly pension funds managers in achieving this goal. Currently the mortgage portfolios of pensions funds and banks are \$700 million or 9% of total assets and \$836 million or 3.3% of assets respectively.¹ It is anticipated that assets of registered pension funds will grow to \$14 billion by 1973 and be capable of undertaking this capitalization. Besides, the Bank Act amendments have effectively removed restrictions which previously kept chartered banks out of the residential mortgage, allowing them to move boldly in this area. A further postulate arising out of this new source of capital financing is that the residential construction industry will then be able to programme its activities on an assured basis over a longer period of time. With these assurances the federal government through C.M.H.C. will assume its proper role as a residual lender only where there are temporary gaps in the capital market. Allied to this recommendation are others suggesting liquidity for mortgage instruments and a completely free interest rate (mentioned earlier in my discussion of the Land Development Scheme) and raising the ceiling of N.H.A. loans to \$30,000 per house. These policy moves would have the support of an eminent critic² who asserts that mortgage ceilings inhibit

1. Ibid., pp. 24-25.

2. Professor J. V. Poast, "Is federal government's involvement holding up progress in housing field?" The Globe and Mail Report on Business, February 11, 1969, p. 35.

developers' efforts to meet the economic demands of those wanting houses. More important, he maintains that a free interest rate and the disappearance of mortgage insurance would form part of government's economic stabilization policy.

The counter arguments are similarly strong and valid. While government action can reduce the current 'inflationary psychology', it may conceivably make equity investment such as mortgages more attractive than the bond market. In the first place the new demand for mortgage financing will escalate interest rates and ultimately the cost of homeownership. But an additional problem arises from the financial intermediaries' redeployment of funds thus creating serious gaps in the bond market. It is in this market that provincial and municipal governments acquire financing for infrastructure development, and the general rationing of funds will also affect the prospective middle-income homeowners and reduce their ability to compete.

Other financing recommendations involve alternate forms of insured loans, lengthening the amortization period and removing the downpayment requirement for new purchasers. Although specialized mortgage institutions such as building societies and savings and loan associations have worked effectively in the U.K. and U.S.A. it seems hardly likely that they would survive in Canada without intensive public education programmes, particularly in view of the new aggressiveness of the chartered banks.

A more practical solution would be the cessation of federal mortgage insurance in favour of the conventional mortgage market assuming the risk.¹ Higher interest rates would not necessarily follow, but if they did, more funds would be attracted and the market forces would eventually create equilibrium. In the process of determining this particular recommendation, the Task Force deliberately chose not to subsidize interest rates on the ground that the \$100 million required annually would be contrary to government's announced spending restraint.

The other expedient of lengthening amortization periods up to forty years "should be avoided like the plague". by prospective home owners.² Although this advice is

1. Professor J. V. Poapst, op. cit.

2. R. H. Steacy's assessment in article "Here's why you should think twice before you take a 40-year mortgage". Toronto Daily Star, Real Estate Section, March 1, 1969, p. 17. Mr. Steacy's contention is based on the mortgage breakdown on a \$10,000 loan at 10% compounded semi-annually (the current rate). The following chart indicates, (a) the difference in monthly payment is only \$2.94 between both mortgages (b) by amortizing the loan in 10 years a saving of \$8,941.20 is realized.

	<u>30 Year Loan</u>	<u>40 Year Loan</u>
LOAN: \$10,000		
Monthly cost	\$ 86.27	\$ 83.33
Total cost	31,057.20	39,998.40
Interest paid	21,057.20	29,998.40

Difference: \$8,941.20.

contrary to the views of officialdom, it will in all probability be heeded by many who are less concerned about the socio-psychological values of homeownership than with the economic advantages of renting.¹ For these and other reasons such as the great mobility of Canadians and the space problems in urban areas, future residential development will be in the form of apartment complexes and town houses undertaken by real estate conglomerates. The prospect of widespread homeownership will not be fulfilled even allowing for the possibility of no down-payment which O.H.C. has instituted under the H.O.M.E. Plan.

Dr. Albert Rose's criticism of the Report of the Task Force stated very succinctly that

these recommendations will do little or nothing to meet the housing needs of the two-thirds of² Canadian families whose annual incomes are below \$7,500.

1. Shelter costs have been consistently the highest factor in the Consumers Price Indexes. Using 1949 as the base year, the indexes are

<u>Year</u>	<u>Rent</u>	<u>Homeownership</u>	<u>Total</u>	<u>Total CPI</u>
1956	135.6	128.4	132.5	118.1
1960	142.8	145.6	143.7	128.0
1964	145.0	162.8	153.8	135.4
1967	153.5	187.0	170.5	149.0
1967 Dec.	156.7	190.8	174.0	151.8

Extracted from: C.H.S., 1967, Table 81, Consumer Price Indexes, p. 79.

2. Op. cit., The Globe and Mail.

The recommendations regarding land cost and utilization¹ reflect nothing novel. They reiterate suggestions and statements from previous investigatory bodies² and what may be termed 'the conventional wisdom'. There is little indication of any awareness of land use alternatives bearing in mind that 1 million housing units heavily weighted towards single-dwellings will require about 200,000 acres of land. Nor have the engineering and servicing costs, which now average \$8,000 per lot,³ been calculated and provided for. The more potentially effective measures involve a change in taxation policy at the provincial level to remove the burden of education costs from the municipality and to return socially-created increments of land values to the community at large. But their implementation would appear most unlikely because they encroach on provincial jurisdiction which must be guarded jealously.

In order that the housing situation be resolved, these and other politically loaded recommendations must become the topics of future federal-provincial discussions. Until then no feasible answers may be expected.

1. Report of the Task Force, Recommendations 13-18, pp. 37-46.

2. The Carter Commission on Taxation recommended a Capital Gains Tax; the Smith Report on Taxation suggested rational property assessment procedures; and land assembly provisions already exist to assist municipalities (provinces).

3. Op. cit., p. 37.

In the area of construction costs and techniques the Report assumed a more persuasive role but once again the Task Force avoided what appear to be the two main causes of escalating cost. The Report encouraged dominion-wide adoption of the 1970 National Building Code thereby drawing Jane Jacobs' ire¹ and in a further recommendation exhorted architects to greater participation in improving housing and urban design. This was very timely and served to highlight architects' total detachment from the problem.² The proposal to remove sales taxes on building materials might not have the beneficial psychological effects suggested, given the disastrous performance of the Ontario Government in handling the rebates of property taxes. However such are the recommendations of the Task Force.

As mentioned earlier two important factors of costs and techniques were overlooked. These relate to an average annual 6% increase in the Composite Index of Residential Building Materials and Wage Rates³ and the fact that public

1. Jane Jacobs, noted urban critic, contends that this would severely limit architectural freedom. Toronto Daily Star, February 28, 1969.

2. The Royal Architectural Institute of Canada, at a recent press conference "discussed intellectual, ethical and social concepts of the housing problem and had little to do with any special role the architects might take ...". F. Robertson "Stronger Foundations for better housing", The Globe and Mail, February 18, 1969, p. 32.

3. Dr. Rose, op. cit., quoting from Dominion Bureau of Statistics Reports.

ignorance has up to now militated against general acceptance of industrialized building techniques.¹ Curiously enough a significant part of building cost is not spent on materials and the Critical Path Method has been suggested as a vehicle for cost control.² If housing construction is to be facilitated then the federal government's economic stabilization policy must include imposing restraints on material prices. At the same time Ottawa must become aware of provincial efforts in fields of mutual interest. Currently the Committee for Uniform Building Standards for Ontario is examining

to what extent and in what manner regulations and laws assist or impede building activity and affect the cost and to recommend possible changes in approach to regulation of building³

Its main tasks relate to interpretation of codes which may be impeding acceptance of prefabrication and modular coordination, and its adoption in Ontario is highly probable because of its distinct regional relevance.

A socially concerned public criticized the Report for failing to understand the nature of poverty and attendant slum conditions. And a private consultant repudiated the

1. Professor V. K. Handa. Unpublished paper, The Housing and Building Environment, prepared for University of Waterloo research project for C.M.H.C., July 1968.

2. Ibid.

3. F. Robertson, op. cit., The Committee was established by Municipal Affairs Minister Darcy McKeough and is advised by Dr. Legget of N.R.C.

recommendations for social housing and special programmes which misinterpreted the findings of his research work among public housing tenants. The Report released erroneous public housing construction cost figures and proposed rent supplements which are hopeless in solving the problem.¹ Besides, its condemnation of large scale public housing developments was directed at a 15-year old project² whereas O.H.C. programmes have resulted in greater social integration of tenants accommodated in single detached units and small scale multi-unit projects.

Once again the Task Force attempted to increase the federal role by making politically oriented recommendations for future social housing. By proposing loans to municipalities it negates the effectiveness of the N.H.A. 1964 amendments and ignores the constitutional difficulties which would ensue.

To its credit the Task Force enunciated the federal government's role in urban development and particularly the social problems emerging in an urban environment. The proposal to research the economic, social and psychological issues of public housing should be extended to cover the

1. Rent supplements are unsuccessful in rising rent markets as O.H.C. discovered. An additional difficulty arises in that slum landlords would be the real beneficiaries. and Professor Poapst agrees with these transfer payments and claim that opposition to them is 'middle-class snobbery' because of differences in consumption patterns.

2. South Regent Park built as an urban renewal project in 1953.

totality of urban living. This includes bio-engineering factors, political and industrial environment and data retrieval and analysis. Only then will Canadians be able to put ecological forces to work for their benefit.

Special programmes for the original Canadians appear to be 'too little too late' but the cautious steps may prove wise in view of the social and cultural differences between them and the rest of Canada. An equally prudent move is the decision to retrench resources for student housing. In recent years student housing has consisted primarily of multi-floor, large-capacity buildings developed because of considerations of site, economy and operational ease. Generally the residences do not meet the students' social needs nor reflect adherence to any design theory of university architecture. It is more necessary in view of widespread vocal demands for student participation that future residences cater to,

- (1) his need as an individual "for privacy, domestic scale and identification with a small environment" and,
- (2) his need "for collective identity with groups of students and the educational benefits attendant upon such identity"¹

Until there is demonstrable improvement in the planning and development of student residences by provincial

1. Albert Bush-Brown quoted by John Bland and Norbert Schoenauer in University Housing in Canada. McGill University Press, 1966, p. 10.

agencies having regard to student needs and the general university landscape, the Task Force recommendation should be widely accepted. In any event the shortage of residential space will be met by boarding houses and by private developers aware that the academic year is now tending to occupy a full twelve months.¹

In other areas affected by recommendations the Task Force has explicitly outlined the powers and responsibilities of all three levels of government. There can be little disagreement with the correctness or political feasibility of the Report and it can only be construed that given the financial resources the governments will undertake the job within the shortest possible time.

A valid criticism of the recommendation regarding urban transportation problems² is that the Task Force places the wrong perspective on transportation when it regards it as a municipal matter. Having discussed the importance of national transcontinental transport system it then seeks to compartmentalize the issue in order to justify federal aid to municipalities similar to loans for sewage development.

One must seriously question the Task Force's disregard for the Metropolitan Toronto and Area Regional Transportation Study and its four alternatives which have

1. Arguments adduced by the Task Force in the Report, p. 60.

2. No. 33, p. 63.

been receiving provincial consideration. Sharply contrasted to M.T.A.R.T.S. and its policy implications are Ontario's new proposals for regional government, which will govern the local-regional planning functions without having the financial base to provide necessary research and services.

The rebuilding of cities is now a matter of general public concern and if the Declaration of Principles by the Task Force is to serve broad social goals, there must be a judicious use of urban renewal.¹ Recommendations 34 to 39 will guarantee this eventuality since they confirm current practice or contain the essentials of a proper redevelopment programme.²

In conclusion, the Task Force recommended administrative changes regarding the determination and execution of housing and urban development policies and consideration of a model city to serve as a laboratory to test new urban living patterns. There is nothing new in the concept of new towns or satellite cities except that several have failed because they were not self-sufficient. The Canadian experience has been singularly good primarily because the

1. Ontario Government Design for Development announced April 5, 1966. Criticism by Mrs. Scrivener, Metropolitan Toronto Planning Board. The Globe and Mail, March 4, 1969.

2. The important goals are: reduction in the number of occupied substandard housing; injecting more money in the housing inventory to improve conditions. William G. Grigsby "A General Strategy for Urban Renewal", quoted in J.Q. Wilson (ed): Urban Renewal, The Record and the Controversy. The M.I.T. Press, 1966.

cities had a single function, but the British New Towns policy ought to be closely studied with a view to applying some of the techniques here.

Very close cooperation between all levels of government is necessary for the modification and implementation of the Report. This close liaison must be achieved in spite of the administrative structures erected. If Canada is to meet the challenges of urbanism, Ottawa must pursue a strong and appropriate role in housing and urban development, but the danger remains that Ottawa may opt out of this field without transferring adequate resources should the provinces pursue their legalistic approach to the matter.

CONCLUSION

In retrospect, an evaluation of housing policy will indicate that middle and upper income Canadians became a nation of homeowners whilst the lower income segment has been generally inadequately housed. The total housing stock amounted to 5.1 million¹ in 1966, of which 2.2 million² had been developed since 1950, but significantly 900,000 units were financed by \$9.9 billion under N.H.A. aegis.² By comparison, only \$298 million were spent on 25,700 units of public housing.⁴ It must be assumed that the same factors contributing to the failure of past policies to meet social need will continue to influence policies in the future and this concluding chapter will therefore examine the main features of federal and provincial programmes in order to identify the significant elements associated with them.

Until 1964 federal housing policies in Canada were developed in response to specific critical situations such as the depression or wartime defence needs which had only

1. C.H.S. Table 93, "Summary Dwelling Characteristics by Area, 1961 and 1966 Census", p. 85. Actual number of occupied dwellings in Canada in 1966 was 5,180,473.

2. Appendix F.

3. Extracted from Table 32, "Mortgage loans approved for New and Existing Housing under the Housing Acts, Canada, 1935-1967", p. 45, (net amounts).

4. Extracts from Table 37, "N.H.A. assistance for rental projects for low income groups, Canada, 1946-1967", p.49.

incidental relation to housing. A major characteristic of the 1950's was the apparent housing shortage and application of legislation to solve the problem by increasing the flow of mortgage money and improving the environment in which lending occurred. More latterly the prime concern has been housing for the poor and middle-income earners but legislation has failed to meet the need.

This brief review poses a number of questions which must be answered satisfactorily if there is to be any effective way out of the current impasse. First, what has been the relationship between national housing programmes and policies and the general economic growth and development? The growth in physical volume of housing construction has been consistently less than the growth in real GNP resulting in less resources being devoted to new housing. At the same time, since residential mortgage demand is more interest-sensitive than competing demand for funds, government has used housing as an "economic regulator" to stabilize the overall level of demand in the economy but at the expense of producing much instability in the housing sector itself.¹

A second question concerns the relationship between housing needs and national housing objectives.

1. This analysis was employed by James Gillies, "The Future of Federal Housing Policies in the United States", in A. A. Nevitt (ed), The Economic problems of Housing, MacMillan, New York, 1967, pp. 137-148; and by Paul F. Wendt, Housing Policy - A Search for Solutions, University of California, Press, 1962.

Until 1967¹ there had been no declaration as to the number of units to be developed nor the exact amount of public money to be invested for the purpose. When this was finally done it appeared as part of a national economic review rather than as official housing policy. The conclusion to be drawn is that the requirement of 1 million units over a five year period is seen as the construction industry's input in the GNP matrix rather than as a response to social need.

Thirdly, how has national housing production altered housing standards, controlled building costs and maintained stability in production? Latest statistics indicate that of the 5.1 million occupied dwellings in Canada, 5.6% are in need of major repair, 20.3% require minor repairs, 21% lack exclusive use of a flush toilet and another 22.9% lack bath or shower.² In the area of costs there has been absolutely no control due perhaps to external diseconomies; and whereas family income has risen by 150% since 1949 land costs have almost quintupled and actual construction costs increased by 105 percentage points. While increasing demand may have resulted in spiralling costs it did not lead to stable production.³

1. Economic Council of Canada, Fourth Annual Review, September, 1967, pp. 133-134.

2. Extracted from Table 93, "Summary Dwelling Characteristics, by Area, 1961 and 1966 Census, C.H.S., p. 85.

3. See Appendix F. This is a direct response to the use of housing as an economic regulator.

The final question in this framework for evaluation concerns the degree of consistency over time between housing objectives and policies. As stated earlier, there was no precise objective in quantitative terms, but the consistency between the policy and its results for housing is worth examining. The objective of higher housing standards has not been achieved because national programmes were not of sufficient urgency to encourage a greater allocation of resources for housing. As a means of protecting land values and creating a better environment, the policies of urban renewal have been so far ineffective, and neither the devise of mortgage insurance nor public housing has created a sufficient housing stock to satisfy current social need.

It is apparent that neither urgency nor the necessity to solve serious housing problems has been sufficient to cause adequate legislation and resources to be provided. The selection of a viable national housing policy must ultimately be a political decision¹ and it must be subject to the overriding importance of maintaining general economic stability.

The first step has been taken by the creation of a Federal Task Force which sought to produce its Report with the maximum feasible participation of individuals and

1. Leo Grebler, "Criteria for appraising governmental housing programs", American Economic Review, 50; Number 2, (May 1960), p. 331.

interest groups in all areas of Canada. The next step must be to accept the urgency of the problem and implement programmes with potential for success bearing in mind the success and failures of past housing efforts.

The only successful aspect of Canada's housing policy has been homeownership supported by direct loans and mortgage insurance. This is due solely to the fact that the legislation employed the existing mortgage institutions and attempted to supplement the operations of the price system. Notwithstanding the rigidities it may have caused to its own detriment, housing was provided for those who exercised effective demand. The Report has made a number of recommendations which rely on the existing market while attempting to broaden its operations. On the explicit assumption therefore that the system functions properly, homeownership will become increasingly available to those middle-income Canadians who wish to take advantage of it.

Public housing up to 1964 has been the least successful aspect of government policy because it could not be accommodated by the price system. The O.H.C. programme has clearly indicated that low-income housing built by private developers under contract to government can create a large housing stock in all areas of the country without sacrificing economy or standards. The only requirements being municipal initiative and federal-provincial participation in capital and recurrent costs. But for the Task Force's

recommendation to curtail future development, social housing could be provided in sufficient numbers bearing in mind O.H.C.'s policy of integration within each community and an almost general acceptance by interest groups including the Toronto Real Estate Board and the building fraternity.

Somewhere between homeownership and public housing, in terms of successful application, are to be found urban renewal and a land bank policy. Urban renewal as a method of spot clearance has been a failure. It has been either too insufficient to be effective or has created hardship for occupiers of substandard dwellings within urban renewal areas.

The new philosophy of clearance, conservation and rehabilitation, buttressed by strict code enforcement and involving financial participation by both government and private enterprise, will result in a greater consideration of market forces of the total urban area rather than the immediate problems of a particular project. Here again the Report appears to contain the nucleus of a solution.

On the issue of land banks and urban development, the Report has enunciated a new shift in policy. Allowing for a rationalization of the procedures to include direct provincial participation, the policy of planned urban development within municipal or regional boundaries shows two things. First, all levels of government will anticipate future housing problems and try to minimize them, and

secondly, new housing will be built in a planned environment with all necessary amenities. The emphasis will have shifted from the individual housing unit to the community.

Failure to translate previous land assembly projects into housing units has been due to absence of any link between private enterprise, such as the building industry, and the programme. There has also been a definite reticence on the part of government to support or guarantee large scale private development in places like Mississauga, particularly where the local municipality imposes restrictive controls. The future government of housing requires complete government withdrawal from direct operations and a firm declaration of the responsibilities of each level supported by adequate financing to meet them.

In the final analysis all governments must establish an agenda for action in anticipation of the Report's modification and implementation. The agenda must tackle the political and ideological implications of bad or inadequate housing¹; it must include provision for better income redistribution and higher paying jobs in order that existing house prices will be within the financial capacity of the

1. "Recent British experience has provided interesting evidence that discontent with housing could play a significant role in toppling a government". 88th Congress, 1st Session, March 1963. Study on International Housing.

middle-income earner;¹ it must deal with the social psychology of housing.

Finally, the agenda must assume a macro-welfare position of providing guidelines for growth thereby restoring to the financially able the choice of house types and location; while on the other hand satisfying the needs of the poor who will be found in larger numbers in Canada's metropolitan areas.

1. In 1968 the average price of a house sold through Multiple Listing Service in Metro Toronto was \$27,637. Source: TREB release.

In 1967 the middle third family incomes in large urban centres ranged from \$6,094 to \$9,350. Source: C.H.S., Table 58, "Non-farm family Income Groups".

INTERNATIONAL COMPARISON OF HOUSING STOCK

Country	Dwelling Stock at the Census Date		Stock of Rooms at Census Date	
	Thousands	Number Per 1000 Inhabitants	Thousands	Number Per 1000 Inhabitants
Sweden	2,582	344	8,855	1,181
Netherlands (a)	13,379	249*	54,231	1,007*
France	14,538	313	44,433	955
Italy	13,007	257	43,427	858
U.K.	14,253	309	67,956	1,474
Belgium	3,016	328	14,444	1,572
West Germany (b)	13,379	249*	54,231	1,007*
U.S.A.	58,468	308	87,000	1,500
Canada	4,554	250	24,210	1,327

Source: Annual Bulletin of Housing and Building Statistics for Europe, U.N., New York and a Statistical Survey of Housing Situation in European Countries around 1960. U.N., New York 1965.

Note: In order to make figures for dwellings and rooms per 1000 inhabitants broadly comparable amongst countries they are based on total population, (i.e. including persons living in temporary accommodations, institutional households, etc.)

* Estimated by Secretariat

(a) Including secondary and seasonal dwellings permanently occupied after official requisition by local authorities.

(b) Dwellings in basements, those without a kitchen or kitchenette and those for which data were not available are excluded.

APPENDIX "B"

TABLE 22
 DWELLINGS COMPLETED, WITH AND WITHOUT PUBLIC ASSISTANCE,
 CANADA, 1921-1949
 (Thousands of Units)

Year	With Public Assistance ¹	Without Public Assistance	Total
1921	1.4	32.7	34.1
1922	1.4	40.9	42.3
1923	1.8	41.8	43.4
1924	—	38.7	38.7
1925	—	44.7	44.7
1926	—	55.2	55.2
1927	—	58.8	58.8
1928	—	62.9	62.9
1929	—	64.7	64.7
1930	—	53.0	53.0
1931	—	47.8	47.8
1932	—	28.1	28.1
1933	—	21.9	21.9
1934	—	27.7	27.7
1935	.5	32.4	32.9
1936	1.2	38.1	39.3
1937	2.4	46.2	48.6
1938	3.3	40.7	44.0
1939	6.3	45.4	51.7
1940	7.0	45.5	52.5
1941	6.6	50.2	56.8
1942	10.3	36.9	47.2
1943	7.8	29.0	36.8
1944	3.8	39.0	42.8
1945	5.6	42.9	48.5
1946	20.0	47.2	67.2
1947	21.0	58.3	79.3
1948	23.3	57.9	81.2
1949	35.8	55.2	91.0

¹For the period 1927-1934 a small number of dwellings financed under the Canadian Farm Loan Act, 1927, and for the period 1921 to 1945 a small number of dwellings for government employees, e.g. lighthouse keeper, are included in the series of housing completions without public assistance. Totals from both sources would for most years be less than 100 units.

Table 56 Non-Farm Family Incomes and Family Incomes of NHA Borrowers for New Housing, Canada, 1959-1967 (Per Cent)
 Tableau 56 Revenu familial des familles non agricoles et des emprunteurs pour le nouveau logement aux termes de la LNH, Canada, 1959-1967 (p. 100)

Family Income (Dollars) Revenu familial (dollars)	All Families Ensemble des familles					Families Borrowing Under NHA ^a Familles empruntant aux termes de la LNH ^a					
	1959	1961	1963	1965	1967 ^a	1959	1961	1963	1965	1966	1967
0 - 2,999	24.3	21.9	17.6	15.3	12.8	0.1	0.1	†	†	0.1	†
3,000 - 3,999	17.3	13.7	12.5	9.7	7.7	3.3	2.9	1.2	0.5	0.3	0.1
4,000 - 4,999	18.4	16.7	15.5	11.2	9.1	22.4	19.7	13.0	8.5	4.4	1.3
5,000 - 5,999	13.8	15.1	14.7	13.2	11.3	26.2	28.4	29.2	24.2	16.6	9.3
6,000 - 6,999	8.7	11.2	11.2	12.7	11.4	19.9	19.9	20.5	21.5	20.5	17.4
7,000 - 7,999	6.3	7.0	8.3	9.4	10.7	13.2	13.0	14.3	15.9	17.3	18.0
8,000 - 8,999	6.0	7.9	10.1	13.9	14.5	7.0	7.7	9.5	11.2	13.4	14.9
9,000 - 9,999						3.0	3.5	5.0	7.0	9.3	11.2
10,000 - 10,999						1.4	0.2	3.4	5.3	7.6	9.9
11,000 - 11,999	3.6	4.8	7.7	11.0	15.2	2.2	1.3	1.2	2.0	3.3	5.5
12,000 - 12,999						1.3	3.2	1.2	1.8	2.9	4.9
13,000 - 13,999						—	—	0.4	0.6	1.2	2.3
14,000 - 14,999	1.6	1.7	2.4	3.6	7.3	—	—	0.2	0.4	0.7	1.5
15,000 +						†	0.1	0.9	1.1	2.0	3.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average Income (Dollars) Revenu moyen (dollars)	4,968	5,318	5,939	6,669	7,516	6,283	6,336	6,747	7,233	7,918	8,769
Median Income (Dollars) Revenu médian (dollars)	4,423	4,866	5,296	6,044	6,798	5,923	5,964	6,322	6,780	7,465	8,255

Table 58 Non-Farm Family Income Groups, 1954-1967
 Tableau 58 Classes de revenu familial — milieux non agricoles, 1954-1967

Family Income Group Classe de revenu familial		Limits of Family Income Groups Limites des classes de revenu familial				
		1954	1961	1963	1965	1967 ^a
All Non-Farm Family Incomes Ensemble des revenus familiaux — milieux non agricoles						
Lower Third	Tiers inférieur	0 — 2,920	0 — 3,942	0 — 4,210	0 — 4,758	0 — 5,355
Middle Third	Tiers médian	2,921 — 4,473	3,943 — 5,961	4,211 — 6,519	4,759 — 7,489	5,366 — 8,510
Upper Third	Tiers supérieur	4,474 +	5,962 +	6,520 +	7,490 +	8,511 +
Median Income	Revenu médian	3,663	4,866	5,296	6,044	6,798
Average Income	Revenu moyen	4,143	5,318	5,939	6,669	7,516
Family Incomes in Large Urban Centres ^a Revenus familiaux dans les grands centres urbains ^a						
Lower Third	Tiers inférieur	0 — 3,443	0 — 4,416	0 — 4,836	0 — 5,401	0 — 6,093
Middle Third	Tiers médian	3,444 — 5,003	4,417 — 6,465	4,837 — 7,372	5,402 — 8,196	6,094 — 9,350
Upper Third	Tiers supérieur	5,004 +	6,466 +	7,373 +	8,197 +	9,351 +
Median Income	Revenu médian	4,142	5,378	5,921	6,661	7,531
Average Income	Revenu moyen	4,738	5,956	6,706	7,386	8,324

ONTARIO HOUSING CORPORATION

ORGANIZATION CHART

DECEMBER 31st 1966

Table 5 Dwelling Starts, Completions and Under Construction, All Areas, by Province, 1950-1967 (Dwelling Units)
 Tableau 5 Logement commencé, parachevé et en construction, dans tous les centres, par province, 1950-1967 (unités)

Period Période	Nfld. T.-N.	P.B.I. I.-P.-E.	N.S. N.-E.	N.B. N.-B.	Que. Qué.	Ont. Ont.	Man. Man.	Sask. Sask.	Alta. Alb.	B.C. C.-B.	Canada
Completions Parachevé											
1950	1,716	375	2,573	2,545	27,237	31,318	4,612	2,813	7,266	8,560	89,015
1951	941	290	1,942	1,143	26,686	31,732	3,810	2,026	6,057	6,683	81,310
1952	1,131	42	1,811	1,231	22,407	27,461	3,142	2,630	6,204	7,028	73,087
1953	1,480	182	2,160	1,402	29,803	35,173	4,794	4,047	9,854	7,944	96,839
1954	1,160	188	2,496	1,415	26,182	41,085	5,107	4,889	10,285	9,158	101,965
1955	1,284	199	2,611	2,562	34,866	51,612	5,873	4,278	10,610	14,034	127,929
1956	1,510	171	2,549	2,450	41,166	51,201	6,438	3,603	11,622	14,990	135,700
1957	1,183	149	2,438	2,550	33,188	45,087	4,312	4,310	9,948	14,118	117,283
1958	1,205	109	2,320	3,237	39,750	59,551	5,743	4,979	13,562	16,230	146,686
1959	1,215	352	3,949	2,345	38,920	54,281	5,823	6,363	14,183	18,240	145,671
1960	2,222	369	3,874	1,868	31,311	46,982	6,475	5,322	11,477	13,857	123,757
1961	1,579	317	3,932	2,141	31,756	43,754	5,500	4,917	10,545	11,167	115,608
1962	1,432	737	3,427	2,054	35,782	47,287	4,831	5,719	13,493	11,920	126,682
1963	2,224	484	3,491	1,704	38,989	43,400	4,892	4,776	12,419	15,812	128,191
1964	2,381	429	3,127	2,163	43,658	57,739	6,597	5,992	12,096	16,781	150,963
1965	2,076	459	3,471	2,947	42,565	56,568	6,193	7,218	11,355	20,185	153,037
1966	1,386	495	3,588	2,997	40,412	68,407	5,416	6,830	10,717	21,944	162,192
1967	1,960	465	2,581	2,404	39,108	58,278	5,537	5,873	11,310	21,726	149,242
1967 J/F/M	381	83	623	544	6,326	13,398	790	1,232	2,278	4,348	30,003
A/M/J	498	127	595	496	12,309	12,104	1,004	1,093	2,561	4,765	35,552
J/A/S	455	122	683	521	9,643	15,066	1,346	1,270	2,775	5,719	37,600
O/N/D	626	133	680	843	10,830	17,710	2,397	2,278	3,696	6,894	46,087

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