

R E V I E W

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Government Should not Step on Community's toes on Housing

New money welcome, if community priorities are respected

by Doug Smith

Over a decade ago the Conservative government of Brian Mulroney withdrew its support for new social housing across Canada. The Chrétien government took this abdication of responsibility one step further when it offered to turn management of existing social housing projects over to provincial governments.

For these reasons alone the November 2001 agreement between the federal government and the provinces to spend \$1.36 billion over five years on affordable housing is a welcome development.

The fact that the Manitoba government is one of the few provincial governments that has demonstrated any leadership in implementing this agreement is also reason for celebration. The recent memorandum of agreement between the Manitoba government, the federal government and the City of Winnipeg, will see the three levels of government spend \$68.3 million on affordable housing in Winnipeg over five years. This is easily the largest investment in affordable housing in this province in over a decade. According to government officials it will create 1,700 new or renovated housing units in Manitoba.

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Under this agreement, the feds and the province are each contributing \$25.4 million while the city is contributing \$17.5 million

This investment is on top of the three government's commitment to the three-year \$26.3 million Winnipeg Housing and Homelessness Initiative, which has rescued over a thousand Winnipeg housing units.

Community-Based

Much of the good work that the provincial government has supported has been carried out by a growing network of community-based housing and renewal organizations. Operating in the North End, West Broadway, and the Spence area, community organizations have worked with residents to create neighbourhood development plans that treat improved housing as only one element in a broader community revitalization strategy. They look at rebuilding communities through neighbourhood patrols, community gardens, and improvements to lighting and recreation facilities.

Once an organization such as the North End Community Revitalization Corporation has helped a residents association develop a plan, it works in partnership with the non-profit North End Housing Project, which acquires the properties and oversees the needed renovations.

As NEHP manager Mary Williams stresses, the Project takes every possible step to ensure that the people of the North End benefit from each aspect of each renovation. "The people who are working on our projects are people who have been on social assistance, have graduated from the Just Housing training program, and have acquired skills and experience in the construction trade. So they are local people who may have been unemployed or underemployed for a long time."

The work that has been done by all these organizations in the William Whyte community is a tribute to what can be accomplished through a community-based approach to neighbourhood revitali-

zation. The William Whyte Residents Association put together a community plan that stressed the residents' preference for an approach that created single family dwellings that would fit with the character of the neighbourhood and would be affordable for low-income people. The residents also organized regular neighbourhood walks, which brought local residents together to identify housing, safety and recreation issues and raise them with the city.

The walks not only improved the neighbourhood, they were a way for residents to reclaim the neighbourhood for themselves.

As Ervin Houle, a former income-assistance recipient who now works as a carpenter on North End renewal projects notes, the fact that local people have been responsible for making these changes has led to a revival of community pride. "People told us we were wasting our time, that the people

were going to move into these homes and wreck them. We found that totally the opposite. People move into a place and they say this is our place and it looks nice and we want to take care of it."

The current provincial government, through such programs as Neighbourhoods Alive!, has been a strong supporter of these community-base initiatives.

And it is clear that this approach is bearing fruit. In recent years property values have been rising in parts of North End Winnipeg, and some of the largest increases have come in those areas that have been the focus of strong, community-based development plans.

Involving the Private Sector

The community economic development model developed at a time when the need for inner city housing was increasing and the federal government was abandoning its responsibility for social housing. It has demonstrated the strength and creativity of people who had long been consigned to the margins of our society.

But as governments prepare to spend the millions that they have budgeted for affordable housing, it appears that politicians are looking at finding ways to involve the private sector. For years, the private sector

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has had little to do with building houses for low-income people for the simple reason that low-income people by definition cannot afford to pay enough for housing to allow the private sector to make a profit. Recently, Manitoba Housing Minister Drew Caldwell mused in the *Free Press* that it might be necessary to introduce tax credits to lure the private sector back into building low-income housing units.

According to the *Free Press*, "Housing developers have argued federal tax changes made in the early 1970s have discouraged private-sector rental housing starts. Prior to the changes, builders could write off part of their construction costs against other income, and there was no tax paid on capital gains as long as the money was invested in other rental property."

According to James Lorimer's 1978 book *The Developers* this meant developers were able to use these benefits to "avoid paying corporate tax on the profits they make in all the various aspects of the land development business." At a time when the average corporate tax rate was close to 50 per cent for most corporations, Lorimer estimated that land developers were being taxed at a rate of less than 10 per cent.

If that was not bad enough, it is important to remember that most of the rental units that developers threw up in the 1970s were the hideous cement-skinned high-rises that scar the skylines of so many Canadian cities. One can understand why developers slaver for a return to the days of the high-rise and the super-profit, but what's in it for the rest of us?

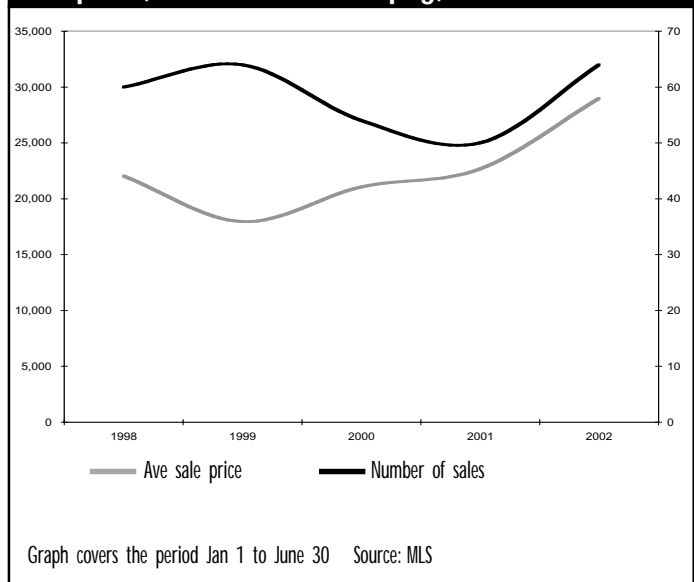
What the private sector can offer is capacity. The community economic development approach does more than build houses, it recruits and trains a workforce, creates cooperative construction firms, and builds community organizations. It leaves behind a stronger more self-reliant community, but of necessity it is a slow process. Skilled carpenters and managers cannot be conjured up out of thin air. It is not clear that the community model can deliver 300 units of housing a year that the affordable housing agreement calls for.

It is not unreasonable to consider bringing the private sector into the equation if such a move would help to meet the demand for decent affordable inner city housing.

But no such decision should be made without first ensuring that private sector development incorporates community planning, community employment, and

respect for the nature of the community. Secondly, it has to be recognized that when people talk of creating tax incentives to bring the private sector into the community they are talking about providing a subsidy to the private sector. It may well be the case that the government could get the same increase in housing construction that a private sector tax break would generate by investing a similar amount of money in

Fig. 1 Residential-detached home sales and ave. sale price, North End Winnipeg, 1998-2002



the inner city to create additional community capacity. In either case, it must be recognized that rebuilding community skills and community institutions is not an add-on, a frill that can be set aside now that governments have finally decided to loosen their purse strings. Instead they are essential to the long-term success of any inner city revitalization program. ■

Doug Smith is a Winnipeg writer and researcher, and author or co-author of ten books.

Sample Housing Projects in Winnipeg Neighbourhoods

West Broadway Development Corporation

The work in West Broadway is done by non-profits, Westminster Housing Society and the West Broadway Development Corporation (WBDC) in partnership with Winnipeg Housing Rehabilitation Corporation, and private, community-based developers.

Since 2000, 124 units have been added to West Broadway's housing stock. This includes 21 units in community land trust, an 11-unit apartment building, 31 units of student housing, and four four-plex rooming houses.

WBDC is also working with Prairie Architecture on a feasibility study to do 25 to 40 units of "green" co-housing, and looking at six to 12 units designed for people with disabilities

For many of the housing projects in West Broadway, labour is provided by Youth Builders (a nine-month program with 24 students that combines high school and job training), and Inner City Renovation Inc.

North End Housing Project

The North End Housing Project started with 10 homes on two blocks of Alfred Ave. It has renovated 48 units that are rented or ready since 2002. The organizations plans on ramping up its activity in order to be doing 75 properties a year by 2006. NEHP also has 10 vacant lots that it will soon use to begin in-fill housing, and another 10 in the future. It is also looking at acquiring 40 additional properties, 10 to be in-fill and the rest as single detached.

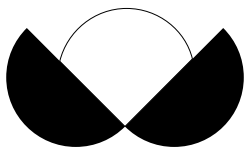
Labour is provided by Inner City RenovationsInc and the Aboriginal Youth Housing Renovation Training Program.

Spence Neighbourhood Association

The work in Spence is done by Lazarus Housing (a non-profit construction company), Housing Opportunities Partnership (non-profit), and Spence Neighbourhood Association in partnership with Winnipeg Housing Rehabilitation Corporation.

Sixty-eight units have been prepared for resale, and Lazarus has also done 50 units for a combination of emergency shelter, transitional housing and traditional tenancy. The projects have employed about 20 area residents on a full-time basis and others part-time.

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