



RESIDENTIAL

REHABILITATION ASSISTANCE PROGRAM EVALUATION

PREPARED BY

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HOME TO CANADIANS
Canada

This document is in two parts. The first part is an evaluation of the various components of CMHC's Residential Rehabilitation Assistance Program which are delivered off-reserves. These components include Rental RRAP, Rooming House RRAP, Conversion RRAP, Homeowner RRAP, RRAP for Persons with Disabilities and the Emergency Repair Program.

The second part is an evaluation of the Residential Rehabilitation Assistance Program which is delivered on-reserves. Homeowner RRAP and RRAP-D for Persons with Disabilities are the only components which are delivered on-reserves. The second part is a summary of a report entitled *On-Reserve Residential Rehabilitation Assistance Program (RRAP) Evaluation, Audit and Evaluation Services, CMHC, 2003*.

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EXECUTIVE SUMMARY

INTRODUCTION

The Residential Rehabilitation Assistance Program (RRAP) was introduced in 1973, with the On-reserve RRAP being introduced in 1978. Since then, the Program has provided \$3.0 billion to help rehabilitate over 650,000 substandard housing units and beds. While RRAP has undergone numerous changes throughout its history, its prime intent to bring the housing conditions of low-income Canadians up to basic health and safety standards has remained unchanged.

This evaluation covers the period from 1995, when major program changes were last introduced, to 2001. Previous changes introduced in 1985 ensured that RRAP was targeted to households in core housing need, that is, households living in substandard housing who cannot afford adequate and suitable accommodation without paying more than 30% of their income on shelter. The 1995 changes were intended to improve the program's ability to address repair needs by increasing program assistance and improved targeting to households with greatest need.

In December 1999, the federal government announced a \$311 million expansion to the RRAP and other federal renovation assistance programs as part of the \$753 million National Homelessness Initiative.

EVALUATION SCOPE AND ISSUES

This evaluation covers activity for the following program components: Homeowner RRAP, Rental RRAP, Rooming House RRAP, Conversion RRAP, RRAP for Persons with Disabilities and the Emergency Repair Program, as well as provincial and territorial programs cost-shared under RRAP. The evaluation also covers activity for the two components of the On-reserve RRAP, namely Homeowner RRAP and RRAP-D for Persons with Disabilities. In the case of Québec, the evaluation relies on existing evaluations of Québec programs carried out by la Société d'habitation du Québec. Two other renovation assistance programs, the Home Adaptations for Seniors' Independence program and the Shelter Enhancement Program have recently been evaluated and hence are not part of the current evaluation.

This evaluation addresses the following key questions: Is there a continuing rationale for federal government renovation assistance? Who benefits from renovation assistance? What are the housing impacts? What are the impacts on neighbourhoods and on employment? The evaluation also examines program design and delivery issues.

METHODOLOGY

Multiple lines of evidence were used to support the evaluation findings. Policy statements and academic literature were reviewed to assess the continuing rationale for government assistance. Surveys of program clients and comparison households and inspections of renovated dwellings provided empirical evidence of the impact of the renovation programs on low-income households and on housing conditions. Interviews with government housing officials and surveys of delivery agents and staff provided qualitative information on program rationale, design and delivery issues. Case studies of four urban centres provided additional qualitative information on program effectiveness and neighbourhood impacts. An economic model of the Canadian economy was employed to measure the employment and other economic impacts of RRAP.

KEY FINDINGS

- **Program Rationale**

There is a strong rationale for continuing government assistance to improve the housing conditions of low-income households, to preserve the affordable housing stock and to improve housing accessibility of low-income Canadians with disabilities. Off-reserve some 480,000 low-income Canadian households occupy housing that is either in need of major repair or is crowded. On-reserve, there is a continuing backlog of dwellings in need of repair of at least 14,000 units, 24% of units are overcrowded, and Aboriginal peoples have a higher incidence of disabilities than the non-aboriginal population. At the same time, the housing stock is aging and while older buildings are more affordable to low-income households, repair assistance is required to ensure the buildings provide adequate housing and do not present risks to health and safety.

RRAP can contribute to reducing homelessness by preventing those at risk of homelessness from becoming homeless. While improving the physical and social conditions of neighbourhoods often requires more than an investment in housing, RRAP can be a useful tool for neighbourhood revitalization when used in concert with other community-based initiatives. Similarly, RRAP can be an effective employment generator, although national employment growth is not a primary rationale for RRAP at this time.

- **Targeting Low-Income Households**

Overall, RRAP and ERP are well targeted to low-income households. In 2002, between 85% and 98% of households living in units assisted under the various components of RRAP off-reserve had incomes below the level that would be required to access adequate and suitable housing without paying more than 30% of their income on shelter. Ten percent of Homeowner RRAP clients and 28% of ERP clients were Aboriginal households, which is above the relative need of Aboriginal households for renovation assistance, but is still below the affirmative action targets set for Aboriginal participation in these programs.

On-Reserve RRAP is well targeted to low-income households. In 2002, 98% of RRAP and 93% of RRAP-D households had incomes below the forgiveness income levels. RRAP-D is well targeted to persons with disabilities. In 2002, 90% of households in units funded under RRAP-D have a household member(s) with a disability. In addition, 24% of RRAP units were occupied by households with a person(s) with a disability.

- **Improving Housing Conditions and Preserving the Affordable Housing Stock**

Both on- and off-reserve, RRAP is having a significant impact on housing conditions. It is a major factor in property owner decisions to renovate their dwellings, and has had a significant impact on the housing conditions of low-income households. It is also helping to preserve the affordable housing stock by permitting an extended useful life of properties and, in the cases of Rental and Rooming House RRAP, by maintaining rents below average market rent levels.

Off-reserve occupants of units renovated through RRAP were overwhelmingly in agreement that RRAP had improved the quality of their housing. They also reported reduced threats to health and safety, although no specific improvements in occupant health and safety were found. Physical inspections of units renovated under the program confirm that in most cases, major threats to health and safety are being addressed. However, between 50% and 60% of units have one or more elements that do not meet the RRAP Standards for minimum health and safety. Inspection of units where RRAP work has recently been completed revealed an even higher level of outstanding repair need, suggesting that the incidence of partial RRAP is increasing.

On-reserve, 66% of RRAP clients reported being satisfied with their housing as compared with 35% of the comparison group, and 58% reported significant improvement in their housing. RRAP is reducing overcrowding and 14% of RRAP units have included the addition of bedrooms. A quarter of occupants also reported increased feelings of safety and security, although no specific improvements in occupant health were found. The repair requirements of RRAP units have been substantially reduced and RRAP has extended the useful life of dwellings by about 10 years. However, 72% of units renovated have one or more elements that do not currently meet the RRAP Standards for minimum health and safety.

- **Improving Accessibility for Low-Income Canadians with Disabilities**

Both on and off-reserve, RRAP is having a significant, positive impact on the accessibility of units modified under the program and on the ability of persons with disabilities to carry out daily living activities. Occupants of units modified under RRAP for Persons with Disabilities are satisfied with the quality and accessibility of their housing, and report improvements in their ability to participate in daily living activities as a result of RRAP-D funded modifications. Off-reserve, a majority of clients report an unmet need for home modifications, indicating that the program is not fully addressing accessibility needs. On-reserve, about 30% of clients report an unmet need for home modifications.

- **Alleviating Homelessness**

RRAP is contributing to alleviating homelessness. Rental and Rooming House RRAP are serving clients who have experienced homelessness, and successful initiatives have been undertaken using RRAP in combination with funding from other programs. Nonetheless, RRAP has had a limited impact on the size of the homeless population, which is reflective of the level of program funding, the fact that units repaired under Rental and Rooming House RRAP are not specifically targeted to homeless people and, except for Conversion RRAP, the program is not designed to increase housing supply.

- **Other Impacts**

Case studies illustrate that RRAP has had positive impacts on neighbourhoods where targeted to specific neighbourhoods and used as part of coordinated community revitalization efforts. Positive impacts include increased safety from crime and fire and reducing losses of lower cost housing through gentrification, although some residents may be displaced as a result of renovation activity.

RRAP has had small, but significant impacts on the Canadian economy, increasing employment by over 13,600 person years over the period 1995 to 2001.

- **Program Design and Delivery**

Overall, RRAP is widely viewed as a valuable program and program officials, delivery agents and clients are generally satisfied with program design and delivery. However, program budgets are seen to be insufficient to address the need. Further, a major challenge is the requirement to complete all needed repairs in a dwelling. In addition, there are a number of areas where program components could be strengthened to improve their effectiveness, including increasing assistance levels under Homeowner RRAP, RRAP-D and Conversion RRAP, increasing income limits under RRAP-D and extending ERP into urban areas and onto reserves. There are also concerns that Homeowner RRAP may be excluding low-income households who cannot afford loan repayment and exacerbating affordability problems of those who do participate. The evaluation found that more technical and administrative training is required for renovators, delivery agents and band housing staff on reserves.

CONCLUSION

The evaluation findings suggest that RRAP is continuing to have significant positive impacts on the housing conditions of low-income Canadians both on and off-reserves.. It is also having other positive impacts, including helping preserve the affordable housing stock, improving the accessibility of housing for low-income Canadians with disabilities, alleviating homelessness, and where used as part of a concentrated effort, contributing to neighbourhood revitalization. There is still significant need for housing repairs, and this need is not expected to diminish, given the aging of the housing stock and increasing housing costs. While there are opportunities to reform the program to enhance its effectiveness, RRAP continues to be a valuable program that makes an important contribution to maintaining and improving the quality of housing in Canada.

PART 1: EVALUATION OF THE RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM (RRAP) OFF-RESERVES

SECTION 1: INTRODUCTION

I.1 Overview of the RRAP Program

I.1.1 Brief History of RRAP

The Residential Rehabilitation Assistance Program (RRAP) was implemented by the federal government in recognition of the need for community-sensitive approaches to alleviating the problem of deteriorating housing stock for low-income households in Canada. The program began in 1973 through the National Housing Act and Central Mortgage and Housing Corporation Act (now Canada Mortgage and Housing Corporation).

With the exception of a cancellation of Rental RRAP from 1990 to 1994, RRAP has been used consistently by successive governments as a means to maintain the low-income rental and owner-occupied housing stock across Canada. During this period, RRAP has provided funding to rehabilitate approximately 650,000 units/beds, with more than 500,000 loans totaling approximately \$3.0 billion being provided to RRAP projects.

Authority for the administration and delivery of social housing programs, including RRAP, was offered to provincial and territorial governments in 1985, subject to agreement to cost-sharing arrangements and acceptance of federal social housing principles. At the same time, program changes were introduced to target RRAP assistance to households in core housing need. Further changes were introduced in 1995 to improve the program's ability to address the repair needs of the lowest income households, through increases to the assistance levels and changes to the assistance scale.

In December 1999, the federal government announced a \$311 million expansion to the federal renovation assistance programs over four years, as part of the \$753 million National Homelessness Initiative. Of this, \$268M was allocated to the RRAP programs, including the Emergency Repair Program and the Home Adaptations for Seniors' Independence Program (HASI). The balance was allocated to the Shelter Enhancement Program (SEP). Conversion RRAP was added as a new program component as a result of this new funding. The total program funding is shown in Table I-1 below.

**Table I-1
RRAP/ERP/HASI Budget – 1994/95 – 2003/04 \$M**

	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04
Total Funding	50	72	50	43	100	83	125	110	110	12

Source: Financial Division, CMHC

Note: Total includes RRAP, ERP and HASI. It excludes On-Reserve RRAP and SEP

1.1.2 Program Objectives

The objectives of the Residential Rehabilitation Assistance Program (RRAP) are to:

- Repair or rehabilitate units occupied by low-income households to minimum levels of health and safety;
- Help maintain the stock of affordable housing; and,
- Improve the accessibility of units occupied by low-income occupants with disabilities.

In addition, components of RRAP contribute to the following objectives:

- Assist in addressing and preventing homelessness;
- Improve and stabilize the physical and social conditions of neighbourhoods; and,
- Generate employment.

1.1.3 Program Administration and Delivery

Since 1985, the provinces and territories have been offered the opportunity to enter into agreements with CMHC to cost-share and deliver the renovation assistance programs. Such participation requires that provincial or territorial governments contribute a minimum of 25% of the funding of RRAP in their jurisdiction. The involvement of provinces and territories in program funding serves to increase overall resources available to the program, while reducing administrative duplication.

As of 2001, eight provinces and territories have opted to cost-share either all or some components of the RRAP programs. Nova Scotia, Manitoba, Saskatchewan and Northwest Territories cost-share and deliver the federally-designed programs, while Newfoundland, New Brunswick and Quebec deliver RRAP funding through analogous programs of their own creation which meet federal objectives. PEI cost-shares RRAP but has not assumed responsibility for delivery.

Appendix I shows the percentages of funding contributed by each level of government in the fiscal year 2000-2001.

1.1.4 Program Activity Levels

Over the period 1995-2001, RRAP and ERP assisted in the repair, modification, or creation of over 90,000 units and beds. Activity for the program components covered in the evaluation for the period 1995-2000 and for 2001 is as follows:

**Table I-2
Renovation Activity by Program
Forgiveness and Units/Beds**

Program	1995-2000		2001	
	\$ 000	Units/Beds	\$ 000	Units/Beds
RRAP Homeowner	\$216,608	33,745	\$ 47,075	8,225
RRAP for Persons with Disabilities	\$ 36,487	5,282U/560B	\$ 11,433	1,370U/255B
Rental and Rooming House RRAP	\$134,043	18,051U/5,836B	\$ 22,410	2,660U/540B
Conversion RRAP	\$ 7,846	400U/10B	\$ 9,606	640/10B
Total RRAP	\$395,344	57,478U/6,406B	\$ 90,524	12,895U/805B
Emergency Repair Program	\$ 24,587	9,984	\$ 6,569	2,450
Total CMHC Renovation Activity¹	\$419,931	67,462U/6,406B	\$ 97,093	15,345U/805B

Source: *Canadian Housing Statistics*

Note 1: Excludes On-Reserve RRAP, Home Adaptations for Seniors' Independence and the Shelter Enhancement Program

A detailed breakdown of program activity by province and territory by year is provided in Appendix 2.

1.2 Evaluation Scope and Objectives

The Evaluation of the Residential Rehabilitation Assistance Program covered the period 1995 to 2001.

The Evaluation of Residential Rehabilitation Assistance Program involved the undertaking of research activities in three phases. Each of the phases undertook research for different components of RRAP.

RRAP Evaluation Phase I:	Rental RRAP Rooming House RRAP Conversion RRAP Emergency Repair Program
RRAP Evaluation Phase II:	Homeowner RRAP RRAP for Persons with Disabilities
RRAP Evaluation Phase III:	On-Reserve RRAP

Research findings for Phases I and II are included in this report. Two other federal renovation programs, Home Adaptations for Seniors' Independence and the Shelter Enhancement Program have been the subject of recent evaluations and hence were not included in the current study.

For Phases I and II, geographically, surveys and other data collection activities done for this evaluation covered all of the provinces and territories except Québec and Nunavut. With respect to the operation of renovation programs funded through RRAP in Québec, this report also includes the key findings associated with three evaluations completed for the Province of Québec, including:

- *Résultats du sondage auprès des bénéficiaires du Programme d'adaptation de domicile (PAD)*, préparé par la Direction de la planification, et l'évaluation et de la recherche, Société d'habitation du Québec, janvier 1999, 120 pages;
- *Sondage pour l'évaluation du Programme de rénovation des immeubles locatifs*, rédigé par Som inc., pour la Société d'habitation du Québec, février 1999, 94 pages;
- *Évaluation du Programme de revitalisation des vieux quartiers (PRVQ)*, préparé par la Direction de la planification, et l'évaluation et de la recherche, Société d'habitation du Québec, mars 2000, 128 pages.

1.2.1 Key Evaluation Issues

The evaluation included six key issues:

1. Rationale for federal government renovation assistance: literature reviews and other research components are used to determine the ongoing relevance of RRAP, as well as the rationale for renovation assistance at the federal level. Research findings are used to examine the relevancy and efficacy of RRAP in addressing homelessness and neighbourhood improvements.

2. Who benefits from renovation assistance? The report outlines the effect of RRAP on specific demographic groups. In particular, the research demonstrates the effect of renovation assistance on those in core need, households with persons with disabilities, and Aboriginal people (off reserve).
3. What are the benefits of the assistance (health, safety, homelessness)? The effect of assistance on the health and safety of residents is examined, as well as the impacts on homelessness of renovation assistance.
4. What are the housing impacts? The evaluation considers the effects of RRAP renovation on housing conditions, and examines the physical impacts of the renovations on addressing health and safety issues and on preserving the affordable housing stock for low-income households.
5. What are the impacts on neighbourhoods? Case studies and survey data analysis are used to determine the effect of RRAP and renovation assistance in general on surrounding neighbourhoods. The effect of RRAP on neighbourhood pride, spillover renovations, and other neighbourhood issues were also examined.
6. What are the economic impacts? The economic impact of RRAP is assessed to address the employment and economic activity generated from the program.

In addition, the evaluation looks at issues raised throughout the research regarding overall and component-specific design and delivery issues including:

- Strengths and weaknesses of current program design;
- Adequacy of current program delivery models.

1.3 Program Descriptions

RRAP components evaluated in this report are outlined below, along with their specific program objectives and a brief description of the assistance provided. Descriptions of provincial programs which are cost-shared and funded through RRAP are provided in Appendix 3.

Homeowner RRAP - To assist households in need, who own and occupy existing substandard housing to repair, rehabilitate or improve their dwellings to a minimum level of health and safety. To be eligible, properties must need major repair in one of five key areas – structural, electrical, heating, plumbing or fire safety – or be overcrowded. Assistance varies depending on household income and repair costs. Maximum loan and assistance amounts available vary according to three geographic zones: Southern, Northern, and Far Northern areas of Canada. Additional assistance may be available in areas defined as remote.

Rental RRAP - To assist households in need occupying substandard rental housing by providing assistance to the owners to repair, rehabilitate or improve their dwellings to a minimum level of health and safety. Landlords must cover the cost of mandatory repairs above the maximum forgivable loan available. Project landlords agree to place a ceiling on the rents charged after the repairs are completed, and to limit rent increases during the term of the RRAP funding agreement. New occupancy must also be restricted to tenants with incomes at or below the income ceiling.

RRAP for Persons With Disabilities - To assist in the repair, improvement or modification of existing homeowner or rental housing to improve the accessibility of the dwelling unit for low-income people with disabilities. In the case of homeowners, assistance varies depending on income and modification costs. Landlords must meet criteria similar to Rental RRAP.

Rooming House RRAP - Assists in the renovation and improvement of rooming houses to a minimum level of health and safety. Rooming houses are an important component of housing for those in core need, as they are often the most affordable housing option for people in the lowest income brackets.

Conversion RRAP - Provides financial assistance to help cover the renovation costs associated with converting non-residential buildings to residential use. Landlords receive funding only if rents in the post-conversion residential building will be affordable to those with low incomes.

Emergency Repair Program - Assists those in rural communities to fund emergency repairs required for the continued safe occupancy of houses.

Maximum assistance levels for each of the components by area of Canada are as shown in Table I-3 following.

Table I-3
Maximum Assistance Levels of RRAP Components by Areas of Canada
(Forgiveness)

	Zone 1 South	Zone 2 North	Zone 3 Far North
Homeowner RRAP	\$12,000	\$14,000	\$18,000
RRAP for Persons with Disabilities	\$12,000	\$14,000	\$18,000
Rental RRAP	\$18,000	\$21,000	\$27,000
Rooming House RRAP	\$12,000	\$14,000	\$18,000
Conversion RRAP	\$12,000/bed \$18,000/unit	\$14,000/bed \$21,000/unit	\$18,000/bed \$27,000/unit
Emergency Repair Program	\$4,635	\$6,524	\$8,242

Note: Higher assistance levels are available in areas defined as remote under all program components except the Emergency Repair Program (ERP). Assistance under ERP is provided as a grant.

Repayable loans are also available under the Homeowner components of the program. Maximum loans for Homeowner RRAP and RRAP for Persons with Disabilities are \$18,000, \$21,000 and \$27,000 for the South, North and Far North zones respectively, including both the forgivable and repayable portions.

SECTION 2: EVALUATION METHODOLOGY

2.1 Introduction

The evaluation is based on data from a number of sources and uses quantitative and qualitative analytical methods, as appropriate. The major original data sources were published literature on housing renovation, surveys of clients, surveys of renovated properties, key informants, program staff, and case studies. In addition, CMHC administrative files of RRAP program activity, and public data sources were used where available.

The evaluation conducted no surveys in Quebec relying instead on existing evaluations of Quebec programs carried out by la Société d'habitation du Québec (le *Programme de rénovation d'immeubles locatifs*, le *Programme d'adaptation de domicile* et le *Programme de revitalisation des vieux quartiers*).

The information from different sources often relates to more than one evaluation issue and, consequently, multiple lines of evidence are available on which to draw conclusions.

2.2 Document and Literature Review

Government policy statements and published research on housing condition and renovation were reviewed to explain the rationale for government involvement in housing renovation and to summarize current research results.

Literature reviews were conducted on:

- Relationship between housing renovation and occupant health and safety: This review identified current debates and methodologies linking poor quality housing and health and safety issues, such as through the study of asthma, fire safety and mental health;
- Relationship between housing renovation and independence of occupants with disabilities: The impact of renovation, renovation programs, and RRAP in particular on the accessibility of housing to persons with disabilities was reviewed in existing research literature;
- Stock preservation: Literature on the impacts and rationale of renovation programs on preserving levels of affordable housing stock was analyzed;
- Employment: Employment impacts were studied using current research on the impacts of renovation on job markets;

- Neighbourhood impacts: Existing literature on the impacts of renovation programs, and particularly government renovation programs in North America, were analyzed to provide further support for research undertaken in the case studies; and,
- Homelessness: Literature on homelessness in Canada and on the role of housing renovation in addressing homelessness was reviewed.

2.3 Client and Comparison Group Surveys

Program impacts may be effectively measured by surveys of clients. Clients include property owners, who have received RRAP loans and who may be owner-occupants or landlords, and tenants. Wherever possible, surveys of comparison groups were included to give context to survey responses and to measure the size of effects of programs on its clients.

Client surveys were conducted of homeowners, landlords, and tenants that participated in the renovation and disability RRAP programs. Appendix 4 contains population and sample size data for all surveys.

The survey samples were designed on the basis of key program dimensions. The primary dimension is the program itself. All RRAP programs (Homeowner, Rental, Rooming House, Conversion, RRAP for Persons with Disabilities, and Emergency Repair) were surveyed using separate samples. The second key dimension is geographic location, which combines differences in program parameters (such as forgiveness limits) and delivery responsibilities. Separate samples were selected for provinces in which CMHC has delivery responsibilities (PEI, Ontario, Alberta, and BC) and for provinces in which a provincial government agency delivers the federally-designed program (Nova Scotia, Manitoba, Saskatchewan, and the Northwest Territories). Additionally, Newfoundland and New Brunswick were sampled separately because they offer or offered different loan forgiveness limits during the majority of the period of program activity being evaluated.

Comparison samples were drawn mainly from waiting lists of applicants for Rental RRAP, Homeowner RRAP or RRAP for Persons with Disabilities. The Rental RRAP tenant comparison sample was supplemented from a large national random sample of low-rent buildings. Appendix 5 shows that the characteristics of comparison households are generally similar to characteristics of RRAP client households.

All client and comparison group surveys are designed to allow estimation of rates to within about eight to ten percent, or better, of a true mean 19 times out of 20. The planned sample sizes for each of the program dimensions described above are about 140 respondents. For certain types of analysis respondents of different sample cells may be combined. In such cases the accuracy of the estimates will increase.

Survey data presented in this report has been weighted on the basis of program expenditures (loan frequencies) by region to ensure that national results are representative of the distribution of RRAP funding.

2.4 Physical Condition Survey

A physical condition survey examined the current condition of rehabilitated dwellings, gathering information on general condition, building life, and costs of needed repairs.

The survey collected data on the condition of up to 200 individual building elements and estimated the costs of making needed repairs. CMHC technical staff and contract inspectors carried out the inspections.

2.5 Key informants

Key informants are CMHC or provincial housing officials that have a significant role in the delivery of RRAP. Structured interviews of informants concentrated on program rationale, funding, delivery practices and program design. Officials in all provinces/territories currently cost-sharing RRAP were interviewed, with the exception of Québec.

2.6 Delivery Staff

RRAP is delivered by allocating budgets, publicizing the existence of the program, receiving and assessing applications, carrying out inspections to verify repairs required and work completion, approving applications, and disbursing funds. These tasks are done by CMHC in some provinces or by provincial/territorial housing staff in provinces/territories where a cost-sharing agreement exists between CMHC and the province/territories. Agents such as municipalities or private individuals may be employed to deliver some or all of the program components in specific geographic areas.

The surveys of staff and delivery agents gathered information on program promotion, program design, delivery, and community impacts. These surveys provide an operational perspective on the program.

2.7 Case Studies

Case studies were undertaken of neighbourhoods in Vancouver, Winnipeg, Toronto, and Moncton. The case studies were designed to examine program effects in areas where some effort has been made to concentrate RRAP or to use it in concert with other public and private social service initiatives. Such initiatives included neighbourhood revitalization projects or provision of housing to homeless people.

SECTION 3: RATIONALE FOR RESIDENTIAL REHABILITATION ASSISTANCE

Information collected from the literature review, surveys and site visits indicate that the federal government should continue to provide renovation assistance for housing geared to low-income individuals.

The evaluation examined six possible rationales for the Residential Rehabilitation Assistance Program (RRAP):

- Addressing the health and safety problems of low income households caused by substandard housing;
- Maintaining the stock of affordable housing;
- Making a dwelling more accessible for low-income occupants with disabilities;
- Addressing and preventing homelessness;
- Improving and stabilizing the physical and social conditions of neighborhoods, and
- Generating employment.

3.1 Addressing the Health and Safety Problems of Low Income Households Caused by Substandard Housing

Canadians have traditionally supported the provision of assistance to those not having enough of their own resources to be able to access adequate, suitable and affordable housing. This is manifest in a long history of governments subsidizing housing for low-income households. The way that this has occurred has changed over time. Public housing and urban renewal during the early 1950s and 1960s gave way to neighborhood improvement during the 1970s, and non-profit housing during the 1970s, '80s and '90s. Renovation subsidies for low-income households occupying substandard housing have been in place since the early 1970s. Concern that people with disabilities become fully integrated into society grew during the early 1980s and government began to offer housing modification assistance to persons with disabilities to improve the accessibility of their housing. More recently, with the rise in homelessness among low-income families and single persons, government has initiated directed responses such as the National Homelessness Initiative.

3.1.1 Extent of Need

Since the mid 1980s, the need for government low-income housing assistance has been measured through the application of the core housing need concept to available data such as the Census or other periodic household surveys conducted by Statistics Canada. Housing need is defined as the occupation of housing which is inadequate, unsuitable and/or unaffordable, where inadequate housing either lacks bathroom facilities or is in need of major repair, unsuitable housing does not provide enough space for the occupants and unaffordable housing costs more than 30 percent of the household's gross income. However, only those households having these problems who could not solve them through relocating to another suitable and adequate residence in their immediate housing market without paying more than 30 percent of their income on housing are considered to be in core housing need.

As shown in Table 3.1, in 1996, a total of 1,826,000 households were defined as being in core housing need. This was a 44% increase from 1991 when 1,269,910 households were in core housing need. In 1996, 18% of all Canadian households were in core housing need, an increase from 14% in 1991.

Affordability is the main problem, and is growing as the main problem. In 1996, 91% of those in core need were paying more than 30% of their income on housing. This compares to 87% of core need households facing an affordability problem in 1991. The number of households with an affordability problem increased in absolute terms by 50% between 1991 and 1996.

The size of the population with suitability and adequacy problems is smaller than that with affordability problems, but is still significant. Of those in core need in 1996, a total of 478,545 households had needs related to the adequacy and suitability of their housing. The absolute number of core need households with suitability and adequacy problems increased by 30% between 1991 and 1996. However, the share of core need households with suitability and adequacy problems decreased between 1991 and 1996 from 29% to 26%.

**Table 3-1
Housing Problems in Canada (000s)
1991- 1996**

	1996			1991		
	Total	Not In Core Need	In Core Need	Total	Not In Core Need	In Core Need
Total – all households	10,187	8,361	1,826	9,371	8,101	1,269
Total households with no housing problems	6,899	6,899	0	6,532	6,532	0
Total households with problems	3,288	1,462	1,826	2,839	1,569	1,269
Affordability Only	1,852	505	1,347	1,576	674	902
Adequacy Only	538	422	115	502	418	83
Suitability only	434	389	44	405	340	65
Affordability and Adequacy	198	43	155	156	55	101
Affordability and Suitability	183	47	135	125	34	90
Adequacy and Suitability	54	47	7	53	41	12
Affordability, Adequacy and Suitability	26	6	20	18	4	14

Source: CMHC: Housing In Canada Database

3.1.2 Nature of Core Housing Repair Need in Canada

Most of the 478,545 core need households in Canada living in inadequate or unsuitable are rental households (64%). The minority (36%) are homeowners.

The incidence of all rental households who are in core need and occupying inadequate and unsuitable shelter (8.5%) is higher than the incidence of all homeowner households who are in core need and occupying inadequate and unsuitable shelter (2.6%). This pattern persists in both urban and rural areas.

More core need urban households than core need rural households live in inadequate or unsuitable housing (385,860 versus 92,685). However, the incidence of all rural households who are in core need and occupying inadequate and unsuitable shelter (5.6%) is higher than the incidence of all urban households who are in core need and occupying inadequate and unsuitable shelter (4.5%).

Table 3-2
Core Adequacy and Suitability Need - Canada, 1996
Absolute count and incidence
All Native and Non-Native, non farm, non Reserve households.
(000s)

	Total		Urban		Rural	
	Ownership	Rental	Ownership	Rental	Ownership	Rental
Adequacy	81 (1.2)	34 (.9)	45 (.9)	26 (.8)	36 (3.1)	8 (2.4)
Suitability	13 (.2)	31 (.9)	8 (.2)	27 (.8)	5 (.4)	4 (1.3)
Affordability & Adequacy	55 (.8)	101 (2.8)	38 (.7)	91 (2.8)	17 (1.4)	10 (3.1)
Affordability & Suitability	17 (.3)	119 (3.3)	14 (.3)	114 (3.5)	2 (.2)	5 (1.5)
Adequacy & Suitability	3 (.0)	4 (.1)	1 (.0)	3 (.1)	2 (.2)	1 (.3)
Affordability, Suitability & Adequacy	3 (.0)	18 (.5)	2 (.0)	16 (.5)	1 (.1)	1 (.3)
Total Adequacy & Suitability	172 (2.6)	307 (8.5)	109 (2.1)	277 (8.5)	63 (5.4)	30 (9.0)

Source: CMHC, Housing in Canada Data Base
Numbers may not add due to rounding

Most core need homeowners and renters with adequacy and suitability problems are families (48.4% and 65.8% respectively). However, among core need homeowners with adequacy and suitability problems, seniors make up the next largest group (34.6%) while among core need renters with adequacy and suitability problems, non-family households make up the next largest group (25.5%).

Table 3-3
Core Need Households Occupying Inadequate and Unsuitable Dwellings
by Household Type and Tenure
(Native and Non-Native, non farm, non Reserve households)
(Incidence in brackets)
(000s)

	Core Need Homeowners			Core Need Renters		
	Seniors	Families	Non Families	Seniors	Families	Non Families
Adequacy	44 (3.0)	24 (.5)	14 (2.1)	6 (.9)	16 (.9)	12 (1.0)
Suitability	2 (.2)	10 (.2)	1 (.1)	3 (.4)	25 (1.5)	4 (.3)
Affordability & Adequacy	11 (.8)	29 (.7)	14 (2.1)	12 (1.9)	48 (2.8)	41 (3.3)
Affordability & Suitability	1 (.0)	15 (.3)	1 (.1)	5 (.7)	95 (5.6)	19 (1.6)
Adequacy & Suitability	0 (.0)	2 (.1)	0 (.0)	0 (.0)	4 (.2)	0 (.0)
Affordability, Suitability & Adequacy	0 (.0)	3 (.1)	0 (.0)	0 (.1)	15 (.9)	2 (.2)
Total Adequacy & Suitability	59 (4.1)	83 (1.9)	29 (4.5)	27 (4.04)	202 (11.8)	78 (6.4)

Source: CMHC, Housing in Canada Database
Numbers may not add due to rounding

Non-family households experience the highest incidence of core need households with adequacy and suitability problems among homeowners (4.5%) while family households experience the highest incidence of core need households with adequacy and suitability problems among renters (11.8%). Senior households experience the next highest incidence of core need households with adequacy and suitability problems among homeowners (4.1%) while non-family households experience the highest incidence of core need households with adequacy and suitability problems among renters (6.4%).

The distribution of core need households in housing below the adequacy and suitability standards are shown by province in Table 3-4. The number of core need households with a housing repair need varies by market area with most being in Ontario and Quebec.

Table 3-4
Core Need Households Below Adequacy and Suitability Standards
by Province and Tenure
(Native and Non-Native, non farm, non Reserve households)
1996
(000s)

	Total	Owned	Rented
Newfoundland	10	7	4
Prince Edward Island	2	1	1
Nova Scotia	18	10	8
New Brunswick	13	8	5
Quebec	100	32	68
Ontario	191	56	136
Manitoba	19	9	11
Saskatchewan	14	7	8
Alberta	31	13	18
British Columbia	73	27	46
Northwest Territories	2	1	1
Yukon	1	1	0
Total	479	172	307

Source: CMHC - *Housing in Canada Database*
 Numbers may not add due to rounding

Nationally, in 1996 there were more renter households in need than owner households despite the fact that owners outnumber renters by almost two to one. However, this pattern does not persist on a provincial basis. Renters in need exceed the number of homeowners in need in the provinces of Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and the Northwest Territories while homeowners in need exceed renters in need in Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick and the Yukon.

Aboriginal people are experiencing housing adequacy needs

While evident throughout Canadian housing overall, housing adequacy needs are especially acute for Aboriginal households. Table 3-5 demonstrates the considerable housing adequacy and suitability needs of Aboriginal Canadian households off-reserve. In 1996, there were about 38,000 Aboriginal households living off-reserve that were in housing adequacy and suitability need, with the majority of these households (75%) residing in rental housing.

Table 3-5
Adequacy and Suitability Need Among
Off Reserve Aboriginal Core Need Households
Number and Incidence
1996

	Total	Own	Rent
Newfoundland	1000 (10.8)	600 (9.8)	300 (13.4)
Prince Edward Island	100 (13.3)	0 (8.3)	100 (21.9)
Nova Scotia	700 (7.8)	400 (6.1)	400 (10.1)
New Brunswick	500 (7.8)	200 (6.1)	300 (10.9)
Quebec	3600 (6.1)	800 (2.8)	2800 (9.1)
Ontario	8600 (8.3)	1900 (3.6)	6700 (13.0)
Manitoba	4600 (13.1)	1100 (6.6)	3500 (18.5)
Saskatchewan	3700 (14.3)	800 (7.5)	2900 (18.9)
Alberta	4300 (8.4)	1300 (5.2)	3000 (11.4)
British Columbia	7000 (10.7)	1500 (4.9)	5500 (15.8)
Northwest Territories	1400 (25.0)	600 (20.5)	800 (28.9)
Yukon	300 (14.9)	100 (12.1)	200 (17.7)
Total	37700 (10.0)	9400 (5.1)	28300 (14.5)

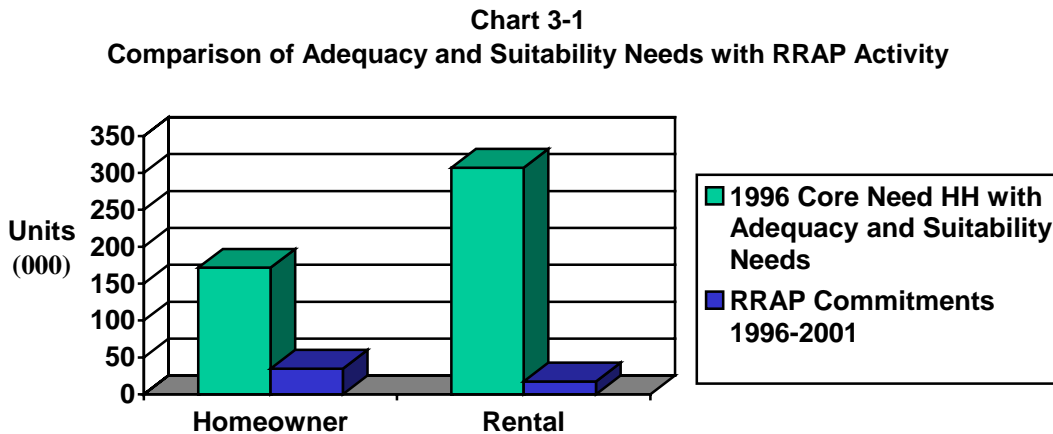
Source: CMHC-Housing In Canada database

Numbers may not add due to rounding to nearest hundred

Housing for off-reserve Aboriginal households is more likely to fall below adequacy or suitability standards than is housing for non-Aboriginal households. Aboriginal households are more than twice as likely to be in core housing need with adequacy and suitability problems (10%) than are non-Aboriginal households (4.5%). The incidence of all Aboriginal homeowners being in core need and having adequacy and suitability problems is 5.1% compared to 2.5% for all non-Aboriginal homeowner households. The incidence of all Aboriginal renters being in core need and having adequacy and suitability problems is 14.5% compared to 8.1% for all non-Aboriginal renter households.

The level of program activity since 1996 has not eliminated the outstanding need for renovation assistance

The basis for the counts of the size of the core need population is the 1996 Census. Therefore it is necessary to determine whether program activity since 1996 could have eliminated or significantly reduced the level of need. In order to do this, activity levels under Homeowner and Rental RRAP between 1996 and 2000 were compared to the number of households in need in 1996, with the following results:



The unmet need for renovation assistance is significant. As shown in Chart 3-1, over the period 1996-2001, approximately 34,700 homeowner units and 17,300 rental units were renovated under RRAP. This represents approximately eleven percent of the need identified in 1996. With the aging of the housing stock and increasing housing costs, the number of households in core housing need facing adequacy problems would not be expected to diminish. Therefore the 1996 Census results showing a continued need for the program are still valid.

This finding is supported by information on the demand for RRAP collected from delivery agents in a survey done for this evaluation. Most indicated that they perceived an increase in the demand for all of the program components over the last five years.

Table 3-6
Perceived Change in Demand for RRAP Components over Past Five Years –
RRAP Delivery Agents/Staff

RRAP component	Homeowner RRAP (n=76)	RRAP-D (n=72)	Rental RRAP (n=25)	Rooming House RRAP (n=19)	Conversion RRAP (n=17)	ERP (n=40)
Significant Decrease	3%	1%	4%	5%	--	3%
Decrease	4%	3%	--	5%	--	8%
No Change	25%	29%	20%	26%	35%	15%
Increase	35%	36%	40%	42%	41%	38%
Significant Increase	33%	31%	36%	21%	24%	38%

Source: RRAP Evaluation Survey, 2002. Survey data excludes Quebec.

NOTE: Numbers may not add up to 100% due to rounding

3.1.3 Impact of Inadequate Housing on Occupant Health and Safety

Introduction: Housing and economic status are key subjects of research with regard to health and safety. Housing conditions are increasingly linked to levels of respiratory health, especially with at-risk groups such as seniors and children. In addition, physical and psychological health have been observed to be affected by a broad series of factors such as length of housing tenure, personal safety, integration of different types of people, choice of housing and control of housing conditions.

Few studies in the area fail to mention the extreme methodological limitations that impede the undertaking of research in the area. These limitations have meant that there has been little research done to gauge the health and safety effects of particular housing renovation programs such as RRAP. This gap in the research is largely attributable to the myriad of factors that effect both health and safety, and of the difficulty in identifying definitive causal links between housing and health. Nevertheless there is no research that disputes the general association between housing and health.

Impact of Inadequate Housing on Overall Health: Studies have shown that there is a clear association between proper and clean housing and the overall health of those with physical and mental illnesses, and of children and seniors. (BC Ministry of Health). Children with inadequate housing are seen to have higher rates of illness, lower overall health, higher rates of behaviour or social problems, and problems with weight and obesity. A small study of residents of Switzerland who were moved to higher quality housing in better neighbourhoods reported improvements to health and well-being (Kahlmeier, Schindler, Grize & Braun-Fahrlander, 2001). Recent governments have acknowledged the important influence of housing on health (Challins, 1998).

Impact of Inadequate Housing on Respiratory Health: Studies of housing and health have looked at the links between housing and asthma, allergies, immune system dysfunction and chemical hypersensitivity. Studies have examined the effect of airborne pollutants and toxins, moulds and mildews, particulates, humidity levels and other factors. Common contaminants to air quality have been identified in volatile organic compounds, petroleum, moulds, and dusts.

Poor housing conditions have been observed to have a particularly strong effect on child respiratory health. Studies have shown that poor housing is a contributing factor to the onset of childhood asthma. This condition is often due to allergies to cockroaches, poor ventilation, and other factors. A Dutch study demonstrated a link between childhood respiratory symptoms and reported dampness and mould (Verhoeff, van Strien, van Wijnen & Brunefreef, 1995).

Dampness has been linked to many health problems, including asthma. (Ineichen, 1993). A recent English study demonstrated that the self-reported effects of dampness on health can, in some instances, be more psychological debilitating than physically damaging (Packer, Stewart-Brown & Fowle, 1994).

Cold homes have been linked to respiratory disease (Lowry & Bynum, 1991). Those who spend substantial proportions of their income on housing fuel costs will often use less heat to save money for other expenses, a practice which poses health risks especially to seniors and children.

Impact of Inadequate Housing on Physiological Health: Much of the focus of research has been directed toward demonstrating the factors that affect psychological health. For example, inadequate housing conditions foster stress, which also lowers resistance to disease. Some of the key factors are the level of privacy, community relationships, freedom from fear of eviction and crime, and the ability of residents, and especially children, to develop relationships within their environments. The World Health Organization has also found that conditions such as overcrowding, uncertainty of tenure, excessive noise, and physical threats to security threaten the health of residents (World Health Organization, 1989).

The length of tenure is seen as an important factor in determining levels of resident psychological stress, which has important consequences on health. (Ellaway & Macintyre, 1998). Research indicates that women are more negatively affected than men by shorter housing tenures. (Ineichen, 1993). As well, several studies have isolated women as a group for whom social distress related to housing can be ameliorated through housing and neighbourhood improvement (Evans, Wells, Chan, & Saltzman, 2000).

Impact of Inadequate Housing on Occupant Safety: Fires and serious accidents are often experienced in older, poorer quality housing. A study of hostel and rooming house tenants in England found that these types of housing exhibited very high frequencies of fire. However, very few fires (2.0%) were actually reported to the fire service due to worries about increased insurance premiums. Although most of the dwellings in the study had shared kitchen facilities, there was widespread cooking within the private rooms. Despite the importance of these factors, reporting of these little-known dangers was minimal (Lucas). Additional research has

shown that elderly people are also at a greater risk of accidents, and are be far more likely to die in house fires than younger people are.

Low-income households are more likely to experience health and safety problems: As low-income Canadians are more likely to occupy inadequate and crowded dwellings than high-income Canadians, they are more likely to experience health problems related to their housing than are high-income Canadians. Low-income households have been found to be particularly vulnerable to health risks associated with housing conditions. There are increased risks to health such as asthma, respiratory symptoms and risk of accidents that are not faced by those in more affluent households.

Professionals in the medical and social science fields have publicized the threat that poor housing conditions pose to health, especially among the homeless. For example, the Vancouver/Richmond Health Board has recently created a strategic plan for housing services on the basis that:

Homeless adults, youth and children are at a significantly greater risk for a host of health disorders than people who have safe, secure, affordable housing. These health disorders and the associated inadequate housing result in more frequent use of emergency departments and lengthier stays in hospitals than is true for individuals that are adequately housed (Vancouver/Richmond Health Board, 2000, p. 3).

However, low-income Canadians occupying inadequate and crowded dwellings are not necessarily more likely than other low-income Canadians to experience health and safety problems. As illustrated above, many core need households have avoided living in poor housing only by paying more than 30% of their income for shelter. Research has found that those for whom shelter cost consumes a large portion of income have less available money for food and heat, which has a particularly negative effect on the health of children (Sharfstein & Sandel, 1994).

Impact of Housing Renovation on Occupant Health and Safety: Improvements to housing are increasingly being viewed by medical and government experts as the means to promote population health. Renovation allows the use of more up-to-date housing materials and methods, which may have positive effects on health. For example, there are suggested ways of decreasing air contaminants in new housing and renovation techniques such as:

- heating systems with minimal spillage;
- hard-finish flooring;
- building materials without formaldehyde;
- woods without preservatives;
- wall and ceiling finishes that do not require paint;
- draft-free buildings; and
- good ventilation and central vacuum systems.

Demonstration projects have shown that even minor renovations can result in higher levels of health for residents. Renovation features that have demonstrated this include window replacement, proper air-sealing, basement treatments, and others (CMHC, 1998).

The Metropole in East Vancouver received funding for private baths and kitchens, which was felt to improve safety and privacy of residents (Vancouver Sun, 2000). A U.S. Study published in May 2000 by the Corporation for Supportive Housing found that homeless people who were provided with affordable housing linked to support services decreased their visits to hospital emergency rooms, and the length of time they spent in the hospital by one-half (Vancouver Sun, 2000).

Even smaller renovation programs have seen a positive effect on residents. In a study of the effect of housing renovation on asthma, the individual case studies demonstrated that, overall, residents whose homes underwent renovation reported feeling improvements in their asthma (CMHC, 1999).

Summary of Impacts of Housing Renovation on Occupant Health and Safety: While studies have been limited on the conclusive impact of housing renovation or rehabilitation on occupant or public health, it is true that those studies that have been undertaken have determined at least minor positive effects. In addition, low housing quality is increasingly seen as a major determinant of both physical and mental health, especially with at-risk population groups such as children, seniors and those with disabilities. Studies in North America and Europe, especially by those in the medical field, have identified significant improvements in health due to environmental and housing improvements. These improvements have been especially significant for children and women.

There is a growing understanding of the difficulties in quantifying the effects of housing improvements on health. What is known is that there are perceived health benefits that may be attributed to improved housing conditions, particularly with respect to respiratory health. As well, renovation that sparks even a degree of environmental improvement leads to improvements in levels of stress and mental well-being, which are major determinants of health.

3.1.4 Program Logic: Health and Safety

The RRAP is well designed to address the health and safety problems of low-income households occupying inadequate and unsuitable shelter. It offers assistance to repair their dwellings up to minimum standards, and in so doing removes threats to their health and safety. The assistance is targeted to households who would not be able to find alternative adequate and suitable housing without paying more than 30 percent of their income on shelter. The Emergency Repair Program assists those in rural areas to fund emergency repairs required for the continued safe occupancy of houses. Further, RRAP does not reduce existing shelter cost for those who may not have enough money left over for the consumption of other necessities which effect health.

Note, however, that while all components of RRAP address housing adequacy problems, suitability needs are addressed only under Homeowner RRAP; they are not addressed under Rental or Rooming House RRAP. RRAP does not address housing affordability problems.

3.2 Preserving the Stock of Affordable Housing for Low Income Canadian Households

Evidence is required to support the view that the stock of affordable housing is at risk, and that a renovation program is a cost-effective way to address this problem. This evidence can be summarized as follows:

3.2.1 Tight Rental Markets, High and Rising Rents in Some Areas as a Contributing Cause of Loss of Affordable Housing Stock

During the late 1990s and early 2000s, economic growth in some urban areas led to increased demand for rental housing, which in tandem with a slow supply side response, resulted in low and falling rental vacancy rates and high and rising rent. One clear implication of the economic growth for those with low and/ or fixed incomes was a increased difficulty in finding affordable housing. Consequently, some renters had to pay more than they can afford for their accommodation while others unable or unwilling to pay this much had to occupy housing which was too small or inadequate. Some were squeezed out of the market altogether and became homeless.

Evidence of increasing housing market pressures is provided in Table 3-7 below. There, 14 cities are ranked by average vacancy rate over the period 1995-2002, a measure of the balance between supply and demand in the housing market. Correlations between vacancy rates and rental charge increases are examined in the following text for two groups of cities, those with above average vacancy rates and those with below average vacancy rates.

Table 3-7
Rents, Changes in Rents, and Vacancy Rates (VR)
for One Bedroom Apartments in Selected Metropolitan areas
1995 - 2002

	Rent 1995	Rent 2001	Rent 2002	Rent Change 1995-2002	VR 1995	VR 2001	VR 2002	Avg. VR*
Ottawa	\$605	\$771	\$773	27.8%	4.5	.9	2.2	2.5
Toronto	\$660	\$869	\$893	35.3%	0.07	.9	2.7	1.0
Calgary	\$466	\$653	\$660	41.6%	3.2	1.0	2.6	1.7
Hamilton	\$512	\$613	\$630	14.6%	2.0	1.2	1.3	2.2
Oshawa	\$610	\$698	\$718	17.7%	2.6	1.1	1.7	2.2
Vancouver	\$641	\$727	\$744	16.1%	1.1	1.0	1.6	1.6
Regina	\$399	\$477	\$481	20.6%	2.5	2.1	2.4	2.0
Average	\$543	\$645		18.9%	3.5			
Edmonton	\$423	\$537	\$576	36.2%	10.2	.8	1.7	3.8
Montreal	\$447	\$497	\$531	18.8%	7.4	.7	.7	4.1
Quebec	\$454	\$496	\$506	11.5%	6.9	1.0	.6	4.0
Halifax	\$513	\$559	\$579	12.9%	8.8	2.5	2.1	5.2
Winnipeg	\$448	\$479	\$493	10.0%	6.2	1.5	1.3	4.0
Saint John	\$376	\$422	\$432	14.9%	8.8	6.9	7.5	7.5
St. John's	\$500	\$504	\$523	4.6%	6.2	1.2	1.9	6.9
Average	\$452	\$499	\$520	15.5%	7.8	2.1	2.3	5.1

Source: CMHC; Canadian Housing Statistics

The average vacancy rate over 1995-2002 for the cities with the lowest average vacancy rates was about 1.9%, while the average vacancy rate for the cities with the highest average vacancy rates was about 5.1%. There was a general tightening of housing markets over time, with some markets being more affected than others. In 2002, the average vacancy rate for the cities with the lowest average vacancy rates over 1995-2002 was about 2.1, a slight drop from the average of 2.4 in 1995. On the other hand, the average vacancy rate in 2002 for both groups of cities is below 3%, the rate where rental markets are said to be in balance.

The general tightening of rental markets led to increased rents, with higher rent increases occurring in the cities with the lowest average vacancy rates. The seven cities with the lowest average vacancy rates over 1995-2002 had a higher increase in rents (26.0%) than the cities with the highest average vacancy rates (15.5%). While the latter is close to the increase of consumer prices over the same period, measured by the national consumer price index to be 14.2 percent, the former is well in excess. Hence it can be concluded that the recent economic growth, very strong in some cities, has led to housing becoming less affordable, and especially for the low income households living in those cities.

It should be noted that vacancy rates have recently relaxed in most of the cities in this sample. For example, the average of vacancy rates for those cities with the lowest vacancy rates over 1995-2002 rose from 1.2 in 2001 to 2.1 in 2002, while it rose from 2.1 to 2.3 for those cities with the highest vacancy rates over 1995-2002. Changes in rents reflected the relaxation in vacancy rates in the first group of cities. There, the annual rate of change in rents rose at a slower pace between 2001 and 2002 than between 1995 and 2002. Interestingly, the annual rate of change in rents for the second group rose faster between 2001 and 2002 than between 1995 and 2002. This is because rental markets in these cities were tighter in 2001 and 2002 than during most of the period under consideration.

Fluctuations in vacancy rates over time in concert with fluctuations in the economy are common. Whether the recent trend towards higher vacancy rates and lower increases in rent will continue for long or not remains to be seen.

Tenant and Landlord Perceptions of the Overall Supply of Affordable Rental Units:

Survey results showing that about 70% of respondents said that finding affordable rental housing was currently difficult or very difficult confirms the rental market analysis above.

**Table 3-8
Perceptions of Supply of Affordable Housing**

Ease of Finding Affordable Rental Housing	Program Beneficiaries (Tenants)		Comparison Group (Tenants)
	Rental (n=129)	Rooming House (n=150)	Rental/Rooming House (n=441)
Very Difficult	36%	47%	37%
Difficult	35%	36%	23%
Neither Difficult Nor Easy	19%	10%	15%
Easy	9%	8%	14%
Very Easy	2%	1%	11%

Source: RRAP Evaluation surveys, 2002. Survey data excludes Quebec

Note: Totals may not be 100% due to rounding

Households who responded to surveys done for the evaluation, both homeowners and renters, were asked how difficult it would be to find affordable housing if they were forced to move. The majority in these groups felt that it would be very unlikely or somewhat unlikely that they could find an affordable place to live. There was little difference between homeowners and renters. The one notable observation is that over 85 percent of households receiving RRAP-D assistance felt that it would be unlikely that they could find affordable housing.

Table 3-9
If you were forced to move, how likely is it that you could find an affordable place to live?

	Program Beneficiaries					Comparison Group	
	Home-owner (n=541)	RRAP-D Homeowner (n=214)	ERP (n=233)	Rental Tenant (n=149)	Rooming House Tenant (n=168)	Home-owner (n=281)	Tenant (n=483)
Very Unlikely	48%	67%	45%	32%	39%	44%	30%
Somewhat Unlikely	16%	20%	20%	24%	19%	19%	16%
Neither Likely nor Unlikely	4%	2%	8%	9%	12%	13%	12%
Somewhat Likely	18%	10%	17%	17%	19%	13%	20%
Very Likely	14%	1%	10%	19%	11%	13%	22%

Source: RRAP Evaluation Surveys, 2002. Survey data excludes Quebec

In addition, survey respondents believed that it has become more difficult to find affordable housing since 1996. Sixty-five (65%) to eighty percent (80%) said that it had become significantly more difficult to find affordable housing since 1996. Only about 5% or less felt that it had become easier to find affordable housing.

Table 3-10
Perception of Supply of Change in Availability of Affordable Rents

	Program Beneficiaries (Tenants)		Comparison Group (Tenants)
	Rental (n=105)	Rooming House (n=82)	Rental/ Rooming House (n=136)
Significantly More Difficult	39%	52%	44%
Somewhat More Difficult	27%	28%	32%
Stayed the Same	28%	16%	21%
Somewhat Easier	6%	2%	2%
Significantly Easier	1%	2%	1%

Source: RRAP Evaluation Surveys, 2002. Survey data excludes Quebec

NOTE: Totals may not be 100% due to rounding

A significant percentage of landlords surveyed for the evaluation shared the same perceptions, although there was less unanimity among these respondents regarding this issue. Thirty percent of rental landlords, fifty percent of rooming house landlords and forty percent of landlords selected as a control for the evaluation felt that the supply of affordable housing had decreased since 1996. Twenty percent or less felt that it had increased.

Table 3-11

Since 1996, would you say that the overall supply of rental units affordable to low income households in this neighbourhood or community have decreased, increase or stayed the same? (RRAP Landlords)

Comparison Group (Tenants)	Program Beneficiaries (Landlords)		Comparison Group (Landlords)
	Rental (n=223)	Rooming House (n=123)	Rental/Rooming House (n=187)
Decreased	31%	53%	41%
No change	31%	28%	46%
Increased	18%	20%	13%

Source: RRAP Evaluation Surveys, 2002. Survey data excludes Quebec

3.2.2 Age of Stock as a Contributing Cause of Loss of Affordable Housing Stock

Major construction periods after the end of the Second World War and throughout the early stages of the “baby boomer” generation have resulted in significant housing stock now reaching the age of renovation. The first and most obvious physical components to deteriorate in older housing stock are plumbing and heating systems, roofs, windows and doors, all of which are relatively high-cost replacement or repair items.

The deterioration of the stock as it ages is illustrated by the fact that 16% of the pre-1946 stock is in need of major repair and less than 2% of the 1991-1996 stock is in need of major repair.

Table 3-12
Residential Dwellings in Need of Major Repair, by Age of Dwelling (000s)

Building Age	Total Dwellings	Dwellings in Need of Major Repair	Incidence of Dwellings in Need of Major Repair
Total	10,040	799	7.9%
Before 1946	1,567	254	16.2%
1946-1960	1,692	180	10.6%
1961-1980	3,980	294	7.4%
1981-1990	1,945	57	2.9%
1991-1996	856	13	1.6%

Source: CMHC, Housing In Canada Data Base
Numbers may not add due to rounding

In general, a higher percentage of the rental housing stock needs major repair than of the homeowner stock. This finding applies across all building types; single detached, low rise and high-rise apartments, other multiple housing types and mobile homes.

Most of the homeowner stock needing major repairs is single detached dwellings (80%). The single largest category of rental stock needing major repairs is low-rise apartments (38%).

However within both tenure types, mobile homes are the most likely to need major repair. The second most likely building type to need major repair within the homeowner stock is high-rise apartments (8%) while the second most likely building type to need major repair within the rental stock is single detached dwellings (15%).

Evidence collected for the evaluation from site visits to selected neighbourhoods and from a review of the literature suggests that rooming house and shelters face serious risks of deterioration and poor living standards due to the high turn-over of residents, frequent indifference of residents and owners to maintaining quality of conditions, and the low level of private renovation investment in this type of housing.

Table 3-13
Number and Incidence of Dwellings in Need of Major Repair,
by Dwelling Type and by Tenure (000s)

Dwelling Type	Total	Owner Occupied	Rental
Total	799 (8.0)	479 (7.4)	319 (9.0)
Single Detached	463 (8.1)	384 (7.4)	79 (14.7)
Apartments 5 or fewer stories	147 (7.9)	24 (8.0)	123 (7.9)
Apartments more than 5 stories	61 (6.8)	8 (5.6)	52 (7.0)
Other Multiples	109 (7.6)	47 (6.3)	62 (9.0)
Moveables	19 (13.5)	15 (12.9)	4 (17.0)
Source: CMHC, Housing In Canada Database Numbers may not add due to rounding			

The number of buildings in need of major repair increased over the 1991-1996 period by 12%. Nevertheless, the rate of deterioration of housing is very slow. This is illustrated by the fact that only a minority of the pre-1946 stock requires major repairs, the majority requires only regular maintenance or minor repairs.

Repair, Improvement and Alteration Expenditures Remain High: One argument often cited as a possible explanation for insufficient repair activity is based on the observation that the appearance and condition of neighbouring properties affects property value (i.e. a neighbour's house in poor condition will reduce property values while a neighbour's house in good condition will increase property value). In this situation, if the neighbours do not maintain their properties, a property owner's maintenance/repair investment will return less than alternative investments. The fear that neighbours will not maintain their properties acts as a disincentive to property maintenance. If everyone acts independently based on their shared belief that no one else will maintain their properties, the renovation market fails and the condition of all properties in the neighbourhood declines.

However, the evidence does not show that in general there is under-investment in housing repairs and maintenance. The level of repairs, alterations and improvements in Canada is in the order of \$17 billion. The fact that there is no under-investment in housing maintenance and improvement may be because private and public mechanisms have already been established which would nullify the problem. For example, cooperation among all of the neighbours can avoid the problem of their under-maintaining their homes – this may be why neighbourhood homeowners' associations develop. In addition, because some association members may not cooperate, believing that they can benefit from the maintenance efforts of their neighbours without having to spend any money themselves, local maintenance bylaws may have been enacted requiring all owners to keep their properties in good condition.

In addition, there is evidence collected for the evaluation from site visits to selected neighbourhoods and from a review of the literature that natural market forces is leading to renewal of the inner city housing stock. Such neighborhoods are becoming attractive places to live because of their locational advantages such as easy access to the central business district and to amenities. Properties are being purchased and renovated for occupancy by renters or homeowners. Unfortunately, these properties often become too expensive for lower income households who previously occupied this stock, and they are displaced to other properties and to other neighbourhoods. Gentrification has also been cited as a cause of homelessness.

Table 3-14
Total Expenditures on Repairs, Improvements and Alterations, Canada
\$Billion

1995	1996	1997	1998	1999	2000	2001
13.0	14.2	15.0	14.9	15.7	17.1	17.4
Source: Statistics Canada and Informetrica						

Older Housing Is Generally More Affordable: The older housing stock is less expensive and therefore more affordable. Census data shows that shelter costs are more likely to be less than \$500 per month for buildings built before 1960 than buildings built after 1960 (Table 3-15).

Table 3-15
Percentage of Dwellings costing less than \$500 per month,
by tenure, need for repair and building age
(%)

	Owner Occupied Dwellings			Renter Occupied Dwellings		
	Total	No Repair and Minor Repair	Major Repair	Total	No Repair and Minor Repair	Major Repair
Total	44.7	44.5	47.4	40.5	40.8	37.4
Before 1946	54.0	54.7	49.8	48.6	49.5	44.5
1946-1960	57.5	58.2	50.6	44.4	45.2	39.0
1961-1980	48.1	48.3	46.4	38.4	39.0	31.8
1981-1990	31.7	31.6	36.0	36.4	36.5	33.4
1991-1996	23.1	23.0	35.1	33.4	33.4	37.6

Source: CMHC, Housing In Canada Database

Lower income households are more likely to occupy the older, more affordable housing stock: The traditional theory of housing use is that initially high or moderate-income households occupy new housing units because they are the only ones who can afford to own or rent them. As the housing ages, it deteriorates, becomes out-moded, loses value and so becomes less attractive to these households. They move out and are replaced by lower income households who can now afford the housing because of its lower cost.

The evidence seems to support this theory. Among homeowners, those occupying the newer, more expensive buildings have higher incomes (e.g. \$67,000 for post 1990 dwellings compared to \$56,000 for pre 1946 dwellings). Similarly among renters, those occupying newer more expensive dwellings have higher incomes, albeit the differences aren't as marked (e.g. \$36,000 for post 1990 dwellings compared to \$31,000 for pre 1946 dwellings). Note that these average incomes hide a fairly wide dispersion of incomes. Hence among homeowners, 41% of those occupying the pre-1946 stock have incomes in excess of \$50,000 and 19% have incomes less than \$20,000. Among renters, 17% of those occupying the pre-1946 stock have incomes in excess of \$50,000 and 39% have incomes less than \$20,000.

Table 3-16
Average Income of Occupant Households,
by tenure, need for repair and building age
(1996)
(\$)

	Owner Occupied Dwellings			Renter Occupied Dwellings		
	No Repair	Minor Repair	Major Repair	No Repair	Minor Repair	Major Repair
Total	63,100	57,900	48,000	32,500	35,000	32,900
Before 1946	56,500	53,400	44,900	31,200	33,600	31,600
1946-1960	54,300	53,400	46,000	31,700	34,500	33,000
1961-1980	62,100	59,200	50,000	31,400	35,000	33,700
1981-1990	70,400	65,600	56,300	34,700	38,000	34,500
1991-1996	67,000	61,900	52,300	36,700	37,900	34,300

Source: CMHC, Housing In Canada Database
Numbers rounded to nearest 100

Homeowners tend to have higher incomes than renters, despite their average shelter costs in some cases being lower than for renters. This no doubt reflects the high entry cost to homeownership, which restricts it to higher income households. Overtime, as mortgages are repaid, total shelter cost fall.

Some Owners of the older, more affordable housing stock may not be able to maintain it: A key factor influencing the amount of repair, improvement and alteration expenditures owners make for their properties is their ability to afford such expenditures. For homeowners, this is principally a function of their income, while for landlords it is a function of rent revenues, which is in turn a function of their tenants' incomes. The expectation is that higher income households will be better able to maintain and repair their dwellings than will lower income households.

Table 3-17 below shows the split in repair need between those who can afford adequate and suitable shelter (the Non-Core Need population) and those who cannot afford adequate and suitable shelter (the Core Need population). Of the 820,000 dwellings in need of repair in Canada, 36% are occupied by households with insufficient income to afford adequate and suitable shelter. Of these, 48% are homeowners and 52% are renters.

Table 3-17
Households Occupying Dwellings in Need of Major Repair, By Need, By Tenure
(000s)

	Total	Owner-Occupied	Rental
Total Dwellings in Need of Repair	818	489	330
Dwellings occupied by Non-Core Need Households	520	347	173
Dwellings occupied by Core Need Households	298	142	156
Source: CMHC, Housing In Canada Database Numbers may not add due to rounding			

As lower income households are less able to afford maintenance and repairs, their dwellings will deteriorate even more. Some may eventually become uninhabitable and may have to be demolished.

3.2.3 Logic of RRAP as a Program to Preserve the Affordable Housing Stock

RRAP is targeted to households that have insufficient incomes to occupy housing meeting adequacy and suitability standards without paying more than 30% of their income. These households are unlikely to be able to afford to maintain their dwellings. Renters with incomes above these limits are able to move to alternative accommodation to address their needs while homeowners with incomes above these limits should be able to afford to properly maintain their homes.

Renovations financed under RRAP affect the supply of affordable housing by extending the useful life of buildings, preserving buildings from abandonment or demolition and encouraging landlords to retain the buildings for rental purposes rather than converting them to condominiums or owner occupancy. For those dwellings which would have been renovated anyhow by their owners, RRAP assistance acts as a shelter costs subsidy, thereby keeping post renovation shelter cost more affordable than they otherwise would be and so making them accessible to low income households.

The rehabilitation of existing rental properties is usually more cost effective than building new affordable stock (Listokin and Listokin, 2001).

3.3 Making Dwellings More Accessible for Low-income Occupants with Disabilities

The issue of accessible housing concerns the availability of appropriate and accessible housing for people with disabilities. Since the introduction of RRAP for Persons with Disabilities in 1981, there has been increased recognition of the role that environmental factors, including housing design, play in either facilitating functioning or creating barriers for people with disabilities. The 2001 amendments to the World Health Organization's Classification of Functioning and Disability recognize that environmental factors can interact with a health condition to create a disability or restore functioning, depending on whether the environmental factor is a facilitator or a barrier.

According to the Health and Activity Limitation Survey (1991), approximately 16% of the population of Canada reported some level of disability. Mobility disabilities, which often require housing modifications, were the most prevalent type of disability at 52.5% among those with disabilities aged 15 to 64 living in households. The incidence of disability increases with age: in 1991, 32.4% of those 65 years of age or older reported a disability. These numbers are expected to dramatically increase in the next few decades with the aging of the population. Statistics Canada warns "services to accommodate the increasing number of people with disabilities will be required" (Statistics Canada, Major Social Policy Issues for the 21st Century).

People with disabilities have lower earnings and incomes and are more apt to rely on government transfers and less on employment earnings than people without disabilities (*In Unison: A Canadian Approach to Disability Issues*, 2000). In 1991, it was estimated that 18% of households containing at least one person with a disability were in core housing need, compared to 12% of all Canadian households (CMHC, 1991). In addition, people with disabilities are more apt to face affordability problems¹, indicating a limited ability to undertake costly home modifications without government assistance.

Home modifications are often essential to enable people with disabilities to live independently in their own homes. Support for independent living is consistent with the vision of full citizenship for people with disabilities, as put forward by Federal-Provincial/ Territorial Ministers of Social Services in *In Unison: A Canadian Approach to Disabilities Issues* (May, 2000). In addition to the improved quality of life associated with independent living, there are also significant economic and social benefits to society. The cost savings of independent versus institutionalized care alone have been estimated at \$22,000 per year (Special Parliamentary Committee on the Disabled and the Handicapped, 1982).

The rental housing market has not responded to these needs, especially for low-income households. A majority of landlord clients of RRAP-D (82%) agree that the overall supply of rental units and accessible rental units for low-income people with disabilities in their neighbourhood/community have decreased or stayed the same. Evidence that about a third of landlords who have modified their units through RRAP have waiting lists for those units further supports the view that there is a lack of accessible housing in the rental market.

¹ 'The Housing Conditions of Persons with Health and Activity Limitations in Canada 1991: A Retrospective' by A. Spector, Ark Research Associates for CMHC,

The RRAP-D program is logically design to meet the housing accessibility needs of low-income persons with disabilities because it offers assistance to homeowners and landlords to modify their properties to make them more accessible to people with disabilities. The assistance is very flexible, and can be applied to address virtually any type of disability for which a home modification would make independent living easier. The assistance is targeted to households with disabled members who cannot afford adequate and suitable housing on the housing market.

3.4 Other Program Rationales

3.4.1 Addressing and Preventing Homelessness

The difficulties of defining and measuring homelessness are readily apparent.² Consequently there have been many definitions of homelessness and many ways of measuring it. The definition used in this evaluation is “those persons living in emergency shelters or on the street (absolute homelessness)”.³⁴ This definition avoids double counting of households covered under CMHC’s definition of core housing need and households covered under the definition of the homeless population. For example, households who share accommodation with other households and who live in crowded living conditions are included in the definition of core housing need and excluded from the definition of the homeless.

Even within this one narrow definition, there have been many ways of measuring the homeless population. For example, some studies have measured the number of individuals who have been in emergency shelters at least once during the year. Others have measured the number of people occupying a shelter on a given night during the year. The information usually comes from surveys of shelter administrators, who in turn base their responses upon their shelters’ records or upon recall or their best estimate. Of the few studies that have attempted to measure the number of homeless people living on the streets, most have organized a one-day event with researchers going onto the streets to count the homeless population.

The first countrywide effort to measure the size of the homeless population in Canada occurred in 1987 during the International Year of the Homeless. On a cold night in January, the Canadian Council on Social Development (CCSD) surveyed 472 shelters across Canada that served the homeless and the destitute. Two hundred and eighty three (283) reported that, in total, they had sheltered 7,751 people that night. The CCSD adjusted this total to account for the non-responding shelters to derive a one-night estimate of 10,672. One hundred and fifty three (153) shelters also reported that they had served 102, 819 different people in 1986.

² A good discussion of this can be found in *Measuring Homelessness: A Review of Recent Research*, Daniel Bentley, Institute of Urban Studies, University of Winnipeg (1995)

³ The United Nations has adopted a comprehensive definition of homelessness including both **absolute homelessness** (‘sleeping in places unfit for human habitation’ and using emergency shelters) and **relative homelessness** (occupying housing that does not meet UN standards for adequate protection from the elements, access to safe water and sanitation, secure tenure and personal safety, affordability, and accessibility to employment, education and health care’).

⁴ Core housing need estimates using Statistics Canada household data exclude households and individuals without their own self contained housing unit and who occupy collective dwellings such as shelters, rooming houses, hotels, motels, tourists’ homes, nursing homes, hospitals, staff residences, communal quarters, work camps, jails, missions, and group homes or who live on the street.

Again after adjusting for non-response, the CCSD provided an upper bound estimate of about 260,000 different people having spent at least one night in a shelter in 1986. But if every person used two different shelters during the year, there would be double counting and this estimate would have to be reduced to 130,000. The CCSD settled on an estimated range between 130,00 and 250,000 people who experienced homelessness in 1986, arguing that the range was reasonable given that the options available to the homeless are few and many homeless people do not use shelters.⁵ This estimate represented between 0.5 percent and 1.0 percent of the Canadian population.

The only other comparable count of people living in shelters on one night is the Census every five years. As part of the effort to collect information on everyone living in Canada, Census enumerators count the persons in collective dwellings. A new category of collective dwelling was added to the 2001 Census, the Shelter, defined to include emergency or temporary accommodation for persons who may have no other usual place of residence, facilities for abused woman/partners and their children, halfway houses and other shelters with some form of assistance. (In previous censuses, the shelter population was included as part of several broad categories of collectives.) The total population living in shelters on Census Day 2001 was 14,145.

Statistics Canada cautioned, however, that the Census count of the population in shelters should not be interpreted as a count of the homeless since homeless persons might have been enumerated in other types of collective dwellings, principally service collective dwellings such as hotels, motels, the YMCA etc. Further, not all those who slept in a shelter on Census Day would have been counted as living in the shelter if their usual place of residence were elsewhere. To these two cautions can be added the further caution that enumerators would have missed those without permanent accommodation sleeping on the street or temporarily staying with friends or family.

Two points are worth noting here. First, the Census approach is similar to the CCSD's approach in that both are a snapshot of the shelter population at one point in time and both yield similar counts, 10,000 for the latter and 14,000 for the former. Second, the number of people enumerated as living in Service Collective Dwellings (hotels, motels, tourist homes, lodging and rooming houses, school residences and YM/YWCA's), the other type of dwellings where the homeless might be found, was 51,775. Hence assuming that all of the people living in service collective dwellings were homeless, the total count of the homeless living in temporary accommodation for one day in June 2001 would be 66,000. The actual number is likely much lower given that many living in service collective dwellings such as rooming houses would not be considered to be homeless under the definition being used for this evaluation.

The remaining issue is the number of homeless living on the street or staying temporarily with friends or family. There is little information on this, which is understandable since the only way of estimating how many persons are in this category would be to go out and count them one by one. This is a very difficult (missing the hard to find, double counting others, etc.) and labour intensive exercise. Nevertheless the cities of Calgary, Edmonton and Vancouver have

⁵ **'Homelessness in Canada a Grim Reality for 100,000 in 1986'**, Canadian Council on Social Development, Communique, Ottawa, April 6, 1987.

conducted counts of homeless people living on the street. In 2002, Calgary found that 6.7% of their estimated total homeless persons on the streets. This is quite possibly an under estimate. Edmonton, on the other hand, found that 51 percent of their total homeless population spent the night on the street and Vancouver estimated about 50 to 60% of their total homeless population lived on the street. It should be noted, however, that the latter two counts were supplemented with information from other sources (e.g. shelter turn away and discharge counts, data from social service agencies etc.), so that they are not strictly comparable to the Calgary count, and may well be subject to double counting.

The available evidence therefore would support an estimate of about 30,000 homeless people on any given night. This would be composed of 14,000 in Shelters (2001 Census), about 6,000 on the streets (equal to 30 percent of the homeless population living on the streets based on the approximate mid point between the low estimate of 6.7% in Calgary and the high estimates of 50 to 60% in Vancouver and Edmonton) and about 10,000 living in service collective dwellings (a guesstimate, 20% of 50,000).⁶ However, there is a very large range around this number. It could be as low as 15,500 (14,000 in shelters, 1,500 on the street based on the Calgary study alone, and none in service collective dwellings), or as high as 60,000 (14,000 in shelters, 20,000 on the street, based on the Vancouver study, and 25,000 in service collective dwellings).

One issue is how to reconcile this number with the other often-reported statistic, the number of different people who are homeless over the course of the year. The most likely way is through the concept of turnover – i.e. that the composition of the homeless population changes from day to day, week to week and month to month.⁷ The notion that there is a high turnover rate in the homeless population is certainly supported by the available research. The report entitled “Measuring Homelessness: A Review of Recent Research” contains many references to the literature on this subject. In paraphrasing one study, the Review says “People are constantly moving in and out of homelessness: The same people may often have repeated and intermittent bouts of homelessness; often people double up in accommodation with others, and mobility frequently extends to seeking accommodation or moving, still homeless, in and out of different geographic areas” (page 23). In summarizing another study, the Review explains such turnover as follows: “unemployed people might sleep rough, or in a car, for example, until finding employment, people on inadequate incomes might have shelter as long as money lasted and then be homeless until the following (periodic) income payment; people living in socially difficult circumstances might move out during crises and then return” (page 11).

⁶ The evaluators feel that the majority of the service collective dwelling category is rooming houses. This is based on fragmentary evidence from cities such as Toronto, where it is estimated that there are close to 400 licensed rooming houses occupied by about 4 to 6 thousand people, with another 600 unlicensed rooming houses occupied by another 4 to 6 thousand people. Rooming house counts are also available on the web for such cities as Vancouver and Halifax.

⁷ This is not to be confused with the concept of turnover among the population using shelters, which captures the notion that people enter a shelter, leave it and go elsewhere, possibly to another shelter, and then return to the original shelter. Such turnover in the shelter population confounds estimates of shelter use by different individuals over time because of the potential double counting. The Project Haven Evaluation estimated that 32% of family violence shelter users were repeat users and that 68% were one-time users.

Some Canadian studies have documented ‘indicators’ of turnover in the homeless population. For example, an Ottawa study found women and youth in shelters were likely to have been homeless less than 30 days. On the other hand, men in shelters and those on the streets were likely to have been homeless more than 3 months. Fifty per cent or more of people in all these groups reported being homeless between 2 and 5 times in their life. In an Ottawa study of homeless people not using shelters, 25% had been homeless 1-6 months, 12% had been homeless 6-12 months and 41% had been homeless more than one year, confirming the other study’s results that those on the street were more likely to be part of the long term homeless population than those found in shelters.⁸

	Length of time homeless %				Number of times homeless %		
	< 30 days	1-3 months	3-12 months	> year	Once	2-5 times	6 or more times
Adult men in shelters	42	19	23	15	10	56	34
Adult women in shelters	67	24	2	7	20	54	26
Male youth in shelters	52	25	7	2	9	80	11
Female youth in shelters	86	5	6	3	19	50	31
Persons not using shelters	40	17	30	13	3	50	47

Source: Farrell, Susan, Tim Aubrey, Fran Klodawsky, Donna Pettey: Describing the Homeless Population of Ottawa Carleton, University of Ottawa, Centre for Research on Community Services, 2000

The picture which emerges here is of a core group of people who continuously move in and out of homelessness over the course of a year according to their personal circumstances and the state of the housing market, complemented by a group of people who are more or less permanently homeless and then by a group of people who are homeless only a few times during the year or, for that matter, during their life.

Consequently measuring number of people who have been homeless at least once during the year would be a monumental task, requiring identifying and tracking individuals over a period of time. Any other methodology would be prone to a sizable error. As there has not been any such study in Canada, or any study that might provide the required pieces of information, this evaluation will not attempt to estimate the size of this population.

Whatever the exact size of the homeless population, the question remains whether the problem has improved or worsened since 1987, and if so, whether the trend will likely continue. Because there is no national time series (the 2006 Census will be the next opportunity to measure the size of the Canadian population living in shelters), local information must be relied upon. This suffers somewhat because changes in shelters occupants in any one city may simply reflect movements to and from other cities rather than a change in the national

⁸ Farrell, Susan J., Tim Aubry, Elke Reissing: Street Needs Assessment; An Investigation of the Characteristics and Service Needs of Persons who are Homeless and Not Currently using Emergency Shelters in Ottawa.

total. Nevertheless, the findings are informative. For example, in its 2002 report, the City of Calgary reported an increase in the numbers of homeless people identified in one night from 447 in 1992 to 1,737 in 2002 and in its 2003 Report, Toronto reported an increase in the number of different people using emergency shelters over the course of a year from 26,529 in 1990 to 31,985 in 2002. Based on this evidence, the evaluation would have to conclude that the long-term trend has been for an increase in the size of the homeless population.

It should be noted, however, that the 2002 Toronto numbers were lower by 1,400 from those in 2001. This reduction follows a sharp increase in rental vacancy rates from less than 1% for one bedroom apartments in 2001 to 2.7% in 2002, adding further evidence to support the hypothesis discussed earlier that rental market conditions play a role in the homelessness puzzle (albeit not necessarily the dominate role – other non market factors also have an influence on the number of homeless people). It remains too early to tell whether this reduction in the homeless population represents a reversal or levelling off of the long-term trend in Toronto, or just a blip. To some extent, this will depend upon whether the Toronto economy grows, stabilizes or declines over then next few years.

Examples of local estimates of the homeless population, and changes therein, are summarized in Table 3-19.

Table 3-19: Definitions and Estimates of Homelessness for Select Cities

City	Year	Definition of Homelessness	Estimates of Homeless
Toronto	2002 ⁹	Number of different individuals staying in municipally funded shelters and provincially funded abused women's shelters one or more times during the year.	31, 985 (compared to 2,529 in 1990 and 33,385 in 2001). In addition, shelter programs run by faith based groups served an average of 173 people per night.
Peel Region	1998	Family shelter occupants	689 family members
Calgary	2002	Individuals or families who were on the street or in emergency shelters in one night	1,737 people (compared to 447 in 1992). ¹⁰
Edmonton	2000	Individuals or families who were on the street or in emergency shelters in one night	1126 (compared to 836 in 1999) ¹¹
Vancouver	2001	Stays in emergency shelters in one night, living on streets	300 to 600 people on the street 300 to 400 people in shelters. ¹²
Halifax	2001	On any given night	200 to 300 people ¹³
Ottawa	1999	Average number of persons staying in emergency shelter per night Or Total number of persons staying in emergency shelters per year.	634 per night in 1998 (compared to 614 per night in 1997) 5426 in 1998 (compared to 5,263 in 1997) ¹⁴

⁹ **The Toronto Report Card on Homelessness**, City of Toronto, 002 and 2001

¹⁰ City of Calgary website

¹¹ City of Edmonton website

¹² City of Vancouver website.

¹³ 'On Her Own: Young Women and Homelessness in Canada', Canadian Housing and Renewal Association, 2002, p. 107.

¹⁴ Social Services, Region of Ottawa-Carleton (1999)

The studies on the homeless population also indicate that the stereotype of the homeless as being a single, older male does not always hold. The 1987 CCSD study revealed that 61 percent of the people who stayed in shelters were men, twelve percent were children and 27 percent were women. According to the Census data, almost 40 percent of the people living in shelters in June 2001 were women. Further about 11 percent were under the age of 15 and another 33 percent were between the ages of 15 and 34.

The evidence that has been collected since 1987, fragmented as it is, shows that the pattern of women and children being among the homeless has persisted, and indeed, is increasing. For example, the City of Toronto in 2002 reported that 16 percent of the homeless were couples without children and singles or couples with children. This is an increase from the 9.5% of the homeless population of these family types in 1990. These trends had also been noted in a 1998 study¹⁵ showing that the number of family admissions to Toronto shelters had doubled from 1988 to 1998. A similar pattern appears in Calgary. The number of homeless families using shelters there was 28 in 1996, 36 in 1998, 30 in 2000 and 42 in 2002, indicating a generally growing trend, but with some year-to-year variability.

However, the 193 homeless families in Edmonton in 2000 represented a slight decrease from the 203 homeless families there in 1999. Similarly there was a decrease in the number of families in Toronto's shelters from 4,700 to 4,000 between 2001 and 2002. The latter reduction may very well be explained by the sharp increase in rental vacancy rates between 2001 and 2002. Whether these recent shifts represent a change in the long-term trend remains to be seen.

Two types of explanations of the causes of homelessness have been suggested in the literature, namely, personal factors (such as mental illness, substance abuse, physical health crises, lack of education or occupational skills) and general socio-economic factors (such as poverty and unemployment rates, cuts in social programs, changing economic conditions, or shortages of affordable housing). Since rates of mental illness, substance abuse, education levels and so on have not fluctuated much over the last two decades, 'personal factors' do not explain why the rates of homelessness have risen since the 1980s. Therefore, researchers have highlighted the broader socio-economic factors and 'focused on the process of gentrification and the reduction in social housing and welfare rates as the main catalysts that displaced many of the working poor and marginally homeless to the streets.'¹⁶

The causes of homelessness are many and complex, and are beyond the scope of this report. However, the rationale needs to consider whether or not there is a lack of adequate, suitable and affordable shelter that may be one of the contributing causes of homelessness. The purpose of this examination is to assess whether a housing renovation program can be plausibly linked to the attainment of the objective of addressing and preventing homelessness. The extent to which it actually achieves this objective will be evaluated in the analysis of program impacts (Chapter 7).

¹⁵'A Profile of the Toronto Homeless Population' Joe Springer, Jamesmars and Melissa Dennison, a Report Prepared for the Mayor's Homeless Action Task Force, 1998 based on a study of shelter use from 1988 to 1998.

¹⁶ Peressini (2002), p7.

Loss of Affordable Housing Stock as a Contributing Cause of Homelessness: Tight rental markets in some urban areas has led to revitalization (gentrification) of older inner city neighbourhoods – moderate and high income households purchasing older stock that may have been previously used for low rental housing.

Gentrification has removed many low-rent dwelling units from the rental market in the past decade. Houses once rented to many households have increasingly become single owner occupied houses or apartments, refurbished by owners and commanding much higher rents. Many apartments and rented houses are demolished and replaced by more expensive housing. Rooming houses and residential hotels have increasingly been demolished or converted to more profitable uses (Begin, 1999; Fallis and Murray, 1990; Rossi and Wright, 1989). The Ontario Task Force on Roomers, Boarders and Lodgers, estimated that between 1982 and 1986 1,700 rooming houses per year were lost in the City of Toronto as a result of demolition and conversion (Begin, 1994, p.10). The final consequence of this gentrification of the inner city is that the poor are displaced by those who are better off, frequently into the homeless shelters and ultimately onto the streets (Begin, 1999; O'Reilly-Fleming, 1993; Fallis & Murray, 1990; Rossi and Wright, 1989; Marcuse, 1988).

Logic of RRAP as a Program to Assist in Addressing and Preventing Homelessness:

Renovations financed under RRAP assist in addressing and preventing homelessness by preserving buildings from abandonment or demolition and encouraging landlords to retain the buildings for rental purposes rather than converting them to condominiums or owner occupancy. For those dwellings which would have been renovated anyhow by their owners, RRAP assistance acts as a shelter costs subsidy, thereby keeping post renovation shelter cost more affordable than they other wise would be and so making them accessible to low income households. The Conversion program actually increases the supply of affordable rental properties by promoting the conversion of non-residential buildings to residential rental buildings.

Healthy housing may be a social investment not a public cost due to its overall effect on reducing government costs in the areas of health care, public safety and social services. Ratcliffe (2002) examined the impact of providing permanent housing options to British Columbia's homeless on the use of health and social services. It was found that the homeless people included in the study cost the provincial government 33% more on average in one year in services used compared to the housed individuals. The total costs of services and housing for formerly homeless individuals were considerably less than the government costs to shelter the homeless.

The renovation of low-income housing for single room occupancy is one of the most commonly proposed strategies used to address the problems of homelessness. Other government options, such as the reliance or further support of temporary shelters without support for low-income housing options, have been discredited in homelessness literature as unsustainable (Culhane, 1992).

RRAP could potentially have some impact on the supply of affordable housing by arresting the loss of the low-rent housing stock. This would assist in addressing and preventing homelessness by providing them with more affordable housing opportunities than would otherwise be available.

3.4.2 Improving and Stabilizing the Physical and Social Conditions of Neighbourhoods

The evaluation did not attempt to measure the number of neighbourhoods that require stabilization or improvement or the number of households in such neighbourhoods. While the case studies done for this evaluation provide examples of neighbourhoods in a state of decline, they were deliberately selected as examples where RRAP could be used to revitalize the neighbourhood, and so should not be taken as representative of all low-income neighbourhoods in the country.

Nevertheless while it is clear that some neighbourhoods in some cities are in a serious state of physical and social decay, it is also clear from the evidence that the causes of this situation run much deeper than an under investment in the repair and maintenance of the housing stock. They also suffer multiple social problems such as crime, vandalism, alcoholism, drugs and prostitution. Therefore a housing renovation program alone would be unequal to the task of improving these neighbourhoods. RRAP could be used as a tool in a strategy to revitalization, but only in concert with other community-based initiatives addressing the social problems in the neighbourhood, and primarily as a way to prevent the displacement of low-income households from the neighbourhood due to higher housing cost brought on by improvements to the housing stock.

With respect to the logic of RRAP, it is not now designed or delivered to stabilize neighbourhoods or prevent neighbourhood decline. First, funds are not targeted to declining neighbourhoods or neighbourhoods in a state of physical and social decay; it is available universally to core need households with housing adequacy and suitability problems, including areas which are not neighbourhoods (i.e. small towns and rural areas). Second, assistance is only provided to low-income households, not to everyone in the neighbourhood.

The program, however, is flexible enough to be used in neighborhood revitalization efforts if provinces and municipalities wish to do so. It can be used alone, or in concert with other government social and economic interventions.

3.4.3 Employment Generation

One argument for a housing renovation program such as RRAP is that government should create jobs in a period of high unemployment. It is argued that the high unemployment is due to a lack of aggregate private demand for goods and services and that government not only can resolve this problem because of its ability to spend, but that it should do so on the moral grounds that everyone in society should have the dignity of being able to support themselves.

However government is limited in its ability to create jobs. As the economy approaches full employment, increased demand cannot be satisfied because of supply constraints. Consequently increased demand brought about by government spending leads not to increased employment, but to increased price inflation.

Past evidence on the effectiveness of RRAP as an employment generator: Studies have found that the overall impact of \$1 billion investment in renovation of existing housing in 1999 translates into around \$1.4 billion in spending, an 8% increase in renovation spending (CMHC, Socio-Economic Series Issue 69).

As well as the substantial direct impact of residential construction on employment generation, jobs are also created indirectly in related industries such as building materials. In Canada, \$10 million spent on housing construction was reported to lead to 203 person-years of direct employment in the construction industry, as well as 173 person-years of indirect employment in related industries (Spence, Wells and Dudley, 1993).

Studies have shown that on a dollar per dollar basis residential renovation has greater overall income and employment impacts than new construction. Residential renovation is also more likely to generate local employment than is new construction because of greater usage of labour over materials (Clayton Research Ltd, 1980).

It was estimated that between 1974 and 1999 RRAP funding created approximately 134,000 jobs (measured in one year's work). Approximately 63 percent resulted from Homeowner, On-Reserve and RRAP for People with Disabilities, and 37% resulted from Rental RRAP. Only 22% of total CMHC RRAP monies went towards Rental RRAP, indicating this component is a particularly good job generator due to its leverage of private market investment. Rental RRAP (pre-1995 program design) had more leveraging impact in bringing in private investment than Homeowner RRAP, as landlords had to put in more of their own capital than did homeowners (Falkenhagen, 2001).

A documented local study of the impact of RRAP on employment in Cape Breton found that 48% of home improvement completed was directly related to RRAP in industrial areas, and 20% in rural areas. The study concluded that RRAP maintained 69 of the total 223 contractors in the area, with 229 of the total 746 employees (CMHC, 1983).

Other features that make housing investment attractive to federal governments hoping to revive economic activity include:

- Housing construction and renovation are fragmented and geographically dispersed. This means that many small projects could be stimulated with an impact on many communities at the same time.
- It can have an immediate impact on local unemployment. Many other sectors, such as power generation would require a large investment in one or a few projects, and would take a significant period of time to put in place.

- Housing renovation and construction can often use relatively unspecialized labour.

Current need to generate employment: The current economic situation must be examined in determining whether government should now use RRAP as an employment generation tool.

- The current unemployment rate is 7.5%. Unemployment rates have declined since 1997 (9.1%).
- Employment in the construction industry has been increasing since 1997. In 2001, 843,300 persons were employed in construction compared to 729,600 persons employed in construction in 1997.
- The current rate of annual price inflation is 2.1%. This is up from 1.6% in 1997.

This evidence does not suggest that employment generation should be a key government concern at this time, especially in the construction sector. Unemployment rates are declining and inflation rates are increasing. The conclusion would have to be that continuation of RRAP solely on the grounds that the economy needs to be stimulated is not justified at this point in time (September 2002).

This is not to say that RRAP would not be beneficial in some areas of the country, especially those where unemployment rates are higher than the national average. Rather, the employment generating benefits of RRAP would probably be negligible for the country as a whole, and especially in those parts of the country where the economy is already vigorous.

But note that RRAP is not as effectively designed as past renovation stimulus programs such as the Canadian Home Renovation Program (CHRP) since it is not targeted to areas of low employment. Further, because it is a low-income renovation program, it pays for most of the renovation cost (for the homeowner program, 100 percent of the cost are covered if the homeowners income is 60% or lower of the core need income threshold). The rental programs pay for all of the renovation cost up to a maximum amount.

3.5 Summary and Conclusions - Rationale for RRAP

The evaluation found that there is a strong continuing rationale for RRAP to improve the housing conditions of low-income households to minimum health and safety standards, to preserve the affordable housing stock, and to improve housing accessibility of low-income Canadians with disabilities.

- ***There is a continuing need to address the health and safety problems of low-income households caused by substandard housing.*** Canadian society has for a long time provided assistance to help low-income households improve their housing conditions. The evidence shows that there remains an outstanding need among low-income households for this assistance. About four hundred and eighty thousand (480,000) households still occupy housing that is either in need of major repair or is crowded. Sixty four percent (64%) of this population lives in rented dwellings and 36% live in their own homes. About 40,000 off reserve native households in core need occupy inadequate and unsuitable housing. There is a higher incidence of native households in this situation than non-native households. RRAP is designed to improve housing to minimum health and safety standards by providing financial assistance to owners of substandard properties to repair those elements that are a threat to health and safety.
- ***There is a continuing rationale to preserve the existing affordable housing stock.*** The housing stock is aging (32% was built before 1960). Older buildings, being less expensive, are more affordable to low-income households than are new ones. However, as buildings age, they also deteriorate. This deterioration is exacerbated by the inability of some owners to afford repairs to them as repair costs are high and their incomes or rental revenues are low. Without adequate repair, the buildings occupied by low-income households become a health and safety risk and may eventually become uninhabitable and have to be destroyed. Renovations financed under RRAP affect the supply of low income housing by extending the useful life of buildings, preserving buildings from abandonment or demolition and encouraging landlords to retain the buildings for rental purposes rather than converting them to condominiums or owner occupancy. For those buildings that the owners would have renovated anyhow, RRAP acts as a shelter cost subsidy, keeping post renovation shelter costs low and therefore affordable to low income households.
- ***There is a continuing need to improve housing accessibility for low income Canadians with disabilities whose housing may act as a barrier for participation in daily living activities.*** In 1991, 16% of Canadians reported some level of disability, and the incidence of disability is expected to increase dramatically in the next few decades with the aging of the population. Persons with disabilities have lower incomes and are more likely to be in core need than the general population (18% in core need versus 12%). Home modifications can enable people with disabilities to live independently in their homes improving their quality of life and are more cost-effective than institutional alternatives. RRAP-D for persons with disabilities provides financial assistance to low-income homeowners and landlords offering affordable, accessible housing and is logically designed to address the housing accessibility needs of low- income Canadians with disabilities.

Secondary Rationales

Although not the primary rationales for the program, RRAP may contribute to alleviating homelessness, improving neighbourhoods, and generating employment in certain circumstances.

- ***There are a significant number of homeless people in Canada.*** For example, there are over 30,000 people in Toronto who either occupy temporary shelters or who have no shelter at all. Families with children and youth make up increasing proportions of those who are homeless. Among the many causes of homelessness are the lack of suitable and adequate shelter that is affordable to low income households, high rents and low vacancy rates, and losses of lower cost housing through demolition and conversion. RRAP reduces homelessness by preventing those at the risk of homelessness¹⁷ from becoming homeless. It does this by providing financial assistance to owners of low-income housing to retain the existing supply of affordable housing, including rooming houses. Conversion RRAP helps the homeless by increasing the supply of affordable housing available to them.
- ***Improving and stabilizing the physical and social conditions of neighborhoods is not a primary rationale for RRAP.*** While there is evidence that some neighborhoods are in a serious state of physical and social decay, the causes involve more than an under investment in the repair and maintenance of the housing stock. RRAP can be used as a tool in a strategy to revitalize such neighborhoods in concert with other community-based initiatives and as a way to prevent the displacement of low-income households from the neighborhood related to improvements in the housing stock. The impact of RRAP on neighbourhoods is limited by the fact that the program is universally available to low-income households and is not explicitly targeted to specific neighbourhoods.
- ***National employment growth is not a primary rationale for RRAP at this time.*** The employment generation impacts of RRAP have been stressed from time to time as a program rationale. While there is much evidence that renovation programs such as RRAP have been an effective employment generator in the past, the current economic situation (declining unemployment, rising inflation) does not call for a federal government housing renovation stimulation initiative to generate employment in the construction sector. Nevertheless, a housing renovation program such as RRAP may still have some positive employment impacts in areas of the country that are operating at less than full capacity, such as on First Nation reserves. Employment generation as a prime program objective can be inconsistent with the objective of addressing low-income housing adequacy and suitability problems, since it is possible to have housing adequacy and suitability problems during periods of low unemployment and in areas of low unemployment.

¹⁷ Those at the risk of homelessness currently live in permanent accommodation, but either pay such a large portion of income that they might be forced into shelters or onto the street if rents go up or if their incomes decline. They may also become homeless if their accommodation is in such poor condition that it may be condemned and destroyed. Others are at risk of eviction and loss of housing due to redevelopment and gentrification.

SECTION 4: WHO BENEFITS FROM RRAP RENOVATION ASSISTANCE?

This section looks at who has benefited from the RRAP programs¹⁸ based on information from surveys of tenants, landlords and homeowners in RRAP-renovated housing. The first part assesses the extent to which the programs have achieved the targeting objectives, and the second part includes socio-demographic profiles of RRAP beneficiaries. The final section summarises the profile of RRAP landlords and the types of rental housing funded under Rental and Rooming House RRAP and RRAP-D for Landlords.

The tables in this Section summarize data for the following programs: Homeowner RRAP, Rental RRAP, Rooming House RRAP, RRAP-D Homeowner, and the Emergency Repair Program (ERP). Insufficient data were available to report statistics for Conversion RRAP and for tenants in RRAP-D for Landlords. All tables include statistics weighted by the distribution of program expenditures by province.

Data for owner-occupants and landlords that participated in renovation or accessibility programs in Quebec is taken from *Évaluation du Programme De Revitalization Des Vieux Quartiers*, (Société d'habitation du Québec, 2000) and *Résultats du sondage auprès des bénéficiaires du Programme d'adaptation de domicile* (Société d'habitation du Québec, 1999). The programs will be referred to respectively as PRVQ and PAD. Eligible clients under both programs are cost-shared between the Governments of Canada and Québec and both evaluations acknowledge that the federal funds are intended to benefit low-income households.¹⁹

4.1 Extent to Which RRAP Assisted Targeted Households

The RRAP programs are targeted to core need households living in inadequate housing. According to the CMHC definition, a household is said to be in core housing need if its housing falls below at least one of the adequacy, suitability or affordability standards and it would have to spend 30% or more of its income to pay the average rent of alternative local market housing that meets all three standards. The RRAP-D program is targeted to core need households in which one or more household members have a disability that requires repair, improvement or modification to improve the accessibility of the dwelling unit.

¹⁸ This evaluation covers all off-reserve RRAP programs (Rental, Rooming House, Conversion, Homeowner and RRAP for Persons with Disabilities) and the Emergency Repair Program. These programs are NOT available on-reserve as there is a separate On-Reserve RRAP program that is being evaluated separately and the findings will be reported at a later date in a separate report. Evaluation surveys were not undertaken in Quebec.

¹⁹ The PRVQ evaluation reports on support for housing rehabilitation, conversion, and heritage investments. PRVQ funds are available to owner-occupants and landlords. The PRVQ evaluation reports on characteristics of households that received CMHC funds and states that PRVQ objectives and clients are related to those of RRAP. However, it does not publish survey details separately for "CMHC units". Consequently, comparisons between the impacts of PRVQ and Homeowner or Rental RRAP are very difficult. The PAD evaluation reports on support for housing accessibility adaptations. It explicitly identifies units that received CMHC funds and its survey data may be compared directly to RRAP survey data.

In addition, the federal Homeowner RRAP and Emergency Repair Program (ERP) have target levels for Aboriginal households off-reserve, namely, 14% of Homeowner RRAP²⁰ units and 80% of the ERP units. Except for the ERP that is targeted to rural off-reserve areas only, the other RRAP programs are available in both urban and rural areas off-reserve.

The achievement of targeting to core need households, persons with disabilities, off-reserve Aboriginal households, and by geographic area is assessed based on the survey data collected in the RRAP Evaluation.

4.1.1 Targeting to Core Need Households

RRAP and ERP are well-targeted overall to core need households with 94% of RRAP Homeowners, 85% of tenants in Rental RRAP units and 90% of tenants in Rooming House RRAP units having incomes below the Core Need Income Thresholds (CNITs); 98% of RRAP-D Homeowners and 95% of ERP households with incomes below CNITs (Table 4-1).

The PRVQ evaluation states that rental program clientele is composed of a majority of households in core need indicated by the fact that 51 percent have household incomes less than \$20,000.

**Table 4-1
Percentage of RRAP Households below
Core Need Income Thresholds (CNITs)**

Program	% of RRAP households below CNITs
Homeowner RRAP (n=469)	94%
Tenants in Rental RRAP units (n=66)	85%
Tenants in Rooming House RRAP units (n=109)	90%
RRAP-D Homeowners (n=198)	98%
ERP (n=289)	95%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002.
Survey data excludes Quebec.

4.1.2 Targeting to Persons with Disabilities

RRAP-D is well targeted to households with a person(s) with disabilities and other RRAP programs also serve people with disabilities. Ninety percent of RRAP-D Homeowners have a household member or members with a disability (Table 4-2). Since the survey was based on RRAP-D units funded since 1997, it is possible that the person with a disability in the household at the time of the RRAP funding may have died or moved out of the unit in the last five years.

²⁰ In 1994, federal Cabinet required that targets for Aboriginal participation in Homeowner RRAP and ERP be set at a level exceeding their relative share of need.

Other RRAP programs serve varying proportions of persons with disabilities, ranging from 4% of Rooming House RRAP tenants to 21% of rental RRAP tenants and 25% of regular RRAP Homeowners. Therefore, rental and homeowner RRAP programs that are *not specifically* targeted to persons with disabilities are serving a higher proportion of persons with disabilities than in the Canadian population (16% in 1991).

**Table 4-2
Proportion of Households with Disabilities
RRAP, RRAP-D**

Group	Percentage with Disabilities
Homeowner RRAP (n=719)	25%
Rooming House RRAP (n=168)	4%
Rental RRAP (n=153)	21%
RRAP-D Homeowner (n=320)	90%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

In addition, RRAP-D has also been used to increase the stock of accessible rental and rooming house units. RRAP-D landlords surveyed indicated that 191 rooming house or shelter units and 26 rental suites were modified to improve accessibility for people with disabilities (Table 4-3). Sixty-five percent of these units were occupied by persons with disabilities at the time of the survey, 15.7% were vacant and 18.9% were occupied by persons not having disabilities.

**Table 4-3
Number of Rental Units Modified with Landlord RRAP-D & Occupied by
Persons with Disabilities**

Housing Type	Total # of Units Designed or Modified with RRAP-D	# occupied by persons with disabilities	# vacant	# occupied by persons without disabilities
Rooms in a rooming house or shelter	191	121	33	37
Bachelor	0	0	0	0
1-bedroom	10	5	1	4
2-bedroom	4	4	0	0
3- bedroom	12	12	0	0
4 or more bedrooms	0	0	0	0
Total	217	142	34	41

Source: Landlord Surveys (RRAP/comparison), RRAP Evaluation, 2002. Survey data excludes Quebec.

RRAP-D is primarily serving households with mobility disabilities. A high proportion of RRAP-D homeowners and tenants had a household member (or members) with mobility disabilities (88% and 60% respectively) (Table 4-4). The 1991 HALs Survey²¹ showed that, in the Canadian population, mobility disabilities were the most prevalent type of disability with 52.5% of those aged 15-64 living in households. RRAP-D is reaching higher proportions of those with mobility disabilities since it allows for types of home modifications related to improving accessibility to or within a dwelling. Other types of disabilities that were frequently faced by those in households renovated by RRAP-D included visual and cognitive disabilities. The survey responses on RRAP-D tenants are similar to those of homeowner clients, with 82% reporting mobility disabilities.

**Table 4-4
Type of Disability of RRAP-D Program Beneficiaries**

Type of Disability	Program Beneficiaries	
	RRAP-D Tenants (n=36)	RRAP-D Homeowner (n=276)
Visual	20%	21%
Hearing	6%	15%
Cognitive	11%	12%
Mobility	82%	88%
Allergy	0%	11%
Other *	14%	18%

Source: Surveys of RRAP-D Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may add to more than 100% due to multiple responses.

* Other includes psychiatric & mental health related disabilities

4.1.3 Targeting to Aboriginal Households Off-Reserve

As noted earlier, the federal Homeowner RRAP and ERP have specific targets for Aboriginal households: 14% and 80% on a national level²² respectively. The Rental RRAP and RRAP-D programs do not have specific targets but it may be expected that a portion of the units would be housing Aboriginal households given above average levels of core housing need, homelessness and disability among the off-reserve Aboriginal population.

²¹ Health and Activity Limitation Survey (1991)

²² Note that the native targets vary by province and territory based on the Aboriginal population. Survey sample sizes are too small to assess target achievement at the provincial/territorial level. Note also that RRAP and ERP activity in the Province of Quebec were *not included* in this evaluation.

Homeowner RRAP is close to achieving Aboriginal targets; no progress for ERP.

Survey data (Table 4-5) showed that 10% of Homeowner RRAP from 1997 to 2000 has served Aboriginal households which is close to the 14% target level defined for this program. However, only 28% of ERP clients were Aboriginal households which falls short of the 80% target at a national basis. These data indicate no change in achievement of the Aboriginal targets as compared with 1995 when 8% of RRAP homeowner households and 28% of ERP recipients were Aboriginal.²³

Other programs also serve off-reserve Aboriginal households including 9% of Rental RRAP tenants, 17% of Rooming House RRAP tenants, and 7% of RRAP-D homeowners.

**Table 4-5
Aboriginal Status – RRAP Program Beneficiaries**

Aboriginal Status	Program Beneficiaries				
	Homeowner RRAP (n=669)	Rental RRAP (n=146)	Rooming House RRAP (n=173)	RRAP-D Homeowner (n=269)	ERP (n=284)
North American Indian	3%	3%	6%	2%	12%
Métis	6%	5%	11%	5%	16%
Inuit	1%	1%	--	-	--
% Aboriginal	10%	9%	17%	7%	28%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

4.1.4 Targeting to Geographic Areas

As discussed in Section 3, the incidence of rural households who are in core need and occupying inadequate and unsuitable shelter (5.6%) is higher than the incidence of urban households who are in core need and occupying inadequate and unsuitable shelter (4.5%). However, more core need urban households than core need rural households live in inadequate or unsuitable housing (385,860 versus 92,685).

ERP is well targeted to rural areas with 64% of activity in small towns and 36% in rural (farm or non-farm) areas. (Table 4-6) Rental RRAP and Rooming House RRAP clients are mainly located in urban areas (88% and 98% respectively). In Homeowner RRAP, there is a mix of urban, small towns and rural clients.

In Quebec, PRVQ is delivered only in designated older neighbourhoods of 43 large municipalities. PRVQ is not available in rural or small urban areas or in major cities outside of designated neighbourhoods.

²³ 1995 National Social Housing Annual Review, Assisted Housing Division, CMHC, August 1996.

Table 4-6
Community of Residents – RRAP Program Beneficiaries

Community Type	Program Beneficiaries				
	Homeowner RRAP (n=719)	Rental RRAP (n=149)	Rooming House RRAP (n=174)	RRAP-D Homeowner (n=271)	ERP (n=304)
Urban	34%	88%	98%	51%	0%
Small town, village hamlet (less than 2,500 people)	37%	11%	2%	26%	64%
Rural area (farm or non-farm)	29%	1%	--	22%	36%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.
 Note: numbers may not add up to 100% due to rounding

4.2 Profiles of RRAP Household Characteristics

The household characteristics of RRAP household were obtained from the surveys to provide profiles of household types, income levels and sources of incomes. Other demographic information is included in the Appendix.

4.2.1 Household Types & Age

While all types of households are served by RRAP, single adults living alone are the largest proportion in all RRAP programs (Table 4-7). Rooming House RRAP has the highest proportion of single adults (85%) as would be expected given the type of housing. Almost two-thirds of Rental RRAP households (61%), over a third of Homeowner RRAP (39%), and 38% RRAP-D Homeowners are also single persons. A minority of households in all programs are families with children, about one-third (37%) in homeowner RRAP, 24% of RRAP-D homeowners and 12% in Rental RRAP. ERP has the highest proportion of households with children at 39%.

In Quebec, PRVQ helps fewer households of single adults and more households of adult couples than RRAP. This is true for both PRVQ homeowners (21% single adults, 69% couples) and for renters (51% single adults, 34% couples). Nine percent of PRVQ households were single parents which is close to both the owner and rental rates for RRAP.

Under Quebec's PAD, 61% of households are families, while 54% of PAD clients are couples (with or without children) and 7% are single parents.

Table 4-7
Household Type – RRAP Program Beneficiaries

Household Type	Home-owner RRAP (n=723)	Rental Tenants (n=156)	Rooming House Tenants (n=175)	ERP (n=306)	RRAP-D Homeowner (n=276)
Single adult living alone	39%	61%	85%	27%	38%
Couple without child(ren)	21%	20%	--	28%	30%
Single parent living with child(ren)	14%	6%	1%	11%	14%
Couple living with child(ren)	23%	6%	1%	28%	10%
Two or more unrelated adults	2%	5%	12%	1%	1%
Two or more related adults	3%	2%	2%	6%	7%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.
 Note: Numbers may not add up to 100% due to rounding.

The high proportion of single person households is a reflection of the age composition of RRAP households. Based on the age of respondents to the surveys, about a third of RRAP Homeowners, 40% of RRAP-D homeowners, and nearly a quarter of Rental RRAP households are 65 or more years of age (Table 4-8). Rooming House RRAP has a higher proportion of younger persons than other programs (8% below the age of 25 years) and only a small proportion of elderly persons (7% over the age of 65).

Table 4-8
Age of Respondents* – RRAP Program Beneficiaries

Age Category	Homeowner RRAP (n=692)	Rental Tenants (n=145)	Rooming House Tenants (n=165)	ERP (n=290)	RRAP-D Homeowner (n=277)
Under 18	--	--	1%	--	4%
18 – 24 years	--	6%	7%	1%	--
25 –34 years	5%	20%	13%	6%	2%
35 – 44 years	16%	11%	19%	19%	15%
45 – 54 years	20%	19%	28%	21%	15%
55 – 64 years	24%	21%	26%	23%	24%
65 and older	36%	23%	7%	30%	40%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation 2002. Survey data excludes Quebec.

*Note that this data is based on the age of the respondent to the survey. Numbers may not add up to 100% due to rounding

4.2.2 Income Levels and Sources of Income

Large proportions of RRAP households had very low incomes and all had annual incomes below \$36,000. Rooming house RRAP households had the highest proportion (76%) of incomes of \$12,000 or less annually compared with 34% for Rental RRAP, 30% for RRAP-D homeowners, 46% for ERP, and 41% for RRAP homeowners (Table 4-9). Less than 10% had incomes over \$24,000 annually, except for Rental RRAP where 18% had incomes over \$24,000. These low-income levels reflect the household composition (that is, the high proportion of single person households), the age structure (with high proportions of elderly persons in rental and homeowner and young persons in rooming houses), and the major sources of income being pensions or social assistance.

In Quebec, 75% of targeted PAD clients (CMHC units) have incomes below \$25,000. It is not possible to report on the income distribution of targeted PRVQ units based on available information. However, including both targeted and untargeted PRVQ units, 24% of owners and 62% of tenants have incomes below \$25,000.

Table 4-9
Annual Income Ranges – RRAP Program Beneficiaries

Income Ranges	Homeowner RRAP (n=603)	Rental Tenants (n=130)	Rooming House Tenants (n=115)	ERP (n=291)	RRAP-D Homeowner (n=233)
Less than \$6,000	3%	0%	11%	7%	0%
\$6,000 –12,000	38%	34%	65%	39%	30%
\$12,001 –18,000	35%	32%	17%	27%	42%
\$18,001 –\$24,000	17%	16%	5%	19%	21%
\$24,001-30,000	7%	4%	3%	7%	6%
\$30,001-36,000	1%	14%	0%	2%	0%
Total	100%	100%	100%	100%	100%

Source: Survey of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Numbers may not add up to 100% due to rounding.

Note: Data excludes top and bottom 5% (outlier exclusions)

Across all types of RRAP, the reliance on pensions and social assistance incomes is very marked (Table 4-10): 71% of RRAP homeowners and 72% of ERP households depend on pension incomes or social assistance. Fifty-one percent of Rooming House RRAP households depend on social assistance. An even higher proportion of RRAP-D households (74%) identified pensions as their major source of income in 2001. This would include disability pensions plus an additional 13% had social assistance incomes that may include disability allowances. A third of renters have pension incomes and 17% have social assistance as their major source of incomes. Only 27 to 28% of RRAP homeowners, ERP and rooming house households have employment income compared with 44% of rental tenants.

Table 4-10
Major Source of Household Income in 2001 - RRAP Program Beneficiaries

Income Source	Homeowner RRAP (n=690)	Rental Tenants (n=147)	Rooming House Tenants (n=172)	ERP (n=289)	RRAP-D Homeowner (n=262)
Paid employment	27%	44%	28%	27%	9%
Pensions	50%	32%	16%	39%	74%
Social Assistance	21%	17%	51%	33%	13%
Other money sources	3%	7%	5%	1%	5%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

4.2.3 Summary Profile of RRAP Households

The typical RRAP household is a single adult living alone or a couple without children. Only a third of RRAP homeowners and 12% of Rental RRAP tenants are households with children. A substantial proportion of RRAP households have completed high school and higher education. Most RRAP household members are Canadian born – 84% or more across most programs. Income levels are low across the programs with a large proportion of households depending on pensions or social assistance incomes.

4.3 Landlord Profiles

The majority of RRAP-D property landlords are non-profit groups; majority of Rental RRAP landlords are private owners. RRAP-D landlords were almost four times as likely to be non-profit groups than were other RRAP landlords. Whereas private citizens owned 67% of Rental RRAP units, 57% of RRAP-D Landlords were non-profit groups (Table 4-11).

Table 4-11
Ownership of Building – Landlords of RRAP and RRAP-D

Building Ownership	Program Beneficiaries	
	RRAP Landlord (n=467)	RRAP-D Landlord (n=116)
Private individual	67%	29%
Government	1%	--
For profit corporation	11%	11%
Non-profit corporation	14%	57%
Partnership	7%	--
Other	--	3%

Source: Survey of Landlords, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

Length of landlord ownership varies considerably for RRAP projects in all RRAP programs. (Table 4-12) Rooming house and RRAP-D landlords were more likely to have owned their properties for 11 years or more (67% and 53% respectively) than Rental RRAP landlords (49%). A quarter or more of all landlords had owned their properties for less than 5 years.

Table 4-12
Length of Landlord Ownership – RRAP

Years of ownership	Program Beneficiaries – Landlords		
	Rental (n=274)	Rooming House (n=130)	RRAP-D (n=114)
1-5 years	28%	25%	28%
6-10 years	23%	8%	21%
11-20 years	35%	44%	30%
Over 20	14%	23%	23%

Source: Survey of Landlords, RRAP evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

Most RRAP landlords are located in urban areas although 9% of rental RRAP and 11% of RRAP-D landlords were located in small towns (less than 2,500 population) (Table 4-13).

Table 4-13
Type of Community – RRAP Landlords

Rental location	Program Beneficiaries – Landlords		
	Rental (n=271)	Rooming House (n=129)	RRAP-D (n=115)
Urban	87%	95%	86%
Small town, village, hamlet (less than 2,500 people)	9%	4%	11%
Rural area (farm or non-farm area)	4%	1%	3%

Source: Survey of Landlords, RRAP evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

Table 4-14 demonstrates the breakdown of property types for the RRAP landlord surveys. The survey findings show a high proportion of RRAP rental households in duplex, semi-detached housing, or row townhouses (30%). Not surprisingly, the majority (51%) of surveyed Rental RRAP landlords indicated that they owned apartments. Responses of landlords indicate that RRAP properties may have been converted to other housing types, as, for example, 3% of those landlords who received Rooming House RRAP indicated that their housing was “single detached” housing.

Table 4-14
Landlord Description of Property – RRAP

Rental type	Program Beneficiaries – Landlords		
	Rental (n=274)	Rooming House (n=129)	RRAP-D (n=115)
Single detached	15%	3%	18%
Duplex or semi-detached, row townhouses	30%	5%	25%
Apartment	51%	7%	35%
Rooming house	1%	83%	14%
Other	3%	3%	8%

Source: Survey of Landlords, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

4.4 Conclusions

- **RRAP and ERP are well targeted overall to core need households. Survey data showed that, in 2002, 94% of RRAP homeowners, 85% of tenants in Rental RRAP units, 90% tenants in Rooming House RRAP units, 98 % of RRAP-D homeowners and 95% ERP households have incomes below the Core Need Income Thresholds (CNITs).**
- **RRAP-D is well targeted to households with a person(s) with disabilities and other RRAP programs also serve people with disabilities.** Survey data showed that, up to five years after receiving RRAP funding, 90% of households in units funded under RRAP-D homeowner have a household member(s) with a disability. Over 65% of rental units funded under RRAP-D Landlord continue to be occupied by people with disabilities. In addition, 21% of Rental RRAP units, and 25% of Homeowner RRAP units were occupied by households with a person(s) with disabilities.
- **Homeowner RRAP is close to achieving Aboriginal targets; no progress for ERP.** In 2002, 10% of Homeowner RRAP units were occupied by Aboriginal households which is close to the 14% target level for this program at the national level. Although 28% of ERP units were occupied by Aboriginal households, this falls short of the 80% target at the national level and represents no change since 1995.

SECTION 5: HOUSING IMPACTS

5.1 Introduction

Housing stock improvements are the direct output of the RRAP programs. Homeowner, Rental and Rooming House RRAP provide assistance to rehabilitate deteriorated housing occupied by low-income households to a minimum level of health and safety, while ERP assists in addressing urgent repairs required for continued safe occupancy of the house. This section uses a number of measures to assess the impact of RRAP and ERP on the housing stock, including the extent to which it has influenced property owner decisions to undertake repairs, the nature of the repairs funded under the program and client satisfaction with the repairs. Physical inspections of RRAP properties were also undertaken to assess whether the repairs were successful in bringing properties up to minimum health and safety standards and in extending useful life.

Housing stock improvements can also impact housing affordability and suitability, as well as occupant health and safety. This section assesses the impact of RRAP on housing affordability from three perspectives: firstly, by looking at the affordability problems of homeowners and tenants living in properties that have received RRAP assistance; secondly, by assessing whether Rental and Rooming House RRAP have been successful in maintaining rents which are affordable to low-income households, and thirdly, by looking at the extent to which RRAP has contributed to preserving the affordable housing stock. Finally, this section assesses the impact of RRAP repairs on the health and safety of occupants.

5.2 Impact on Decisions to Renovate

One of the indicators of whether RRAP is helping to improve the condition of the housing stock is the extent to which it is influencing property owners' decisions to undertake repairs. Survey data confirms that RRAP is successful in encouraging property owners to undertake renovations. As detailed in Table 5-1, while only 30% of homeowners and between 12 and 22 percent of landlords indicated that they would have not done any renovations in the absence of RRAP, a further 23% of homeowners and between 48 and 52% of landlords indicated that they would have done fewer renovations. Only 12% of Homeowners and 7 to 8% of landlords indicated that they would have done the same repairs. This may reflect the requirement under RRAP to address health and safety repairs which may be overlooked by property owners.

ERP clients were more apt to indicate that they would have done the same renovations (25%). This may reflect the urgent nature of repairs funded under ERP and the fact that in most cases, they cannot be left unattended.

The PRVQ evaluation found that 38% of property owners (occupants and landlords combined) would have renovated without PRVQ funding while for 62%, program funding was a major consideration.

Table 5-1
Influence of RRAP on Property Owner Decisions

Percentage Who Would Have:	Homeowner RRAP (n=509)	ERP Clients (n=274)	Rental Landlords (n=244)	Rooming House Landlords (n=123)
Not Done Any Renovations	30%	26%	12%	22%
Done The Same Renovations	12%	25%	7%	8%
Done Fewer Renovations	23%	20%	52%	48%
Done The Renovations Later	14%	13%	12%	10%
Converted/Demolished	0%	1%	2%	1%
Sold	4%	1%	7%	4%
Other	17%	14%	8%	7%

Source: Client Surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

5.3 Types of Renovations Funded under RRAP

RRAP is intended to address repairs relating to health and safety and to extending the useful life of properties. As reported in Table 5-2, structural work, including repairs to foundations, walls and roofs, was the most common type of repair reported under Homeowner RRAP, Rental RRAP and ERP. Repairs to windows and doors were also common under all three programs, while heating work was prevalent under Homeowner RRAP and ERP.

Table 5-2
Most Frequently Reported Renovations Funded by RRAP and ERP
(Percent and Ranking)

Renovations	Homeowner RRAP (n=532)	ERP (n=300)	Rental RRAP (n=253)	Rooming House RRAP (n=133)
1. Foundation, walls, roof or other structural work	66% (1)	61% (1)	78% (1)	68% (2)
2. Windows and doors	53% (2)	37% (3)	77% (2)	60% (5)
3. Heating	29% (3)	41% (2)	49% (8)	50% (8)
4. Exterior finishes	28% (4)	--		
5. Plumbing	27% (5)	30% (4)	53% (5)	55% (6)
6. Electrical	22% (6)	15% (5)	58% (3)	62% (4)
7. Bathroom and toilets	23% (7)	--	52% (6)	63% (3)
8. Fire Protection	12% (8)	6% (6)	54% (4)	73% (1)
9. Interior finishes			51% (7)	55% (7)

Source: Client Surveys, RRAP Evaluation, 2002. Survey data excludes Quebec

Note: Totals will add to more than 100% due to multiple response.

Under Rooming House RRAP, the most common type of repairs were those required to address fire safety (73%). Fire protection measures were also common under Rental RRAP (54%). Electrical work, which can contribute to safety from fire, was also undertaken by a majority of Rental RRAP landlords (58%).

5.4 Client Satisfaction with Housing Condition and Renovations

Homeowners became more satisfied with their housing as a result of participating in the program. As shown in Table 5-3, three-quarters of RRAP Homeowners reported they were satisfied or very satisfied with their current housing as compared to 59% of the comparison group. As would be expected, a lower portion of ERP beneficiaries (64%) reported that they were satisfied with their housing reflecting the less extensive repairs done under this program.

Results were mixed with respect to tenants. Sixty-three percent (63%) RRAP Rental and eighty-seven percent (87%) of Rooming House occupants reported being somewhat or very satisfied with their housing as compared to 71% of the comparison group.

Data on PRVQ clients indicate that 74% reported an improvement in their housing conditions as compared with previous housing, and 80% or more were satisfied with various aspects of their housing units and neighbourhoods.

**Table 5-3
Occupant Satisfaction with Housing Condition –
RRAP and Comparison Groups**

Satisfaction with Current Housing	Program Beneficiaries				Comparison Group	
	Homeowner (n=712)	ERP (n=300)	Rental (n=158)	Rooming House (n=174)	Homeowner (n=357)	Rental/RH Tenants (n=486)
Very Dissatisfied	3%	10%	21%	3%	9%	7%
Somewhat Dissatisfied	10%	16%	6%	1%	18%	8%
Neutral	11%	11%	10%	9%	13%	14%
Somewhat Satisfied	40%	38%	34%	23%	36%	38%
Very Satisfied	37%	26%	29%	64%	23%	33%

Source: Client surveys, RRAP Evaluation, 2002. Survey data excludes Quebec

Note: Numbers may not add to 100% due to rounding.

Occupant Satisfaction with Renovations

As indicated in Table 5-4 below, occupants were overwhelmingly in agreement that RRAP had improved the quality of their housing. Only a minimal 1% believed that the RRAP renovations had worsened the quality of the housing, suggesting that the renovations are being targeted to key areas in need of repair, and that the nature and quality of the work is sufficient to result in a noticeable improvement in housing condition to those living in the renovated housing.

Repairs made under Homeowner RRAP compare well to repairs made outside of the program in terms of client beliefs about the resulting improvement in the quality of their housing. Seventy-one percent (71%) of homeowner RRAP clients felt that the renovations had significantly improved the quality of their housing. This compared favorably with those in the comparison group who had repairs made to their housing without RRAP funding (67% of these felt that the renovations had significantly improved the quality of their housing).

Repairs made under Rental and Rooming House RRAP also compare well in this regard. Forty-six percent (46%) of Rental RRAP beneficiaries and seventy two percent (72%) of Rooming House RRAP beneficiaries felt that the renovations had significantly improved the quality of their housing compared to thirty percent (30%) of the tenant control group who also had repairs made to their housing and said that the renovations had significantly improved the quality of their housing.

**Table 5-4
Occupant Satisfaction with Renovations –
RRAP and Comparison Group**

Impact on Quality of Housing	Program Beneficiaries				Comparison Groups ¹	
	Homeowner (n=619)	ERP (n=292)	Rental (n=96)	Rooming House (n=68)	Homeowner (n=217)	Rental and Rooming House (n=187)
Significantly Worsened	1%	1%	--	1%	–	--
Slightly Worsened	1%	--	3%	--	–	1%
No Change	2%	3%	15%	4%	–	25%
Slightly Improved	24%	34%	35%	23%	33%	43%
Significantly Improved	71%	62%	46%	72%	67%	30%

Source: Client Surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Numbers may not add up to 100% due to rounding

¹ Includes only comparison group respondents who reported repairs being completed since 1996

These findings were also reflected in interviews of residents that were undertaken for case study research. Overall, residents in case study areas were enthusiastic about the renovations that were undertaken. In only one instance were case study residents of the opinion that the renovations undertaken in their housing unit had made a negative impact on the housing.

5.5 Impact on the Physical Condition of Properties

Under RRAP, all repairs required to bring a property up to minimum health and safety standards must be completed. The repairs are also expected to permit a further 15 years of useful life of the dwelling. To assess whether the program is meeting these objectives, survey respondents were asked to identify whether their unit current requires major or minor repair. In addition, physical inspections were completed on 430 properties which had received RRAP funding. No RRAP inspections were done in Quebec, the Yukon or the Northwest Territories. Also, the Emergency Repair Program was not included in the physical condition survey. Inspections were carried out by CMHC inspectors or by private inspection services employed by CMHC. This section reports on the client's perception of repair need and the results of the physical condition survey, including the current condition of RRAP properties and the extent of 'partial RRAP'

5.5.1 Client Perception of Repair Need

Despite the high levels of satisfaction with housing condition and perceptions of improved housing quality due to the RRAP-funded renovations reported above, 35% of Homeowner RRAP clients reported that their units continue to require major repair (Table 5-5). This compares to 100% of units that would have required major repair in order to qualify for RRAP. In addition, as the RRAP work was undertaken up to five years earlier, some of the need for major repair may have arisen because of deterioration since the RRAP was completed.

**Table 5-5
Homeowners and Tenants Reporting Need for Repair**

Need for Repair	Program Beneficiaries			Comparison Groups ¹	
	Homeowner (n=717)	Rental Tenant (n=145)	Rooming House Tenant (n=173)	Homeowner (n=366)	Tenant (n=482)
Major Repairs Needed	35%	29%	5%	55%	17%
Minor Repairs Needed	35%	20%	10%	27%	19%
Regular Maintenance Only	30%	52%	85%	18%	64%

Source: Client Surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Numbers may not add up to 100% due to rounding

Twenty-nine percent of Rental RRAP beneficiaries felt that their dwellings still need major repair. This is higher than the 17 percent of the control group that felt their dwellings needed major repairs. However, only 5 percent of Rooming House RRAP beneficiaries felt that their dwellings still needed major repairs, possibly reflecting more stringent enforcement of property bylaws where rooming houses are concerned.

5.5.2 Physical Condition Survey: Current Condition of RRAP Properties

Under the physical condition survey, inspectors were asked to assess the condition of over 200 building elements and identify whether repair was required, using the following categories:

- **‘Major Repair’:** Requires repair to address a deficiency which represents a major threat to health and safety. These could qualify a property for RRAP funding.
- **‘Other Mandatory Repair’:** Requires repair to remove a health or safety risk or to extend building life. The repair would NOT qualify the property for RRAP, but would be considered a mandatory repair item if the property were being considered for a new RRAP loan.
- **‘Other’:** Element has a deficiency and does not meet applicable municipal or provincial bylaw. Repair of the deficiency is not eligible for RRAP.

Where deficient elements were identified, inspectors were asked to estimate the cost of repair. In addition to undertaking the detailed repair need assessments, inspectors were also asked to provide summary ratings of the current condition of major components and to estimate the remaining useful life of the building and of the individual components. The summary assessments were used to report on incidence of repair need.

5.5.2.1 Incidence of Repair Need

Table 5-6 shows the incidence of repair need at the time of inspection for all program components, by CMHC and provincial delivery. Newfoundland and New Brunswick are reported separately, given the variations in program design in these jurisdictions.

Under Homeowner RRAP delivered by CMHC, only 38% of units inspected had no identified repair need and hence could be considered to meet the RRAP Standards. Sixty-two percent required repairs but, of this, only 21% had a major repair need that would qualify the property for RRAP funding. Where the province is delivering Homeowner RRAP, the incidence of repair need was significantly lower, at 48%. However, there was very little difference in the percentage of units requiring major repair (18%). New Brunswick units had the highest incidence of repair need at 94%. In Newfoundland, 24% of units met RRAP standards but, of those requiring repair, only 4% required major repair leaving 73% needing only other mandatory repairs.

**Table 5-6
Incidence of Repair Need in RRAP Dwellings by Program**

Program	Meets RRAP Standards (no repair required)	Repair Required		
		Other Mandatory only (no major repair)	Major Repair Only	Major and Other Mandatory Repairs
Percent				
Homeowner (federal design)				
CMHC delivered (n=142)	38	41	4	17
Province delivered (n=92)	52	29	4	14
Homeowner – Newfoundland (n=63)	24	73	2	2
Homeowner – New Brunswick (n=49)	6	49	2	43
Rental (n=37)	43	27	11	19
Rooming House (n=38)	47	34	8	11
Conversion (n=9)	89	11	0	0
Rows may not add to 100% due to rounding. Source: Physical condition survey, RRAP Evaluation, 2002. Survey data excludes Quebec.				

As would be expected, units funded under Conversion RRAP reported the lowest repair need, with 89% of buildings having no deficiencies or repair need. This reflects both the newness of the program (conversion projects are generally less than two years old) and the extensive nature of the renovations normally undertaken. The Rental and Rooming house programs have respectively 43% and 47% of buildings with no repair need. Thirty percent of Rental properties and 19% of Rooming houses were identified as having a major repair need. This means that 70% of Rental properties and 81% of rooming house properties are free from major repairs that could re-qualify the building for RRAP.

5.5.2.2 Repair Cost Estimates for RRAP Buildings

Table 5-7 shows the average cost of all required repairs by program and the average cost of RRAP-eligible (major and other mandatory) repairs. The latter excludes repairs needed to satisfy local standards but which are not recognized by RRAP.

The estimated repair cost for houses that have received RRAP loans delivered by CMHC is \$4783. This is significantly higher than the cost for province-delivered loans, at \$2514. In the Newfoundland program, repair costs are \$4809, slightly more than for CMHC accounts. Houses in New Brunswick require, on average, over \$11,000 of repairs. This is significantly more than for any other program. The Conversion, Rooming house, and Rental accounts have repair need of from about \$100 to \$745 per unit.

If repairs that are ineligible under RRAP are removed from the estimates, repair costs fall between 20% to almost 50%. However, the pattern of purely RRAP-eligible repairs remains the same. Of the homeowner accounts, New Brunswick has the highest current repair costs. Newfoundland and the CMHC-delivered provinces are similar and the province-delivered accounts have the least repair need. Repair requirements for the rental, rooming house, and conversion programs are negligible.

Table 5-7
Current Dwelling Repair Requirements by Program

Program	Average Repair Cost per unit (all items)	Average Repair Cost per unit (RRAP eligible items)
	dollars	dollars
Homeowner (federal design)		
CMHC delivered (n=142)	4,783	3,412
Province delivered (n=92)	2,514	2,015
Homeowner – Newfoundland (n=63)	4,809	3,679
Homeowner – New Brunswick (n=49)	11,044	8,432
Rental (n=37)	745	503
Rooming House (n=38)	570	305
Conversion (n=9)	110	Nil
Source: Physical condition survey, RRAP Evaluation, 2002. Survey data excludes Quebec.		

To give context to these numbers, the average cost of repairs, per unit, for CMHC-delivered homeowner RRAP was \$9,624 in 2001 and \$9,262 in 2000 (*CMHC Renovation Programs*, CMHC, 2002). Repair costs for Saskatchewan accounts were just over \$10,000 for the same years, and were slightly higher in Manitoba. In Newfoundland, project repairs are not recorded separately from the total loan amount. The loan amounts, including the forgivable and repayable portions, are close to the total project cost. Loan amounts were \$4,254 in 2000 and \$3,300 in 2001. On the basis of this data, pre-renovation units in the federal-design programs are assumed to have required from nine to ten thousand dollars of repairs, but only from \$3,000 to \$4,000 in Newfoundland. Current repair estimates of from \$2,500 to \$4,800 in provinces where the federal program is available suggest that RRAP has made a substantial positive impact on dwelling condition, but has not solved adequacy problems for program clients.

It is also possible to compare the costs of current repair needs of rehabilitated houses with the average for Canada. CMHC did a national survey of the low-rise housing stock in 1986 and found that the owner-occupied units needed about \$4,975 of repair (measured in 2002 dollars). Considering only repairs eligible under RRAP, houses in provinces where CMHC delivers and in Newfoundland have repair costs of 20 to 25 percent less than the Canadian average. Rehabilitated houses in provinces where provincial housing agencies deliver RRAP have repair costs about 60 percent less than the Canadian average.

Costs of eligible repairs for Newfoundland, at just under \$3,700, are about equal to the original repair costs. This may indicate that the program in Newfoundland is not improving housing conditions but is, at best, maintaining housing at about its condition when it entered the program. Alternatively, it may indicate that only part of needed rehabilitation is being done.

There are two possible explanations for the high incidence of repair needs reported above. Firstly, units may have been fully brought up to standards through RRAP but have subsequently deteriorated and hence require further repair or, alternatively, not all repairs were done at the time of RRAP. That is to say the high incidence reflects ‘partial RRAP’.

5.5.3 Incidence of Partial RRAP

The CMHC-delivered and the province-delivered portfolios for federal Homeowner RRAP were tested for evidence of partial rehabilitation. The Newfoundland and New Brunswick homeowner programs and the rental programs were not included.

Separate samples of accounts for the CMHC-delivered and province delivered programs were inspected for the periods 1997-2000 and 2001. This allows a comparison of recently completed renovation projects with those up to five years old. It is assumed that current repair requirements on buildings renovated in 2001 are a result of partial RRAP, and do not result from deterioration after repair. Repair requirements on 1997-2000 properties may be some mixture of post-repair deterioration and partial RRAP.

Table 5-8 shows two indicators of partial RRAP for the two sample eras. The first is the proportion of houses that have an outstanding repair need (either major repair or other mandatory repair); the second indicator is the cost of repairs.

**Table 5-8
Partial Rehabilitation Indicators**

Program	Units	Account Era	Percent of Accounts with Outstanding Repair Need	Average Repair Cost per unit (dollars)
CMHC-delivered Homeowner RRAP	57	97-00	53	3,957
	80	2001	69	5,225
Province-delivered Homeowner RRAP	46	97-00	48	2,571
	32	2001	56	2,555

Note: Five CMHC accounts and eleven provincial accounts included in Table I were excluded for the purposes of Table 4 since RRAP work was not complete.
Source: Physical condition survey, RRAP Evaluation, 2002. Survey data excludes Quebec.

In the 2001 sample, the proportion of CMHC accounts with an outstanding repair need at the time of inspection was 69% and was 56% for province-delivered accounts. By assumption, all repair need observed in the 2001 sample originates from partial RRAP. Although the difference in incidence in 2001 between the CMHC and provincial portfolios is not statistically significant, both incidences are large and indicate that recently RRAP has not improved dwellings to the level of the RRAP Standards.

The proportion of CMHC and province-delivered accounts with outstanding repair needs increased from the 1997-2000 era to 2001. Some of the accounts with deficiencies in the older group and all accounts in the newer group were partially rehabilitated. Thus partial RRAP has increased in both the CMHC-delivered and province-delivered programs.

For province-delivered accounts, repair costs for 2001 are similar to 1997-2000. CMHC accounts approved in 2001 have higher estimated current repair costs than those of the 1997-2000 era, indicating that the extent of repairs being missed through RRAP is increasing. The extent of partial RRAP, as measured by repair cost, is significantly higher in the CMHC-delivered portfolio than in the provincial portfolio in 2001.

The causes of partial RRAP are not clear. The size of renovation projects is similar between CMHC-delivered and province-delivered accounts, and therefore cannot account for the difference in incidences or costs. Follow-up work that matches repair need and applicant data will be necessary to examine the causes in more detail. Section 10 on Program Design and Delivery discusses the effects of forgivable loan limits.

5.6 Impacts on Affordability and Suitability

5.6.1 Housing Affordability and Suitability - RRAP Homeowners and Tenants

A significant portion of RRAP Clients are experiencing affordability problems

While RRAP does not attempt to address existing affordability problems, the program is designed to minimize the impact on affordability of the lowest income households. In the case of Homeowner RRAP, this is achieved by providing full assistance to those with incomes below 60% of the applicable Income Thresholds. Under Rental and Rooming House RRAP, the pass-through of renovation costs to tenants in the form of rent increases is restricted and landlords must enter into agreements limiting rent increases during the agreement period.

According to survey data, 48% of RRAP homeowners and 74% of RRAP rental tenants currently face affordability problems, defined as having to pay 30% or more of their income on shelter costs (Table 5-9). This is higher than the percentage of the control groups with affordability problems, suggesting that beneficiaries experience an increase in shelter costs as a result of participating in the program.

Table 5-9
Percentage of RRAP and the Comparison Group Households
Reporting Affordability and Suitability Problems

	Program Beneficiaries				Comparison Group		
	Homeowner	ERP	Rental Tenant	Rooming House Tenant	Comparison Homeowner	Wait List Comparison Occupant	Rent Survey Comparison Occupant
Affordable shelter need	48% (n=326)	51% (n=217)	74% (n=31)	65% (n=101)	43% (n=222)	59% (n=83)	64% (n=139)
Suitable dwelling need	4% (n=499)	8% (n=300)	4% (n=79)	3% (n=117)	7% (n=331)	6% (n=160)	8% (n=301)
Can't afford alternative housing that meets standards	93% (n=469)	94% (n=289)	77% (n=66)	89% (n=109)	88% (n=313)	69% (n=134)	81% (n=238)

Source : Client and Comparison Group surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

As shown in Table 5-10, Rental RRAP tenants pay the highest portion of their income on shelter, 43%, compared to 38% to 40% for the two comparison groups. Homeowner RRAP and ERP beneficiaries pay about 32% of their income on shelter, on average, compared to 29% for the comparison group. This increase in shelter costs for Homeowner RRAP beneficiaries is consistent with the fact that only 41% of clients would have their repair costs fully covered by a forgivable loan (see Section 10, Table 10-5). The high shelter to income ratios for ERP clients likely reflects the low-incomes of this client group as opposed to program impact, given that ERP assistance is provided as a grant.

Table 5-10
Shelter Cost to Income Ratios - RRAP Homeowners, Tenants and Comparison Group

Shelter Cost to Income Ratio (STIR)	Program Beneficiaries				Comparison Group		
	Homeowner (n=274)	ERP (n=179)	Rental Tenant (n=27)	Rooming House Tenant (n=73)	Comparison Homeowner (n=190)	Wait List Comparison Tenant (n=71)	Rent Survey Comparison Tenant (n=122)
Less than 20%	30%	27%	11%	14%	34%	13%	10%
20 - 30%	24%	25%	15%	29%	27%	27%	26%
30 - 40%	17%	18%	26%	27%	15%	8%	20%
40 - 50%	13%	13%	11%	15%	13%	20%	20%
Over 50%	16%	17%	37%	15%	11%	32%	23%
Average STIR	.32	.33	.43	.33	.29	.40	.38

Source: Client and Comparison Group Surveys , RRAP Evaluation, 2002. Survey data excludes Quebec.

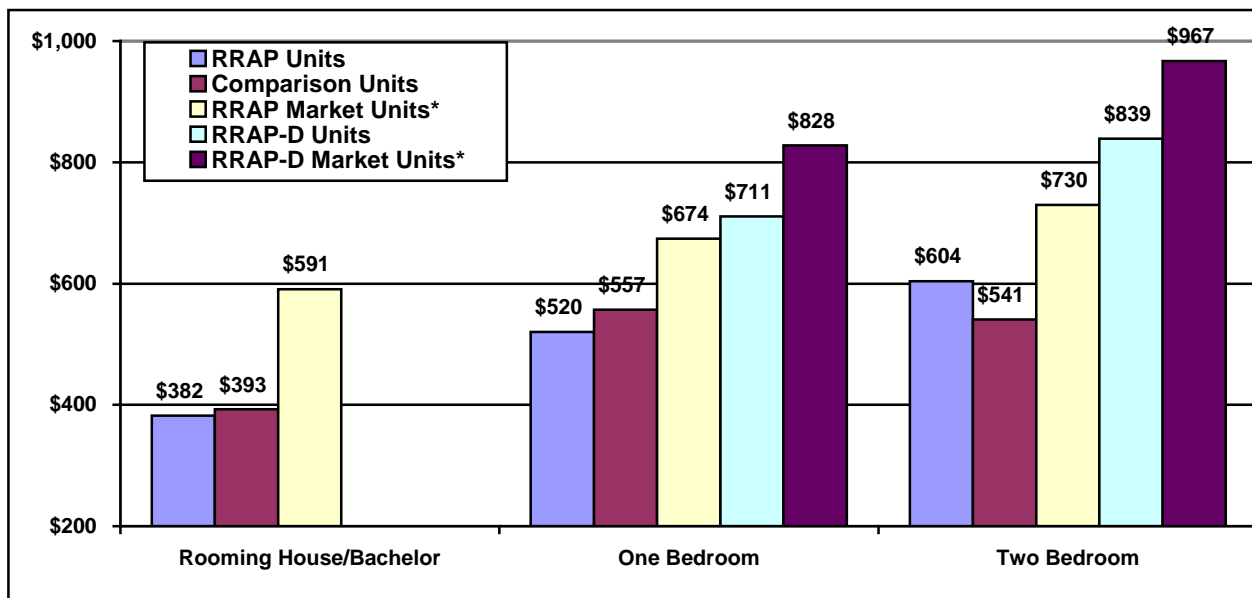
5.6.2 Maintaining Affordable Rent Levels

RRAP is successful in maintaining affordable rent levels

Despite the high levels of affordability problems reported by tenants living in properties which have been repaired through Rental or Rooming House RRAP, survey data indicates that RRAP has been successful in keeping rents below average market rent levels, as shown in Chart 5-1. Average RRAP rent levels are below average market rent levels for all unit sizes.

Rents on Rental RRAP projects are below the comparison group rents for rooming house and one bedroom units, suggesting that program beneficiaries would not experience an increase in rent between the period before the renovation and afterwards. However, rents on Rental RRAP projects are above the comparison group for two bedroom units, suggesting that program beneficiaries in these type of units would experience an increase in rents between the period before the renovation and afterwards.

Chart 5-1
Average Rent Levels – Selected Units
July 2002



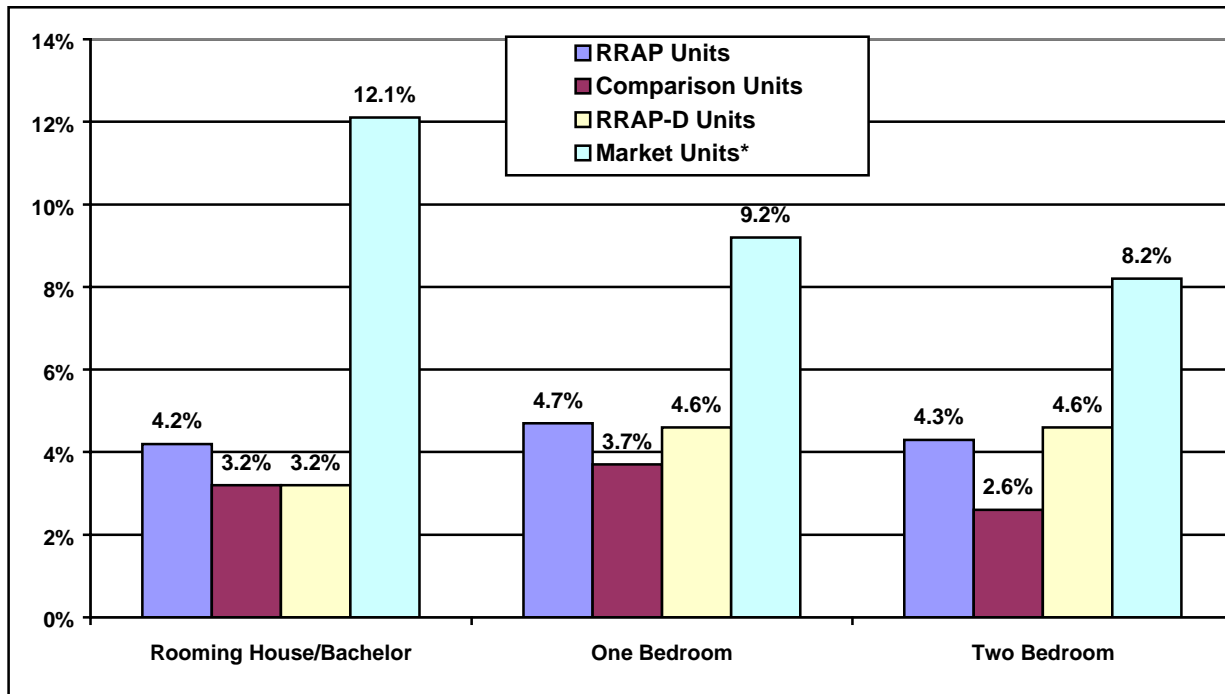
Source: Landlord Surveys (RRAP/comparison), CMHC Rent and Vacancy Survey – October 2001

* Market units are a weighted average of the Average Rents for market areas of RRAP clients or RRAP-D clients. Hence, differences between RRAP and RRAP-D and associated market rents may reflect differences in market areas.

Note for the one bedroom RRAP-D Units and RRAP-D Market Units n=17, for the two bedroom RRAP-D Units and RRAP-D Market Units n=16.

Chart 5-2 details the percent change in rents between the period July 2000 and July 2002. Survey data suggests that rent increases for RRAP and RRAP-D units have been below that of the general market changes for all unit sizes.

Chart 5-2
Change in Rent Levels – Selected Units
RRAP Assisted Housing
July 2000 to July 2002
(Excludes special needs housing)



Source: CMHC RRAP Evaluation Landlord Surveys (RRAP/RRAP Comparison/RRAP-D), CMHC Rent and Vacancy Survey – October 2001

Note: Market units reflects the weighted average of the change in average rents for market areas of Rental RRAP clients. Therefore, the RRAP-D units and Comparison Group units are not directly comparable to the change in market rents. The reported change in market rent for Rooming House/Bachelor is based on the change in market rents for bachelor units.

5.6.3 Preservation of the Affordable Housing Stock

There are two tests to determine whether RRAP is assisting in preserving the affordable housing stock. The first is whether the program is physically preserving the stock by meeting its objective of permitting a further useful building life, while the second is whether owners intend to retain the building as affordable housing. Under Homeowner RRAP, Maximum House Prices are used as an eligibility criteria to target the program to modest housing. Under Rental RRAP, affordability is determined by rents which must be retained below average market rent levels and hence remain affordable to low income households.

RRAP repair work is expected to permit a further 15 years of useful dwelling life. To test whether RRAP work is meeting this objective, inspectors were asked as part of the condition survey to estimate the remaining useful life of the building assuming normal maintenance. As shown in Table 5-11, the estimated remaining life of Homeowner RRAP properties is over 20 years showing that RRAP is achieving the objective of permitting an extended useful life. The remaining useful life of Rental and Rooming House RRAP properties is even longer, averaging between 30 and 38 years. The longer life of rental and rooming house properties compared to homeowner can be expected due to differences in original construction. The remaining life of conversion projects, at 50 years, reflects the extensive work required for conversion from non-residential to residential which makes the life expectancy comparable to new construction.

**Table 5-11
Estimated Dwelling Life of RRAP Properties**

Program	Estimated Dwelling Life	Minimum Estimated Remaining Life of Key Building Components
Homeowner (federal design)		
CMHC delivered (n=142)	30	12
Province delivered (n=92)	24	12
Homeowner – Newfoundland (n=63)	26	13
Homeowner – New Brunswick (n=49)	22	8
Rental (n=37)	30	14
Rooming House (n=38)	38	22
Conversion (n=9)	50	29

Source: Physical condition survey, RRAP Evaluation, 2002. Survey data excludes Quebec.

The length of estimated dwelling life indicates that rehabilitated properties will be useable for a long time. However, we do not know whether or by how much RRAP has prolonged dwelling life because we do not have such an estimate at the time of rehabilitation. We can assume that some component had a zero life at the time the account was approved, otherwise there would be no need for RRAP. Inspectors were asked to estimate the remaining life of individual building components which could qualify a property for RRAP (structural, electrical, heating, plumbing and fire safety). For each property, the component with the shortest life was selected and these were averaged for all programs. This value would be zero at the time of approval and its current value is the minimum estimated life of key building components. This data is also shown in Table 5-11. The minimum remaining life reflects the estimated time until the weakest component is expected to fail. It can be interpreted as an estimate of how long the building will be useable before the building may again become eligible for RRAP.

Estimates for the remaining life of key building components under all homeowner programs are about 12 years, with the exception of New Brunswick where the estimate is 8 years. The estimated remaining life of components in rental properties is longer, with converted buildings having the longest. This would reflect that the fact that most components in converted buildings would have been installed or replaced at the time of conversion. RRAP has thus extended dwelling life by about 12 years plus the age of the account.

Based on the estimates of remaining useful life of the building and key components, it can be concluded that RRAP is helping to physically preserve the existing affordable stock. In addition, according to survey data, most RRAP landlords are planning to maintain their properties as rental units. As detailed in Table 5-12, 90% of Rental RRAP landlords, 95% of RRAP Rooming House landlords and 96% of RRAP-D landlords are planning to maintain their rental units for rental purposes, compared with 88% of the comparison group landlords.

At the same time, only 2% or less of Rental and Rooming house landlords indicated that they would have demolished or converted their dwellings to another tenure if they had not received assistance under RRAP (Table 5-1). Of the comparison, only 4% have plans to re-develop their properties. This indicates that while RRAP is physically preserving the stock and is influencing decisions to undertake repairs, in most cases, properties would be retained for rental purposes even in the absence of the program.

Again with reference to Table 5-1, about eight percent (8%) of Rental and Rooming house clients would have completed the same renovations without RRAP, while most landlords would have done fewer renovations or postponed doing them until later. In the absence of RRAP funding, it is likely that landlords would have to raise their rents to recover their costs hence impacting affordability of their units. In some cases, this may mean that tenants would be forced to move and some may not be able to find alternative affordable accommodation.

According to Table 5-1, about 5% of Rental and Rooming House clients would have sold their units if they had not received RRAP. While it is possible that the new owners would continue to operate the property at low rent levels, such sales would potentially place low-income rental stock at risk of removal from the low-income housing market. In terms of the long term impact, Table 5-12 shows there is no difference between Rental RRAP landlords and comparison landlords in terms of their intention to sell their property with the next 10 years, with 7% indicating they intend to sell. This compares to 1% of Rooming House RRAP landlords and 2% of RRAP-D landlords who have the same plans.

Table 5-12
Landlord Plans for Property in Next 10 Years
RRAP and Comparisons

Plans for Property in Next 10 years	Program Beneficiaries			Comparison Group
	Rental (n=267)	Rooming House (n=130)	RRAP-D (n=113)	Landlord Rental Comparison
Maintain building for rental purposes	69%	72%	81%	42%
Upgrade building to higher standards but maintain for rental purposes	21%	23%	15%	46%
Convert building to another tenure such as condominium	--	--	--	--
Redevelop property for residential purposes (e.g. demolish and build anew)	2%	--	--	3%
Redevelop property for non-residential purposes	1%	1%	--	1%
Sell property	7%	1%	2%	7%
Other	--	3%	2%	--

Source: Survey of Landlords, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

Case study data supports the usefulness of RRAP in preserving key housing stock

While survey data provides an indication of landlords' intentions with respect to retaining units as part of the low-rent stock, case study information supports the fact that RRAP has been used to preserve housing stock that is vital to low-income people.

In coordination with other initiatives, RRAP has been used in neighbourhood revitalization efforts to preserve housing units. This was seen to be the case in Toronto's Parkdale neighbourhood area, where RRAP had been linked to the Parkdale Pilot Project to bring unlicensed and sometimes illegal rooming houses up to city building codes. As well, RRAP has been used in the Winnipeg Housing and Homelessness Initiative's core development to renovate dilapidated housing and has helped spur neighbourhood renewal through the concentration of projects.

5.7 Impacts on Health and Safety

The physical condition data presented earlier in this Section showed that RRAP substantially reduced the threats to health and safety in the majority of the housing renovated. Where **all units** that received RRAP funding had one or more deficiencies that posed major threats to health and safety before renovations, only 20% of homeowner units and 30% of rental units had such deficiencies up to five years after renovation. Survey data also shows that fire protection measures were funded in more than half the Rental RRAP properties and in nearly three-quarters of Rooming House properties. RRAP funded other improvements in building structures and systems that affect the physical safety and quality of the living environment

within the structures to at least minimum standards of health and safety. Therefore, it can be concluded that RRAP substantially reduced threats to health and safety for occupants in the renovated units. This section looks more specifically at the resulting impact on occupant health and safety.

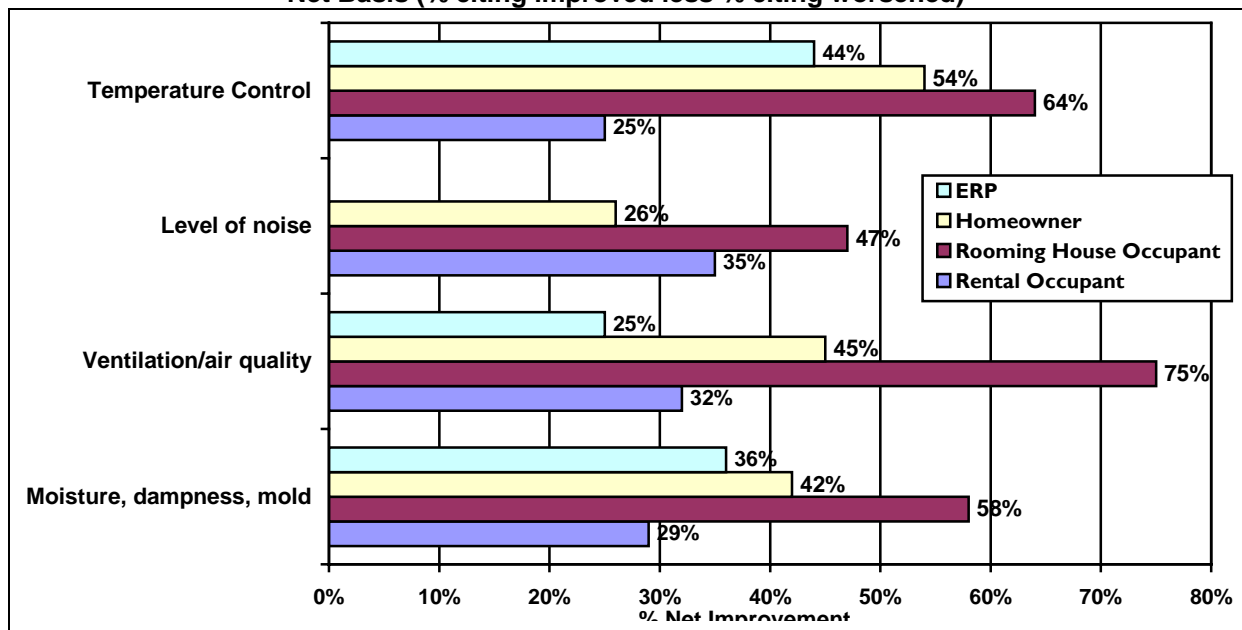
5.7.1 Health Impacts

The literature review for this report indicates that housing condition can impact the health of residents. These impacts include overall physical health, respiratory health, and mental/psychological well-being. The evaluation attempts to measure the impact of renovations on health by first, assessing the perceived improvement to aspects of housing which are most apt to influence occupant health (e.g. temperature control, ventilation/air quality, moisture/dampness/mold, noise control) and second, using occupant self-assessments to determine whether there have been any resulting improvements in physical or mental health.

5.7.1.1 Impacts on Health-Related Housing Conditions

As detailed in Chart 5-3, surveys of RRAP homeowners and tenants indicate that renovations have had a positive impact on temperature control, ventilation and air quality, moisture dampness and mold, and level of noise, all of which can be expected to contribute to a healthy living environment.

Chart 5-3
Extent to Which Housing Renovations Affected Housing Conditions
Homeowner and Tenants
Net Basis (% citing improved less % citing worsened)



Source: Client Surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

The most significant improvements were reported by rooming house tenants, with 75% more clients on a net basis reporting an improvement in ventilation/air quality and 58% reporting an improvement in moisture, dampness and mold.

On a net basis, fifty-four percent of Homeowner RRAP clients reported an improvement in temperature control, 45% reported an improvement in air quality, 42% reported an improvement in moisture and dampness, and 26% reported an improvement in noise levels.

As would be expected, less improvement was reported by ERP clients (25% and 36% net improvement in ventilation/air quality and moisture/dampness/mold respectively), reflecting the restricted nature of renovations completed under this program component.

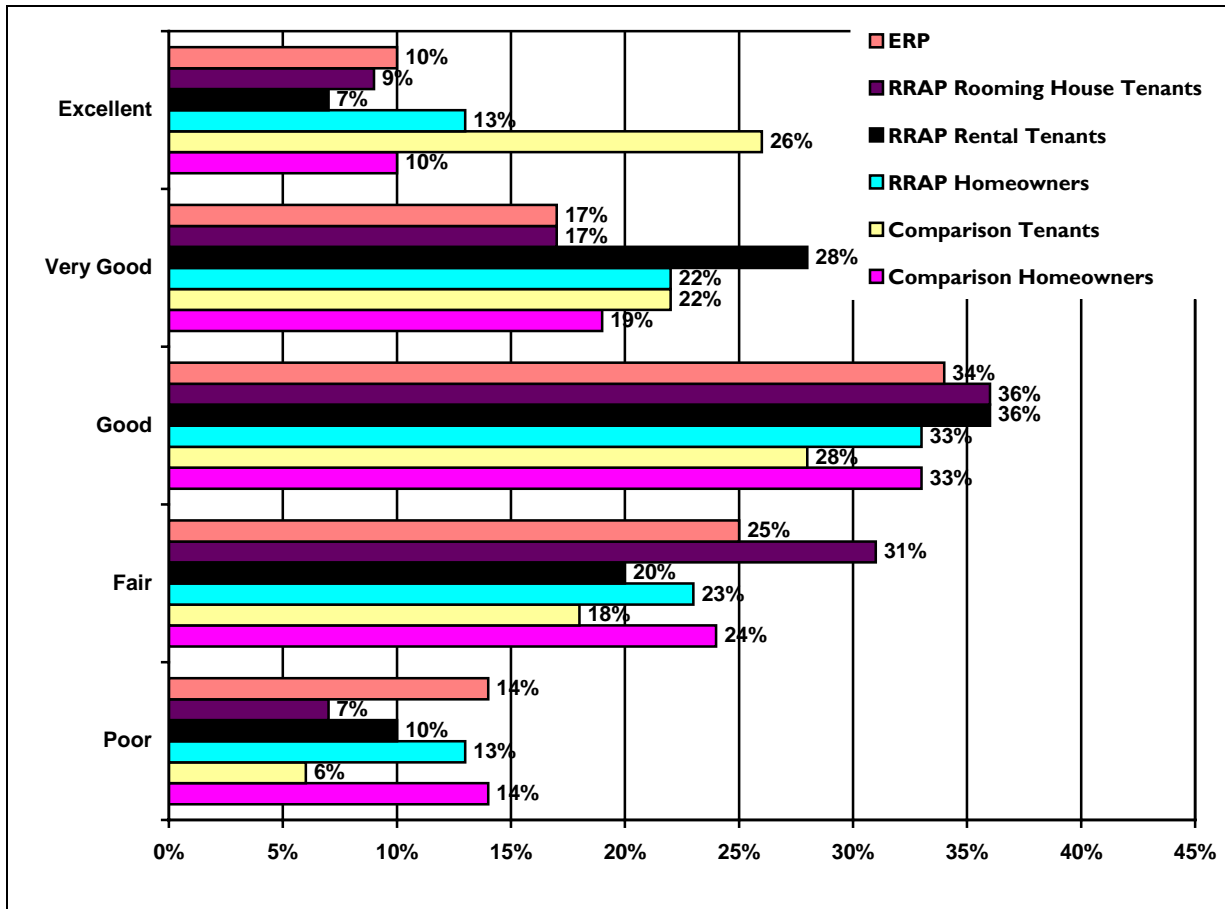
5.7.1.2 Self-Assessments of Physical and Mental Health

Chart 5-4 details the self-reported general health of RRAP homeowners, tenants and comparison groups. The differences were not significant.

Homeowner RRAP beneficiaries report marginally better health than their control group (35% saying that their health was excellent or very good compared to 29% of the control group). ERP beneficiaries were as likely to say they were in excellent or good health as were the control group of homeowners. Both Rental and Rooming House RRAP beneficiaries were less likely to say that they were in excellent or good health than the control group of tenants.

Thirty-six percent (36%) of Homeowner RRAP beneficiaries said that their health was fair or poor compared to 38% of the control group who said the same thing. ERP beneficiaries were as likely to say that their health was fair or poor as were the control group of homeowners. Both Rental and Rooming House RRAP beneficiaries were more likely to report that they were in fair or poor health than the control group of tenants.

Chart 5-4
Self-Reported Health – RRAP and Comparison Group



Source: , Client and Comparison Group Surveys, RRAP Evaluation. Survey data excludes Quebec.

As research indicates that respiratory health and asthma are among the most obvious indicators of housing's effect on health, respondents were also asked specific questions about these health problems. As indicated in Table 5-13, homeowners and tenants of RRAP-renovated buildings are slightly less likely to have reported that members of their household have asthma.

Table 5-13
Rates of Asthma or Respiratory Symptoms –
RRAP Homeowner and Occupants and Comparison Groups

Household Member	RRAP		Comparison	
	Homeowner	Tenant	Homeowner	Tenant
Asthma or Respiratory Problems				
Respondent	16%	12%	19%	21%
Spouse or Partner	6%	3%	7%	4%
Child (ren)	11%	3%	12%	3%
Other Household Member	–	4%	2%	1%
No Household Members	73%	79%	67%	71%

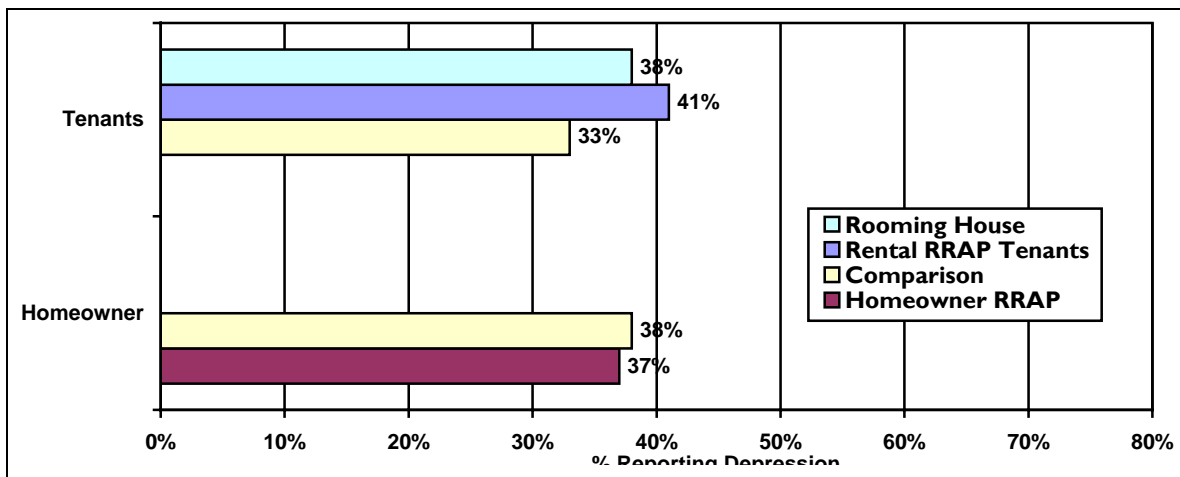
Source: Client Surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Numbers may not add up to 100% due to rounding or due to multiple response
 Homeowner RRAP n=704, Homeowner Comparison n=358.

RRAP households with members that had asthma made, on average, approximately the same number of trips to the doctor or hospital for asthma attacks than did those of the comparison group. They also reported approximately the same number of days in the previous 12 months that they were unable to do their usual activities due to asthma attacks. Of those that had asthma attacks, RRAP households were as likely to have seen their attacks or symptoms decrease since 1996 as households in the comparison group. This was also true of symptoms of whistling and wheezing in the chest for those who suffered from other respiratory symptoms.

In terms of mental health, research has recently been very active in determining the effect of housing on mental or psychological well-being. Improper, unsafe housing has a negative effect on mental health for many people, especially as it relates to depression. However, as seen in Chart 5-5, approximately the same proportion of RRAP homeowners report depression as respondents in the comparison group. A larger percentage of tenants living in RRAP rental and rooming houses reported depression as compared to the comparison group.

Chart 5-5
Self-Reported Depression
RRAP and Comparison Groups



Source: Client and Comparison Group surveys, RRAP Evaluation 2002. Survey data excludes Quebec.

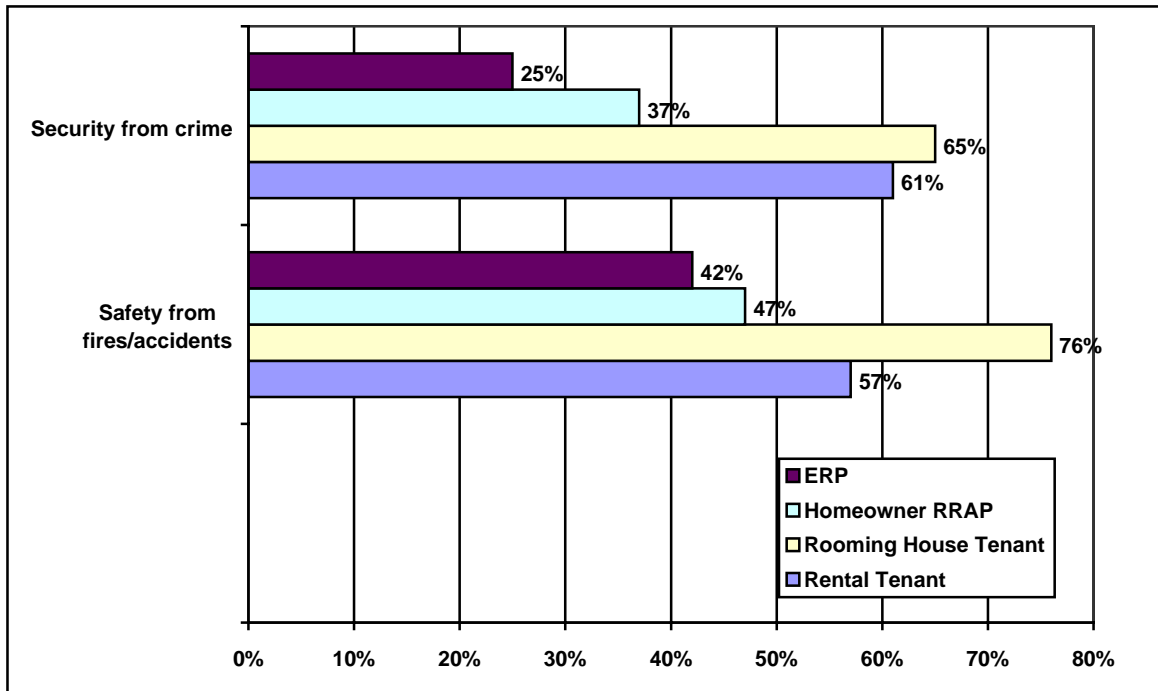
5.7.2 Safety Impacts

Poor housing can cause a number of safety issues such as accidents and an increased likelihood of accidental fires. The evaluation assesses the impact of RRAP-funded renovation on safety from two perspectives, firstly, from occupant perceptions of improvements in safety and secondly, from reported incidences of accidents and household fires.

5.7.2.1 Perceptions of Impact of Renovations on Safety

RRAP occupants were questioned about perceived changes brought on by the renovations to their households with respect to safety issues. Chart 5-6 demonstrates the significant and consistent change that was perceived.

Chart 5-6
Extent to Which Housing Renovations Affected Safety
RRAP Occupants and Homeowners
Net Basis (% citing improved less % citing worsened)



Source: Client and Comparison Group surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

Occupants felt that the renovations had made significant changes to the safety of their households. Tenants, particularly rooming house tenants, reported significant improvements in perceived safety from both crime and from fires and accidents. The reported improvement in safety from fire and accidents was particularly high for rooming house tenants, with 76% reporting an improvement (net basis). This is consistent with the high percentage of Rooming House RRAP landlords who reported that they had undertaken fire protection measures with program funding.

5.7.2.2 Reported Household Accidents and Fires

Table 5-14 shows similar percentages of accidents reported by RRAP homeowners, tenants and the comparison group. As highlighted in the Table, Homeowner RRAP respondents reported slightly fewer accidents than did comparison homeowners, 11% compared to 14%. On the other hand, Rental RRAP tenants reported slightly higher levels of accidents than comparison tenants (12% versus 8%), while Rooming House tenants reported the same level as the comparison tenants (8%). Of households that experienced accidents, 60% of RRAP households and 50% of the comparison households experienced accidents that were perceived to be sufficiently serious to warrant a visit to a doctor or hospital. A very small portion of RRAP households had members who were unable to undertake their usual daily activities as a result of home accidents.

Table 5-14
Occurrences of Household Accidents and Fires – RRAP and Comparison Groups

	Program Beneficiaries				Comparison Groups	
	Homeowner RRAP	ERP	Rental RRAP Tenants	Rooming House Tenants	Comparison Homeowners	Comparison Tenants
Accident	11%	10%	12%	8%	14%	8%
Fire that resulted in injury or property damage	6%	4%	--	4%	4%	--

SOURCE: Client and Comparison Group surveys, RRAP Evaluation, 2002. Survey data excludes Quebec. Numbers may not add up to 100% due to rounding. Unweighted data used.

Also as shown in Table 5-14, survey findings in regards to house fires suggest that fire is not a significant problem for either RRAP or comparison households, with very few fires being reported in either the RRAP or the comparison samples. Of those fires that did occur, the main reasons included human accident or error and cooking accidents.

5.8 Conclusions

- **RRAP significantly influenced property owners' decisions to renovate their property.** From 12% to 30% of property owners stated that they would not have done any renovations without the RRAP programs, while 23% to 52% would have done fewer renovations. Only 12% of Homeowners and up to 8% of landlords would have done the same renovations in the absence of RRAP funding.
- **Program clients are generally satisfied with their housing conditions.** 77% of Homeowner RRAP client, 63% of Rental RRAP tenants and 87% of Rooming House tenants reported being somewhat or very satisfied with their housing as compared to 71% of the comparison group. The satisfaction level of ERP clients (64%) was lower than for other homeowners reflecting the less extensive repairs done under this program. Occupants were overwhelmingly in agreement that RRAP and ERP had improved the quality of their housing.
- **RRAP has improved the condition of the housing stock.** RRAP is intended to address repairs necessary to bring units up to minimum health and safety standards. While all units would have had a deficiency that represented a major threat to health and safety prior to RRAP, physical inspections of RRAP properties revealed that about 20% of homeowner units and 30% of rental units required major repairs up to 5 years after RRAP work was completed. Survey and case study data and senior officials' interviews all point to housing stock improvement attributable to RRAP. Nonetheless, a significant portion of inspected units did not fully meet program standards for rehabilitation. Between 50 and 60% of dwellings renovated under RRAP required repairs that would be considered eligible for RRAP funding. The estimated cost of current repair need ranges from \$2,015 to \$8,432

for Homeowner units, reflecting variations in program delivery and design across provinces. The estimated cost of repairs to Rental and Rooming House RRAP properties was lower, averaging \$500 and \$300 per unit respectively.

- **The incidence of partial RRAP is increasing.** While some of the current repair need may be due to deterioration subsequent to RRAP, inspection of units where RRAP work has been recently completed revealed an even higher level of outstanding repair need. Between 56 and 69% of accounts that received RRAP in 2001 were found to have outstanding repairs. This is higher than the level of outstanding repairs found in properties which had received RRAP prior to 2001, indicating an increase in the incidence of partial RRAP. The incidence of partial RRAP also varies, depending on program delivery arrangements.
- **RRAP is helping to preserve the affordable housing stock.** Evidence from the physical condition survey indicates that RRAP is meeting its objective of permitting an extended useful life for properties repaired under the program. Most landlords intend to retain their properties for rental tenure. However, in the short term, RRAP is not having an impact on the supply of affordable housing as only 2 to 3% of Rental and Rooming House landlords would have demolished the building or converted to other tenures in the absence of RRAP funding. Seven to 8% of Rental and Rooming House landlords would have done the same renovations while 48 to 52% would have done some renovations, creating the strong possibility that that rents would have been raised to recover costs. In other cases (postponed renovations or the sale of the projects without assistance under RRAP), the implications for the supply of affordable housing are less certain.
- **Rental and Rooming House RRAP are successful in maintaining affordable rents.** Rents on properties repaired through Rental and Rooming House RRAP have remained below average market rent levels. Rent increases on RRAP units have also been below those of market units.
- **RRAP is exacerbating the affordability problems of some clients.** Forty-eight percent (48%) of homeowners and 74% of tenants living in properties renovated through RRAP reported an affordability problem. The average shelter cost to income ratio of RRAP homeowners was 32% and for tenants was 43%. Survey data suggests that shelter to income ratios increase for some clients as a result of program participation.
- **RRAP has reduced threats to health and safety.** RRAP is addressing threats to health and safety such as fire safety measures, which were funded in more than half the Rental RRAP units and in nearly three-quarters of the rooming house units. RRAP homeowners and tenants identified positive impacts from RRAP in areas such as temperature control, ventilation and air quality, moisture, dampness and mold, and noise levels. However, self-reported physical and mental health of occupants in RRAP units were not significantly better than for occupants in comparison groups. Further, RRAP households reported similar rates of asthma and respiratory problems as comparison households, similar use of medical care for these conditions, and similar resulting restrictions on daily activity as comparison households.

SECTION 6: IMPACTS ON HOUSING ACCESSIBILITY

6.1 Introduction

RRAP for Persons with Disabilities (RRAP-D) was introduced in 1981, as part of the Government of Canada's response to the International Year of the Disabled. The program assists in the repair or modification of existing homeowner or rental housing to improve the accessibility of the dwelling for persons with disabilities. Surveys of RRAP-D clients including homeowners, landlords and tenants of modified units were carried out to assess the extent to which RRAP-D is influencing decisions to undertake accessibility modifications, the nature of modification work being undertaken and the extent to which the home modifications are having positive impacts on accessibility and the ability of residents with disabilities to carry out daily living activities.

6.2 Impacts on Decisions to Undertake Accessibility Modifications

RRAP for Persons with Disabilities is having a significant impact on the decision to undertake accessibility modifications. As detailed in Table 6-1, only 11% of homeowners and 19% of landlords reported that they would have done the same modifications in the absence of the RRAP assistance. A further 16% of homeowners and 27% of landlords indicated that they would have done fewer modifications, while 11% of homeowners and 8% of landlords would have made modifications at a later date. Thirty-four percent of homeowners and 36% of landlords would not have done any accessibility modifications in the absence of RRAP funding.

Table 6-1
Influence of RRAP on Property Owner Decisions

PERCENTAGE WHO WOULD HAVE:	RRAP-D Homeowners (n=189)	RRAP-D Landlords (n=101)
Not done any accessibility modifications	34%	36%
Done the same modifications	11%	19%
Done fewer modifications	16%	27%
Made modifications at a later date	11%	8%
Converted or demolished	0%	0%
Sold	10%	0%
Other	17%	10%

Source: RRAP-D Client Surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

6.3 Types of Modifications Funded under RRAP-D

The publication *RRAP for Persons with Disabilities – Eligible Modifications* (NHA 6810) identifies modifications, alterations, fixtures and equipment that are eligible under RRAP-D. The actual modifications funded depend on the nature of the client's disability and the modifications required to improve the accessibility and use of their housing.

For both the homeowner and landlord components of RRAP-D, bathroom modifications and improved street access were the most common modifications done under the program, with 58% of homeowners and 60% of landlords reporting bathroom modifications and 49% and 54% respectively reporting improved street access. Installations or modifications to elevator or lift devices were also common under landlord RRAP-D (39%), while widened or modified entranceways or vestibules were among the more frequently reported modifications for both homeowners and landlords (26% and 32% respectively).

Table 6-2
Most Common Modifications
Undertaken by RRAP-D Homeowners and Landlords

Modification	RRAP-D Homeowners (n=204)	RRAP-D Landlords (n=105)
Modified Bathroom	58% (1)	60% (1)
Improved Street Access	49% (2)	54% (2)
Widened or modified entranceway or vestibule	26% (3)	32% (5)
Installed easy to open doors and windows	21% (4)	34% (4)
Modified bedroom or livingroom	20% (5)	27% (6)
Installed or modified elevator or lift devices	17% (6)	39% (3)
Relocated electrical/light switches	15% (7)	19% (8)
Modified kitchen	14% (8)	26% (7)

Source: RRAP-D Client Surveys, RRAP Evaluation, 2002. . Survey data excludes Quebec.

Kitchen modifications, which can involve significant costs, were only undertaken by 14% of homeowners and 26% of landlords.

6.4 Impacts on Accessibility

RRAP-D clients report higher levels of satisfaction with the accessibility of their housing

Overall, home modifications funded through RRAP-D have had a positive impact on accessibility. As indicated in Table 6-3, significantly more RRAP-D Homeowners (71%) were satisfied with the accessibility on their housing compared to homeowners in the comparison group (36%). Only 2% of RRAP-D Homeowners reported that they were very dissatisfied with the accessibility of their current housing, compared to 20% in the comparison group.

Table 6-3
Satisfaction with Accessibility of Current Housing
RRAP-D and Comparison Group

Accessibility	RRAP-D Homeowner (n=257)	RRAP-D Homeowner Comparison (n=120)
Very dissatisfied	2%	20%
Dissatisfied	7%	24%
Neither satisfied nor dissatisfied	19%	20%
Satisfied	50%	26%
Very satisfied	21%	10%

Source: RRAP-D client and comparison group surveys, RRAP Evaluation 2002, Survey data excludes Quebec.

Notes: Numbers may not add up to 100% due to rounding. Response rates on RRAP-D tenants are insufficient at this time for reporting.

Home modifications positively impact the ability to participate in daily living activities

Respondents were also asked whether the design and layout of their homes, including entrances and exits, made it difficult for the member of the household with a disability to participate in everyday activities. While 70% of the comparison reported problems relating to the design and layout of their homes, this was reduced to 28% for homeowners who had home modifications completed under RRAP-D. Where problems were reported, fewer RRAP-D homeowners (83%) felt that these problems were significant (a “big problem”), compared with the comparison group, where 95% reported that the problem was significant.

Where home modifications had been undertaken, RRAP-D clients were more likely to report that the modifications had improved their ability to participate in daily living activities compared to others who had modifications done through other sources. As shown in Table 6-4, 92% of RRAP clients reported that the modifications improved or significantly improved their ability to participate in daily living activities, compared with 77% for the comparison group.

Table 6-4
Change in Accessibility Due to Modifications—General Activity
RRAP and Comparison Groups

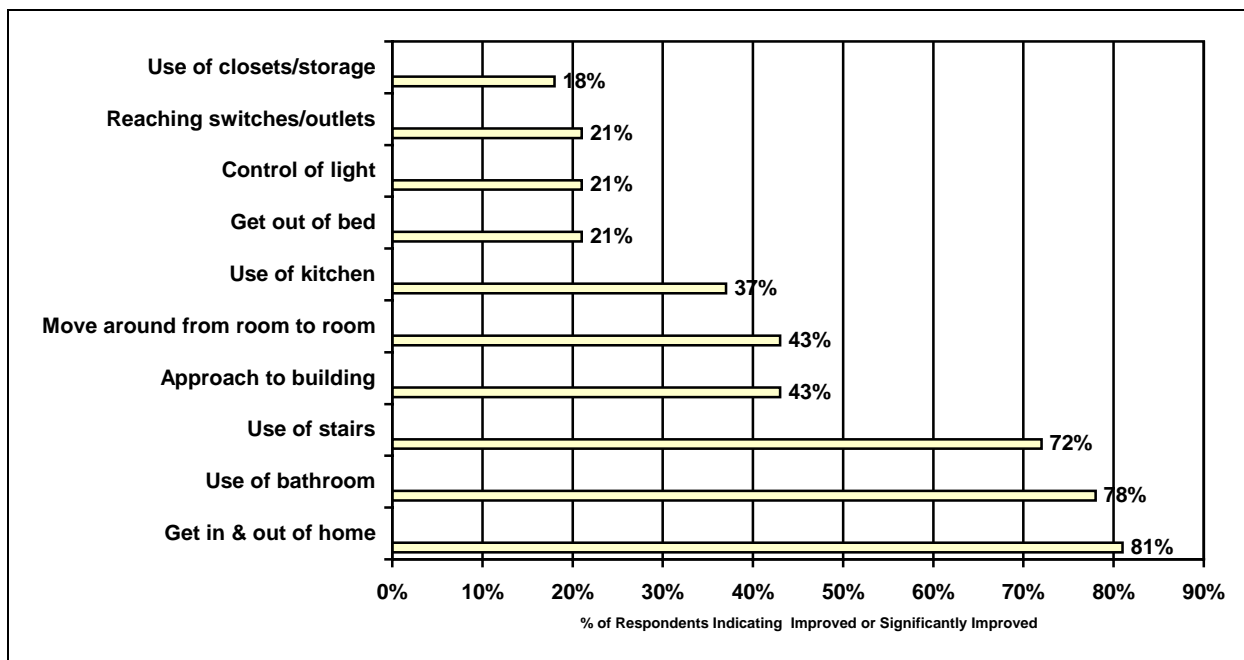
Modifications Allow Participation in Activities of Daily Living	RRAP-D Homeowner (n=219)	Comparison Group (n=52)
Significantly Worsened	1%	--
Worsened	2%	1%
No change	9%	22%
Improved	29%	38%
Significantly Improved	63%	39%

Source: RRAP-D client and comparison group surveys, RRAP Evaluation 2002. Comparison group includes only those respondents who indicated that they had disability-related modifications done to their dwelling since 1996 (funded through sources other than RRAP). Survey data excludes Quebec.

Note: numbers may not add to 100% due to rounding

Chart 6-I provides more detail on the areas in which home modifications funded under Homeowner RRAP-D have positively impacted the ability to carry out daily living activities. As would be expected given the types of modifications most frequently funded under the program, the two areas where modifications are having the greatest impact are getting in and out of the home (81%), and use of the bathroom (78%). A significant portion of homeowners also reported a positive impact on use of stairs, which may contribute to a reduced likelihood of falls.

Chart 6-I
Extent to Which Housing Modifications Improved Housing Accessibility
RRAP-D Homeowners



Source: RRAP-D client surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: excludes don't know, no opinion or not applicable responses

RRAP-D also had a significant impact on perceptions of housing quality, with 87% of RRAP-D Homeowners reporting that the modifications improved the overall quality of their housing.

Clients of Québec's *Programme d'adaptation de domicile*/Residential Adaptation Assistance Program also report high levels of satisfaction with accessibility work completed under that program. Of clients who are eligible for federal-provincial cost-sharing, 91.2% reported that they were very satisfied or satisfied with accessibility work undertaken in relation to their needs. Over 90% reported that the accessibility work made entering and exiting their home easier, and a similar percent reported that the accessibility work facilitated their access to rooms and facilities essential to daily living activities.¹⁷

Only 3% of clients who had received RRAP-D reported an intention to move within the next year. Of the 3% who intend to move, the prime reason (33%) would be to move into housing that is more accessible. The comparison group reported the same intention to move within the next year (3%), although three-quarters of those intending to move (75%) noted that the move would be into housing that is more accessible.

6.5 Unmet Need for Accessibility Modifications

As would be expected, the comparison group was more likely to identify an outstanding need for home modifications. Seventy-two percent of the comparison group identified the need for specialized features which were not currently installed in the home, compared to 53% of the RRAP-D client group. The comparison group was also more apt to identify multiple outstanding needs, with 25% of the comparison group identifying an unmet need for 6 or more specialized features, compared to only 7% of RRAP-D clients. Table 6-5 details the home alterations most frequently cited by RRAP-D Homeowners and the Homeowner comparison group as necessary but not yet installed.

**Table 6-5
Housing Modifications Required by Respondent but Not Installed
RRAP-D Homeowners and RRAP-D Homeowner Comparison Group
Incidence and Ranking**

Modification	RRAP-D Homeowners (n= 322)	RRAP-D Comparison (n= 133)
Emergency Call System	21% (1)	23% (9)
Baths/wheel-in Shower	18% (2)	34% (2)
Automatic Doors	17% (3)	29% (4)
Widen doors/hallways	17% (4)	27% (5)
Grab Bars/Handrails	16% (5)	45% (1)
Visual/Audio warning devices	12% (6)	10% (11)
Kitchen Modifications	12% (7)	26% (6)
Scald Protectors	12% (8)	17% (10)
Elevator/chairlift	12% (9)	24% (8)
Ramps	12% (10)	31% (3)
Improved lighting	9% (11)	24% (7)

Source: RRAP-D client and comparison group surveys, RRAP Evaluation, 2002.(unweighted data). Survey data excludes Quebec.

Note: Reflects % of respondents who required modifications to be installed.

The top three items identified as still required by the comparison group included grab bars/handrails (45%), bath lifts/wheel-in shower (34%) and ramps (31%). The most common items reported as required but not installed by Homeowner RRAP-D clients were an emergency call system (21%), bath lifts/wheel-in shower (18%), automatic doors (17%) and widened doors/hallways (17%).

For those who had unmet modification needs, most respondents (88%) felt that they could not install all the accessibility features or assistive devices they required because the modifications would have been too expensive. Items commonly identified as still required such as bathlifts/wheel-in showers and widening doors/ hallways can often involve significant cost and hence may not be affordable within the current parameters of RRAP.

6.6 Conclusion

Overall, RRAP-D is encouraging homeowners and landlords to undertake accessibility modifications. It is also having a significant positive impact on the accessibility of units modified under the program and on the resulting ability of persons with disabilities to carry out daily living activities. Eighty-seven percent of RRAP-D Homeowners reported that the modifications had improved the overall quality of their housing. RRAP-D homeowners were also more than twice as likely as the comparison group to indicate that they were satisfied with the accessibility of their housing (71% versus 36%). As importantly, 92% of RRAP-D reported that the modifications had improved or significantly improved their ability to participate in daily living activities.

The program is, however, not fully addressing accessibility modifications needs. Slightly over half of RRAP-D homeowners (53%) reported an unmet need for accessibility modifications. In most cases, the reason for not installing the additional features was because of cost. This may indicate that assistance levels under the program are too low to fully address modification needs.

SECTION 7: IMPACTS ON HOMELESSNESS

The evaluation investigated the contribution of RRAP to preventing and alleviating homelessness based on data from the surveys of occupants, landlords, RRAP delivery agents and senior officials, and from the case studies.

Although the RRAP programs are not explicitly targeted to the homeless, they have the potential to prevent and alleviate homelessness by preserving the lower cost housing stock. The Rooming House and Conversion RRAP programs may also help in addressing absolute homelessness where they provide shelter for households that have experienced homelessness. Survey data indicate the extent to which RRAP units house people who have experienced homelessness or used shelters, and landlord views on homelessness experienced by their tenants. The case studies illustrate selected projects that serve homeless people and the use of RRAP in combination with other sources of funding.

Survey data reported in this section do not include Conversion RRAP and tenants in RRAP-D for landlords due to insufficient data.

7.1 Extent to Which RRAP Assists Homeless

Roughly 24% of Rooming House RRAP units were occupied by households that were homeless before moving into their current units

Considering where people lived before they moved into their current housing unit, 24% of Rooming House RRAP households had had no housing or temporary housing (which includes shelters) before they moved into their units (Table 7-1). Two percent of Rental RRAP households reported no housing or temporary housing before moving to their current housing. In other RRAP programs, only 1-2% reported temporary or no housing before moving here. These data suggest that Rooming House RRAP is more likely to serve households that are experiencing absolute homelessness than other housing.

In addition, 6-7% of Rental and Rooming House RRAP households and 13-15% of RRAP homeowners and ERP households reported that they stayed with family and friends before moving into their current unit. This may include young persons moving from their family homes into their own units as well as individuals and families that were sharing accommodation. Therefore, some proportion of this group may include households experiencing relative homelessness. Except for Rooming House RRAP households, the majority of RRAP households lived in their own house or apartment before moving to their current housing (87% of renters, 80% of Homeowners and about 80% - 90% of RRAP-D and ERP households). Patterns are similar between Homeowner RRAP and comparison households. The rental comparison group is similar to the Rental RRAP household profile.

**Table 7-1
Previous Housing Type Before Moving to Current Housing
RRAP Program Beneficiaries and Comparison Groups**

Housing Type	Program Beneficiaries					Comparison Groups		
	Rental RRAP (n=154)	Rooming House RRAP (n=174)	Home-owner RRAP (n=702)	Home-owner RRAP-D (n=265)	ERP (n=294)	RH/ Rental (n=485)	Home-owner (n=368)	Home-owner RRAP-D (n=122)
Self-contained house or apartment	87%	40%	80%	88%	80%	94%	82%	90%
Rooming or boarding house	3%	26%	2%	2%	2%	1%	0%	3%
Temporary housing	1%	23%	0%	2%	1%	1%	0%	1%
Friends or family	6%	7%	13%	5%	15%	3%	9%	3%
No housing	1%	1%	0%	0%	1%	--	0%	0%
Other	2%	4%	4%	2%	1%	1%	9%	3%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Totals may not be 100% due to rounding

About one-third of Rooming House RRAP households and 10% of Rental RRAP households had been homeless and/or used shelters in the past five years

Survey data indicate that Rental and Rooming House RRAP are reaching households that have experienced homelessness (including staying in shelters or temporary hostels) in the past five years (Table 7-2). Thirty-six percent of Rooming House RRAP households and 10% of Rental RRAP households reported that they had experienced homelessness in the past five years compared with 4% of the comparison group. These data suggest that the Rental/Rooming House RRAP housing have served a higher proportion of homeless households than other rental housing. Proportions of households who have experienced homelessness are small (2-4%) in other RRAP programs.

Table 7-2
Percentages of Households Who Have Experienced Homelessness Since 1996
RRAP Program Beneficiaries and Comparison Group

Group	% Homeless at some time since 1996
Program Participants	
Rental Tenant (n=154)	10%
Rooming House Tenant (n=174)	36%
Homeowner (n=721)	2%
Homeowner – RRAP – D (n=277)	2%
ERP (n=305)	4%
Comparison Groups	
Rental/Rooming House Tenants (n=485)	4%
Homeowners (n=365)	--
Homeowner – RRAP – D (n=122)	7%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Totals may not be 100% due to rounding

This finding is confirmed by data on the incidence of shelter use since 1996 which shows that 33% of Rooming House RRAP households and 5% of Rental RRAP households reported having used shelters since 1996, the same number as the comparison renters (Table 7-3). Shelter use in other groups was reported at less than 5%.

Table 7-3
Shelter Use Since 1996 –
RRAP Program Beneficiaries and Comparison Group

Group	% citing living in a temporary shelter at some time since 1996
Program Participants	
Rental Tenant (n=153)	5%
Rooming House Tenant (n=176)	33%
Homeowner (n=719)	2%
Homeowner – RRAP – D (n=278)	2%
ERP (n=304)	4%
Comparison Groups	
Rental/Rooming House Tenants (n=434)	5%
Homeowners (n=366)	5%
Homeowner – RRAP – D (n=122)	4%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec. Note: Totals may not be 100% due to rounding

Over one-third of Rental RRAP occupants expect to move in the next year

Survey data indicate that Rental RRAP residents have the least stability of tenure of all types of housing with 35% expecting to move within the next year compared with 29% of Rooming House RRAP and less than 5% of homeowner RRAP households (Table 7-4). Among those who expected to move, the main reasons identified were ‘wanting a place of my own’, more affordable or better quality housing and healthier housing (Table 7-5). Reasons for moving are similar between the RRAP and comparison households.

**Table 7-4
Perceptions of Stability of Tenure
RRAP & Comparison Groups**

Respondents who expect to move out of their current housing within the next year.							
Program Participants					Comparison Groups		
Rental RRAP (n=142)	Rooming House RRAP (n=151)	Homeowner RRAP (n=692)	ERP (n=281)	RRAP-D Homeowner (n=270)	Rental/ Rooming House (n=434)	Homeowner (n=352)	RRAP-D Homeowner (n=116)
35%	29%	2%	3%	2%	28%	4%	7%

Source: Survey of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: totals may not add to 100% due to rounding

**Table 7-5
Reasons Cited by Respondents for Moving to Different Housing*
RRAP & Comparison Groups**

Reason	Program Beneficiaries			Comparison Groups	
	Rental RRAP (n=33)	Rooming House RRAP (n=60)	Homeowner (n=15)	Rental / Rooming House (n=156)	Homeowner (n=8)
Want my own place	37%	37%	9%	24%	-
More Affordable (lower) housing costs	2%	3%	16%	13%	28%
Better Quality Housing	32%	7%	4%	18%	-
More Space	3%	17%	2%	13%	-
Better Neighbourhood or community	6%	15%	-	5%	-
Healthier Housing	8%	1%	21%	2%	29%
Improved Accessibility for an individual with a disability	1%	1%	8%	-	-
Safer Housing	-	-	-	2%	-
Other	12%	19%	35%	23%	42%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Totals may not add to 100% due to rounding. Only respondents who indicated that they expect to move within the next year answered this question.

One-third of Rental RRAP landlords and 90% of Rooming House RRAP landlords have rented to homeless people and landlords report increasing numbers of homeless tenants

All types of landlords who have received RRAP funding as well as landlords in the comparison group report that significant proportions of their tenants had experienced homelessness (Table 7-6) Rooming House RRAP landlords were most likely to be serving homeless people with 90% indicating that they had rented to homeless families or individuals.

**Table 7-6
Percentages of Landlords Reporting Renting to Previously Homeless Households
– RRAP and Comparison Group**

Program Beneficiaries			Comparison Group
Rental Landlord (n=249)	RH – Landlord (n=137)	RRAP-D Landlords (n=107)	Rental/RH Landlords (n=206)
34%	90%	45%	46%

Source: Survey of Landlords, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Totals may not be 100% due to rounding

Further, more than half of Rooming house RRAP landlords, 38% of Rental RRAP landlords and 65% of RRDP-D landlords reported increasing numbers of tenants who had been homeless. An additional 44% of Rooming House RRAP landlords and half of Rental RRAP landlords reported that the numbers of homeless people served had stayed the same. Only small proportions of RRAP landlords reported a decrease in the number of tenants who had been homeless (Table 7-7).

**Table 7-7
Landlord Perceptions of Changes in Proportions of Homeless Tenants Served
– RRAP and Comparison Group**

	Program Beneficiaries			Comparison Group
	Rental Landlord (n=72)	RH – Landlord (n=107)	RRAP-D Landlords (n=32)	Rental/RH landlords (n=40)
Increase in tenants who were previously homeless	38%	55%	65%	55%
No change in number of tenants who were previously homeless	50%	44%	27%	32%
Decrease in tenants who were previously homeless	13%	2%	8%	14%

Source: Survey of Landlords, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Totals may not be 100% due to rounding

Delivery agents and senior officials were positive overall about RRAP's impacts on homeless, but felt the impacts were limited

Many senior officials, members of housing non-profit groups and delivery agents surveyed felt that RRAP makes a worthwhile contribution to addressing homelessness, although they felt that RRAP was unable to make a significant impact on homeless given the size of the problem. In some areas, senior officials said that RRAP had improved the housing situations and housing stability for those who are in relative homelessness due to overcrowding.

About half of delivery agents and staff surveyed felt that RRAP had been effective in helping to promote partnerships to address homelessness. Only slightly over one-quarter (28%) felt that RRAP had been 'Very Good' or 'Excellent' in this regard. Two of the major strengths of the Rooming House RRAP program, identified by over 70% of delivery agents, were its ability to foster partnerships to alleviate homelessness, and the ability to fund projects aimed at the homeless or those at risk²⁴ of homelessness. In contrast about a third of delivery agents felt that one of the main weaknesses of Rental RRAP was an inability to fund projects aimed at homelessness. In the past three years, 30% of delivery agents and delivery staff surveyed had received proposals and applications for RRAP funding that was specifically intended to address homelessness or to provide housing for those at risk of homelessness.

Case Studies²⁵ Illustrate Some Successful Initiatives to Address Homelessness

The case studies illustrate how RRAP has been used in several different situations to address the local communities' needs and address homelessness. In some cases, RRAP has been used to renovate and expand a variety of rooming houses, hotels and other types of single-occupancy housing across Canada, including Rooming House RRAP being used to renovate shelters. In these cases, RRAP has helped to alleviate the needs of households in absolute homelessness situations. In many cases, the RRAP renovations have been seen as helping to prevent homelessness and address the needs of 'near homeless' populations.

The City of Winnipeg, the Province of Manitoba and the Government of Canada have jointly established the Winnipeg Housing and Homelessness Initiative (WHHI) in Winnipeg, a three-year partnership established in 1999 to act as a single service window for inner-city housing and homelessness strategies, including RRAP. WHHI has been seen as an effective means of coordination in the areas of housing and homelessness. THE WHHI delivers homelessness programs through funding of the Supporting Communities Partnership Initiative (SCPI), the Youth-at-Risk - Homelessness program under the Youth Employment Strategy and the Urban Aboriginal Strategy - Homelessness program. Homelessness in Winnipeg's core was reportedly most evident in overcrowding and many agencies deal with the problems of families living in unsafe and unsuitable housing due to crowding. In the case study, residents and stakeholders noted that 'absolute homelessness' was most often related to other issues such as alcoholism

²⁴ People 'at risk' of homelessness include households such as those in short-term occupancies without security of tenure, households with low incomes and affordability problems who may be unable to afford rent increases, and households in urban areas undergoing redevelopment or gentrification.

²⁵ In-depth case studies were completed in selected inner city areas of Winnipeg, Toronto, Vancouver and Moncton to examine the effects of RRAP on neighbourhood renewal and its contribution to addressing homelessness.

and substance abuse, and the shortage of social housing in the core. The use of temporary shelters has been reported to have increased in recent years.²⁶ RRAP has been used in consultation with the province and the Salvation Army. It was also felt that RRAP had had a positive impact on homelessness by renovating rooming houses that were sheltering those who would otherwise be homeless.

In Moncton, Rooming House RRAP has been used to fund renovations in two projects, one older hotel and a shelter for homeless women operated by a church group. The former project involved renovation of an older 'hotel' and resulted in a substantial upgrade to the facility enabling the private owner to offer accommodation to a more stable clientele. The later project is serving homeless women and as well as providing shelter offers assistance such as counseling, helping clients find jobs and permanent housing.

In Toronto's Parkdale area, which has had a long-standing problem with 'illegal' suites, RRAP has been used to assist the upgrading of rooming houses and bachelorette properties to city codes and thereby to stabilize the tenancies. Many of the owners were private landlords, but some non-profits have also used RRAP funding with additional Ministry of Health funding to provide financing to the occupants. RRAP funds have also been used in partnership with SCPI funding in some rooming house renovations. Parkdale still has many rooming houses that are below codes since only 50 of the 250 unlicensed rooming houses have been renovated so far. However, the case study found that occupant health and safety has been improved in those that have been renovated, and helped to maintain the stock which houses people who would otherwise be homeless. The homeless population includes many people with mental disabilities who are particularly vulnerable to end up homeless, according to stakeholders interviewed.

In Vancouver's Downtown East Side, one of the major benefits of RRAP has been to the many low-income, near-homeless people living in hotels, rooming houses and rooms in the core area. Landlords noted that the health and safety of the renovated stock had improved the quality of life for their tenants. The majority of residents are males aged 25 to 44, and three-quarters depend on social assistance or disability benefits. A project specifically serving homeless Aboriginal clients received RRAP funding. Most people interviewed in this case study noted that RRAP does prevent homelessness among the near homeless who live in single room occupancies, but that it cannot reduce the numbers of absolute homeless. RRAP was seen as a key part of a collaborative effort among all levels of government to revitalize four neighbourhoods in the Downtown Eastside.

Overall, the case studies illustrate some of the many different facets of the homelessness problems in urban centers across Canada and how RRAP funding has been used to help communities address the issue, often in collaboration with other funding from federal programs (such as SCPI) or local funding. However, in most cases budget limitations have inhibited a more concerted effort to address homelessness problems, and the need for additional social housing units to ease housing shortages was frequently identified. Some barriers to the impact of RRAP besides the budget amount available are the reluctance of landlords to apply for

²⁶ **A Community Plan on Homelessness and Housing in Winnipeg**, Social Planning Council of Winnipeg, September 2001.

funding, the difficulties of carrying out conversion projects within the dollar amounts available, and the complexities of coordinating funding from several different sources.

7.2 Link Between RRAP and National Homelessness Initiative

Surveyed RRAP senior officials were all aware of the National Homelessness Initiative (NHI) whereas only 56% of delivery agents were aware of the NHI. RRAP has been stacked with funding from the Supporting Communities Partnership Initiative (SCPI) of Human Resources Development Canada in many communities across Canada. One senior official estimated that 65% of RRAP projects had also used SCPI funding in his jurisdiction. This has included the renovation and expansion of shelters for youth and others at-risk of homelessness or who have been recently homeless.²⁷

Combining SCPI and RRAP funding has assisted in developing housing projects for those at risk of homelessness and enabled these projects to get off the ground. While there was concern that the RRAP project allocations were often too small to undertake projects for those at risk of homelessness, SCPI dollars and funding from non-profit groups had been stacked with RRAP to develop projects. Stacking of RRAP with SCPI and other funding has been a difficult process, with coordination of funding being a complex or difficult process in some cases. It was felt by senior officials that the integration of SCPI and RRAP was not completely successful, though many felt that it had improved. Example of coordination and integration problems mentioned by senior officials included coordinating the timing of funding from various sources, and the “you-go-first” problem of coordinating which partners would be first to commit funding to large projects.

While stacking of other funding with RRAP funding has been instrumental in developing projects and providing immediate benefits to address homelessness, longer-term benefits will depend on sponsor groups becoming self-sustaining and obtaining operating funding where this is needed from other sources particularly when the time-limited SCPI funding ends. Projects sponsors face challenges in obtaining operating funding and funding for supports in special purpose housing, particularly in rooming house and conversion RRAP projects intended to serve groups with special needs. On-going municipal and/or provincial operating funding will be required for continuing support services in some projects to ensure their ongoing viability.

²⁷ CMHC's Shelter Enhancement Program has been used to renovate and develop shelters for women and children and youth who experience family violence. In the CMHC Evaluation of the Shelter Enhancement Program (2002) it was found that over 80% of homeless youth have experienced family violence.

7.3 Assessment of RRAP Contribution to Alleviating Homelessness

These findings suggest that Rooming House RRAP is providing housing for people who were homeless and have the least stability in their housing, and this program has the most direct impact on homelessness, especially for those with no permanent housing. Rental RRAP units also include occupants who have been homeless in the past and may be part of the population at risk of homelessness.

- 24% of Rooming House RRAP units house people who were homeless before moving into their housing.
- about a third of Rooming House RRAP and 10% of Rental RRAP households have been homeless and/or used shelters in the past 5 years.
- 90% of Rooming House RRAP landlords have rented to homeless persons and 55% said that they have an increased number of tenants who were previously homeless. There is insufficient survey data from the Conversion RRAP Program to assess its contribution to addressing homelessness by creation of additional housing units.
- Delivery agents and senior officials felt that RRAP was making a contribution to addressing homelessness but that the impact was small given the size of the problem

RRAP has been successful in addressing homelessness issues through improving the rooming house stock which directly serves those who experience absolute homelessness, and preserving the stock of low-income housing for those most at-risk of homelessness including families with children who are a growing segment of the homeless population

However, senior officials, delivery agents, and stakeholders surveyed felt that RRAP was not a method to directly impact on homelessness, no matter the delivery methods. Its indirect impact on homelessness, through the maintenance of low-income housing stock, was argued in cases where RRAP was delivered in a coordinated fashion with the input or influence of non-profit or social agencies.

7.4 Conclusions

- **Rooming House and Rental RRAP are serving households who have experienced homelessness.** Although the programs are not explicitly targeted to the homeless, 24% of Rooming House RRAP units in 2002 were occupied by households that reported having no housing or temporary housing before moving into their current housing. In addition, more than a third of Rooming House RRAP and 10 % of Rental RRAP occupants reported that they had been homeless at some time in the past five years, and 33% of Rooming House RRAP occupants and 5% of Rental RRAP occupants reported that they had used shelters in the past five years.
- **Successful initiatives to address homelessness in some communities** show that RRAP funding has often been used in combination with funding from other programs (such as the Supporting Communities Partnership Initiative (SCPI) under the National Homelessness Initiative). Key informants interviewed in the case studies, and opinion data from the surveys of delivery agents and senior officials indicated that RRAP was making a contribution to addressing homelessness in coordination with the SCPI at the local level. However, on-going operating funding may be required to sustain the positive impacts of projects developed. Overall, opinion data suggest that the impact of the RRAP programs on the extent of or risks of homelessness has been small given the RRAP budget levels and the size of the homeless problem in some communities.

SECTION 8: IMPACTS ON NEIGHBOURHOODS

8.1 Introduction

The evaluation investigated the contribution of RRAP to improving and stabilizing the physical and social conditions of neighbourhoods. Neighbourhood improvement efforts often require more than simply housing rehabilitation, but evidence in the literature suggest that these efforts are most successful when they are housing-led. Although there is no requirement in the RRAP guidelines to target RRAP assistance to specific neighbourhoods, there is flexibility to allow for the allocation of RRAP assistance as part of neighbourhood improvement efforts. Since RRAP can only assist in the renovation of a small portion of neighborhood properties at a time, it is only one tool required to revitalize neighbourhoods as part of a larger strategy involving other government, private and community resources to achieve the objective of improving neighbourhoods.

It is well known that the Province of Quebec has adopted the approach of targeting federal RRAP funding to selected older neighbourhoods through its Programme de revitalization des vieux quartiers (PRVQ). The Province invited 42 municipalities to identify older neighbourhoods that would be the focus of the renovation assistance. Other instances of targeting RRAP assistance to specific neighbourhoods are not well documented. However, for purposes of the evaluation, case studies were selected in several major cities for neighbourhood impact studies. These case study examples provide illustrative evidence and are not intended to represent neighbourhood impacts of RRAP in all Canadian communities. An additional challenge is to assess attribution of any neighbourhood effects reported to the RRAP activity and the case study approach relies on the informed opinions of key community informants. Some additional evidence is also drawn from the surveys conducted for the evaluation.

Although the specific impacts vary depending on local housing and neighbourhood characteristics, the case studies examined certain basic types of potential positive and negative impacts. Potential positive impacts include:

- Impacts on the supply of affordable housing
- Spillover improvements in housing quality of non-RRAP housing
- Improvements in the community health and safety of neighbourhoods
- Improvements in the 'image' of neighbourhoods and neighbourhood pride
- Improvements in commercial, recreational and other services
- Increased investment in the area including leveraging of other funding
- Enhancement of measures to address homelessness (which were discussed in Section 7)
- Development of partnerships and collaborative strategies to address housing, neighbourhood and planning issues

As well, the case studies examined possible negative effects from targeted RRAP renovation assistance including:

- Increased resistance to lower income housing (the Not In My back Yard (NIMBY) syndrome)
- Increases in housing costs and rents in the neighbourhood
- Increased barriers to social diversity and neighbourhood change by reducing more mixing of different income groups and housing redevelopment
- Displacement of residents from RRAP properties
- Deconversion of multi-unit properties and reduction of housing units

The highlights from the case studies and evidence from the previous evaluation of Quebec's PRVQ are summarized below. The four individual case study reports from the following areas are available as a background report:

- Winnipeg downtown core
- Vancouver Downtown Eastside
- Toronto Parkdale area
- Moncton projects to address homelessness

8.2 Impacts on the Supply of Rental Units and Affordable Housing

While survey data indicated that over two-thirds of RRAP households feel that finding affordable rental housing is difficult and that it has become more difficult in the past five years, there is some evidence from the PRVQ evaluation and the case studies that targeted RRAP assistance has improved the supply of housing in the neighbourhoods affected.

Results from the PRVQ Evaluation²⁸ suggest that the program has a positive effect on the availability of housing in the target neighbourhoods. According to representatives from the 42 municipalities, the supply of units improved in 43% and remained about the same in 41% of the areas (3% reported a decline and 12% did not know). At the same time, the evaluation reported that rent levels were essentially unaffected, that is, that there were no upward pressures on rents.

In the case studies, it was generally reported that RRAP had helped in maintaining the existing affordable housing and there were no reported upward pressure on rents.

- In the Winnipeg core area, through the involvement of non-profit organizations who purchased and renovated dilapidated properties, it was possible to create better quality family housing alternatives, including rent-to-purchase options. However, some larger, older homes that had been used as rooming houses were renovated for single family occupancy which had the effect of reducing the numbers of rooms available for rooming house occupancy (that is, RRAP was used as deconversion from rooming houses to single family homes).

²⁸ Évaluation de PRVQ, SHQ, March 2000, p.52.

- In one of the Moncton rooming house projects, upgrading of an old hotel property resulted in a change in the type of clientele although the numbers of units available were not reduced.
- In Toronto's Parkdale area, where RRAP has been used to renovate 50 of the estimated 250 single family homes that had been converted to illegal rooming houses and bachelorettes, one of the main effects has been through the RRAP rental guidelines that limit rent increases. Under the Tenant Protection Act of 1998, landlords are able to increase rents on vacant units without limit so that rooming house units could be priced out of the reach of very low-income residents. RRAP has mainly been used by private landlords who would otherwise have allowed units to remain vacant or increased prices.
- A similar effect was noted in Vancouver's Downtown Eastside. Without RRAP it was reported that many landlords of older buildings would have allowed them to fall into disrepair in anticipation of selling the property. RRAP has allowed these private landlords to undertake repairs and continue to obtain some income from the building for the term of the rental agreements.

Therefore, in the neighbourhoods where RRAP was targeted there were generally positive effects on the supply of housing and reduction in the loss of lower priced housing. At the same time, improving housing conditions has in some cases resulted in changes in occupancy that may have reduced the availability of the very lowest priced housing.

8.3 Housing and Social Impacts in Targeted Neighbourhoods

Several types of positive impacts of RRAP on neighbourhoods are documented in the case studies. However, the magnitude of the impacts is often limited by the amount of RRAP assistance available and the extent to which it has been possible to stack other sources of funding or leverage private funds. The maximum effects have been achieved in situations where RRAP funding was combined with other program funding (such as in Winnipeg) or where RRAP dollars have been used in combination with SCPI funding to address homelessness for example.

RRAP was an impetus for revitalization and had spillover effects

In Winnipeg, Toronto and Vancouver, RRAP was found to have been a catalyst for neighbourhood improvement, although the extent of spillover effects to other renovation varied.

- In Vancouver's Downtown Eastside, government officials involved in housing for the case study area believed that overall revitalization of the Eastside area is occurring, albeit unevenly, and attribute much of the impetus to RRAP. They see this federal investment in renovation of low-income housing as sending a positive signal to business and as offsetting the provincial departure from the area of low-income housing. Overall signs of a spillover to other renovation activity in the neighbourhood were minimal, however.

- In Toronto, residents and stakeholders felt that RRAP was a positive influence, but that its overall impact on the case study neighborhood of Parkdale was difficult to gauge due to other changes such as encroaching gentrification. Stakeholders in the area of housing felt that the RRAP renovations have had at least a noticeable aesthetic impact on the neighborhood of Parkdale. Stakeholders felt that the renovations had improved the cleanliness and appearance of the neighbourhood, which had increased neighborhood pride.
- RRAP has a noticeable series of neighbourhood impacts when projects are concentrated in specific areas and neighbourhoods, such as is done in Winnipeg. While Winnipeg neighbourhood associations predate RRAP involvement in the core areas of Winnipeg, case study stakeholders have argued the importance of RRAP in the recent improvement of the core areas. RRAP has been used in the Winnipeg core areas as a key instrument in neighbourhood revitalization. Residents of both the RRAP-renovated areas of the neighbourhoods, and those outside of the immediate vicinity of RRAP projects were consistently positive about the impact of the renovations. Since there has been little-to-no interest in the core area by private developers, RRAP has been a main source of housing revitalization. Given the expense of new home construction, non-profit groups and private citizens have seen renovation as the only viable path for revitalization of the city's core housing.

Part of the success in the Winnipeg experience has been through involvement of many non-profit housing organizations in the downtown core. Though non-profits have only been very active in the past three years in the areas of housing renovation in Winnipeg, they have been effective in using RRAP as part of an overall strategy of neighbourhood revitalization. RRAP alone was felt to be incapable of turning around neighbourhoods that had the level of social problems that face those of the core of Winnipeg. Housing was only one issue identified as the key to neighbourhood revitalization; it has also been identified as a key factor in success. Housing renovation has increased neighbourhood pride and involvement, strengthened or sparked the formation of neighbourhood associations, and served as a further motivator for volunteer neighbourhood clean-ups, volunteer street patrols, and community gatherings like block parties. It has also focused extensive media attention on the renewal of Winnipeg's downtown.

Some of these renovations have been the deconversion of rooming houses back to single-family owner-occupied dwellings, which was seen by many stakeholders as an instrumental part of neighbourhood revitalization, given the preponderance of "slum landlords" and transient tenants. Residents felt that the high concentration of low-quality rooming houses managed by absentee landlords had been a major factor in the core neighbourhood deterioration. RRAP renovations have sparked other renovations. Case study area residents sometimes spoke of the futility of renovation attempts prior to the RRAP renovations, but felt that the RRAP-assisted renovations had created momentum. One neighbor of a RRAP-renovated home noted that since the RRAP renovation, he and three other residents have renovated their own properties. While the level of non-RRAP renovations that have been sparked is often limited by issues of affordability, residents spoke of recent grassroots neighbourhood efforts to clean up the streets (such as neighbours organizing to clean up back alleys, paint over graffiti, and improve the appearance of the neighbourhoods).

RRAP has improved safety and stability of older neighbourhoods

Many older city neighbourhoods experience high crime rates, and high incidence of drug trafficking and prostitution. RRAP renovations and improvements in neighbourhoods have increased residents' perceptions of safety and in some cases have led to reduced crime and reduced the tendency to move away from the area because of high crime levels. Another aspect of stability is improved security of tenure through reduced fears of evictions.

- Some Winnipeg residents reported that safety had improved 100% in the past two years and the renovations have helped this process. Prostitution, drug dealing and petty crime were reported to have decreased. As pride in the neighbourhood has increased, reduced tolerance of crime has led to residents organizing volunteer neighbourhood patrols. Some long time residents said they would have moved away and left the area for good if it had not been for the RRAP renovations.
- Another safety impact was noted in the Toronto and Vancouver case studies related to reduced danger from fires and risks from inadequate heating. Problem in crowded, illegal rooming houses and bachelorettes in Parkdale came to light after the death of senior citizen due to cold as a result of an improperly functioning furnace, and there were numerous cases of fires in poorly maintained rooming houses. Toronto's Rupert Commission was established to advocate for the safety and living conditions of those in low-income dwellings as a result of a fire in a Toronto hotel that killed ten residents due to poor safety conditions. Residents in renovated rooming houses reported feeling safer against fires since the renovations.
- Vancouver landlords and residents in renovated rooming houses reported that their buildings had become much safer as a result of RRAP renovations. Security within buildings was a particular concern for female occupants particularly where they have to share common areas such as washrooms, and creation of private washrooms can reduce their fears of assaults. However, residents had not found any improvements in safety in the neighbourhoods.
- In neighbourhoods like Toronto's Parkdale area and Vancouver's Downtown Eastside that have been affected by redevelopment of low-income housing and gentrification, low-income tenants have often experienced evictions as buildings were redeveloped. The very poor and most disadvantaged members of society often have very limited security of tenure as they are displaced and forced into homelessness. Improving the economic viability of rooming house properties and rental agreements with landlords receiving RRAP ensures the stability of the housing and reduces the incidence of forced evictions due to redevelopment.
- Renovation itself can also result in displacement of residents as occurred in Winnipeg, and some residents were temporarily displaced due to extensive renovations. However, they were able to find alternative living arrangements within their buildings or the neighbourhood during the renovation. The Moncton case study also noted that there had been some displacement of residents in one private renovation project.

Overall, RRAP renovation seems to have had positive effects on the perceived safety, security and stability of the neighbourhoods included in the case studies, although some displacement of residents has occurred due to renovations.

RRAP has stimulated partnerships and collaboration at a community level

Aside from the improvements to housing and social conditions, RRAP also had an impact on fostering partnerships and collaboration among various levels of government and supported concerted efforts to improve physical and social conditions of neighbourhoods.

- In Winnipeg, the coordination of revitalization efforts and creation of the Winnipeg Housing and Homelessness Initiative as a single-window source for housing funding including RRAP has been a major factor in the positive impacts achieved. RRAP was seen as strengthening non-profit and community organizations which were struggling before the RRAP involvement. As well, resident associations have been established after the neighbourhood received RRAP funding.
- In Toronto, RRAP has been coordinated with the City of Toronto's Parkdale Pilot Project in a concerted effort to improve rooming houses and bachelorettes.
- In Vancouver, CMHC is collaborating with provincial and municipal governments under a five-year tripartite agreement to work together to revitalize the City of Vancouver (*The Vancouver Agreement*) signed in January 2001. The Agreement is intended to coordinate efforts to address the complex social, housing and health issues in the Downtown Eastside neighbourhoods. The case study reported that CMHC is a key participant in this collaboration and the only partner bringing 'real dollars' to the table. Related to the National Homelessness Initiative, Vancouver has developed a regional plan for the Greater Vancouver Committee on Homelessness (March 2001) which aims to coordinate efforts to address homelessness across the region. The plan was developed with HRDC funding under the Supporting Community Partnerships Initiatives (SCPI), and SCPI project funding is being combined with RRAP funding at a project level. The province has also developed a new housing strategy for special needs facilities and shelters, and the City has developed a plan for the revitalization of Chinatown. All levels of government are working together and CMHC is providing advice and support to local non-profit organizations.

Case study evidence suggests that, where RRAP is targeted to neighbourhoods, concerted efforts are being made to coordinate RRAP funding with local planning efforts to maximize the impacts of the funding available. At the same time, the magnitude of the housing and social problems in some older inner city neighbourhoods are considerable and many respondents in the case studies questioned the adequacy of RRAP funding levels to address the problems without other funding.

RRAP has maximized impacts through leveraging private funds and stacking other program assistance

The successful impacts from RRAP have been achieved through use of additional funding for renovation including private funding from landlords and property owners (such as non-profit organizations), and stacking RRAP funds with other programs (such as municipal or provincial housing programs, health and social services program funding to address special needs, and other federal dollars such as SCPI and other HRDC programs).

- In Winnipeg, use of RRAP funds in partnership with the Neighbourhood Housing Assistance Program grants (which equal or exceed the RRAP per unit maximums) has had significant impacts on areas of the core neighbourhoods of Winnipeg. In addition, the case study found that landlords and homeowners of RRAP project sin Winnipeg have contributed significant private capital (from savings and loans). Sixty percent of the landlords who received RRAP funding in the Winnipeg case study area had contributed private funding in amounts ranging from \$48,711 to \$50,000. More than half the homeowners contributed their own funds to RRAP units in amounts ranging from \$3,118 to \$40,000.
- Rooming house renovations in Toronto's Parkdale area have benefited from additional funding from the provincial Ministry of Health to provide support for clients with mental health problems. As well, at least one non-profit rooming house has received both RRAP and SCPI funding.
- In Vancouver's Downtown Eastside, many private and non-profit projects have been renovated with combination of RRAP, SCPI and provincial funding including health funding for special needs groups.

These examples illustrate how combining different sources of funding has helped to develop housing renovation projects despite the administrative challenges of accessing and coordinating various funding sources (especially for non-profit organizations. However, achieving longer-term impacts after the renovation is completed depends on the availability of on-going operating funding, especially for projects geared to low-income, special needs and homeless groups. Project sponsors will have to secure other sources of funding when time-limited funding such as SCPI ends to sustain the initial impacts.

The case studies did not identify significant negative impacts of RRAP on neighbourhoods. Case study areas did not seem to have been negatively affected by RRAP in the supply of rental units. Indeed, RRAP in some areas like Toronto and Vancouver has acted as a barricade to the further displacement of low-income people from areas that are seeing significant deconversion of rooming houses and gentrification at the expense of low-income housing. No major concerns were expressed with regard to possible gentrification or NIMBY (Not-In-My-Backyard) effects of RRAP.

8.4 Conclusions

- **Where RRAP has been targeted to specific neighbourhoods, case studies illustrate positive impacts on neighbourhoods.** The case study evidence is qualitative and based on only four selected inner city areas which are not necessarily representative of other communities. Residents and stakeholders interviewed in the four cases identified many positive effects on housing and neighbourhoods including improvements in safety from crime and fire, changing the ‘image’ of older areas, and reducing losses of lower cost housing through gentrification. Some negative effects were noted including, in some cases, the conversion of rental properties back to single family residences, and some displacement of former residents. Additional evidence was drawn from the evaluation of Quebec’s PRVQ program in 42 municipalities in Quebec which found that the program had had a positive effect on the availability of housing in 43% of communities and that there was no upward pressure on rents.
- **Neighbourhood impacts are achieved where RRAP has been part of coordinated planning efforts among governments and local communities.** Positive neighbourhood impacts were most notable where RRAP was part of an overall community planning and revitalization approach, and where RRAP funding was used in combination with other funding (such as through provincial housing programs such as in Winnipeg, provincial health funding for special needs housing or with SCPI funding). Active involvement of local non-profit housing groups was a key factor in the positive effects identified in the Winnipeg case study. RRAP was generally identified as a key contributing factor by key informants in the case studies, but since RRAP was used in combination with other funding, only part of the impact can be attributed to the RRAP funding and sustained impacts will require on-going funding from other sources when time-limited funding such as SCPI ends.

SECTION 9: ECONOMIC IMPACT ANALYSIS

Over the period 1995 to 2001, the RRAP had a small, but significant, impact on the Canadian economy, proportionate to the size of the program over the same period.

9.1 Background

RRAP is thought to be particularly effective as an employment generator because the labour content of repairs is high; higher than, for example, new home construction. Further, the design of some of the RRAP programs requires contributions from the property owner, further leveraging resources for employment generation. Also, the Program was found to be effective when applied in areas with chronic high unemployment, such as on reserves or in Cape Breton. Finally, RRAP was found to have advantages over large employment generation projects because it can be geographically dispersed, it has an almost immediate impact and unskilled labour can be used in the projects.

The Rationale Section of this Report reviewed previous studies about the impacts of renovation programs in general, and RRAP in particular, on employment. These studies for the most part simply looked at the labour content of renovation expenditures. All found that RRAP had, to some extent or other, generated jobs in the past, which is not too surprising given the methodology employed.

This evaluation employs a different approach than these earlier studies – it employs an economic model of the Canadian economy to measure the employment impacts of RRAP. The advantage of this approach lies in its accounting for economic feedback which might serve to either augment or diminish the Program's impact. Hence it allows for either a strong positive employment impact or a weak or even negligible employment impact, depending upon the actual circumstances in which the economy finds itself.

On the one hand, for example, when the economy is not strong, RRAP not only has direct and indirect impacts²⁹ on employment, but also induced impacts due to those newly employed workers in turn spending some of their earnings on other goods and services. These induced impacts also create employment that might not otherwise have existed in the absence of the program. In addition, increased revenues for governments from strengthened personal and business income may also induce further real economic effects if they lead governments to reduce tax rates or increase spending.

²⁹ **Direct Impacts** –For this analysis "direct impacts" include the delivery costs of RRAP, grants and loan forgiveness from RRAP and leverage or displacement of residential alteration investment.

²⁹ **Indirect Impacts** – The direct impacts provide a source of demand from a specific industry or group of industries, for example the residential construction industry. This industry will require inputs for lumber, nails, other building supplies and labour to fulfill the increased demand and this, in turn, provides a source of demand for other industries. Each of these industries requires goods and services from other industries. This set of interrelationships that describe the technology of inter-industry links is presented in our framework by input-output tables

On the other hand, if the economy is strong, RRAP expenditures would only cause prices to increase. The employment created by RRAP would be displaced by the loss of employment used to produce other goods and services, meaning that overall, the employment gains would be negligible or non-existent.

9.2 Estimation Approach

The first stage in the analysis was to compile data on expenditures under RRAP for the study period. This information was obtained from Financial Planning Division, CMHC.

In the absence of concrete information, certain assumptions had to be made about the extent to which these expenditures levered or displaced funds from provincial governments and from program clients. For purposes of this analysis, it was assumed that all of the provincial contributions to RRAP were levered; that is, would not have been spent if the federal government did not have RRAP. It was further assumed that private contributions to the program (the clients' share of the renovation expenditures) would have happened anyhow – that the property owners would have spent this money on home repairs even if there were no RRAP. Sensitivity analysis is done later to explore the size of the economic impacts once these assumptions are varied. The result of these assumptions is displayed in Table 9-1 below, which portrays the amount of housing renovation expenditures that occurred because of RRAP and which would not have occurred in the absence of RRAP.

<p align="center">Table 9-1 Federal/Provincial RRAP Expenditures – 1995-2001 Nominal \$Millions</p>							
	1995	1996	1997	1998	1999	2000	2001
Delivery Costs	18.3	11.9	9.8	8.0	8.7	15.9	13.7
Loan Forgiveness	62.9	78.3	50.2	55.3	80.3	134.4	104.1
Total	81.2	90.2	60.0	63.3	89.0	150.3	117.8
Source: AES, based on data supplied by Financial Division, CMHC							

This information was then fed into Infrometrica's model of the Canadian Economy to estimate the impact of RRAP on national renovation expenditures and on the economy as a whole. The approach is formally known as "counter factual" analysis.

Infrometrica's model represents a "Keynsian" view of the Canadian economy. Hence employment is determined by aggregate demand (consumer spending, business investment, government spending, exports), of which one element is consumer and business spending on residential repairs, improvements and alterations. In this model, unemployment is possible if total aggregate demand falls short of capacity. In a less than fully employed economy, an increase in aggregate demand (due, for example, to an increase in government spending) leads

to additional employment. The newly employed in turn spend some of their increased incomes on other goods and services, which further stimulates the economy. While government taxes, consumer saving and imports serve to constrain this stimulative impact, the result is an overall increase in employment that exceeds that attributable to the original increase in aggregate demand. However if total aggregate demand should be at, or increase to, the point where the total amount of goods and services demanded exceeds the economy's capacity to produce them, then prices increase rather than employment.

In order to conduct the analysis of the impacts of RRAP on residential repairs, improvements and alterations, the model's parameters were adjusted so that it provided actual historical economic outcomes (e.g. Real Gross Domestic Product, employment, price inflation, government revenues and expenditures, and so on). To simulate the impact of RRAP on these economic outcomes, the renovation expenditure series provided in Table 9-1 above were subtracted from the historical expenditure series on repairs, improvements and alterations because the historical series includes these expenditures. The model was then rerun to solve for the economic outcomes that would be consistent with the lower level of aggregate demand represented by the new expenditure series. The differences between the actual and the simulated values represented the estimated incremental impact of RRAP on the Canadian economy.

Implicit in this analysis was the assumption that RRAP was financed through debt generation and not increased tax rates. Also, interest rates were fixed to the base case to isolate the impact of RRAP without any changes to monetary policy since monetary policy changes have widespread impacts on the Canadian economy, which may be entirely independent of RRAP and would result in unclear determination of the impact of RRAP.

9.3 Econometric Simulation Results³⁰

Informetrica Limited applied the RRAP expenditures (program expenditures only) to identify the yearly and total cumulative impact of the RRAP program. Table 9 -2 shows the estimated impacts of RRAP on a cumulative basis for the period 1995 to 2001. The detailed year-by-year results, along with the historical major indicators of the Canadian economy, are presented in Appendix 6.

³⁰ For reference:

Real Gross Domestic Product, cumulative from 1995 - 2001	\$6490 Billion
Employment, cumulative from 1995 – 2001	99 million person years
Labour Force, cumulative from 1995 – 2001	108 million person years
Unemployment Rate, average 1995 – 2001	8.3
Consumer Price Index, average annual change	1.7%
All government Revenues, cumulative from 1995 - 2001	\$2650 Billion
All Government Expenditures; cumulative from 1995 - 2001	\$2637.2 Billion
Alterations Investment, cumulative from 1995 - 2001	\$107.3 Billion
Program Expenditures, cumulative from 1995 - 2001	\$651.8 Million

Table 9-2
Contribution of RRAP to the Canadian Economy
Base Case (no leveraging/displacement)
Cumulative 1995 to 2001

	Direct and Indirect	Induced	Total
Real Gross Domestic Product	\$624 Mn\$97	\$317 Mn\$97	\$941 Mn\$97
Employment	4,043 py	9,616 py	13,659 py
Labour Force	510 py	1,917 py	2,427 py
Unemployment Rate (in 2001)	-0.004 pp	-0.007 pp	-0.011 pp
Consumer Price Index (in 2001)	0	0.02%	0.02%
All Government Revenues	\$87 Mn	\$677 Mn	\$764 Mn
All Government Expenditures	\$1,000 Mn	\$93 Mn	\$1,093 Mn
All Government Balance	-\$913 Mn	\$584 Mn	-\$329 Mn
Government RRAP Expenditure			\$652 Mn
Leverage amount			\$0 Mn
Source: Informetrica Limited			
Note: Mn\$97 = real 1997\$ millions Mn = nominal \$ millions			
py = person-year or full-time equivalent pp = percentage points			

Estimated total economic impacts of RRAP

The total cumulative impact of the addition of RRAP on the Canadian economy was estimated to be a \$941 million increase in real GDP and a 13,659 person-year increase in employment. It was estimated that all government balances were lowered by \$329 million and that the CPI was increased by 0.02 per cent because of the RRAP.

Note that the cumulative \$941 Million real GDP increase compares to a cumulative base economy of \$6,490 Billion (.014%) and that the cumulative 13,659 person year increase compares to a cumulative 100 million person years of employment (.014%). The relatively small size of these impacts are, however, proportionate to the size of the program, which is a cumulative \$651.8 million.

The total cumulative impact of RRAP is the sum of its direct, indirect and induced impacts. These impacts are discussed below.

Estimated direct and indirect economic impacts of RRAP

The direct and indirect impacts of RRAP are due to the residential construction industry requiring inputs for lumber, nails, other building supplies and labour to fulfill the increased demand. This in turn provides a source of demand for other industries. Each of these industries requires goods and services from other industries.

The simulation of the direct and indirect impacts of RRAP on employment yields an estimated cumulative increase of 4,043 person-years over 7 years, focused primarily in the construction industry with employment gains of 3,038. Real Gross Domestic Product increased cumulatively over 7 years by an estimated \$624M.

The model simulation yielded an increase to federal and provincial expenditures primarily from increased interest expenses due to increased public debt. The increased employment and larger economy generated positive impacts on the personal and business tax revenue at all levels of government. The estimated cumulative net impact of RRAP on government balances was a decrease in total government balances of \$913M.

It was estimated that the RRAP had little or no direct impact on price inflation during the 1995 to 2001 period.

Estimated induced economic impacts of RRAP

The induced impacts of RRAP are due to the people employed because of the direct impacts of RRAP in turn spending some of their earnings on other goods and services. These induced impacts also create employment that might not otherwise have existed in the absence of the program. In addition, increased revenues for governments from strengthened personal and business income may also induce further real economic effects if they lead governments to reduce tax rates or increase spending.

The higher employment generated by RRAP resulted in a rise in national disposable personal income. Because population growth remained the same, disposable income per capita increased. Initially, because there was no change in price inflation, real disposable income per capita increased. This promoted real consumption to increase, and real GDP to expand.

The higher economic activity promoted further employment gains as the newly employed began to spend their increased income. By the end of 2001, the unemployment rate was estimated to be 0.011 percentage points lower than it would have been if RRAP were not in existence.

The higher economic activity created by RRAP increased price levels. The CPI was estimated to be 0.02 per cent higher by 2001. This lessened the impact on real disposable income per capita, which, in turn, lessened the impact on consumption and real GDP. The overall induced impact on real GDP was an increase of \$317 million in constant 1997 dollars and a 9,616 person-year increase in employment (primarily in the service sector of the economy).

The larger economy and higher employment increased personal and business tax revenue at all levels of government. Two opposing forces, reduced interest expenses due to a lower public debt and increased expenditure on goods and services, contributed to an overall small increase in expenditures. The induced impacts on government balances were positive with the overall government balance being \$584 million higher (\$677 million in increased revenue less \$93 million of increased expenditure).

9.4 Sensitivity Analysis

The extent of displacement or leveraging of the RRAP is not known. Hence, for illustrative purposes, two alternative scenarios were adopted.

The first scenario assumed that grants and loan forgiveness leveraged additional spending on home alterations at a rate of 50 per cent of RRAP spending (not including delivery costs). This means that for every dollar of RRAP forgivable loans contributed by the federal and provincial governments, it was assumed that program clients spent an amount equal to 50 percent of the governmental contribution on the renovation which they would not otherwise have spent. Thus the numbers used in the economic simulation were 1.5 times those shown in Table 10 –1, meaning that the economic stimulus provided by the program was assumed to be more than in the first simulation.

The second scenario assumes that the grants and loan forgiveness displaced spending on home alterations at a rate of 50 per cent of RRAP spending (not including delivery costs). This means that for every dollar of RRAP forgivable loans contributed by the federal and provincial governments, it was assumed that program clients reduced their own planned spending on home renovations by an amount equal to 50 percent of the governmental contribution. Thus the numbers used in the economic simulation were 50 percent of those shown in Table 10 –1, meaning that the economic stimulus provided by the program was assumed to be less than in the first simulation.

50% Leverage Impact (High estimate):

The leveraging of additional spending on home alterations resulted in an overall larger impact on the Canadian economy. The addition of approximately \$283 million of alteration investment to RRAP expenditure generated an estimated cumulative \$1,255 million of real GDP and 18,135 person-years of employment.

Government balances were positively influenced by the additional alterations investment, adding \$256 million to the government revenue and \$21 million to expenditures with a cumulative positive effect on all government balances (increased from -\$329 million to -\$94 million). The primary sources were from higher tax revenues from increased employment and a stronger economy and relatively smaller increases in interest payments on public debts.

Table 9-3
Contribution of RRAP to the Canadian Economy, 50% Leveraging
Cumulative 1995 to 2001

	Direct and Indirect	Induced	Total
Real Gross Domestic Product	\$901 Mn\$97	\$354 Mn\$97	\$1,255 Mn\$97
Employment	5,660 py	12,475 py	18,135 py
Labour Force	673 py	2,509 py	3,182 py
Unemployment Rate (in 2001)	-0.006 pp	-0.008 pp	-0.014 pp
Consumer Price Index (in 2001)	0	0.03%	0.03%
All Government Revenues	\$87 Mn	\$933 Mn	\$1,020 Mn
All Government Expenditures	\$1,000 Mn	\$114 Mn	\$1,113 Mn
All Government Balance	-\$913 Mn	\$819 Mn	-\$94 Mn
Government RRAP Expenditure			\$652 Mn
Leverage amount			\$283 Mn
Source: Informetrica Limited			
Note: Mn\$97 = real 1997\$ millions Mn = nominal \$ millions			
py = person-year or full-time equivalent pp = percentage points			

50% Displacement Impact (Low Estimate):

The impact on the Canadian economy with displacement is smaller relative to the "RRAP Alone" impact, but remained positive. The displacement of spending on home alterations generated an estimated \$627 million in real GDP, which is less than the initial \$652 million to provide the program.

RRAP, with displacement of alterations investment, generated an estimated 9,182 person-years of employment. Government revenues and expenditures were estimated to be relatively lower but the net effect was a larger decline in government balances.

Table 9-4
Contribution of RRAP to the Canadian Economy, 50% Displacement
Cumulative 1995 to 2001

	Direct and Indirect	Induced	Total
Real Gross Domestic Product	\$346 Mn\$97	\$281 Mn\$97	\$627 Mn\$97
Employment	2,425 py	6,757 py	9,182 py
Labour Force	348 py	1,324 py	1,672 py
Unemployment Rate (in 2001)	-0.002 pp	-0.007 pp	-0.009 pp
Consumer Price Index (in 2001)	0	0.01%	0.01%
All Government Revenues	\$87 Mn	\$421 Mn	\$508 Mn
All Government Expenditures	\$1,000 Mn	\$72 Mn	\$1,072 Mn
All Government Balance	-\$913 Mn	\$349 Mn	-\$564 Mn
Government RRAP Expenditure			\$652 Mn
Displacement amount			-\$283 Mn
Source: Infrometrica Limited			
Note: Mn\$97 = real 1997\$ millions Mn = nominal \$ millions			
py = person-year or full-time equivalent pp = percentage points			

Most Likely Impacts

Three scenarios are presented above, a base case assuming no leveraging or displacement of private renovation funds, a high estimate assuming a 50 percent leveraging of private renovation funds and a low estimate assuming a 50 percent displacement of private renovation funds. Appendix 12 provides a qualitative assessment of the most likely scenario. Using information from Tables 5.1 and 6.1 (the influence of RRAP on the property owner's decision to renovate) as well as information on average renovation costs and forgiveness levels by program from internal CMHC documentation, the conclusion is that the RRAP displaced private renovation funds by an amount equal to about 10 percent of the RRAP budget. This means that the base case, or just slightly less than the base case, represents the most likely economic impact of RRAP. The base case impacts of the RRAP on the Canadian economy are summarized below.

Note that in the evaluation of the PRVQ, it was observed that the program required significant participation from owners. On a net basis, it was estimated that the incremental contribution from owners was 42%. It was also noted that the program levered considerable public sector investment on the part of municipalities.

9.5 Conclusion

Over the period 1995 to 2001, the RRAP had a small, but significant, impact on the Canadian economy, proportionate to the size of the program over the same period. The total impact of RRAP (Federal and Provincial budget of approximately \$651M) on the Canadian economy was estimated to be a \$941 Million increase in real Gross Domestic Product, cumulative over the period 1995 to 2001 (measured in constant 1997 dollars) and a 13,659 person year increase in employment, cumulative over the period 1995 to 2001. The impact of the program on all government balances (i.e. revenues less expenditures) was estimated to be a \$329 million reduction, cumulative over the same period. The cost of living index was estimated to be .02 percentage points higher in 2001 than it would have been in the absence of RRAP. The estimated increase in GDP was equal to about .014% of the GDP and the estimated increase in employment was equal to about .014 percent of total employment.

SECTION 10: PROGRAM DESIGN AND DELIVERY

10.1 Introduction

Research was undertaken with respect to the RRAP program design and delivery process through surveys with clients and program delivery staff, including agents, and through interviews with senior officials. Case study interviews with various officials and non-profit groups also contributed feedback on the effectiveness of the RRAP design. In gathering research findings, delivery agents were often the most vocal and knowledgeable about elements of RRAP design and delivery. Their constant exposure to the program at all stages of its use, and their experience with a variety of types of applications of the program has resulted in a wealth of opinions about the benefits and limitations of RRAP.

This section provides a summary of qualitative information gathered from the delivery agent/staff surveys on program promotion and from the senior official interviews on program delivery methods. It also reports on feedback received on program design, including the strengths and weaknesses of the various program components. These are reported on a program-by-program basis. Where possible, analysis of program administrative data and survey findings has been undertaken to substantiate the qualitative information obtained from delivery agents and program officials

10.2 Program Promotion and Awareness

Surveys of delivery agents and staff indicate that promotion of RRAP is generally focused on print media, with the majority of promotion across all components being undertaken through general public brochures, brochures in municipal offices, and newspaper ads.

The vast majority of surveyed delivery agents and staff who responded stated that they advertise RRAP in English (85%), and almost a third advertise in French (31%). Aboriginal languages were given as a type of language used for advertising RRAP by 4% of respondents. Respondents used no other languages but English, French and Aboriginal languages for advertising. Fourteen percent of delivery agents stated that they did not advertise RRAP at all.

Ratings of effectiveness of promotional efforts reflect challenges in reaching segments of the intended client group

Table 10-1 demonstrates survey results of delivery agents and delivery staff in rating the success of RRAP promotion efforts in raising awareness of the program in different potential client groups.

Table 10-1
Delivery Agent/Staff Perception of Success in RRAP Promotion
Reaching Potential Client Groups

Client Group	Rating scale				
	Poor	Fair	Good	Very Good	Excellent
a) People/groups whose first language is not English or French (n=35)	37%	29%	34%	--	--
b) People/groups in rural or remote area (n=55)	16%	22%	42%	13%	7%
c) Aboriginal people/groups (n=47)	15%	15%	47%	17%	6%
d) Rental landlords (n=35)	23%	29%	23%	26%	--
e) Rooming house landlords (n=32)	22%	38%	25%	16%	--
f) Homeowners with disabilities (n=69)	13%	15%	41%	25%	7%
g) Landlords renting to people with disabilities (n=40)	30%	20%	35%	8%	8%
h) Low-income seniors (n=70)	14%	17%	29%	29%	11%
i) Low-income homeowners with rental needs in urban areas (n=64)	16%	19%	30%	25%	11%
j) Potential conversion landlords (n=31)	32%	42%	13%	13%	--
k) Community or non-profit groups (n=48)	15%	15%	46%	17%	8%

Source: Delivery Agent/staff survey, RRAP Evaluation, 2002. Survey data excludes Quebec.

Overall, ratings reflected a low level of promotional success in increasing the level of awareness of RRAP, particularly with the following groups:

- prospective Conversion RRAP landlords
- those whose first language was other than English and French; and
- rooming house landlords.

10.3 Program Delivery

10.3.1 Satisfaction with RRAP Delivery Processes - Clients

Overall, clients reported high levels of satisfaction with the RRAP delivery process, with 88% of Homeowner RRAP clients and 91% of Rental and Rooming House RRAP clients indicating that they were satisfied or very satisfied with the overall delivery process. ERP clients reported slightly lower levels of satisfaction, with 78% reporting that they were satisfied or very satisfied with delivery process. Appendix 8 provides additional detail on the levels of client satisfaction

with program delivery, including a breakdown of satisfaction levels by delivery arrangement (i.e. federal versus provincial delivery).

As shown in Table 10-2, homeowners reported high levels of satisfaction with virtually all aspects of the delivery process. The two elements that received the highest ratings of dissatisfaction were the availability of contractors (20% dissatisfied) and the quality of work (16%), indicating opportunities for improvement in these areas.

ERP clients were also generally satisfied with the delivery process, with more than three-quarters of clients reporting they were satisfied or very satisfied with most aspects of program delivery. However, 23% of ERP clients reported that they were dissatisfied with the availability of contractors, perhaps reflecting the difficulty in accessing skilled trades people in rural areas.

Table 10-2
Satisfaction with Delivery Process – RRAP Clients

Element	Homeowner RRAP		ERP		RRAP for Persons with Disabilities (HO)		Rental/Rooming House RRAP	
	Dissatisfied	Satisfied	Dissatisfied	Satisfied	Dissatisfied	Satisfied	Dissatisfied	Satisfied
Application, paperwork and forms	9%	83%	13%	84%	11%	79%	17%	70%
Helpfulness of program delivery staff	7%	86%	13%	79%	8%	89%	9%	85%
Speed of loan and cheque processing	8%	85%	13%	79%	7%	86%	13%	80%
Helpfulness of building inspectors	9%	86%	13%	77%	15%	72%	6%	87%
Availability of contractors	20%	73%	23%	69%	26%	68%	19%	66%
Quality of work	16%	79%	16%	76%	15%	79%	8%	80%
Terms and conditions of RRAP loan (HO) Rental agreement (LL)	6%	90%	n/a	n/a	8%	86%	4%	72%
Rent change approval process	n/a	n/a	n/a	n/a	n/a	n/a	4%	62%
Overall Satisfaction	7%	86%	11%	78%	6%	89%	4%	91%

Source: Client Surveys, RRAP Evaluation, 2002. Survey data excludes Quebec.

RRAP-D clients reported high overall satisfaction, with 89% reporting that they were satisfied or very satisfied with program delivery. However, a higher portion (15%) expressed dissatisfaction with building inspectors compared to other program clients.

Landlords reported very high levels of satisfaction with the helpfulness of program delivery staff (85% satisfied/very satisfied) and the helpfulness of inspectors (87% satisfied/very satisfied). Landlords were also most dissatisfied with the availability of contractors, with 19% indicating dissatisfaction on this item. They were also less satisfied with the application, paperwork and forms than homeowners, with 17% indicating dissatisfaction. Only 62% of landlords indicated that they were satisfied with the rent change approval process, while 34% indicated they were 'neutral' and only 4% dissatisfied.

10.3.2 RRAP Program Delivery – Delivery Agent/Staff Satisfaction

Table 10-3 shows the level of satisfaction of surveyed delivery agents and staff with various elements of the RRAP delivery process.

Table 10-3
Delivery Agent/Staff Level of Satisfaction with Elements of RRAP Delivery

Element	Rating Scale				
	Very Dissatisfied	Somewhat Dissatisfied	Neither Dissatisfied nor Satisfied	Somewhat Satisfied	Very Satisfied
a) Promotion/advertising/visibility process (n=85)	8%	19%	40%	15%	18%
b) Client counseling, initial application process (n=90)	3%	4%	24%	31%	37%
c) Initial inspection process (n=91)	3%	2%	21%	32%	42%
d) Client obtaining material and labor estimates (n=91)	13%	28%	20%	29%	11%
e) Progress and Final inspection process (n=89)	1%	3%	27%	28%	40%
f) Paperwork and reporting required (n=92)	8%	24%	20%	33%	16%
g) Time from initial application to work being started (n=92)	17%	25%	22%	28%	8%
h) Overall program delivery process (n=92)	2%	21%	23%	30%	24%

Source: Delivery agent/staff survey, RRAP Evaluation, 2002. Survey data excludes Quebec.

In general, delivery agents and staff were either positive or neutral about the delivery process. Overall the delivery process was rated as satisfactory by over half of respondents (54%), 23% were dissatisfied, and only 2% of respondents were 'Very Dissatisfied' with the process.

Delivery agents and staff were most often 'Very Satisfied' with the initial inspection process (42%) and the progress and final inspection process (40%). They were most dissatisfied with the lag time between the initial application and the commencement of project work (42%). There was also a relatively high rate of dissatisfaction with the process of clients obtaining material and labor estimates (41%), which corresponds to the higher dissatisfaction rate reported by clients on this element. The rate of dissatisfaction on paperwork and required reporting was also fairly high, with 32% reporting dissatisfaction.

10.3.3 Program Delivery Methods and Best Practices

Senior officials overall felt that delivery through regional networks or municipal or local agencies offers a number of advantages, including facilitating effective service in remote areas. A chart comparing the delivery mechanisms used in various jurisdictions is provided in Appendix 7.

Municipal/local delivery provides many benefits, but monitoring is important to ensure consistency in delivery

Delivery through municipal/local agencies was also noted as an effective method of using RRAP within the context of wider social and housing issues. Reasons given in senior official interviews, delivery agent surveys and case study research for the effectiveness of local delivery include:

- the ability to coordinate RRAP projects within neighborhood revitalization initiatives or housing projects;
- ability to use established field offices (such as those used by Manitoba Housing Authority of the Province of Manitoba) for effective and efficient regional delivery and client contact;
- the ability to include the input of communities in selecting appropriate and key areas for allocation of RRAP projects;
- the ability of regions to keep abreast of housing issues; and,
- the use of Aboriginal groups for delivery promotes Aboriginal employment.

Senior officials did, however, express that regional/local delivery of RRAP may cause variations on delivery approach and methods. While regional delivery ensures convenience, its lack of centralized administration results in less consistency in interpreting delivery roles and standards. The issue of more monitoring and accountability among delivery agencies was raised for this reason in several interviews.

The allocation of funding to projects was undertaken in a variety of methods in different jurisdictions. Some jurisdictions allocate funding on a first-come first-served basis (as in Saskatchewan), while others weighed projects according to internal criteria. In Ontario, for example, Rental RRAP projects are assessed once a year, and funding is delegated for all projects upon review. The first-come first-served method was not seen as an effective method for project allocation by most senior officials.

Local concentration of RRAP can support neighbourhood revitalization

In many areas, RRAP has been seen by stakeholders at all levels as not just a method for renovation of individual properties, but as a facilitator of overall neighbourhood revitalization. As a result, RRAP has been used as part of overall strategies for community renewal. In areas such as Winnipeg, Vancouver, and Brandon there was significant concentration of RRAP projects within small areas of the city in order to maximize the effects of the program on neighbourhood revitalization. RRAP has been allocated to projects through the consultation of senior officials with those at all level of community revitalization. In Winnipeg, RRAP has been part of a multi-faceted effort by all levels of government, community associations, non-profit groups, businesses and private citizens to revitalize areas of that city's core. Non-profits have accessed RRAP and have successfully used the program, mostly in partnership with other funding like SCPI grants, to renovate large areas of the downtown housing.

When RRAP projects have been more scattered, as was the case in the Toronto area, its impact on neighbourhood revitalization was seen to be negligible.

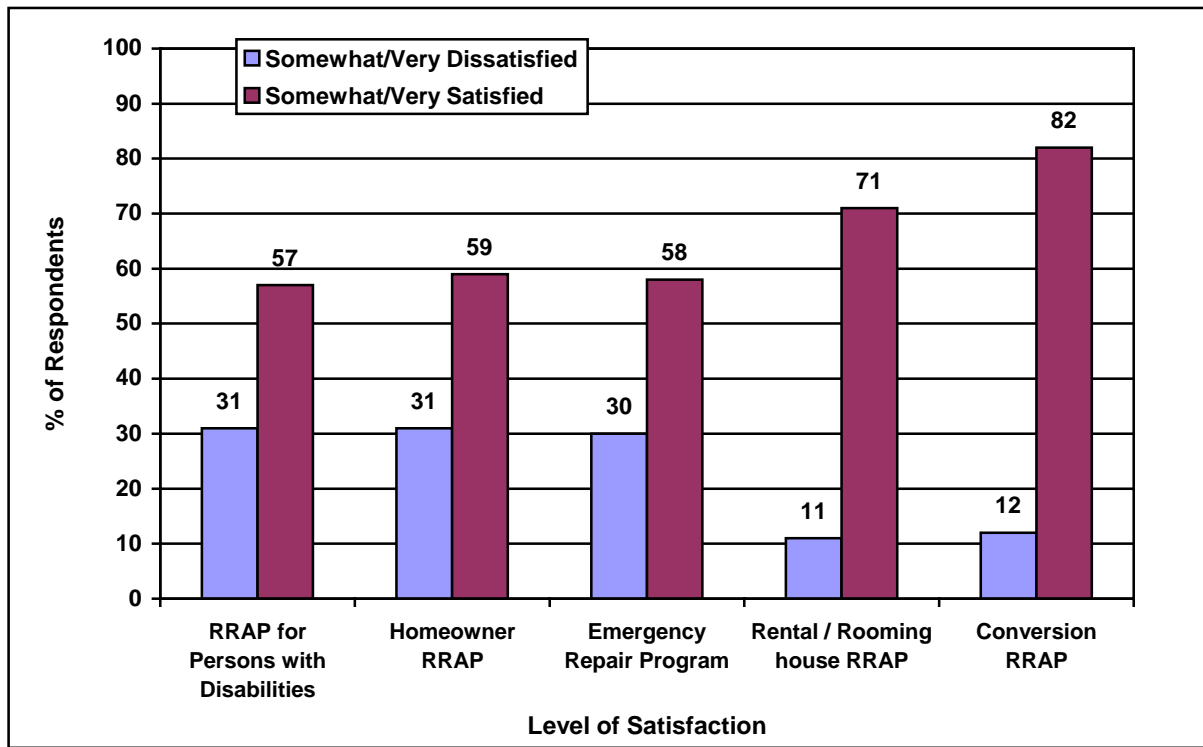
10.4 Program Design

10.4.1 Satisfaction with Effectiveness of Program Design

Overall, delivery staff and agents, senior officials and case study interviewees viewed RRAP as an extremely valuable program. Delivery agents and delivery staff across Canada were surveyed on their satisfaction with the overall effectiveness of the current design of the RRAP program components at meeting their stated objectives. Survey results demonstrate that delivery agents are satisfied, overall, with the design of all components of the RRAP program. The levels of satisfaction are summarized in Chart 10-1 below. More details on reported levels of satisfaction by program can be found in Appendix 8.

Satisfaction was highest for the rental components of the program (71% for Rental/Rooming House and 82% for Conversion RRAP). On the other side of the equation, dissatisfaction was highest for Homeowner RRAP (31%), RRAP for Persons with Disabilities (31%) and the Emergency Repair Program (30%), indicating a greater perception that the design of these programs may be limiting program effectiveness.

Chart 10-1
Delivery Staff/Agents Overall Level of Satisfaction with the Design of RRAP Components



Source: Delivery Agent/Staff Survey, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: No response, don't know and not applicable responses are not included with percentages reported.

10.4.2 Program Strengths and Weaknesses

The following summarizes perceived strengths and weaknesses of the various components of RRAP, based on responses of RRAP delivery agents and staff, senior officials and case study interviewees. Appendix 9 provides a summary of the three key strengths and weaknesses of each program component, based on the responses from the delivery agent/staff survey. Where possible, analysis of program or survey data has been included as a means of validating the qualitative information obtained from delivery agents and program officials.

10.4.2.1 General

Targeting to low-income households is seen as a program strength

Most senior officials and case study interviewees felt that RRAP was an effective way to maintain the current housing stock. The focus on low-income households was applauded by most respondents, as it allows for the housing of those in core need to be renovated.

Budget allocations are insufficient to address the need

While all senior officials expressed an overall satisfaction with RRAP, they also voiced frustration that the scope of the program and the budgets are too limited, given the extent of housing need. One senior official noted that RRAP was only “treading water” given its current size.

It was felt by a few senior officials that the budget allocations to the provinces and territories were based on out-dated Census information, and did not reflect the rising need in some areas of the country. Stakeholders in housing also mentioned that regional needs were not reflected in the per capita formulation of budget allocations to the provinces and territories. In areas with very old or deteriorated housing stock, budgetary needs were felt to be greater than in other areas that received comparable or higher budget allocations.

Delivery agents consistently reported that the budget allocation was a weakness of the program. The budget allocation for the local area was among the top three weaknesses reported for all program components. For Rental RRAP, Rooming House RRAP and Homeowner RRAP, budget allocation was rated highest in terms of program weakness, with almost three-quarters (74%) of delivery agents rating budget allocations as a ‘Weakness’ or ‘Major Weakness’ of Rental RRAP, while 60% reported it as a ‘Weakness’ or ‘Major Weakness’ of Homeowner RRAP. While budget allocation is not a program design issue per se, this is an indicator of the demand for the program and shows that even with the current program design, there is perceived to be significant unmet need.

RRAP’s role in neighbourhood revitalization could be increased if RRAP was more flexible

While the ability to use RRAP to support local neighbourhood revitalization efforts was seen as a program strength, aspects of the program design and delivery were seen to be limiting successful use of RRAP and adding to the challenge of coordinating RRAP funding with other revitalization initiatives. In Winnipeg, for example, non-profit groups who have made a large contribution to neighbourhood revitalization reported frequent difficulty in using RRAP which was a source of frustration for them. While the non-profit groups were grateful to RRAP for its positive effects on the core housing and neighbourhood revitalization, there was concern that elements of the current program design and administrative practices create unnecessary problems that could be eliminated through program reform. For example, increasing Homeowner RRAP income limits in areas where private investment is unobtainable due to low market values of housing was suggested as a means of fostering revitalization activity. (It should be noted that the program currently provides flexibility to allow up to 10% of clients to have incomes above the Core Need Income Thresholds). In addition, non-profit groups involved in revitalization projects are often unable to access working capital and hence would support changes to disbursement procedures to allow upfront advances.

10.4.2.2 Homeowner RRAP

No aspects of Homeowner RRAP were consistently identified as strengths

For Homeowner RRAP, there were no aspects of the program design that were consistently identified as strengths by a majority of respondents. Loan terms and conditions, eligible repair items and guidelines for determining property eligibility received the most support in terms of major program strengths, but in all cases, 50% or less of respondents identified these as strengths (50%, 49% and 45% respectively).

While eligible repairs were generally seen as a program strength, senior officials in both federal and provincial jurisdictions mentioned that eligible repairs could be expanded, for example, to include repairs to increase energy efficiency and to specifically tackle mold problems.

While homeowner income limits and maximum house values are seen to be too restrictive, need and demand remain strong

While RRAP's mandate to concentrate renovation on low-income households was widely seen as positive, it was felt that the income limits are too low for Homeowner RRAP. Of surveyed delivery staff and agents, 42% rated client eligibility for Homeowner RRAP as a weakness, with only 30% rating it as a program component strength.

While income limits were seen as too low in some areas, senior officials acknowledged that they were able to fully commit their Homeowner RRAP budgets and that there was sufficient take-up with low qualifying income levels. Section 3.1.2 confirms that there is significant unmet need based on the current income limits. Nonetheless, the low-income limits were regularly criticized in case study interviews with delivery staff and agents and senior officials. Non-profit groups in the case study areas reported that the income limits presented severe problems for them in using RRAP to provide rent-to-own renovated properties, which they have done to foster increased neighbourhood revitalization through homeownership.

Senior officials and case study interviewees also raised concerns that the maximum house values may be too low in some areas. A "hot" real estate market in some areas has meant that very few homes in cities like Vancouver are valued at less than the RRAP maximum house values. As many low-income seniors, for example, live in housing needing urgent repairs, and the cost of alternative housing is very high, case studies have indicated that increases in the qualifying house value for low income homeowners in larger cities may be advisable. Despite these concerns, Homeowner RRAP is over-serving urban areas in relation to the need. As indicated in Table 3.2, 63.5% of owners in core need with an adequacy or suitability problem live in urban areas, while 71% of program beneficiaries are urban (Table 4-6).

Homeowner RRAP may be excluding low-income homeowners who cannot afford loan repayment

Senior officials in several jurisdictions noted that many individuals who require renovation assistance are unable to use RRAP as they cannot afford the repayable loan portion of the funding.

Program administrative data was reviewed to assess whether the current design of Homeowner RRAP is in fact excluding higher income households who do not qualify for full forgiveness. As shown in Table 10-4, almost half of clients (47%) had incomes above 60% of the income threshold and would not have qualified for full forgiveness, indicating that the program is not excluding people because of the requirement to fund a portion of the repair costs themselves. Nonetheless, the number of households participating in the program decreases at higher income levels, with only 6.8% of households having incomes between 85% and 100% of the threshold. This indicates an inability to afford, or an unwillingness to assume, a sizable repayable loan, a factor which may contribute to the lack of participation by segments of the core need population, notably families, as reported in Section 4.2.1. Families in particular can be expected to have higher debt loads and hence less ability to take on additional loan repayment. This is borne out by the fact that 57% of families in core need with an adequacy or suitability problem also face an affordability problem, compared to 31% of other household types (Table 3-3).

**Table 10-4
Distribution of Client Incomes
Homeowner RRAP (CMHC delivered)**

Income as a percent of CNIT	Number of Clients	Distribution by Income Category (%)	Average Shelter to Income Ratio
Less than 60%	7,356	52.7%	48%
60-85%	5,542	39.7%	36%
85-100%	955	6.8%	32%
Over 100% ¹	101	0.7%	30%
Total	13,954	100.0%	42%

Source: PDS data; 1995 to 2001 commitments

Notes: 1 – Under flexibility guidelines, up to ten percent (10%) of clients may have incomes above CNIT.

Maximum assistance levels for Homeowner RRAP are too low

Many senior officials, delivery agents and housing stakeholders argued that the assistance levels for Homeowner RRAP are too low, particularly for northern communities.

Table 10-5 analyses repair costs of Homeowner RRAP clients in relation to the current forgiveness maximum. (The analysis is based on CMHC administrative data and hence is restricted to CMHC delivery). It confirms that the current forgiveness level was inadequate for 22 percent of clients in the lowest income category (incomes below 60% of the income threshold) who had repair costs in excess of the maximum and hence would have had to fund a portion of their repair costs themselves. As indicated in Table 10-4 above, the average shelter cost to income ratio (STIR) of these households was 48%, indicating an inability to afford additional debt. The evaluation is unable to assess how many low-income households were excluded from participation in the program because of high repair costs.

**Table 10-5
Analysis of Repair Costs and Maximum Forgiveness Levels
Homeowner RRAP (CMHC delivered)**

Renovation cost as a % of maximum forgivable	Income as a percent of CNIT								All Clients	
	<60%		60 – 85%		85-100%		>100% ¹			
	No.	Dist. By Repair Costs (%)	No.	Dist. By Repair Costs (%)	No.	Dist. by Repair Costs (%)	No.	Dist. By Repair Costs (%)	No.	Dist. By Repair Costs (%)
<75%	4,107	55.8%	3,477	62.7%	633	66.3%	55	54.5%	8,272	59.3%
75-90%	744	10.1%	464	8.4%	61	6.4%	10	9.9%	1,279	9.2%
90-100%	883	12.0%	388	7.0%	40	4.2%	4	4.0%	1,315	9.4%
100-110%	822	11.2%	356	6.4%	41	4.3%	5	5.0%	1,224	8.8%
110-125%	290	3.9%	291	5.3%	51	5.3%	8	7.9%	640	4.6%
>125%	510	6.9%	566	10.2%	129	13.5%	19	18.8%	1,224	8.8%
All	7,356		5,542		955		101		13,954	100.00%

Source: PDS data; 1995 to 2001 commitments

Note 1 – Under flexibility guidelines, up to ten percent (10%) of clients may have incomes above CNIT.

Note 2 – Ratio of shelter costs to income at time of loan approval (excludes RRAP loan repayment)

Partial RRAP may be a program delivery issue

Inadequate assistance levels may also be a contributing factor in the high levels of partial RRAP reported in Section 5.5. However, an analysis of the data in Table 10-5 disputes whether this is the case. Seventy-eight per cent of clients who qualified for maximum forgiveness, or 41% of all Homeowner RRAP clients, had repair costs at or below the forgiveness limit and qualified for forgiveness to fully cover their repair costs. Yet, only 12% of these households had repair costs between 90 and 100% of the maximum forgiveness, while 56% had repair costs below 75% of the maximum forgiveness.

This finding raises questions about the reasons for the high incidence of partial RRAP as in a significant number of cases, more work could have been done within the available forgiveness limits. This may indicate that partial RRAP is a result of program delivery factors as opposed to program design. For example, mandatory health and safety items may be being missed during the inspection process, or decisions may be being made to ration RRAP funding, i.e. to provide less forgiveness to individual households in an effort to distribute the resources to as many clients as possible. In fact, senior officials in both federal and provincial jurisdictions felt that allowing partial assistance would be a beneficial policy for the program in cases where not all the necessary repairs could be undertaken within the maximum assistance levels.

10.4.2.3 Rental, Rooming House and Conversion RRAP

Rental and Rooming House RRAP were generally praised by both federal and provincial officials for their ability to target assistance to those in core need and to improve the health and safety of very low-income residents. At the same time, officials from both groups felt there needed to be more monitoring of the rental agreements and the income levels of tenants following repair completions to ensure that the benefits of the program continue to flow through to tenants.

Eligible repairs and forgiveness maximum are positive features of Rental RRAP

For Rental RRAP, repair items that are eligible for funding was identified as a major program strength by 72% of delivery agents and staff. Fifty-four percent of respondents also saw the maximum forgiveness limits under Rental RRAP as a major strength.

Rental and Rooming House RRAP can foster partnerships to alleviate homelessness

For both Rental RRAP and Rooming House RRAP, the ability to foster partnerships to alleviate homelessness was also identified as a strength by the majority of respondents (53% for Rental; 79% for Rooming House RRAP). Rooming House RRAP was also rated high for its ability to fund projects aimed at the homeless or those at risk of homelessness (73%).

Assistance levels for Conversion RRAP are restricting use of the program

Consistent with the high levels of satisfaction with the effectiveness of Conversion RRAP reported by delivery agents, senior officials from all jurisdictions agreed that Conversion RRAP, while a very limited and narrow program, is effective when partnered with other funding. The program was singled out for its creation of new housing stock, which often goes to those who are at risk or, or were, homeless. Nonetheless, senior officials and stakeholders interviewed for the case studies noted that the current assistance limits are too low given the high cost of conversion projects, and limit the ability to use Conversion RRAP for many projects unless it is paired with other funding (e.g. SCPI grants). The potentially useful conversion of warehouses to apartments was reported to be impossible with the current program assistance levels. It was also noted that it is often difficult to find properties suitable for conversion, particularly in more rural jurisdictions.

10.4.2.4 RRAP for Persons with Disabilities (RRAP-D)

Stacking of Homeowner RRAP and RRAP-D is seen as positive

The ability of RRAP for Persons with Disabilities to be stacked with Homeowner RRAP and Rental RRAP was singled out for praise in the senior officials' interviews and was also identified by delivery agents/staff as a program strength (64% of respondents). However, this can also limit usage of RRAP-D where Homeowner RRAP funds are not available.

Income limits for RRAP for Persons with Disabilities should consider higher than average expenses related to the disability

Many senior officials were in agreement that the income limits for RRAP for Persons with Disabilities are too restrictive and limit take-up of the program. The use of total household income to determine eligibility was felt to place people with disabilities in a position of subservience. In some cases, the reported total household income was above the allowable limit, but the adult individual with a disability had a low or non-existent income. In addition, the household income limits do not consider the high expenses borne by those households with members with severe disabilities. As a result of eligibility rules, many people who may need RRAP-D do not qualify, and in some years there have been jurisdictions that have not spent their entire RRAP-D budget for this reason (see Appendix 10 for comparison of initial to final budgets). Of those delivery agents that were surveyed, client eligibility criteria were the most frequently reported weakness of RRAP-D (40% reporting it as 'Weakness' or 'Major Weakness').

Surveys of RRAP-D homeowners attempted to obtain quantitative data on the additional costs associated with disability. A significant portion of households (58% of RRAP-D households and 73% of comparison group households) reported that they incur ongoing, out-of-pocket expenses as the result of the disability of a family member. Table 10-6 gives an indication of the average 'cost of disability' as reported by survey respondents.

**Table 10-6
Out of Pocket or Direct Expenses – RRAP-D Homeowners and Comparison**

	Program Beneficiaries		Comparison Group			
	RRAP-D Homeowner (n=51 to 266)		RRAP-D Homeowner COMP (n=39 to 118)			
Out of pocket or direct expenses:	Yes	No	Yes	No		
a) for ongoing costs because of your or your family member's long-term disability	58% Avg. Cost: \$1,860	42%	73% Avg. Cost: \$1,564	27%		
b) for one time expenditures (e.g. purchase of aids and equipment)	26% Avg. Cost: \$1,393	74%	42% Avg. Cost: \$3,867	58%		
c) for modifications to your residence because of a disability	25% Avg. cost: \$2,114	75%	35% Avg. cost: \$11,782	65%		
d) as reported in c) above recognized for income tax purposes under the Medical Expense Tax Credit?	Yes, all 10%	Yes, a portion 10%	No 80%	Yes, all 0%	Yes, a portion 0%	No 100%

Source: RRAP-D Homeowner and Comparison group surveys, RRAP Evaluation 2002, Survey data excludes Quebec. Note: numbers may not add to 100% due to rounding

The average annual ongoing, out-of-pocket expense associated with a disability as reported by survey respondents was \$1,860 for RRAP-D Homeowners and \$1,564 for Comparison homeowners. The average annual costs increases to \$3,253 per household (RRAP-D homeowner) and \$5,431 (comparison group) when one-time expenditures for items such as the purpose of aids and equipment are included. The frequency with which these 'one-time' expenditures reoccur will vary, depending on the nature of, and change in, the disability. In only a few cases did respondents indicate that these costs were recognized for income tax purposes as a Medical Expense Tax Credit. The Medical Expense Tax Credit is a non-refundable credit and as such provides limited benefit to low-income households.

This analysis suggests that the costs of disability can be significant for low-income households and that higher income limits for RRAP-D should be considered.

10.4.2.5 Emergency Repair Program

ERP is effective in responding to emergency situations

The Emergency Repair Program was felt to be a positive addition to RRAP, and that it was effective in its limited capacity. One senior official stated it succinctly: "It is a band-aid, but a good band-aid". Delivery agents rated the Emergency Repair Program highly in its ability to respond quickly to emergency situations, with 57% seeing this as a major strength of the program, although comments from senior officials were more mixed in terms of views on the speed of delivery. There was some concern that the program maxima are too low.

The inability to meet Aboriginal targets is seen as a program weakness

For both Homeowner RRAP and ERP, the Aboriginal targets and ability to meet the established targets were more likely to be identified as program weaknesses than other aspects of the program. This is consistent with the findings (Section 4) that the programs have consistently been unsuccessful in meeting affirmative action targets.

ERP should be available in urban areas

It was felt by senior officials from federally-delivered jurisdictions that ERP should also serve those in urban areas. This was argued as especially true now that many small towns have amalgamated and are therefore outside of the definition of rural.

10.5 Conclusions

RRAP is consistently viewed as a very valuable program by senior officials and agents and staff involved in program delivery. They are generally satisfied with the program design and the ability of the program to meet its stated objectives, however, program budgets are seen to be insufficient to address the need. Clients also report high levels of satisfaction with the program.

Program Delivery

- **Clients are generally satisfied with program delivery processes.** Clients across all program components reported high levels of satisfaction with the delivery process, particularly with the helpfulness of program staff.
- **The current practice of delivery at the regional/local level is seen to be important.** Regional/local delivery is seen by senior officials to have a number of benefits contributing to effective program delivery. It has also allowed some municipalities to use RRAP to support neighbourhood revitalization efforts.
- **Monitoring and accountability are seen to be important where delivery responsibilities are delegated.** Concerns were raised that regional/local delivery can lead to inconsistencies in interpreting delivery guidelines and standards. While the evaluation did not explicitly assess current monitoring practices, the high incidence of partial RRAP and variations in the incidence depending on delivery arrangements raise concerns over the need for measures to ensure increased consistency in program application.

Program Design

- **Targeting to low-income households is seen as a program strength.** Most senior officials and delivery agents/staff see RRAP as an effective way to maintain the housing stock and to address the repair needs of low-income Canadians.
- **There is no need to revise the system for setting RRAP income limits or maximum house values.** Concerns were raised by some stakeholders that the Homeowner RRAP income limits are too restrictive and that the maximum house values may be too low in some urban centres. Nonetheless, there is significant unmet need and the program budget is being fully expended indicating sufficient demand within current income levels. There is also no evidence to suggest that on a national basis, maximum house values are impeding delivery to urban areas.
- **Homeowner RRAP may be excluding low-income households who cannot afford loan repayment.** Almost half of Homeowner RRAP clients do not qualify for full forgiveness. Participation declines at income levels where clients are expected to cover a significant portion of repair costs themselves, indicating an unwillingness or inability to assume sizable repayable loans. This may contribute to lack of participation by segments of

the core need population, particularly families who are more likely to face an affordability problem in conjunction with adequacy or suitability need than other household types.

- **The maximum assistance levels for Homeowner RRAP and RRAP-D are too low.** Program administration data indicates that existing assistance levels for Homeowner RRAP are inadequate to cover repair costs for almost a quarter of clients in the lowest-income category. In addition, RRAP-D clients are reporting unmet modification needs. The assistance limits have not increased since 1995 and hence may be insufficient to address severe repair needs. Thus, low-income households living in very deteriorated housing may be excluded from program participation.
- **Partial RRAP may reflect delivery rather than program design issues:** As reported in Section 5, physical condition surveys on properties that received Homeowner RRAP in 2001 found outstanding deficiencies in 70% and 50% of accounts delivered by CMHC and provincial agencies respectively. However, evidence suggests that in many cases under Homeowner RRAP, there is additional assistance available within the current forgiveness maxima to do more repairs. This would suggest that partial RRAP may relate to program delivery issues, such as inadequacies in the inspection process, or decisions to 'ration' program funding to serve more households rather than fully addressing repair needs on fewer units.
- **Stacking of Homeowner RRAP and RRAP for Persons with Disabilities is supported, however, income limits for clients with disabilities should take into consideration the cost of disability.** Many stakeholders argued that the income limits for RRAP-D are too low as they do not take into consideration the additional costs associated with disability. In some areas, this is impacting on the ability to fully expend the RRAP-D budget. Evidence from surveys indicate that the majority of households having a member with a disability do incur additional, 'out-of-pocket' expenses, which can be significant particularly when one-time costs are considered.
- **Satisfaction with the design and effectiveness of Rental and Rooming House RRAP is high, although assistance limits under Conversion RRAP are seen to be too low.** Eligible repairs and maximum forgiveness limits are seen as positive features of Rental RRAP. The rental programs, particularly Rooming House RRAP, were seen as useful tools in fostering partnerships to alleviate homelessness. However, assistance limits under Conversion RRAP are seen to be too low and do not reflect the actual costs of converting non-residential properties to residential.
- **The Emergency Repair Program is seen to be effective in responding to emergency situations, and consideration should be given to expanding it to urban areas.** ERP is seen to be a positive addition to RRAP and effective in its limited capacity of addressing emergency repair needs.

SECTION 11: SUMMARY AND CONCLUSIONS – OFF-RESERVE RRAP

PROGRAM RATIONALE

The evaluation found that there is a strong continuing rationale for RRAP to improve the housing conditions of low-income households to minimum health and safety standards, to preserve the affordable housing stock, and to improve housing accessibility of low-income Canadians with disabilities.

- **There is a continuing need to address substandard housing problems of low-income households because of health and safety concerns.** Canadian society has for a long time provided assistance to help low income households improve their housing conditions. The evidence shows that there remains an outstanding need among low-income households for this assistance. About four hundred and eighty thousand (480,000) households still occupy housing that is either in need of major repair or is crowded. Sixty four percent (64%) of this population lives in rented dwellings and 36% live in their own homes. About 40,000 off reserve native households in core need occupy inadequate and unsuitable housing. There is a higher incidence of native households in this situation than non-native households. RRAP is designed to improve housing to minimum health and safety standards by providing financial assistance to owners of substandard properties to repair those elements that are a threat to health and safety. Inadequate and crowded housing is a concern because it is a threat to the health and safety of the occupants. Recent research shows that inadequate housing can negatively impact those with respiratory problems such as asthma, in particular children.
- **There is a continuing rationale to preserve the existing affordable housing stock.** The housing stock is aging (32% was built before 1960). Older buildings, being less expensive, are more affordable to low-income households than are new ones. However as buildings age, they also deteriorate. This deterioration is exacerbated by the inability of some owners to afford repairs as repair costs are high and their incomes or rental revenues are low. Without adequate repair, the buildings occupied by low-income households become a health and safety risk and may eventually become uninhabitable and have to be destroyed. Renovations financed under RRAP effect the supply of low income housing by extending the useful life of buildings, preserving buildings from abandonment or demolition and encouraging landlords to retain the buildings for rental purposes rather than converting them to condominiums or owner occupancy. RRAP acts as a shelter cost subsidy, keeping post renovation shelter costs low and therefore affordable to low income households.

- **There is a continuing need to improve housing accessibility for low income Canadians with disabilities whose housing may act as a barrier for participation in daily living activities.** In 1991, 16% of Canadians reported some level of disability, and the incidence of disability is expected to increase dramatically in the next few decades with the aging of the population. Persons with disabilities have lower incomes and are more likely to be in core need than the general population (18% in core need versus 12%). Home modifications can enable people with disabilities to live independently in their homes improving their quality of life and are more cost-effective than institutional alternatives. RRAP-D for persons with disabilities provides financial assistance to low-income homeowners and landlords offering affordable, accessible housing and is logically designed to address the housing accessibility needs of low income Canadians with disabilities

Secondary Rationales

Although not the primary rationales for the program, RRAP may contribute to alleviating homelessness, improving neighbourhoods, and generating employment in certain circumstances.

- **There are a significant number of homeless people in Canada.** For example, there are over 30,000 people in Toronto who either occupy temporary shelters or who have no shelter at all. Families with children and youth make up increasing proportions of those who are homeless. Among the many causes of homelessness are the lack of suitable and adequate shelter that is affordable to low income households, high rents and low vacancy rates, and losses of lower cost housing through demolition and conversion. RRAP reduces homelessness by preventing those at the risk of homelessness³¹ from becoming homeless. It does this by providing financial assistance to owners of low-income housing to retain the existing supply of affordable housing, including rooming houses. Conversion RRAP helps the homeless by increasing the supply of affordable housing available to them.
- **Improving and stabilizing the physical and social conditions of neighborhoods is not a primary rationale for RRAP.** While there is evidence that some neighborhoods are in a serious state of physical and social decay, the causes involve more than an under investment in the repair and maintenance of the housing stock. RRAP can be used as a tool in a strategy to revitalize such neighborhoods in concert with other community-based initiatives and as a way to prevent the displacement of low-income households from the neighborhood related to improvements in the housing stock. The impact of RRAP on neighbourhoods is limited by the fact that the program is universally available to low-income households and is not explicitly targeted to specific neighbourhoods. To the extent that stable neighborhoods begin to destabilize and decline because of an under investment in housing repair and maintenance, provincial and local governments may be in a position to stabilize them through regulatory mechanisms such as maintenance bylaws.

³¹ Those at the risk of homelessness currently live in permanent accommodation, but either pay such a large portion of income that they might be forced into shelters or onto the street if rents go up or if their incomes decline. They may also become homeless if their accommodation is in such poor condition that it may be condemned and destroyed. Others are at risk of eviction and loss of housing due to redevelopment and gentrification.

- **National employment growth is not a primary rationale for RRAP at this time.** The employment generation impacts of RRAP have been stressed from time to time as a program rationale. While there is much evidence that renovation programs such as RRAP have been an effective employment generator in the past, the current economic situation (declining unemployment, rising inflation) does not call for a federal government housing renovation stimulation initiative to generate employment in the construction sector. Nevertheless, a housing renovation program such as RRAP may still have some positive employment impacts in areas of the country that are operating at less than full capacity, such as on First Nation reserves.

PROGRAM PERFORMANCE

The impacts of RRAP were assessed in relation to six areas: improving housing conditions of low-income households to minimum levels of health and safety, helping preserve the existing affordable stock, making dwellings more accessible for low-income occupants with disabilities, assisting in addressing and preventing homelessness, improving and stabilizing the physical and social conditions of neighbourhoods, and generating employment.

Improving housing for low-income households

□ **Targeting**

- **RRAP and ERP are well-targeted overall to core need households.** In 2002, 94% of RRAP homeowner, 90% of tenants in Rooming House RRAP units, 95% of ERP, 98% of RRAP-D homeowners and 85% of tenants in Rental RRAP units have incomes below the Core Need Income Thresholds (CNITs).
- **RRAP-D is well-targeted to households with a person(s) with disabilities and other RRAP programs also serve people with disabilities.** Up to five years after receiving RRAP funding, 90% of households in units funded under RRAP-D homeowner, and 65% of tenants in rental units funded under RRAP-D for landlords have a household member(s) with a disability. In addition, 21% of Rental RRAP units and 25% of Homeowner RRAP units were occupied by households with a person(s) with a disability.
- **Homeowner RRAP is close to achieving off-reserve Aboriginal targets, no progress for ERP targets.** In 2002, 10% of Homeowner RRAP units were occupied by Aboriginal households which is close to the 14% target level for this program at the national level. Although, 28% of ERP units were occupied by Aboriginal households, this falls short of the 80% target at the national level and represents no change since 1995.

□ Housing Conditions

- **RRAP significantly influenced property owners' decisions to renovate their property.** From 12% to 30% of property owners stated that they would not have done any renovations without the RRAP programs, while 23% to 52% would have done fewer renovations. Only 12% of Homeowners and up to 8% of landlords would have done the same renovations in the absence of RRAP funding.
- **Program clients are generally satisfied with their housing conditions.** 77% of Homeowner RRAP client, 63% of Rental RRAP tenants and 87% of Rooming House tenants reported being somewhat or very satisfied with their housing as compared to 71% of the comparison group. The satisfaction level of ERP clients (64%) was lower than for other homeowners reflecting the less extensive repairs done under this program. Occupants were overwhelmingly in agreement that RRAP and ERP had improved the quality of their housing.
- **RRAP has improved the condition of the housing stock, although not necessarily to minimum health and safety standards.** RRAP is intended to address repairs necessary to bring units up to minimum health and safety standards. While all units would have had a deficiency that represented a major threat to health and safety prior to RRAP, physical inspections of RRAP properties revealed that about 20% of homeowner units and 30% of rental units required major repairs up to 5 years after RRAP work was completed. Survey and case study data and senior officials' interviews all point to housing stock improvement attributable to RRAP. Nonetheless, a significant portion of inspected units did not fully meet program standards for rehabilitation. Between 50 and 60% of dwellings renovated under RRAP required repairs that would be considered eligible for RRAP funding. The estimated cost of current repair need ranges from \$2,015 to \$8,432 for Homeowner units, reflecting variations in program delivery and design across provinces. The estimated cost of repairs to Rental and Rooming House RRAP properties was lower, averaging \$500 and \$300 per unit respectively.
- **The incidence of partial RRAP is increasing.** While some of the current repair need may be due to deterioration subsequent to RRAP, inspection of units where RRAP work has been recently completed revealed an even higher level of outstanding repair need. Between 56 and 69% of accounts that received RRAP in 2001 were found to have outstanding repairs. This is higher than the level of outstanding repairs found in properties which had received RRAP prior to 2001, indicating an increase in the incidence of partial RRAP. The incidence of partial RRAP also varies, depending on program delivery arrangements. Evidence also suggests that in many cases under Homeowner RRAP, there is additional assistance available within the current forgiveness maxima to do more repairs. This would suggest that partial RRAP might be the result of inspection processes, or decisions by delivery agents to 'ration' program funding to serve more households rather than to fully addressing repair needs on fewer units.

□ **Health and Safety**

- **RRAP has reduced threats to health and safety.** RRAP is addressing threats to health and safety such as fire safety measures, which were funded in more than half the Rental RRAP units and in nearly three-quarters of the rooming house units. RRAP homeowners and tenants identified positive impacts from RRAP in areas such as temperature control, ventilation and air quality, moisture, dampness and mold, and noise levels. However, self-reported physical and mental health of occupants in RRAP units were not significantly better than that of occupants in comparison groups. Further, RRAP households reported similar rates of asthma and respiratory problems as comparison households, similar use of medical care for these conditions, and similar resulting restrictions on daily activity as comparison households.

Impacts on Affordability and the Affordable Housing Stock

- **RRAP is helping to preserve the affordable housing stock.** Evidence from the physical condition survey indicates that RRAP is meeting its objective of permitting an extended useful life for properties repaired under the program. Most landlords intend to retain their properties for rental tenure. Seven to 8% of Rental and Rooming House landlords would have done the same renovations while 48 to 52% would have done some renovations, creating the strong possibility that rents would have been raised to recover costs. However, in the short term, RRAP does not have an impact on the supply of affordable housing since it does not appeal to landlords who intend to demolish or convert their properties: only 2 to 3 % of Rental and Rooming House landlords would have demolished the building or converted to other tenures in the absence of RRAP funding.
- **Rental and Rooming House RRAP are successful in maintaining rents below average market rent levels.** Rents on properties repaired through Rental and Rooming House RRAP have remained below average market rent levels. Rent increases on RRAP units have also been below those of market units.
- **RRAP may be exacerbating the affordability problems of some clients.** Forty-eight percent (48%) of homeowners and 74% of tenants living in properties renovated through RRAP reported an affordability problem. The average shelter cost to income ratio of RRAP homeowners was 32% and for tenants was 43%. Survey data suggests that shelter cost to income ratios may increase as a result of program participation.

Improving housing accessibility for low-income persons with disabilities

- **RRAP-D had a significant positive impact both on the accessibility of units modified under the program and on the resulting ability of persons with disabilities to carry out daily living activities.** 87% percent of RRAP-D Homeowners reported that the modifications had improved the overall quality of their housing. RRAP-D homeowners were also twice as likely as the comparison group to indicate that they were

satisfied with the accessibility of their housing, and 92% reported that the modifications had improved or significantly improved their ability to participate in daily living activities.

- **Units modified under RRAP-D continue to serve person(s) with disabilities.** Survey data showed that, in 2002, 90% of households in units funded under RRAP-D have a household member(s) with a disability. Over 65% of rental units modified under the program continue to be occupied by people with disabilities.
- **RRAP-D is not fully addressing accessibility modifications.** 53% of RRAP-D homeowners reported an unmet need for accessibility modifications. In most cases, the reason identified for not completing modifications was cost.

Alleviating homelessness

- **Rooming House and Rental RRAP are serving households who have experienced homelessness.** Although the programs are not explicitly targeted to the homeless, 24% of Rooming House RRAP units in 2002 were occupied by households that reported having no housing or temporary housing before moving into their current housing. In addition, more than a third of Rooming House RRAP and 10 % of Rental RRAP occupants reported that they had been homeless at some time in the past five years, and 33% of Rooming House RRAP occupants and 5% of Rental RRAP occupants reported that they had used shelters in the past five years.
- **Successful initiatives to address homelessness in some communities** show that RRAP funding has often been used in combination with funding from other programs (such as the Supporting Communities Partnership Initiative (SCPI) under the National Homelessness Initiative). Key informants interviewed in the case studies, and opinion data from the surveys of delivery agents and senior officials indicated that RRAP was making a contribution to addressing homelessness in coordination with the SCPI at the local level. However, on-going operating funding may be required to sustain the positive impacts of projects developed. Overall, opinion data suggest that the impact of the RRAP programs on the extent of or risks of homelessness has been small given the RRAP budget levels and the size of the homeless problem in some communities.

Improving neighbourhoods

- **Where RRAP has been targeted to specific neighbourhoods, case studies illustrate positive impacts on neighbourhoods.** The case study evidence is qualitative and based on only four selected inner city areas which are not necessarily representative of other communities. Residents and stakeholders interviewed in the four case studies identified many positive effects on housing and neighbourhoods including improvements in safety from crime and fire, changing the 'image' of older areas, and reducing losses of lower cost housing through gentrification. Some negative effects were noted including, in some cases, the conversion of rental properties back to single family residences, and some displacement of former residents.

- **Neighbourhood impacts are achieved where RRAP has been part of coordinated planning efforts among governments and local communities.** Positive neighbourhood impacts were most notable where RRAP was part of an overall community planning and revitalization approach, and where RRAP funding was used in combination with other funding (such as through provincial housing programs, provincial health funding for special needs housing or with SCPI funding to launch housing projects). RRAP was generally identified as a key contributing factor by key informants in the case studies, but since RRAP was used in combination with other funding, only part of the impact can be attributed to the RRAP funding and sustained impacts may require funding from other sources when time-limited funding such as SCPI ends.

Employment generation

- **The RRAP had small, but significant impacts on the Canadian economy.** RRAP increased employment by 13,659 person years, cumulative over the period 1995 to 2001. The total impact of RRAP (federal and provincial budget of approximately \$651 million) on the Canadian economy was estimated to be a \$941 Million increase in real Gross Domestic Product, cumulative over the period 1995 to 2001 (measured in constant 1997 dollars). The impact of the program on all government balances (i.e. revenues less expenditures) was estimated to be a \$329 million reduction, cumulative over the same period. The estimated increase in employment was equal to about .014 percent of total employment and the estimated increase in GDP was equal to about .014% of the GDP. The relatively small size of these impacts is proportionate to the size of the program over the same period. These findings assume that all provincial contributions to the programs were fully levered (that is, would not have occurred in the absence of RRAP) and that no private funds were levered or displaced.

PROGRAM DESIGN AND DELIVERY

Conclusions

RRAP is consistently viewed as a very valuable program by senior officials and agents and staff involved in program delivery. They are generally satisfied with the program design and the ability of the program to meet its stated objectives, however, program budgets are seen to be insufficient to address the need. Clients also report high levels of satisfaction with the program.

Program Delivery

- **Clients are generally satisfied with program delivery processes.** Clients across all program components reported high levels of satisfaction with the delivery process, particularly with the helpfulness of program staff.
- **Delivery at the regional/local level is seen to be important, although measures are required to ensure consistency in program application:** Regional/local delivery is seen by senior officials to have a number of benefits contributing to effective

program delivery. It has also allowed some municipalities to use RRAP to support neighbourhood revitalization efforts. While variations in program design have been accepted under the terms of federal-provincial/territorial costing-sharing agreements, concerns were raised that regional/local delivery can lead to inconsistencies in interpreting delivery guidelines and standards. While the evaluation did not explicitly assess current monitoring practices, the high incidence of partial RRAP and variations in the incidence depending on delivery arrangements raise concerns over the need for measures to ensure increased consistency in program application.

Program Design

- **Targeting to low-income households is seen as a program strength.** Most senior officials and delivery agents/staff see RRAP as an effective way to maintain the housing stock and to address the repair needs of low-income Canadians.
- **Homeowner RRAP may be excluding low-income households who cannot afford loan repayment.** Almost half of Homeowner RRAP clients do not qualify for full forgiveness. Participation declines at income levels where clients are expected to cover a significant portion of repair costs themselves, indicating an unwillingness or inability to assume sizable repayable loans. This may contribute to lack of participation by segments of the core need population, particularly families who are more likely to face an affordability problem in conjunction with adequacy or suitability need than other household types.
- **The maximum assistance levels for Homeowner RRAP and RRAP-D are too low and income limits for clients with disabilities should be increased.** Program administration data indicates that existing assistance levels for Homeowner RRAP are inadequate to cover repair costs for almost a quarter of clients in the lowest-income category. In addition, RRAP-D clients are reporting unmet modification needs. The assistance limits have not increased since 1995 and hence may be insufficient to address severe repair needs. Thus, low-income households living in very deteriorated housing may be excluded from program participation. In addition, there is evidence to suggest that income limits for RRAP-D are too low as they do not take into consideration the additional costs associated with having a disability. In some areas, this is impacting on the ability to fully expend the RRAP-D budget.
- **Satisfaction with the design and effectiveness of Rental and Rooming House RRAP is high, although assistance limits under Conversion RRAP are seen to be too low.** Eligible repairs and maximum forgiveness limits are seen as positive features of Rental RRAP. The rental programs, particularly Rooming House RRAP, were seen as useful tools in fostering partnerships to alleviate homelessness. However, assistance limits under Conversion RRAP are seen to be too low and do not reflect the actual costs of converting non-residential properties to residential.

- **The Emergency Repair Program is seen to be effective in responding to emergency situations, and consideration should be given to expanding it to urban areas.** ERP is seen to be a positive addition to RRAP and effective in its limited capacity of addressing emergency repair needs.

OVERALL CONCLUSION – OFF-RESERVE RRAP

The evaluation found that there is a strong continuing rationale for RRAP to improve the housing conditions of low-income households to minimum health and safety standards, to preserve the affordable housing stock, and to improve housing accessibility of low-income Canadians with disabilities.

The evaluation found that overall the program was performing well. RRAP is well targeted to low-income households, including those at risk of homelessness. It is a major factor in property owner decisions to renovate their dwelling, and has a significant impact on the condition of the low income housing stock, including addressing threats to health and safety, and on the accessibility to housing for low income people with disabilities. RRAP has been a contributing factor to neighbourhood improvement where it has been used as part of a revitalization strategy. It has generated a significant amount of employment, given the size of its budget.

However, the program is not performing as well in other areas. A significant number of rehabilitated units do not meet minimum health and safety standards, and survey evidence indicates little or no improvement in the self-reported health and safety of the occupants. RRAP has had a limited impact on the size of the homeless population, which is reflective of the level of program activity and the fact that RRAP is not designed to increase the short term supply of housing. There is also some qualitative evidence gathered through the evaluation that, in some neighbourhoods undergoing community led revitalization efforts, the program may be contributing to some displacement of low-income households.

RRAP is widely viewed as a very valuable program. Partners, delivery agents and clients are satisfied with program design and delivery. However, program budgets are seen as insufficient to address the needs. In addition, there are a number of areas where program components could be strengthened to improve their effectiveness, including increasing assistance levels under Homeowner RRAP, RRAP-D and Conversion RRAP, increasing income limits under RRAP-D and extending ERP into urban areas. There are also concerns that Homeowner RRAP may be excluding low-income households who cannot afford loan repayment and exacerbating affordability problems of those who do participate.

PART II: EVALUATION OF THE RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM (RRAP) ON-RESERVES

SECTION 12: INTRODUCTION

12.1 Background

The On-Reserve Residential Rehabilitation Assistance Program (RRAP) was introduced in 1978 as part of a package of housing programs to be delivered by CMHC to First Nations households living on reserves. The prime intent is to bring the housing conditions of low-income First Nations households on-reserves up to basic health and safety standards.

This evaluation covers the period from 1995, when major program changes were last introduced, to 2001. The 1995 program changes were intended to improve the program's ability to address repair needs by increasing program assistance and improved targeting to households with greatest need.

In 1996, the Government of Canada announced a new federal approach to on-reserve housing policy that encourages First Nations to tailor their housing plans to meet the needs of their communities. The approach gave First Nations increased flexibility to determine how housing funds (including CMHC's On-Reserve RRAP) should be used within their communities. For example, First Nations determine how much of their RRAP funding is allocated for RRAP-D for persons with disabilities versus Homeowner RRAP depending on the community's priorities. Since 1995, On-Reserve RRAP has had an annual base budget of \$7 million.

In December 1999, the federal government announced a \$311 million expansion to the RRAP and other federal renovation assistance programs as part of the \$753 million National Homelessness Initiative. An additional \$28 million from this amount was allocated to On-Reserve RRAP over 4 years, effectively doubling the annual base budget and doubling the number of RRAP units funded each year and bringing the total expenditure budget from 1995/96 to 2003/04 to \$98 million. Over the period from 1995 to 2001, the On-Reserve RRAP program committed funding to assist in the rehabilitation or modification of 6,811 housing units on-reserve. The On-Reserve RRAP expenditure budget and unit commitments by year since 1995 are shown in Table 12-1.

**Table 12-1
On-Reserve RRAP Expenditure Budget and Unit Commitments, 1994/95 to 2003/04**

Year	Budget (\$million)	Units Committed
1994/95	7	842
1995/96	7	773
1996/97	7	746
1997/98	7	400
1998/99	7	700
1999/2000	10.5	1,700
2000/01	14	1,650
2001/02	14	na
2002/03	14	na
2003/04	10.5	na
TOTAL	98	6,811

Sources: Unit Commitments from Canadian housing Statistics, 1995 to 2001. Expenditure budget information from Finance Division, CMHC.

Note: Unit commitment data changed from a calendar year to fiscal year basis in 1997/98

12.2 On-Reserve RRAP Program

The On-Reserve RRAP shares the same objective as the Off-Reserve RRAP, namely to:

- Repair or rehabilitate units occupied by low-income households to minimum levels of health and safety;
- Help maintain the stock of affordable housing; and Improve the accessibility of units occupied by low-income occupants with disabilities.

In addition, components of RRAP contribute to the following objectives:

- Assist in addressing and preventing homelessness;
- Generate employment.

Given the rural nature of most Reserves, there is no expectation that the On-Reserve RRAP contribute to improving and stabilizing the physical and social conditions of neighbourhoods as the Off-Reserve RRAP is expected to do.

On-reserve RRAP is delivered to First Nations communities in all provinces and the Yukon. Aboriginal households living off-reserve in the provinces, the NWT and Nunavut are eligible for the suite of off-reserve RRAP programs.

On-Reserve RRAP assistance can be provided to Band Councils for the repair and modification of Band owned housing units, and to Band members whose housing is located on an Indian Reserve when the Band Member has a certificate of possession issued by the Band or has been granted right to the housing by a Band Council resolution.

Similar to the off-reserve RRAP programs, On-Reserve RRAP has two funding components, a forgivable component and a loan component, and the maximum per unit amounts vary by geographic areas. The maximum assistance and total loan amounts are shown in Table 12-2. A 25% supplement to both the maximum loan and the maximum forgiveness is available in areas defined as remote.

Table 12-2
On-Reserve RRAP Maximum Assistance and Total Loan by Areas

Areas	Maximum Forgiveness (\$)	Maximum Total Loan (\$)
Southern Areas	12,000	18,000
Northern Areas	14,000	21,000
Far Northern Areas	18,000	27,000

Note: Maximum Total Loan includes forgivable portion

The forgivable RRAP amount is calculated based on the income of the occupant and his/her spouse/partner and does not include incomes of other household members. The maximum RRAP forgiveness is available for applicants whose incomes are 60% or less than the local Forgiveness Income Limits (FILs). FILs are established in each region, and in some regions (Ontario and the Prairies), there are more than one income threshold in recognition of higher housing costs in more northern and remote locations. The FILs are reviewed annually in each region and may be revised if housing costs have increased. RRAP forgiveness declines to zero at the level of the FIL, and repayable RRAP loans are available for applicants with incomes above the FIL.

The delivery of On-Reserve RRAP varies across Canada depending on the structure of First Nations and Tribal Councils in each region. Band Councils may act as delivery agents for the program, or delivery may be undertaken by Tribal Councils or independent contractors on behalf of CMHC.

12.3 Evaluation Scope, Issues & Methods

This evaluation covers activity from 1995 to 2001 for the two program components of On-Reserve RRAP: Homeowner RRAP and RRAP-D for Persons with Disabilities. Two other renovation assistance programs, the Home Adaptations for Seniors' Independence program and the Shelter Enhancement Program are also delivered on-reserve but have recently been evaluated and hence are not part of the current evaluation. This evaluation of On-Reserve RRAP covers only one component of CMHC and federal financial assistance for First Nations to address their housing needs. Indian and Northern Affairs Canada (INAC), as the lead federal department for On-Reserve housing, provides \$138 million annually to support First Nations housing.

This evaluation addresses the following five questions:

- Is there a continuing rationale for federal government housing renovation assistance on-reserve?
- Who benefits from renovation assistance?
- What are the housing impacts?
- What are the employment impacts?
- What are the program design and delivery issues.

Multiple lines of evidence were used to support the evaluation findings. Policy statements and statistical data were reviewed to assess the continuing rationale for government assistance. Surveys of program clients and comparison households and inspections of renovated dwellings provided empirical evidence of the impact of the renovation programs on low-income households and on housing conditions. Interviews with CMHC , INAC and First Nations officials and surveys of delivery agents provided qualitative information on program rationale, design and delivery issues.

SECTION 13: PROGRAM RATIONALE

The evaluation examined *five possible rationales* for the On-Reserve RRAP program:

- Addressing the health and safety problems of low-income, on-reserve households caused by substandard housing
- Maintaining the stock of affordable housing
- Making a dwelling more accessible for low-income occupants with disabilities
- Addressing and preventing homelessness
- Generating employment

13.1 Extent of Housing Repair Need On-Reserve

There is a continuing backlog of dwellings on-reserve in need of major repair. The 2001 Census reported that 35,000 or 39% of dwelling units on-reserve needed major repairs based on the occupants' assessments of their housing conditions. Based on information reported by individual bands, INAC reported that 1997 that 13,017 or 15.7% of dwelling units needed major repairs, 4,588 or 5.5% of dwellings were unsalvageable and needed replacement, and 20,250 or 24.4% needed minor repairs. Detailed case studies conducted in 14 First Nations communities for the evaluation estimated that waiting lists for RRAP repairs comprised 21% of the housing stock (a total of 18,700 dwellings needing major repairs) and about 4% of units (3,600 dwellings) needed repairs/modifications under RRAP-D, bringing the total current estimated need to 22,300 dwellings requiring RRAP funding.

Although the estimates of on-reserve repair needs vary widely (from 14,000 to 35,000 units) depending on the data sources and definitions, the evaluation indicated that the current rate of renovation is only keeping pace with the rate of deterioration in the housing stock and is unable to reduce the backlog of repair needs. Data from the 1999 INAC Housing and Infrastructure Assets Report indicate that 2,864 dwelling units were renovated in 1998/99 through a combination of RRAP, INAC and other funding. Previous evaluations of on-reserve housing have indicated that a 2% annual rate of deterioration (i.e. 1,700 units per year) may be a minimum estimate for changes in housing conditions. These estimates plus opinion data from the surveys of Band Council officials and CMHC/INAC officials in this evaluation indicate that the current levels of RRAP and INAC funded renovation activity are not sufficient to eliminate the backlog of repair needs.

As well as needing repairs, on-reserve housing is considerably more overcrowded than housing off-reserve. Twenty-four percent of houses on-reserve are overcrowded based on the National Occupancy Standard (NOS) (compared with 7% in Canada overall) and there are an average of 4.1 persons per dwelling on-reserve (compared with 2.7 for Canada). Renovation assistance allows for modifications to add bedrooms within dwellings and reduce the level of overcrowding.

Combining both indicators of housing adequacy and suitability showed that 45% of households on-reserve live in dwellings below standards. At the same time, incomes for on-reserve households are lower than the Canadian average (\$30,000 compared with \$48,000 in 1995). Households with repair needs had even lower incomes at \$23,000.

The need for major repairs and overcrowding often represents health or safety threats to occupants. Links have been made between poor health conditions and inadequate water, sewer and heating systems. According to 1999 INAC data, 7.4% of on-reserve dwellings lacked indoor plumbing, 41% lacked piped water and 57% lacked piped sewer services. The 1999 INAC Report noted that 60% of communities had inadequate solid waste disposal services that were defined as posing a health or environmental hazard, 12% lacked adequate electrification, and 18% had inadequate road access. Fire risks are higher in older dwellings, particularly in communities with inadequate fire protection services. The same INAC Report indicated that 28.5% of communities had no fire protection services and 17.6% had inadequate fire services. Recent research has shown that the incidence of fire in First Nations is 2.4 times the Canadian average and the fire death rate is 10.4 times the national average.

As well as contributing to fire risks, overcrowding has been shown to contribute to transmission of infectious diseases such as tuberculosis, hepatitis A and shigellosis. For example, the current incidence of tuberculosis is 18 times higher on reserve than the Canadian average. Recently, Health Canada has identified a new health threat, mold growth which has been shown to contribute to a variety of health effects including respiratory and immune system illnesses. Renovation assistance through RRAP allows for improvements to address water and sewer services to dwellings, as well as improvements in electrical and heating system. The addition of bedrooms can reduce overcrowding, and repairs to building envelopes and ventilation systems can help address moisture damage that leads to mold problems.

All of the evidence indicates a strong rationale for continued government assistance to improve the housing conditions of low-income households on-reserve.

13.2 Accessibility for Low-income Persons with Disabilities

Aboriginal people have a higher incidence of disabilities than other groups. Based on 1991 data, Aboriginal adults have double the national disability rate, and for those aged 15-34 the rate is three times the national rate. Twenty-five percent of those aged 55 and over experienced limitations on activities of daily living.

Persons with disabilities require assistance for home modifications because their income levels are among the lowest in Canada. Home modifications increases the stock of suitable housing for persons with disabilities and enables them to stay in their own homes for longer periods.

13.3 Other Rationales

First Nations have a backlog of housing shortages estimated as 11,000 in 1996 by the Royal Commission on Aboriginal Peoples. Despite increasing housing units on-reserve at about 2,700 per year, the housing supply has not kept pace with the growth in households, birth rates that are double the national average and housing requirements increasing at an estimated 3,900 per year. Most First Nations have long waiting lists of band members living off-reserve who would like to return to live in their communities. The high capital costs of new construction especially in more isolated or remote locations limit the number of new housing units that can be provided each year with a fixed budget. Therefore, renovation of the existing stock to adequate standards and extending the life of dwellings can be a cost-effective alternative to meet part of the demand.

Aboriginal people are more likely to be at risk of homelessness than other populations according to a 1999 Health Canada study. One of the primary reasons for Aboriginal homelessness is the shortage of affordable, adequate and suitable housing on-reserve. Many households live in overcrowded conditions or share dwellings with other families. On-Reserve RRAP may help prevent homelessness both on and off reserve by assisting in reducing levels of overcrowding and preserving the existing stock of dwellings to help meet growing housing demand. As such, a renovation program can complement new construction programs as part of overall housing plans in First Nations.

In addition, renovation funding can generate employment, strengthen the economic bases of First Nations and contribute to skills development and capacity building. Increasing the economic base may also reduce dependency on other sources of income such as off-reserve employment or social assistance.

13.4 Conclusions

The evaluation found that there is a strong rationale to continue On-Reserve RRAP to improve the housing conditions of low-income households on-reserve to minimum health and safety standards, to preserve the affordable housing stock, and to improve housing accessibility for low-income persons with disabilities. The program can also contribute to reducing homelessness and to employment generation.

SECTION 14: WHO BENEFITS FROM ON-RESERVE RRAP?

The evaluation assessed the extent to which On-Reserve RRAP has achieved its targeting objectives based on information from occupant interviews and case studies.

14.1 Targeting of On-Reserve RRAP

On-Reserve RRAP is targeted to low-income households living in inadequate and/or overcrowded housing and having income below the local FILs. RRAP-D is targeted to low-income households in which one or more members of the household has a disability that requires repair, improvement or modification to improve the accessibility of the dwelling.

The evaluation found that On-Reserve RRAP and RRAP-D are well-targeted to low-income households with 98% of RRAP and 93% of RRAP-D households having incomes below the FILs in their region. The average income of RRAP households was \$12,300 ranging from a low of \$8,000 in Ontario to \$21,000 in Quebec. For RRAP-D households, the average income was \$10,800, ranging from \$6,900 in the Prairies to \$14,600 in Quebec. In all regions except Quebec, the average incomes were less than 60% of the local FILs, in many cases only a third or less than the income limit.

Table 14-1
Average Incomes of RRAP & RRAP-D Occupants and FILs by Region *

	RRAP Occupants	RRAP-D Occupants	FILs
Atlantic	\$11,400	\$8,400	\$31,000
Quebec	\$21,000	\$14,600	\$32,500
Ontario	\$8,000	\$16,600	\$42,500
Prairies	\$7,500	\$6,900	\$29,000
British Columbia	\$16,900	\$8,000	\$32,800

Source: Survey of RRAP and RRAP-D Occupants, 2002

* Incomes of resident & spouse or partner.

RRAP-D is well-targeted to households with a person(s) with a disability (91%) and RRAP is also serving people with disabilities (24%). Over 80% of the RRAP-D households had a person(s) with mobility disabilities, 12.5% had visual disabilities, and 9.4% had hearing disabilities.

14.2 Household Characteristics

Families with children make up about half of the households in RRAP and RRAP-D dwellings. One-person households make up about 20% of the RRAP and RRAP-D households, and 2-person households (mostly two adults) make up a third of RRAP households and nearly a quarter of RRAP-D households. Therefore, only a quarter of the units had five or more persons per household. Data from the physical condition survey of a sample of RRAP units indicated that the average number of persons per RRAP unit was close to 4 which is similar to the average of 4.1 persons per household as reported in the 2001 INAC Basic Departmental Data for the on-reserve population as a whole.

The age profile of persons in RRAP and RRAP-D households has substantially lower proportions of children and higher proportions of persons aged 18 to 65 than in the general population on-reserve. Only 27% of persons in RRAP and RRAP-D households are aged 17 and under compared with 68% of the on-reserve population. The proportion of people aged 65 and over is similar in the RRAP households to the general population (7.5% compared with 8.1%) (Table 14-2). Differences in the age profile of RRAP household members is related to the older profile of the housing stock requiring repairs. New homes on reserves are generally allocated to young families with more children making it less likely to have large families residing in RRAPed homes.

Table 14-2
Age Profile of Persons in RRAP and RRAP-D Households
Compared with the Population

Age Groups	RRAP & RRAP-D Households %	On-Reserve Population %
Less than 5	5.2	7.2
5-17	22	60.8
18-64	65.3	24
65 and over	7.5	8

Sources: Survey of RRAP and RRAP-D Occupants, 2002. Information for the On-Reserve population from Basic Departmental Data, INAC, 2001.

Note: RRAP & RRAP-D Households include all persons living in these households.

The income distributions of RRAP and RRAP-D households shows that 44% of RRAP and 55% of RRAP-D had annual incomes below \$12,000, and over two-thirds of both groups had incomes below \$18,000. Only 7% of RRAP households and 6% of RRAP-D occupants had incomes over \$30,000 in 2002. These incomes include only the income of the principal occupant and his/her spouse and do not include incomes of other members of the household (Table 14-3). These data indicate that RRAP and RRAP-D are targeted to the *lowest income ranges*.

**Table 14-3
Income Distribution of RRAP & RRAP-D Households, 2002
(percentages)**

Income Ranges	RRAP Households	RRAP-D Households
	%	%
Less than \$6,000	10	13
\$6,000 - 12,000	34	42
\$12,001 - 18,000	24	23
\$18,001 - 24,000	15	16
\$24,001 - 30,000	10	0
\$30,001 - 36,000	5	0
Over \$36,000	2	6
Total	100	100

Source: Survey of RRAP and RRAP-D Occupants, 2002

Note: Annual incomes of principal occupant and his/her spouse only.

These data show that RRAP and RRAP-D households tend to be smaller (have fewer persons per household), have lower proportions of children and higher proportions of persons aged 18 to 65, and have below average incomes as compared with the general population on-reserve. The profile of RRAP and RRAP-D households is a function of program targeting and the types of housing (age and size of units) reached under the program.

14.3 Conclusions

The evaluation concluded that On-Reserve RRAP is well-targeted to low-income households and RRAP-D is well-targeted to persons with disabilities.

SECTION 15: HOUSING IMPACTS

To assess the impacts of RRAP on housing conditions, the evaluation examined the types of renovations funded, client satisfaction with the work undertaken, the current condition of the houses repaired, extension of dwelling life and impacts on the health and safety of the occupants. Data sources included the occupant survey and the physical condition survey (inspection) of a sample of RRAP dwellings.

15.1 Impacts on Housing Conditions & Occupant Satisfaction

The most frequent types of repairs in RRAP dwellings were: window and door repair/replacement (67%), electricity & plumbing (45%), interior finishes (44%), exterior finishes (40%), and heating/furnace (31%). Under RRAP-D, the most common types of modifications were: handrails/grab bars (61%), ramps (61%), widening hallways and doors (34%), baths and showers (28%), and improved lighting (19%) (Table 15-1).

Table 15-1
Types of RRAP Repairs and RRAP-D Modifications

Types of Repairs	% RRAP units	Types of Modifications	% RRAP-D units
Windows, exterior doors	66.7	Handrails & grab bars	61.3
Electricity & plumbing	45.8	Ramps & street level entry	60.6
Interior finishes (walls, cabinets)	43.8	Widening doorways/halls	34.3
Exterior finishes	39.6	Bath lifts & wheel-in showers	27.6
Heating & ventilation	31.3	Improved lighting	19.4
Safety (stairs, railing, etc.)	29.2	An elevator/chair lift	6.5
Humidity control	20.8	Automatic/easy door openers	6.3
Water & sewer	14.6	Emergency call system	6.3
Structural repair	14.6	Kitchen modifications	3.1

Source: Survey of RRAP and RRAP-D Occupants, 2002

Survey respondents were asked to rate their satisfaction with their housing condition and the rate the changes in housing conditions since renovations were completed. Two-thirds of the RRAP occupants were satisfied with the condition of their homes compared with only a third of the comparison group households surveyed (Table 15-2). Considering the renovations, 58% of RRAP occupants reported significant improvement in their housing and 33% reported some improvement. RRAP-D occupants were also very satisfied with modifications in their dwelling. Seventy-eight percent were satisfied with their increased ability to participate in daily activities, and 76% were satisfied with the accessibility of their homes. However, 30% of RRAP-D households reported that some additional modifications had not been installed.

Table 15-2
Occupant Satisfaction with Housing Conditions and Accessibility
RRAP, RRAP-D and Comparison Groups (percentages)

	RRAP occupants	RRAP Comparison Group	RRAP-D occupants	RRAP-D Comparison Group
Very Satisfied	33	6	40	18
Satisfied	33	29	36	35
Neutral	13	1	13	10
Dissatisfied	17	32	10	22
Very Dissatisfied	4	32	2	18

Source: Survey of RRAP and RRAP-D Occupants, 2002

Note: RRAP occupants and comparison group rated overall satisfaction with condition of their homes. RRAP-D and comparison group rated satisfaction with accessibility in their homes.

The Physical Condition Survey undertaken by building inspectors confirmed that there had been major improvements in the condition of dwellings repaired under the program and that RRAP had extended the useful life of dwellings by about 10 years. The average pre-renovation repair need was \$13,800 of which 72% was eligible for RRAP assistance. After the renovations, the average RRAP unit was estimated to have outstanding repair needs of \$3,195 (of which only \$2,110 was in RRAP eligible repairs) indicating that the program had a substantial impact on dwelling conditions.

However, 72% of the units renovated had one or more element that did not meet the RRAP standards for health and safety including 12% with outstanding major repairs that would qualify the unit for another RRAP loan. Since some of the RRAP work had been completed up to five years prior to the inspections, some of the additional work may be related to subsequent deterioration in building elements. However, some of the repairs may not have been completed with RRAP funding because they were too costly with the project budget. The latter is referred to as 'partial RRAP', and the condition survey data indicate that the incidence of partial RRAP is substantial.

15.2 Other Impacts

The evaluation found that RRAP had also had an impact on reducing overcrowding since 14% of the RRAP units included the addition of bedrooms. Where bedrooms had been added, the RRAP households had sufficient space for their members based on the National Occupancy Standard.

The evaluation also considered the potential improvements in occupant health and safety related to improved housing conditions. A quarter of RRAP occupants reported increased feelings of safety and security after the renovations. However, no specific improvements in occupant health conditions were identified.

Homelessness on-reserves was also investigated in the case studies conducted for the evaluation. While homelessness in the absolute sense found in major urban centres is not common, the case studies found that relative homelessness related to doubled-up households and overcrowding is higher on-reserves than elsewhere. Less than 6% of respondents interviewed reported that they had ever been homeless, but 20 to 30% reported that they have someone living with them who should have their own home. In most cases, this was an older child with his her own children who were waiting for a separate dwelling. Band Councillors and social workers interviewed in the case studies reported that younger people are leaving reserves to find their own housing accommodation.

15.3 Conclusions

The evaluation concluded that On-Reserve RRAP is having a significant impact on the housing conditions of units funded, reducing overcrowding, extending the useful life of dwelling, and improving housing accessibility for persons with disabilities.

SECTION 16: ECONOMIC & EMPLOYMENT IMPACTS

The evaluation examined the economic and employment activity generated by the program focusing on the impacts on-reserve. The analysis did not attempt to estimate the employment induced in off reserve areas. The main data sources were surveys of Band councillors and Band housing staff.

16.1 Factors Affecting On-Reserve Employment Impacts

RRAP is an effective employment generator because the labour content of repairs is higher than in new home construction. On-reserve, the impacts may be more immediate than large scale projects allowing use of unskilled labour, and be geographically dispersed. Employment impacts are particularly effective in areas with high unemployment.

The extent of economic impacts for individual First Nations can be affected by many factors including the size of the community, opportunities for achieving economies of scale, the location of the First Nation in relation to other markets, and the overall dollar amount of RRAP funding as well as other CMHC and INAC housing funding.

The case studies conducted for the evaluation found that priority for On-Reserve RRAP repairs employment is generally given to band members. However, some communities have to bring in outside contractors for specialized trades when these are not available in the community. Where suppliers exist on-reserve (such as building materials stores and building product manufacturers such as for cabinets, windows and doors), RRAP provides additional employment and revenues. However, only about 20% of First Nations have these sources of materials in the community. Other research has shown that less than 5% of First Nations have primary industries such as lumber mills and only 0.6% have industries that produce building supplies (such as flooring, plywood, and roofing). Therefore, a portion of both the labour and materials impacts occur off reserves.

16.2 Estimated On-Reserve Employment Impacts

The evaluation used two methods to provide a sensitivity analysis of employment generation. The first method was based on estimated on-reserve labour ratios in typical RRAP projects. The second method was based on the estimated person weeks of work on-reserve in a typical RRAP project. In both cases, the estimates were based on information provided by Band Councillors and Band housing staff members interviewed.

In the first method, it was estimated that about 55% of a RRAP project cost is labour and that about 80% of the work in person days is carried out by Band members. Given the total renovation cost (forgiveness portion only) from 1995 to 2001 amounted to \$55 million, the labour portion was \$30 million of which \$24 million (80%) is for on-reserve labour. Assuming

an average annual salary of \$30,000 (the average household income from the 1996 Census), the number of direct person years of jobs created on-reserve by RRAP between 1995 and 2001 was estimated to be 800.

With the second method, Band Councillors and housing staff estimated that a typical RRAP projects provides an average of about 9 person weeks of work to on-reserve Band members. CMHC administrative data showed that 5,220 RRAP projects were completed during the 1995 to 2001 period. These completed RRAP projects would have generated 46,980 person weeks of work or 999 direct person years of work on-reserve. This estimate does not include weeks of work on the remaining 1,682 RRAP projects for which funding had been committed and where work was still underway because there was no way to estimate how much of the work had been completed. However, once completed, these remaining RRAP projects would add another 322 direct person years of employment.

Therefore, the evaluation found that the direct, on-reserve employment impact of On-Reserve RRAP in the period 1995-2002 was in the range of 800 to 1,000 person years. These estimates do not include other potential impacts in terms of improved skills or enhancements in the technical capacity of the Band professional and technical or administrative staff related to the RRAP activity. It was estimated that between 50-70% of Band members working on RRAP projects are there for training and experience. The work experience can be beneficial in providing more hours of documented work experience for people earning journeyman's papers, or provide experience that assists in securing other employment off-reserve. However, it was noted that the RRAP program is generally a small contributor to technical development and skills improvement as compared with the much larger INAC housing program.

16.3 Conclusions

The evaluation concluded that RRAP has generated employment on reserves in the range of 800 to 1000 person years over the period from 1995 to 2002.

SECTION 17: PROGRAM DELIVERY AND DESIGN

The evaluation examined the On-Reserve RRAP program delivery and design through surveys of Band Council representatives, delivery agents, and CMHC and INAC program staff and senior officials.

17.1 Program Delivery

CMHC is responsible for On-Reserve RRAP program delivery to First Nations. First Nations, in conjunction with Tribal Councils where they operate, are responsible for delivery of the program within the communities.

The evaluation found that CMHC has effectively delivered the total On-Reserve RRAP budget and budget allocation methods have distributed funds among 80% of First Nations communities in Canada.

Based on survey data, it was found that current delivery processes for the program work well. In particular, one major strength identified was that delivery agents are very effective in advising bands about CMHC's requirements. Band Councils noted that they appreciate the work of the delivery agents and most reported that working with Tribal Councils improves the delivery processes.

The Survey of Delivery Agents identified concerns about the inadequacy of delivery fees to cover all the required administrative expenses. As well, timing of budget notification creates difficulties in completing repair work within the required timelines.

Band Councils surveyed noted that RRAP is a useful program having positive impacts in their communities and almost all said that it is useful in helping to meet their community's housing goals. However, 95% noted that the RRAP budget is too small to deal with the backlog of repair needs in their communities even though they have other sources of funding from INAC to address some repairs (Table 17-1).

Table 17-1
Impacts of RRAP in Addressing Community Housing Needs
Band Council Officials
(percentages identifying impacts)

Impacts	%
RRAP useful in meeting community’s housing goals	95
RRAP takes pressure off backlog of new units needed	78
RRAP big enough to have impact on community’s housing	34
RRAP fits in with community’s economic development plan	76
RRAP budget too small to meet needs and deal with backlog of repair needs	95

Source: Band Council Survey, 2002

17.2 Program Design

Survey data showed that most delivery agents (92%) and Band Councils (71%) are satisfied with the overall RRAP program design (Table 17-2).

Table 17-2
Overall Satisfaction with Program Design,
Delivery Agents & Band Councils
(percentages)

	Delivery Agents	Band Councils
	%	%
Satisfied	92	71
Neither Satisfied nor Dissatisfied	3	19
Dissatisfied	5	10
Total	100	100

Source: Surveys of Delivery Agents and Band Councils, 2002

Delivery agents rated targeting to housing in need of repair and the criteria for RRAP-D as strengths of the program design. They noted that a major challenge was with the requirement to complete all repairs in a dwelling with RRAP funding. Band Councils rated the forgiveness component and allocation method for RRAP/RRAP-D as major strengths but had some concerns with the maximum income limits (FILs) which were also noted by delivery agents (Table 17-3).

Table 17-3
Ratings of Program Design Elements,
Delivery Agents & Band Councils
(percentages reporting elements working well)

Program Elements	Delivery Agents %	Band Councils %
Planning & allocation between RRAP & RRAP-D	na	83
Having forgiveness component	na	76
Houses most in need repaired	71	na
Criteria for RRAP-D modifications broad enough	64	na
Occupant income limits	36	53
Co-ordinating funding from different sources		59
Requirement to complete all mandatory repairs	44	na
RRAP standards & eligible repair items broad enough	49	na

Source: Surveys of Delivery Agents and Band Councils, 2002

Note: 'Na' = not available. Delivery agents were asked to rate those elements of the program that they are most familiar with while band councils were asked to rate the program from a community perspective.

Six issues were identified with respect to program design. First, there is limited use of the repayable loan component of On-Reserve RRAP funding which is similar to findings for off-reserve RRAP. Less than 2% of the total On-Reserve RRAP funding from 1995 to 2001 was in repayable loans. Although a few communities operate 'revolving funds' to enable Band members to borrow funds for home repairs, most Bands are constrained in their ability to assist members to finance repairs.

Secondly, the evaluation found that the maximum RRAP assistance levels are too low to complete all the repairs for the houses being renovated. Since in most case the funds available are the forgivable RRAP portion, some necessary repairs cannot be completed in the houses, and in some cases the addition of bedroom space is not feasible with the available budget.

Thirdly, the maximum RRAP assistance is too low to repair houses most in need of repair. As a result, houses needing less repairs tended to be selected for RRAP funding. Fourthly, Bands noted that urgent and emergency repair needs are not addressed through the RRAP program and that the Emergency Repair Program is not available on-reserve. First Nations would prefer more flexibility in how to use their RRAP funding to address the housing needs in their communities.

Fifthly, concerns were noted about the costing guidelines used to estimate repair costs which appear to be outdated in some areas. As a result, project costs may be underestimated (especially for more remote and isolated communities) which can lead to uncompleted projects because of insufficient funds in the project budget. Lastly, it was noted that more technical and administrative training support for renovators, delivery agents and band housing staff would be beneficial especially as related to major repairs and modifications for persons with disabilities.

17.3 Conclusions

The evaluation found that On-Reserve RRAP is widely viewed as a valuable program by Band Councils, delivery agents and CMHC and INAC staff. All groups are satisfied overall with the program design and delivery although the forgivable RRAP assistance is insufficient for repairs of the most deteriorated houses. The major issue relates to the total On-Reserve RRAP budget which is seen as being insufficient to meet repair needs even though First Nations also receive funding from other sources such as INAC for housing repairs.

SECTION 18: SUMMARY OF CONCLUSIONS – ON-RESERVE RRAP

The evaluation concluded that:

- There is a strong rationale to continue On-Reserve RRAP to improve the housing conditions of low-income households on-reserve to minimum health and safety standards, to preserve the affordable housing stock, and to improve housing accessibility for low-income persons with disabilities. The program can also contribute to reducing homelessness and to employment generation.
- On-Reserve RRAP is well-targeted to low-income households and RRAP-D is well-targeted to persons with disabilities.
- On-Reserve RRAP is having a significant impact on the housing conditions of units funded, reducing overcrowding, extending the useful life of dwellings, and improving housing accessibility for persons with disabilities.
- RRAP has generated employment on reserves in the range of 800 to 1,000 person years over the period from 1995 to 2002.
- On-Reserve RRAP is widely viewed as a valuable program by Band Councils, delivery agents and CMHC and INAC staff. All groups are satisfied overall with the program design and delivery although the forgivable RRAP assistance is insufficient for repairs of the most deteriorated houses. The major issue relates to the total On-Reserve RRAP budget which is seen as being insufficient to meet repair needs even though First Nations also receive funding from other sources such as INAC for housing repairs.

Overall, the evaluation found that the program was performing well with respect to its objectives and is making an important contribution to the quality of First Nations housing. However, despite funding from RRAP and sources, there is still significant need for housing repairs on-reserve and therefore a continuing rationale for the program.

APPENDICES

APPENDIX 1: RRAP COST-SHARING ARRANGEMENTS 2000-2001

Province / Territory	Program	Federal Funding (%)	Provincial / Territorial Funding (%)
NFLD	HO	43	57
	R/RH	N/D	N/D
	RRAP-D	43	57
	ERP	43	57
	C	100	0
PEI	HO	75	25
	R/RH	75	25
	RRAP-D	75	25
	ERP	75	25
	C	75	25
NS	HO	75	25
	R/RH	75	25
	RRAP-D	75	25
	ERP	75	25
	C	75	25
NB	HO	75	25
	R/RH	75	25
	RRAP-D	75	25
	ERP	75	25
	C	75	25
QUE ¹	HO	75	25
	R/RH	75	25
	RRAP-D	75	25
	ERP	75	25
	C	75	25
ONT	HO	100	0
	R/RH	100	0
	RRAP-D	100	0
	ERP	100	0
	C	100	0
MAN	HO	75	25
	R/RH	75	25
	RRAP-D	75	25
	ERP	75	25
	C	75	25
SASK	HO	75	25
	R/RH	75	25
	RRAP-D	75	25
	ERP	75	25
	C	N/D	N/D
ALTA	HO	100	0
	R/RH	100	0
	RRAP-D	100	0
	ERP	100	0
	C	100	0
BC	HO	100	0
	R/RH	100	0
	RRAP-D	100	0
	ERP	100	0
	C	100	0
YKN	HO	100	0
	R/RH	100	0
	RRAP-D	100	0
	ERP	100	0
	C	100	0
NWT	HO	75	25
	R/RH	N/D	N/D
	RRAP-D	75	25
	ERP	75	25
	C	75	25
NV	HO	100	0
	R/RH	100	0
	RRAP-D	100	0
	ERP	100	0
	C	100	0

Source: CMHC

Notes: N/D: No planned delivery; HO: Homeowner RRAP; R/RH: Rental/Rooming House RRAP; RRAP-D: RRAP for Persons With Disabilities; ERP: Emergency Repair Program; C: Conversion RRAP

¹ In Québec, budgets for HO, R/RH, RRAP-D and C are delivered under RénoVillage, Programme d'adaptation de domicile (PAD) and Programme de Revitalisation des Vieux Quartiers.

APPENDIX 2

**Table I: Provincial/Territorial RRAP Commitments 1995-2001- Forgiveness
(Thousands of CDN dollars)**

Program	Year	NFLD	PEI	NS	NB	QC ¹	ON	MB	SK	AB	BC	YUK	NWT
Homeowner RRAP	1995	3175	690	4974	2708	11755	8402	2270	2655	2622	3484	183	212
	1996	2180	428	3633	2260	229	5997	1384	1582	1712	2402	69	181
	1997	1741	312	2899	1954	11135	4353	941	1294	1650	2643	182	238
	1998	1524	316	1812	1773	2000	4412	912	2109	1412	1671	193	-
	1999	9654	661	5476	2891	7487	3536	1229	2655	2198	2852	313	18
	2000	5040	783	7977	4408	26219	7995	920	3104	2067	6108	272	82
	2001	7190	736	5226	5422	8937	9117	1095	2478	1904	4557	381	32
	TOTAL	30504	3926	31997	21416	67762	43812	8751	15877	13565	23717	1593	763
RRAP for Persons with Disabilities	1995	251	244	351	214	3784	1830	407	359	516	665	41	33
	1996	271	167	175	244		1321	204	200	353	422	44	25
	1997	175	167	182	155	-	1201	139	251	262	435	104	39
	1998	178	269	90	177	701	2032	94	236	368	287	44	-
	1999	929	225	437	105	993	1944	220	421	689	664	126	-
	2000	708	231	693	115	1372	3705	221	823	994	970	92	103
	2001	1019	266	472	234	1528	5635	151	263	619	1120	126	
	TOTAL	3531	1569	2400	1244	8378	17668	1436	2553	3801	4563	577	200
Rental/ Rooming House RRAP	1995	92		398	931	12805	4874	527	480	1133	2119	-	82
	1996			391	565	3621	3896	358	460	1020	1512	-	-
	1997		40	279	314		3263	285	387	688	237	-	-
	1998			173	849	10847	3306	463	379	504	645	-	-
	1999		42	1304	2416	10079	13557	2233	574	3513	5734	-	-
	2000		75	1835	2236	11808	11557	2126	1332	1777	3922	-	-
	2001		103	965	506	4454	7380	3566	269	2796	2324	47	
	TOTAL	92	260	5345	7817	53614	47833	9558	3881	11431	16493	47	82
Conversion RRAP	2000				216		3892			2412	1326		
	2001	133		162	419	3774	3477	756			885		
	TOTAL	133	0	162	635	3774	7369	756	0	2412	2211	0	0

Program	Year	NFLD	PEI	NS	NB	QC¹	ON	MB	SK	AB	BC	YUK	NWT
Emergency Repair Program	1995	420	150	419	248	411	736	227	345	282	289	41	200
	1996	299	59	279	165	162	501	130	106	188	209	68	100
	1997	173	61	267	166	382	412	135	183	97	224	27	175
	1998	1045	21	98	183	562	375	82	234	140	83	27	131
	1999	1370	35	432	993	554	393	294	895	244	219	51	563
	2000	587	92	822	1797	998	848	229	649	375	270	91	469
	2001	275	224	830	1454	1431	839	100	462	241	322	116	227
	TOTAL	4169	642	3147	5006	4500	4104	1197	2874	1567	1616	421	1865

Source: Canadian Housing Statistics, 1995 to 2001

Note 1: Includes only the portion of renovation funding recognized for federal cost-sharing.

APPENDIX 2

**Table 2 - Provincial/Territorial RRAP Commitments 1995-2001
(Units and Beds)**

Program	Year	NFLD	PEI	NS	NB	QC	ON	MB	SK	AB	BC	YUK	NWT
Homeowner RRAP (units)	1995	524	97	640	776	1951	1457	305	344	459	660	12	16
	1996	350	41	409	695	105	975	153	190	232	423	10	18
	1997	274	29	305	609	1105	676	103	145	262	419	13	13
	1998	600	30	300	700	500	650	100	250	200	300	20	
	1999	1600	100	550	1000	1000	500	100	300	300	400	50	
	2000	1700	75	825	1150	3050	1075	100	350	300	750	25	
	2001	2200	75	525	1375	1525	1225	125	275	275	600	25	
	TOTAL	7248	447	3554	6305	9236	6558	986	1854	2028	3552	155	47
RRAP for Persons with Disabilities (units/beds)	1995-U	56	33	52	58	447	308	70	45	89	126	4	4
	- B				3	13							
	1996-U	50	23	28	62		204	29	66	59	76	8	3
	B		25			4	13						
	1997-U	34	44	21	43		190	19	43	37	196	9	4
	B		18				10				66		
	1998-U	100	15	40	75	80	270	20	45	50	55	5	
	B		35							10			
	1999-U	200		50	50	100	170	50	50	67	100		
	B						130			33			
	2000-U	200	20	100	50	125	350	25	50	105	125		
	B		30				100		50	20			
2001-U	275	40	50	75	150	485	25	50	70	150			
B		10				215			30				
TOT- U	915	175	341	413	902	1977	238	349	477	828	26	11	
B	0	118	0	3	17	468	0	50	93	66	0	0	
Rental/ Rooming House RRAP	1995-U			55	57	2398	644	42	67	108	18		8
	B	24		18	59	800	176		10	175	324		
	1996-U			49	93	775	405	17	42	67	31		
	B			5		205	145	13		105	138		
	1997-U		18	51	70		419	31	98	125	16		
	B		18				45			73			
	1998-U			540	80	3020	339	45	100	55			
	B						86			70	165		
	1999-U			250	300	2350	500	110	91	208	169		
	B						1700	40	9	92	331		
	2000-U			250	325	2450	575	50	175	150	215		
	B				50		700	150	50	50	10		
2001-U			100	75	1700	250	150	25	200	160			
B						450			75	15			
TOT- U	0	18	1295	1000	12693	3132	445	598	913	609	0	8	
B	24	18	23	109	1005	3302	203	69	640	983	0	0	

**Table 2 (cont'd):
Provincial/Territorial RRAP Commitments 1995-2001
(Units and Beds)**

Program	Year	NFLD	PEI	NS	NB	QC	ON	MB	SK	AB	BC	YUK	NWT
Conversion RRAP	2000-U				25		150			150	75		
	B						100						
	2001-U	25			40	200	225	50			100		
	B				10								
TOT-U	25	0	0	65	200	375	50	0	150	175			
B	0	0	0	10	0	100	0	0	0	0	0	0	
Emergency Repair Program	1995	91	37	107	90	166	187	54	71	50	65	5	30
	1996	62	15	74	74	68	123	29	27	39	54	12	22
	1997	35	15	68	64	168	103	35	37	21	56	5	25
	1998	880	5	50	115	230	95	20	130	25	25	5	20
	1999	1000		100	800	200	100	100	200	50	50		100
	2000	500	25	200	1825	325	200	50	125	75	75	25	75
	2001	100	50	200	1050	475	225	25	125	50	75	25	50
	TOTAL	2668	147	799	4018	1632	1033	313	715	310	400	77	322

SOURCE: Canadian Housing Statistics, 1995 to 2001.

APPENDIX 3: PROVINCIAL PROGRAM DESCRIPTIONS

In most jurisdictions where the provincial/territorial housing authority is the active party, federal-provincial renovation assistance is provided under the current RRAP and ERP parameters. In some jurisdictions, however, the assistance is provided under different programs which meet federal objectives. The following is a description of these provincial program variations.

Provincial Home Repair Program (Newfoundland and Labrador)

In Newfoundland and Labrador, funds for RRAP (Homeowner, Rental/Rooming House, Persons with Disabilities), ERP and the Home Adaptations for Seniors' Independence (HASI program) are delivered via the Provincial Home Repair Program which includes the Home Renovation Program (HRP). The HRP assists applicants with incomes below the Housing Income Limits who own and occupy substandard housing to repair or renovate their dwellings to correct fire and life safety deficiencies, to make the dwellings accessible to persons with disabilities, or to carry out modifications that will make it easier for seniors experiencing difficulties in daily living to remain in the dwellings. Assistance is provided as a loan or a grant depending on the income and cost of eligible repairs. The maximum repayable loan amount is \$10,000 (\$13,000 in Coastal Labrador) and the maximum grant is \$5,000 (\$6,500 in Coastal Labrador). Households with a member with a disability can access funding in two program components and double the maximum assistance for which they are eligible. Higher income limits apply for clients with a disability.

F/P Repair Program (New Brunswick)

In N.B., funds for RRAP (Homeowner, Persons with Disabilities), ERP and HASI are delivered via the F/P Repair Program. This program offers assistance to low income homeowners occupying existing substandard housing to repair, rehabilitate or improve their dwellings to a minimum level of health and safety. Assistance is also available to improve the accessibility of homeowner or rental units for persons with disabilities, to undertake adaptations for low-income seniors who have difficulty with daily living activities in the home and to assist eligible households to accommodate an aging parent. Assistance is provided as a loan, all or part of which is forgivable. While there is no ceiling on the loan amount, the maximum forgivable portion is \$5,000 per unit. Landlords are eligible for a forgivable loan only. All assistance is targeted to households with income below the Housing Income Limits. As per the agreement signed January 1999, modifications to accommodate an aging parent are not covered under the F/P Cost-sharing Agreement. While Rental/Rooming House and Conversion RRAP are being delivered in N.B., a 25% contribution toward the cost of eligible repairs is required from private landlords.

Programme de revitalisation des vieux quartiers (Québec)

The objective of this program is to revitalize older districts in urban centers. This program provides financial assistance to owners of homes, rental buildings and rooming houses where the dwellings have major defects or do not meet municipal by-laws. This program is different from the federal RRAP in that the parameters are set by each of the participating municipalities within the boundaries established by the Société d'habitation du Québec (SHQ). In addition, no income limit is imposed on the occupants of the properties benefiting from the program. However, under the agreement reached with the SHQ, the share of the funds corresponding to the F/P budget must be allocated to households whose income is below the established Income Thresholds. As well, the maximum federal/provincial assistance per housing unit is \$13,500.

Programme d'adaptation de domicile (PAD) (Québec)

The objective of this program is to assist persons with disabilities by providing financial assistance to pay the cost of modifications necessary to ensure properties are accessible and adapted to their needs. The maximum assistance may attain \$16,000 for a homeowner household, \$8,000 for a renter household and \$4,000 for a household renting a room. The maximum assistance eligible for cost-sharing is \$12,000. In addition, the program is not targeted to households according to their income; however, under the agreement signed in December 1998, all F/P assistance for this program is targeted to households whose income is below the established Income Thresholds.

RénoVillage (Québec)

This program is aimed at providing assistance to modest-income homeowners in rural areas to enable them to repair major defects on their residence. This program is similar to the federal Homeowner RRAP but is available in rural areas only. In addition, the income limit to benefit from this program generally varies from \$25,000 to \$33,000. The subsidy may cover 90% of the cost of eligible work, up to a maximum of \$6,500. A minimum cost in the order of \$2,000 is also required. As in the case with PAD, the F/P budget is fully targeted to households with income below the established Income Thresholds.

AccèsLogis (Quebec)

In Quebec, a portion of the funds for the Shelter Enhancement Program and funds for RRAP Conversion are delivered via the provincial program "AccèsLogis." This program assists in the creation of social housing projects. A component of the program targets the development of projects for low-income families, singles and independent seniors. A second component consists of the creation of housing projects for seniors with decreasing independence whereas the third component targets special needs clients requiring temporary or permanent housing. To accommodate SEP, the third component includes a specific section for the creation of shelters for women, children and youth victims of family violence.

To be eligible for assistance under this program, groups must provide a minimum contribution which varies from 5% to 22% of the eligible costs based on the clients served. However, a minimum contribution is not required for projects targeted to the homeless or victims of family violence. While SHQ is financing an array of projects within its provincial program, only those projects meeting all parameters of the existing RRAP Conversion and SEP initiatives covering the creation of new units and beds can be selected for F/P cost-sharing purposes.

4.1 Evaluation Overview

The RRAP Evaluation employed several methodological approaches:

- Use of multiple lines of evidence to support evaluation findings
- Mix of qualitative (in-person interviews) and quantitative research techniques;
- Use of comparison populations to identify the incremental impacts of RRAP programs

Multiple lines of evidence strengthen research findings in general and findings with respect to the RRAP programs in particular. Where possible, all evaluation issues were examined using more than one data source. Different sources include different questions related to the same issue from one questionnaire, questions on the same issues from different questionnaires, or any mixture of qualitative or quantitative data or analytic methods. While certain sources may be considered to be best for a particular question, consistency with more than one source or reporting group gives evaluation findings added strength. This helps to eliminate the possibility of anomalous findings and improves the validity of research conclusions.

The evaluation gathered both *qualitative and quantitative data* to address the range of issues in the plan. Qualitative data came from in-person interviews, case studies, and literature reviews. Quantitative data came from surveys, published statistical sources, program administration files, and econometric analysis. Statistical analyses indicate the reliability of findings and distinguished between spurious and causal relationships.

Data from *comparison populations* allows analysts to test data from program participants against data from similar people who have not participated in the program. This permits evaluators to attribute outcomes to program-related factors. Comparison samples were developed for landlords and occupants of rehabilitated properties and of properties that had accessibility improvements. Ideally, the comparison group should be as close a possible to the program client group with respect to age, income, household structure, and any other characteristic likely to be relevant to housing. In particular, individual attitudes regarding housing conditions may lead one household to apply for RRAP and another not to apply. This is called selection bias and may result in differences in the rate of reporting of, for example, illness symptoms. Such bias can be controlled in part by using waiting lists and lists of projects in progress as the source of comparison respondents. However, no strategy is perfect which further emphasizes the importance of the use of multiple lines of evidence.

Data strengths

Surveys: The evaluation surveyed random samples of owners, landlords, tenants, comparison groups, and delivery staff and agents. It also conducted a survey of the condition of renovated properties. The surveys provide data on a representative sample of the components of the RRAP portfolio. The components are the programs, their variants, and the delivery regimes (CMHC, province). Survey responses provide relatively objective data that is accurate within the limits implied by the sampling design. Survey results can be generalized to the populations from which samples were drawn. The use of comparison groups permits the analyst to control a variety of factors that could be responsible for observed results and thus to attribute some proportion of impacts to the program itself.

Note, however, that the evaluation conducted no surveys in Quebec, relying instead on existing evaluations of Quebec programs carried out by la Société d'habitation du Québec (le *Programme de rénovation d'immeubles locatifs*, le *Programme d'adaptation de domicile* et le *Programme de revitalisation des vieux quartiers*).

Senior official interviews: Interviews with senior officials of CMHC and provincial housing agencies (except Quebec) provided data on program rationales and on strengths and weaknesses of RRAP.

Case studies: The case studies employed a structured set of questions focused on the issues of how RRAP affects neighbourhood renewal and housing opportunities for the homeless. The case study method solicits informed opinion from a wider group of people than are included in the surveys. For example, social service personnel, nonprofit housing operators and developers, and municipal planners live and work in areas that have physical deterioration problems. It would be impractical to do random surveys of all of these. However, it was possible for the evaluation to examine neighbourhood revitalization processes in a selected number of case study areas. In addition to the wide range of expertise and opinion employed, the case study can employ news reporting or historical narrative to support or give context to personal opinions.

Literature reviews: The literature reviews examined public policy statements to confirm the objectives of government with respect to its rehabilitation spending, and academic and professional publications to summarize housing trends. They also summarized reports of empirical results of rehabilitation initiatives in Canada and elsewhere.

Data weaknesses

Survey data consists of answers to questions. Certain questions are relatively objective and unambiguous, for example household income or structure. Findings based on such data tend to be valid, in the sense that questions are understood and answers contain little error. Other questions solicit opinions or require recall of conditions that existed up to five years earlier. Such responses may contain relatively more ambiguous or erroneous data making conclusions less valid. Both problems are mitigated by the availability of comparison group data because conclusions about issues being examined can be based on differences between group responses

rather than on the absolute scores. The assumption here is that both groups reply equally accurately (or inaccurately) and that the differences in averages can be attributed to program effects. In addition, to further reduce recall problems the surveys were limited to the period 1997 to 2000. This was designed to give housing renovations some time to affect living conditions while avoiding asking respondents to report on conditions more than five years in the past.

Interviews with spokespersons for housing agencies provide qualitative data that is reliable to the extent that the interviews deal with their fields of expertise. To the extent that opinion is offered on other issues, for example on other agencies' policies or administrative practices, interview data should be reported with care.

Case studies provide relatively qualitative and opinion-based data that is not usually claimed to be representative. While it can provide a rich background to specific cases or situations, it is very difficult to generalize findings to situations outside the case itself.

Literature reviews of course can only review what has been written or what has been found. To the extent that policy is not clearly articulated or research problems are new, a review may not provide as much information as the researcher hopes.

The following sections describe the major data sources.

4.2 Document and Literature Review

Six literature review studies were completed for the Evaluation. Literature reviews focused on the following issues:

- Relationship between housing renovation and occupant health and safety: This review identified current debates and methodologies linking poor quality housing and health and safety issues, such as through the study of asthma, fire safety and mental health;
- Relationship between housing renovation and independence of disabled occupants: The impact of renovation, renovation programs, and RRAP in particular on the accessibility of housing to persons with disabilities was reviewed in existing research literature;
- Stock preservation: Literature on the impacts and rationale of renovation programs on preserving levels of affordable housing stock was analyzed;
- Employment: Employment impacts were studied using current research on the impacts of renovation on job markets;
- Neighbourhood impacts: Existing literature on the impacts of renovation programs, and particularly government renovation programs in North America, were analyzed to provide further support for research undertaken in the case studies; and,

- Homelessness: Literature on homelessness in Canada and the role of housing renovation in addressing homelessness was reviewed.

As part of the undertaking of the literature review, the Consultant also investigated the need and rationale of federal government involvement in renovation programs.

The literature reviews entailed the collection of relevant recent material from the following sources:

- Internet
- Academic journals
- Policy statements
- Professional report
- CMHC research reports

4.3 Surveys

The Consultant developed surveys for several target populations, including:

- Landlords (RRAP-assisted and comparison)
- Occupants (RRAP-assisted and comparison)
- Homeowners (RRAP-assisted and comparison)
- Landlords (RRAP-D-assisted)
- Occupants with Disabilities (RRAP-D-assisted)
- Homeowners with Disabilities (RRAP-D-assisted and comparison)
- Emergency Repair Program Clients
- Physical condition of rehabilitated properties
- Delivery Agents/Staff
- Senior Officials

4.3.1 Landlords (Rental, Rooming House and Conversion RRAP and Comparison)

Landlords - RRAP-Assisted Housing Survey

- CMHC provided a sample of landlords who received RRAP funding during the period from 1997 to 2000. Landlords were randomly selected from CMHC's administrative files and included landlords who obtained funding for rental, rooming house and/or conversion projects. As detailed in Table 2-1, a total of 472 surveys were completed with landlords who received RRAP funding.

Landlords - Comparison Group

- To establish the incremental impact of RRAP, a comparison group of landlords who owned low-income housing were also surveyed. The sample of comparison landlords consisted of landlords who applied but did not receive RRAP funding or who have been approved and are waiting for inspections or bids. As highlighted in Table 2-1, a total of 250 comparison landlords were surveyed.

**Table 4-1
Landlord Surveys—RRAP Assisted / Comparison Group**

	RRAP Assisted	Comparison Group
Initial Sample	879	671
Number not-in-service/ non-qualified	123	139
Valid Sample	756	532
Completions:		
Rental	296	217
Rooming House	151	15
Conversion	22	16
Total Completions	469	248
Valid Response Rate	62%	47%

4.3.2 Occupants (RRAP-Assisted and Comparison)

Occupants - RRAP-Assisted Units

- Using CMHC unit addresses, the Consultant completed reverse directory searches to identify occupants of RRAP-assisted housing. In addition, the Consultant completed other sample identification activities, including:
 - Visits to RRAP-assisted rooming houses to complete in-person interviews with tenants;
 - Contacting landlords to obtain contact information for occupants in other properties.

Occupants - Comparison Group

- Similar to the survey of landlords, a control or comparison group of occupants in low-income housing was surveyed to identify the net or incremental impact of RRAP assistance in terms of health, safety and homelessness. Comparison group occupants were identified from two sources. The first was a combination of reverse telephone

directory look-ups for tenants of waiting list and in-progress projects and information provided by landlords. Secondly, a selection of low rent projects from CMHC files was used to supplement the numbers of respondents from waiting lists. The Consultant also visited rooming houses for projects not funded by RRAP to complete in-person interviews with tenants.

- Detailed in Table 4-2 are the completions for occupants in RRAP-assisted projects and the comparison group.

**Table 4-2
Occupant Surveys—RRAP Assisted / Comparison Households**

	RRAP Assisted	Comparison Group
Initial Sample	1,116	4,086
Number not-in-service / Non-qualified	679	2,102
Valid Sample	437	1,984
Completions:		
Rental	158	484
Rooming House	176	4
Conversion	5	n/a
Total Completions	339	488
Valid Response Rate	78%	*25%

4.3.3 Homeowners (RRAP-Assisted and Comparison)

Homeowners - RRAP-Assisted

- Audit and Evaluation Services supplied random samples of homeowner addresses from CMHC and provincial administrative files for the years 1997 to 2000 to the Consultant. The Consultant mailed cover letters and surveys to homeowners of RRAP-assisted housing. In addition, the Consultant conducted directory searches where contact data was incomplete.

Homeowners - Comparison Group

- A comparison group of homeowners in low-income housing was surveyed to identify the net or incremental impact of RRAP assistance in terms of health, safety and homelessness. Comparison group homeowners were identified from lists of unsuccessful applicants, waiting lists of provincial housing agencies and delivery agents, and lists of accounts in the early stages of application.

**Table 4-3
Homeowners Surveys—RRAP Assisted / Comparison Households**

	RRAP Assisted	Comparison Group
Initial Sample	1,225	800
Number not-in-service / Non-qualified	237	160
Valid Sample	988	640
Total Completions	726	370
Valid Response Rate	73%	58%

4.3.4 Landlords (RRAP-D-Assisted)

Landlords - RRAP-D-Assisted Housing Survey

- CMHC provided a sample of landlords who received RRAP-D funding during the period from 1997 to 2000. Landlords were randomly selected from CMHC and provincial administrative files and included landlords who obtained funding for making modifications to improve accessibility for people with disabilities. As detailed in Table 4-4, a total of 42 surveys were completed with landlords who received RRAP-D funding.

**Table 4-4
Landlord Surveys—RRAP-D Assisted**

	RRAP Assisted
Initial Sample	254
Number not-in-service / non-qualified	46
Valid Sample	208
Total Completions	117
Valid Response Rate	56%

4.3.5 Occupants with Disabilities (RRAP-D-Assisted)

Occupants - RRAP-D-Assisted Units

- Using CMHC unit addresses, the Consultant completed reverse directory searches to identify occupants of RRAP-D-assisted housing. In addition, the Consultant completed other sample identification activities, including:
 - Visits to RRAP-assisted rooming houses to complete in-person interviews with tenants;

- Contacting landlords to obtain contact information for occupants with disabilities in other properties.

**Table 4-5
Occupant Surveys - RRAP-D Assisted**

	RRAP-D Assisted
Initial Sample	282
Number not-in-service / Non-qualified	219
Valid Sample	63
Total Completions	36
Valid Response Rate	57%

4.3.6 Homeowners with Disabilities (RRAP-D Assisted and Comparison)

Homeowners - RRAP-D-Assisted

- Audit and Evaluation Services randomly sampled CMHC and provincial administrative homeowner files and supplied addresses and contact information to the Consultant. The Consultant mailed cover letters and surveys to homeowners of RRAP-assisted housing. In addition, when information was not correct or complete, the Consultant conducted directory searches.

Homeowners - RRAP-D Comparison Group

- Similar to the survey of RRAP-D homeowners, a control or comparison group of homeowners with disabilities in low-income housing was surveyed to identify the net or incremental impact of RRAP-D assistance in terms of housing accessibility and independent living. Comparison group homeowners were identified from waiting list applications for RRAP-D funding and lists of unsuccessful applicants. Sampling was done by the Consultant, AES and provincial housing agencies.

**Table 4-6
Homeowners Surveys—RRAP-D Assisted / Comparison Households**

	RRAP-D Assisted	Comparison Group
Initial Sample	588	259
Number not-in-service / Non-qualified	124	64
Valid Sample	464	195
Total Completions	322	133
Valid Response Rate	69%	68%

4.3.7 Emergency Repair Program (ERP) Clients

- Audit and Evaluation Services randomly sampled ERP clients from CMHC and provincial address files and sent these to the Consultant. The Consultant mailed cover letters and surveys to clients who had received funding under ERP. In addition, when information was not correct or complete, the Consultant conducted directory searches.

**Table 4-7
Emergency Repair Surveys**

	ERP Assisted
Initial Sample	617
Number not-in-service / Non-qualified	216
Valid Sample	401
Total Completions	308
Valid Response Rate	77%

4.3.8 Physical Condition

- CMHC inspection staff inspected a sample of rehabilitated properties drawn from the owner and landlord samples. Table 4-8 shows the initial samples and total completions by program. It is not possible to calculate a response rate that is equivalent to the rates for other surveys because individual inspectors made contact with program clients and they were not directed to report the details of failed contacts, projects not completed, and refusals to participate in a consistent fashion.

**Table 4-8
Physical Condition Survey Completions**

	Program						
	Homeowner CMHC delivery	Homeowner province delivery	Newfoundland	New Brunswick	Rental	Rooming house	Conversion
Initial sample	214	199	96	70	78	66	21
Completed inspections	142	92	63	49	37	38	9

4.4 Key Informant Interviews (Senior Officials Survey)

- Structured interviews were conducted with 20 key informants, including officials of CMHC and provinces/territories currently cost-sharing RRAP. No interviews were completed in Quebec. As highlighted in Table 4-9, these individuals represented a range of provincial organizations as well as CMHC.

**Table 4-9
Key Informant Interviews**

Group	Completed Interviews
CMHC Officials	6
Provincial/Territorial Officials	12
Other Key Informants	2
Total	20

- Key informant interviews were designed to provide additional contextual information with respect to program strengths and weaknesses, as well as perceptions as to the overall impact of the program with respect to key program objectives.
- Also included in the key informant interviews were issues associated with program design and delivery. Informants were also asked about the degree to which RRAP supports or otherwise relates to the National Homelessness Initiative.

4.5 Delivery Agent Surveys

- In order to identify key issues associated with the design and administration of RRAP, the Consultant surveyed approximately 81 delivery staff, which included delivery agents as well as employees of CMHC and provincial housing agencies who are directly involved in program delivery. Delivery agents/staff provided in-depth information with respect to program delivery, promotion and specific program elements (e.g. budget, guidelines, various processes such as approval and inspection, and the extent to which RRAP was meeting broad program objectives).

**Table 4-10
Delivery Agents Survey**

	Total
Number Distributed	108
Number returned—non-qualified / other	3
Valid Sample	105
Completions	92
Valid Response Rate	88%

4.6 Case Studies

- Four neighborhoods across Canada were visited to identify the impact that RRAP assistance had on neighbourhood dynamics and services for the homeless. The four sites visited included:
 - Eastside, Vancouver, BC
 - Downtown, Winnipeg, MB
 - Parkdale, Toronto, ON
 - Downtown, Moncton, NB
- The Consultant assessed the impact that RRAP had in terms of enhancing local neighbourhood development. In addition to identification of positive impacts, the case studies also provided information as to possible negative neighbourhood impacts such as the NIMBY (not-in-my-backyard) phenomenon or gentrification.
- The Consultant also examined links between RRAP and other programs delivered as part of the National Homelessness Initiative.
- Typically, case study site visits included interviews with a range of stakeholders, including partners, local municipal authorities (e.g., planning, social services, building services, etc.) and community organizations. Interviews were also completed with landlords, occupants and neighbours associated with RRAP-funded projects.
- Highlighted in Table 4-11 are the interviews and activities completed at each case study site.

**Table 4-11
Case Study Site Activities**

Activity	Vancouver, BC	Winnipeg, MB	Toronto, ON	Moncton, NB	Total All Sites
Landlord Interviews	3	6	7	6	16
Occupant Interviews	12	12	11	6	35
Officials/Key Informants	11	7	6	9	24
Total	26	25	24	21	75

APPENDIX 5: COMPARISON OF RRAP AND COMPARISON GROUP HOUSEHOLDS

Table 5-1
Type of Disability – RRAP-D and Comparison

Type of Disability	RRAP-D Homeowners (n=276)	RRAP-D Homeowner Comparison Group (n=126)
Visual	21%	15%
Hearing	15%	9%
Cognitive	12%	15%
Mobility	88%	86%
Allergy	11%	16%
Other *	18%	28%

Source: Surveys of RRAP-D Occupants and Homeowners, RRAP Evaluation, 2002.
Survey data excludes Quebec.

Note: numbers may add to more than 100% due to multiple response.

* Other includes psychiatric & mental health related disabilities

Table 5-2
Aboriginal Status – RRAP and Comparison Groups

Aboriginal Status	Program Beneficiaries					Comparison Groups		
	Rental RRAP (n=146)	Rooming House RRAP (n=173)	RRAP-D Homeowner (n=269)	Homeowner RRAP (n=669)	ERP (n=284)	Homeowner (n=350)	RH/Rental (n=482)	RRAP-D HO (n=119)
North American Indian	3%	6%	2%	3%	12%	5%	4%	5%
Métis	5%	11%	5%	6%	16%	9%	2%	6%
Inuit	1%	--	--	1%	--	--	1%	--
% Aboriginal	9%	17%	7%	10%	28%	14%	7%	11%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

**Table 5-3
Community of Residents – RRAP and Comparison Groups**

Community Type	Program Beneficiaries					Comparison Group		
	Rental RRAP (n=149)	Rooming House RRAP (n=174)	Home-owner RRAP (n=719)	ERP (n=304)	RRAP-D Home-owner (n=271)	Rental (n=484)	Home-owner (n=367)	RRAP-D HO (n=123)
Urban	88%	98%	34%	0%	51%	89%	30%	48%
Small town, village hamlet (less than 2,500 people)	11%	2%	37%	64%	26%	5%	42%	28%
Rural area (farm or non-farm)	1%	--	29%	36%	22%	6%	28%	23%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.
Note: numbers may not add up to 100% due to rounding

**Table 5-4
Household Type – RRAP Beneficiaries and Comparison Groups**

Household Type	RRAP Beneficiaries					Comparison Groups		
	Home-owner RRAP (n=723)	Rental Tenants (n=156)	Rooming House Tenants (n=175)	ERP (n=306)	RRAP-D Home-owner (n=276)	Home-owner Group (n=146)	Rental/RH Group (n=160)	RRAP-D Group (n=123)
Single adult living alone	39%	61%	85%	27%	38%	35%	54%	34%
Couple without child(ren)	21%	20%	--	28%	30%	24%	16%	37%
Single parent living with child(ren)	14%	6%	1%	11%	14%	11%	15%	9%
Couple living with child(ren)	23%	6%	1%	28%	10%	23%	9%	14%
Two or more unrelated adults	2%	5%	12%		1%	2%	5%	1%
Two or more related adults	3%	2%	2%		7%	6%	2%	6%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.
Note: Numbers may not add up to 100% due to rounding.

**Table 5-5
Age of Respondents* – RRAP Beneficiaries and Comparison Groups**

Age Category (years)	Program Beneficiaries					Comparison Groups	
	Homeowner RRAP (n=692)	Rental Tenants (n=145)	Rooming House Tenants (n=165)	ERP (n=290)	RRAP-D Homeowner (n=277)	Homeowner Group (n=350)	Rental Group (n=480)
Under 18	--	--	1%	--	4%	--	--
18 - 24	--	6%	7%	1%	--	1%	9%
25 –34	5%	20%	13%	6%	2%	6%	20%
35 – 44	16%	11%	19%	19%	15%	14%	14%
45 – 54	20%	19%	28%	21%	15%	18%	18%
55 - 64	24%	21%	26%	23%	24%	23%	16%
65 and older	36%	23%	7%	30%	40%		

Source: Surveys of Occupants and Homeowners, RRAP Evaluation 2002. Survey data excludes Quebec.

*Note that this data is based on the age of the respondent to the survey. Numbers may not add up to 100% due to rounding

**Table 5-6
Gender of Respondents – RRAP Beneficiaries and Comparison Groups**

Gender	Homeowner RRAP (n=669)	Rental Tenants (n=139)	Rooming House Tenants (n=164)	ERP (n=294)	RRAP-D Homeowner (n=267)	Homeowner Comparison Group (n=341)	Rental Comparison Group (n=488)
Male	35%	33%	78%	50%	40%	43%	36%
Female	65%	67%	22%	50%	60%	57%	64%

Note: Numbers may not add up to 100% due to rounding. Survey data excludes Quebec.

**Table 5-7
Highest Level of Education of Respondents – RRAP and Comparison Groups**

Education Level	Home-owner RRAP (n=762)	Rental Tenants (n=153)	Rooming House Tenants (n=173)	ERP (n=298)	RRAP-D Homeowner (n=270)	Homeowner Comparison Group (n=368)	Rental Comparison Group (n=480)
Some grade school	20%	8%	4%	30%	7%	20%	2%
Grade school graduation	10%	5%	13%	10%	13%	16%	4%
Some high school	28%	19%	22%	30%	28%	28%	24%
High school graduation	19%	18%	30%	11%	18%	12%	27%
Some post-secondary	9%	25%	19%	7%	16%	8%	14%
Post-secondary diploma	11%	18%	7%	12%	11%	15%	15%
Post-secondary degree	4%	8%	5%	1%	7%	3%	14%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

**Table 5-8
Household includes a student(s) Attending Educational Institution
RRAP Beneficiaries and Comparison Groups**

Attending School	Home-owner RRAP (n=697)	Rental Tenants (n=148)	Rooming House Tenants (n=164)	ERP (n=304)	RRAP-D Homeowner (n=277)	Homeowner Comparison Group (n=368)	Rental Comparison Group (n=486)
Yes	9%	13%	6%	6%	8%	7%	13%
No	91%	87%	94%	94%	92%	93%	87%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

NOTE: Numbers may not add up to 100% due to rounding

**Table 5-9
Birthplace of Respondents – RRAP and Comparison Groups**

Birthplace	Home-owner RRAP (n=699)	Rental Tenants (n=149)	Rooming House Tenants (n=163)	ERP (n=306)	RRAP-D Homeowner (n=279)	Homeowner Comparison Group (n=368)	Rental Comparison Group (n=485)
Canada	90%	84%	85%	95%	84%	94%	83%
Other	10%	16%	15%	5%	16%	6%	17%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

**Table 5-10
Annual Incomes by Ranges – RRAP Beneficiaries and Comparison Groups**

Income Ranges	Homeowner RRAP (n=607)	Rental Tenants (n=139)	Rooming House Tenants (n=163)	ERP (n=261)	RRAP-D Homeowner (n=233)	Homeowner Comparison Group (n=312)	Wait List Comparison Group (n=133)	Rent Survey Comparison Group (n=220)
Less than \$6,000	3%	--	11%	7%	--	1%	--	
\$6,000 - \$12,000	38%	34%	65%	39%	30%	29%	40%	29%
\$12,001- \$18,000	35%	32%	17%	27%	42%	25%	27%	29%
\$18,001- \$24,000	17%	16%	5%	19%	21%	32%	12%	15%
\$24,001- \$30,000	7%	4%	3%	7%	6%	9%	9%	13%
\$30,001-36,000	1%	14%	--	2%	--	4%	5%	9%
\$36,001- \$42,000	--	--	--	--	--	--	7%	4%
More than \$42,000	--	--	--	--	--	--	--	2%

Source: Survey of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: Numbers may not add up to 100% due to rounding.

**Table 5-11
Major Source of Household Income in 2001- RRAP Beneficiaries and Comparison Groups**

Income Source	Homeowner RRAP (n=690)	Rental Tenants (n=147)	Rooming House Tenants (n=172)	ERP (n=289)	RRAP-D Homeowner (n=262)	Homeowner Comparison Group (n=359)	Wait List Comparison Occupant Group (n=174)	Rental Survey Occupant Comparison Group (n=306)	RRAP-D Homeowner Comparison Group (n=115)
Paid employment	27%	44%	28%	27%	9%	38%	36%	62%	14%
Pensions	50%	32%	16%	39%	74%	47%	46%	22%	65%
Social Assistance	21%	17%	51%	33%	13%	12%	11%	9%	20%
Other money sources	3%	7%	5%	1%	5%	3%	7%	6%	2%

Source: Surveys of Occupants and Homeowners, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

**Table 5-12
Length of Landlord Ownership – RRAP and Comparisons**

Years of ownership	Program Beneficiaries			Comparison Group
	Rental LL (n=274)	Rooming House LL (n=130)	RRAP-D LL (n=114)	Rental/RH Comparison LL (n=225)
1-5 years	28%	25%	28%	34%
6-10 years	23%	8%	21%	28%
11-20 years	35%	44%	30%	28%
Over 20	14%	23%	23%	10%

Source: Survey of Landlords, RRAP evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

**Table 5-13
Type of Community – RRAP Landlords and Comparisons**

Rental location	Program Beneficiaries			Comparison Group
	Rental (n=271)	Rooming House (n=129)	RRAP-D (n=115)	Landlord/RH Comparison (n=230)
Urban	87%	95%	86%	66%
Small town, village, hamlet (less than 2,500 people)	9%	4%	11%	28%
Rural area (farm or non-farm area)	4%	1%	3%	5%

Source: Survey of Landlords, RRAP evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

**Table 5-14
Landlord Description of Property – RRAP and Comparisons**

Rental type	Program Beneficiaries			Comparison Group
	Rental (n=274)	Rooming House (n=129)	RRAP-D LL (n=115)	Landlord Rental Comparison (n=232)
Single detached	15%	3%	18%	26%
Duplex or semi-detached, row townhouses	30%	5%	25%	17%
Apartment	51%	7%	35%	40%
Rooming house	1%	83%	14%	12%
Other	3%	3%	8%	4%

Source: Survey of Landlords, RRAP Evaluation, 2002. Survey data excludes Quebec.

Note: numbers may not add up to 100% due to rounding

APPENDIX 6: ECONOMIC IMPACT TABLES

Table 1: Historical Canadian Economy: Major Indicators

	1995	1996	1997	1998	1999	2000	2001
Real Gross Domestic Product	\$833 Bn\$97	\$847 Bn\$97	\$883 Bn\$97	\$919 Bn\$97	\$968 Bn\$97	\$1,012 Bn\$97	\$1,028 Bn\$97
Employment	13,357 Tpy	13,463 Tpy	13,774 Tpy	14,140 Tpy	14,531 Tpy	14,910 Tpy	15,062 Tpy
Labour Force	14,750 Tpy	14,899 Tpy	15,153 Tpy	15,418 Tpy	15,721 Tpy	15,999 Tpy	16,240 Tpy
Unemployment Rate	9.4 %	9.6 %	9.1 %	8.3 %	7.6 %	6.8 %	7.3 %
Consumer Price Index (1997=100)	96.9	98.4	100.0	101.2	102.9	105.1	107.0
All Government Revenues	\$321.9 Bn	\$337.1 Bn	\$359.6 Bn	\$372.2 Bn	\$395.8 Bn	\$431.8 Bn	\$434.7 Bn
All Government Expenditures	\$360.1 Bn	\$357.8 Bn	\$358.3 Bn	\$371.9 Bn	\$379.1 Bn	\$396.9 Bn	\$413.1 Bn
All Government Balance	-\$43.2 Bn	-\$23.4 Bn	\$1.6 Bn	\$0.8 Bn	\$17.0 Bn	\$32.6 Bn	\$19.4 Bn
Nominal Alterations Investment	\$13.0 Bn	\$14.2 Bn	\$15.0 Bn	\$14.9 Bn	\$15.7 Bn	\$17.1 Bn	\$17.4 Bn
Real Alterations Investment	\$13.3 Bn	\$14.4 Bn	\$15.0 Bn	\$14.8 Bn	\$15.1 Bn	\$16.5 Bn	\$16.5 Bn

Source: Statistics Canada and Informetrica Limited

Note: Bn\$97 = real 1997\$ billions Bn = nominal \$ billions

Tpy = thousand person-years or full-time equivalents

Table 2: Inputs: RRAP Alone

RRAP Impact, Alone	Inputs						
	1995	1996	1997	1998	1999	2000	2001
	Nominal \$ Millions						
Grossed Up Delivery Costs	18.3	11.9	9.8	8	8.7	15.9	13.7
Grossed Up Loan Forgiveness	62.9	78.3	50.2	55.3	80.3	134.4	104.1
Leverage (+) or Displacement (-)	0	0	0	0	0	0	0
Sum of Above Items	81.2	90.2	60	63.3	89	150.3	117.8

Table 3: Impacts Major Indicators: RRAP Alone

RRAP Impact, Alone		1995	1996	1997	1998	1999	2000	2001
Level Impact								
Real 1997\$ Millions								
Gross Domestic Product		74.4	136.4	84.8	89.4	144.0	223.8	188.5
	Direct	64.5	79.0	50.2	55.0	77.5	129.5	99.1
	Indirect	10.6	14.8	8.0	7.9	9.9	12.5	5.3
	Induced	-0.8	42.6	26.6	26.5	56.6	81.8	84.2
Real 1997\$ Millions								
Gross National Product		73.8	133.8	82.5	87.1	137.9	214.2	179.8
	Direct	64.5	79.0	50.2	55.0	77.5	129.5	99.1
	Indirect	10.7	14.8	8.0	8.0	9.9	12.5	5.3
	Induced	-1.4	39.9	24.3	24.2	50.5	72.3	75.4
Index 1997=100								
Consumption Price		0.000	0.001	0.002	0.004	0.009	0.021	0.021
Gross Domestic Product Deflator		0.000	0.002	0.003	0.007	0.014	0.030	0.029
Business Investment Deflator		0.017	0.023	0.017	0.022	0.036	0.063	0.053
Nominal \$ Millions								
All Levels of Government								
Total revenue:		42.21	62.52	48.09	68.62	120.20	225.36	196.94
	Direct taxes	28.50	40.49	29.90	42.43	69.30	125.32	103.99
	Contrib. to social insurance plans	3.19	5.15	4.05	5.89	11.22	23.18	22.48
	Indirect taxes	10.41	17.03	13.93	19.46	37.61	72.25	65.74
	Other current transfers from persons	0.02	0.13	0.39	0.73	1.56	3.30	3.52
	Investment income	0.09	-0.29	-0.17	0.10	0.51	1.31	1.21
Current expenditure:		88.91	113.37	77.33	94.82	157.60	302.40	258.08
	Current exp., goods & serv.	28.15	31.09	23.33	28.80	49.35	96.56	87.54
	Transfer payments	58.88	75.53	48.99	55.88	83.25	147.25	121.97
	Interest on the public debt	1.88	6.76	5.01	10.13	25.00	58.59	48.57
Saving		-46.71	-50.85	-29.24	-26.20	-37.40	-77.04	-61.14
	Add: capital consump. allow.	-0.28	-0.20	0.25	0.83	1.99	4.55	4.70
	Deduct: invest. in fixed capital & inventories	0.33	0.66	0.86	1.20	1.97	5.56	6.09
All Government Balance		-47.32	-51.71	-29.85	-26.57	-37.39	-78.05	-62.53
	Assets	1.26	3.55	5.37	8.07	13.21	24.20	34.93
	Liabilities	48.43	101.94	132.96	160.81	200.20	282.30	348.40
Debt		-47.18	-98.39	-127.59	-152.74	-186.99	-258.11	-313.47
Person-years								
Total Labour Force		1.0	335.7	192.2	256.6	374.1	714.0	553.3
	Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Indirect	49.8	113.2	42.8	52.5	72.8	107.7	71.4
	Induced	-48.8	222.5	149.3	204.1	301.3	606.3	481.9
Male Labour Force		36.9	428.7	247.0	337.9	518.1	919.6	684.4
	Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Indirect	9.7	131.2	62.8	85.9	133.2	222.4	175.3
	Induced	27.2	297.5	184.1	252.1	384.9	697.1	509.1
Female Labour Force		-35.9	-93.0	-54.8	-81.3	-144.0	-205.6	-131.1
	Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Indirect	40.1	-18.0	-20.0	-33.4	-60.4	-114.7	-103.9
	Induced	-76.0	-75.0	-34.8	-48.0	-83.6	-90.9	-27.2

Impacts Major Indicators (continued)

RRAP Impact, Alone	1995	1996	1997	1998	1999	2000	2001
	Person-years						
Total Employment	1297	1871	1244	1411	2143	3338	2354
Total Primary and Manufacturing	268	391	238	239	259	234	15
Total Construction	382	458	303	354	544	881	669
Total Service	558	926	660	776	1273	2125	1616
Total Administration	90	96	43	42	68	97	55
Direct Employment	0	0	0	0	0	0	0
Direct Primary and Manufacturing	0	0	0	0	0	0	0
Direct Construction	0	0	0	0	0	0	0
Direct Service	0	0	0	0	0	0	0
Direct Administration	0	0	0	0	0	0	0
Indirect Employment	483	558	347	399	602	956	698
Indirect Primary and Manufacturing	-74	-111	-64	-65	-81	-112	-76
Indirect Construction	361	417	262	296	448	712	541
Indirect Service	107	154	104	124	169	269	197
Indirect Administration	89	97	44	44	66	86	36
Induced Employment	815	1313	897	1012	1541	2382	1656
Induced Primary and Manufacturing	342	502	301	303	341	346	91
Induced Construction	21	40	41	58	96	169	128
Induced Service	451	771	556	652	1103	1856	1419
Induced Administration	0	-1	-1	-2	2	11	18
<i>Base Unemployment Rate</i>	<i>9.44</i>	<i>9.64</i>	<i>9.10</i>	<i>8.28</i>	<i>7.57</i>	<i>6.81</i>	<i>7.25</i>
	Percentage Point Difference						
Total Unemployment Rate	-0.009	-0.011	-0.007	-0.008	-0.011	-0.017	-0.011
Direct Unemployment Rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Indirect Unemployment Rate	-0.003	-0.003	-0.002	-0.002	-0.003	-0.005	-0.004
Induced Unemployment Rate	-0.006	-0.007	-0.005	-0.005	-0.008	-0.011	-0.007

Table 4: Inputs: RRAP, 50% Leverage

Inputs							
RRAP Impact, 50% Leverage	1995	1996	1997	1998	1999	2000	2001
Nominal \$ Millions							
Grossed Up Delivery Costs	18.3	11.9	9.8	8	8.7	15.9	13.7
Grossed Up Loan Forgiveness	62.9	78.3	50.2	55.3	80.3	134.4	104.1
Leverage (+) or Displacement (-)	31.45	39.15	25.1	27.65	40.15	67.2	52.05
Sum of Above Items	112.65	129.35	85.1	90.95	129.15	217.5	169.85

Table 5: Impacts Major Indicators: RRAP Impact, 50% Leverage

RRAP Impact, 50% Leverage		1995	1996	1997	1998	1999	2000	2001
Level Impact								
Real 1997\$ Millions								
Gross Domestic Product		105.8	192.7	119.0	124.7	189.8	282.6	240.8
	Direct	96.8	118.5	75.3	82.4	116.3	194.2	148.6
	Indirect	10.6	14.8	8.0	7.9	9.9	12.5	5.3
	Induced	-1.6	59.4	35.7	34.3	63.6	75.9	86.9
Gross National Product		104.7	188.9	115.6	120.8	180.9	269.0	228.6
	Direct	96.8	118.5	75.3	82.4	116.3	194.2	148.6
	Indirect	10.7	14.8	8.0	8.0	9.9	12.5	5.3
	Induced	-2.7	55.6	32.2	30.4	54.7	62.3	74.7
Index 1997=100								
Consumption Price		-0.001	0.001	0.003	0.006	0.013	0.028	0.028
Gross Domestic Product Deflator		0.000	0.003	0.005	0.010	0.020	0.042	0.040
Business Investment Deflator		0.025	0.035	0.026	0.033	0.053	0.093	0.078
Nominal \$ Millions								
All Levels of Government								
Total revenue:		58.87	86.81	66.82	93.60	160.90	296.57	256.15
	Direct taxes	38.88	55.64	41.21	57.11	92.59	164.68	134.87
	Contrib. to social insurance plans	4.56	7.26	5.72	8.28	15.40	31.40	30.25
	Indirect taxes	15.29	24.20	19.61	27.08	50.12	94.35	84.80
	Other current transfers from persons	0.03	0.17	0.54	1.01	2.11	4.40	4.64
	Investment income	0.12	-0.46	-0.27	0.11	0.68	1.74	1.59
Current expenditure:		87.59	112.27	77.15	95.77	160.73	310.80	268.98
	Current exp., goods & serv.	29.57	34.19	26.63	34.54	60.67	119.81	109.99
	Transfer payments	56.87	74.00	48.41	56.21	85.05	153.78	130.57
	Interest on the public debt	1.14	4.07	2.11	5.02	15.00	37.21	28.42
Saving		-28.72	-25.46	-10.34	-2.17	0.17	-14.23	-12.83
	Add: capital consump. allow.	-0.44	-0.35	0.33	1.13	2.72	6.19	6.36
	Deduct: invest. in fixed capital & inventories	0.37	0.88	1.24	1.78	3.05	8.38	9.20
All Government Balance		-29.54	-26.68	-11.25	-2.82	-0.17	-16.42	-15.67
	Assets	1.80	5.07	7.68	11.52	18.63	33.59	48.09
	Liabilities	31.15	60.45	73.42	78.11	81.07	102.97	123.36
Debt		-29.34	-55.38	-65.74	-66.59	-62.44	-69.38	-75.27
Person-years								
Total Labour Force		-0.1	482.8	271.3	353.9	492.6	900.1	681.4
	Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Indirect	66.4	152.9	57.7	70.2	91.6	138.8	95.3
	Induced	-66.5	329.9	213.7	283.7	400.9	761.3	586.1
Male Labour Force		55.3	620.5	352.4	477.3	716.5	1224.2	889.8
	Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Indirect	11.9	178.8	84.8	117.6	184.3	313.6	251.8
	Induced	43.4	441.6	267.7	359.8	532.2	910.6	638.0
Female Labour Force		-55.4	-137.7	-81.1	-123.4	-223.9	-324.1	-208.4
	Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Indirect	54.5	-25.9	-27.1	-47.4	-92.6	-174.8	-156.5
	Induced	-109.8	-111.8	-54.0	-76.0	-131.3	-149.3	-51.9

Impacts Major Indicators (continued)

RRAP Impact, 50% Leverage	1995	1996	1997	1998	1999	2000	2001	
			Person-years					
Total Employment	1852	2641	1745	1947	2828	4240	2882	
Total Primary and Manufacturing	398	575	348	347	366	319	7	
Total Construction	569	680	450	524	801	1292	978	
Total Service	794	1290	905	1033	1594	2527	1834	
Total Administration	90	97	43	42	67	102	62	
Direct Employment	0	0	0	0	0	0	0	
Direct Primary and Manufacturing	0	0	0	0	0	0	0	
Direct Construction	0	0	0	0	0	0	0	
Direct Service	0	0	0	0	0	0	0	
Direct Administration	0	0	0	0	0	0	0	
Indirect Employment	658	752	477	555	845	1358	1015	
Indirect Primary and Manufacturing	-111	-166	-95	-97	-121	-166	-112	
Indirect Construction	540	623	392	444	672	1071	816	
Indirect Service	140	199	136	163	229	367	275	
Indirect Administration	89	97	44	44	66	86	36	
Induced Employment	1194	1889	1268	1392	1983	2881	1867	
Induced Primary and Manufacturing	510	741	442	444	487	485	119	
Induced Construction	30	57	58	81	129	221	163	
Induced Service	654	1091	769	870	1365	2160	1559	
Induced Administration	1	0	-1	-3	2	16	26	
<i>Base Unemployment Rate</i>	<i>9.44</i>	<i>9.64</i>	<i>9.10</i>	<i>8.28</i>	<i>7.57</i>	<i>6.81</i>	<i>7.25</i>	
			Percentage Point Difference					
Total Unemployment Rate	-0.013	-0.015	-0.010	-0.011	-0.015	-0.021	-0.014	
Direct Unemployment Rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Indirect Unemployment Rate	-0.004	-0.004	-0.003	-0.003	-0.005	-0.008	-0.006	
Induced Unemployment Rate	-0.009	-0.011	-0.007	-0.007	-0.010	-0.014	-0.008	

Table 6: Inputs: RRAP, 50% Displacement

Inputs							
RRAP Impact, 50% Displacement	1995	1996	1997	1998	1999	2000	2001
Nominal \$ Millions							
Grossed Up Delivery Costs	18.3	11.9	9.8	8	8.7	15.9	13.7
Grossed Up Loan Forgiveness	62.9	78.3	50.2	55.3	80.3	134.4	104.1
Leverage (+) or Displacement (-)	-31.45	-39.15	-25.1	-27.65	-40.15	-67.2	-52.05
Sum of Above Items	49.75	51.05	34.9	35.65	48.85	83.1	65.75

Table 7: Impacts Major Indicators: RRAP, 50% Displacement

Impacts Major Indicators								
RRAP Impact, 50% Displacement	1995	1996	1997	1998	1999	2000	2001	
Level Impact								
Real 1997\$ Millions								
Gross Domestic Product	42.9	80.1	50.7	54.1	98.3	164.9	136.3	
Direct	32.3	39.5	25.1	27.5	38.8	64.7	49.5	
Indirect	10.6	14.8	8.0	7.9	9.9	12.5	5.3	
Induced	0.0	25.7	17.6	18.7	49.6	87.7	81.4	
Real 1997\$ Millions								
Gross National Product	42.9	78.6	49.4	53.5	94.9	159.4	131.0	
Direct	32.3	39.5	25.1	27.5	38.8	64.7	49.5	
Indirect	10.7	14.8	8.0	8.0	9.9	12.5	5.3	
Induced	0.0	24.3	16.3	18.0	46.2	82.2	76.1	
Index 1997=100								
Consumption Price	0.000	0.001	0.001	0.003	0.006	0.013	0.014	
Gross Domestic Product Deflator	0.000	0.001	0.002	0.004	0.008	0.019	0.018	
Business Investment Deflator	0.008	0.012	0.009	0.011	0.018	0.033	0.028	
Nominal \$ Millions								
All Levels of Government								
Total revenue:	25.54	38.22	29.37	43.63	79.50	154.15	137.73	
Direct taxes	18.12	25.34	18.58	27.76	46.02	85.96	73.12	
Contrib. to social insurance plans	1.82	3.04	2.38	3.50	7.05	14.96	14.71	
Indirect taxes	5.53	9.87	8.25	11.85	25.09	50.16	46.68	
Other current transfers from persons	0.01	0.09	0.23	0.44	1.00	2.19	2.40	
Investment income	0.06	-0.12	-0.07	0.09	0.34	0.89	0.82	
Current expenditure:	90.24	114.47	77.51	93.86	154.48	294.00	247.18	
Current exp., goods & serv.	26.72	27.98	20.03	23.07	38.04	73.31	65.09	
Transfer payments	60.89	77.05	49.57	55.56	81.45	140.71	113.37	
Interest on the public debt	2.63	9.45	7.91	15.24	34.99	79.97	68.71	
Saving	-64.70	-76.25	-48.14	-50.23	-74.97	-139.85	-109.45	
Add: capital consump. allow.	-0.12	-0.05	0.18	0.53	1.26	2.91	3.04	
Deduct: invest. in fixed capital & inventories	0.28	0.44	0.48	0.61	0.90	2.74	2.98	
All Government Balance	-65.10	-76.75	-48.44	-50.31	-74.61	-139.68	-109.39	
Assets	0.71	2.02	3.06	4.62	7.79	14.80	21.78	
Liabilities	65.72	143.43	192.50	243.51	319.34	461.64	573.44	
Debt	-65.01	-141.41	-189.44	-238.89	-311.55	-446.84	-551.66	
Person-years								
Total Labour Force	2.0	188.6	113.0	159.3	255.7	527.8	425.2	
Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Indirect	33.2	73.4	28.0	34.9	54.0	76.6	47.5	
Induced	-31.2	115.2	85.0	124.5	201.7	451.3	377.7	
Male Labour Force	18.5	237.0	141.5	198.6	319.7	615.0	479.0	
Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Indirect	7.6	83.6	40.9	54.2	82.2	131.3	98.8	
Induced	11.0	153.5	100.6	144.4	237.5	483.7	380.2	
Female Labour Force	-16.5	-48.4	-28.5	-39.2	-64.0	-87.1	-53.8	
Direct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Indirect	25.7	-10.1	-12.9	-19.3	-28.2	-54.7	-51.3	
Induced	-42.2	-38.3	-15.7	-19.9	-35.9	-32.4	-2.5	

Impacts Major Indicators (continued)

RRAP Impact, 50% Displacement	1995	1996	1997	1998	1999	2000	2001
	Person-years						
Total Employment	742	1100	744	875	1458	2435	1827
Total Primary and Manufacturing	138	208	127	130	153	149	23
Total Construction	194	235	157	185	286	470	359
Total Service	321	562	416	518	951	1723	1398
Total Administration	89	96	44	43	68	93	47
Direct Employment	0	0	0	0	0	0	0
Direct Primary and Manufacturing	0	0	0	0	0	0	0
Direct Construction	0	0	0	0	0	0	0
Direct Service	0	0	0	0	0	0	0
Direct Administration	0	0	0	0	0	0	0
Indirect Employment	308	364	217	244	358	553	382
Indirect Primary and Manufacturing	-37	-55	-33	-33	-42	-58	-39
Indirect Construction	183	212	133	149	224	354	266
Indirect Service	73	110	73	84	110	171	119
Indirect Administration	89	97	44	44	66	86	36
Induced Employment	435	736	527	631	1100	1883	1445
Induced Primary and Manufacturing	175	263	160	163	195	207	62
Induced Construction	12	23	24	35	62	117	93
Induced Service	248	452	343	435	841	1552	1278
Induced Administration	0	-1	0	-1	2	7	11
<i>Base Unemployment Rate</i>	<i>9.44</i>	<i>9.64</i>	<i>9.10</i>	<i>8.28</i>	<i>7.57</i>	<i>6.81</i>	<i>7.25</i>
	Percentage Point Difference						
Total Unemployment Rate	-0.005	-0.006	-0.004	-0.005	-0.008	-0.012	-0.009
Direct Unemployment Rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Indirect Unemployment Rate	-0.002	-0.002	-0.001	-0.001	-0.002	-0.003	-0.002
Induced Unemployment Rate	-0.003	-0.004	-0.003	-0.003	-0.006	-0.009	-0.007

**APPENDIX 7: OVERVIEW OF DELIVERY ARRANGEMENTS – CMHC AND
PROVINCIAL/TERRITORIAL HOUSING AGENCIES**

Province/ Territory	Active Party	Direct Delivery by CMHC / PHA	Agent Delivery
Nfld	Prov.	All	Nil
PEI	CMHC	All, except Aboriginal	Aboriginal agent delivers to off- reserve Aboriginal population
NS	Prov.	All, except Aboriginal	Aboriginal agent delivers to off- reserve Aboriginal population
NB	Prov.	All, except Aboriginal	Aboriginal agent delivers to off- reserve Aboriginal population
Ont	CMHC	Residual basis only	Delivery primarily through municipalities, independent agents, and Aboriginal organizations
Man	Prov.	Most areas	Municipal agents used in Winnipeg and Brandon
Sask	Prov.	South 50% of the Province, except Regina.	Aboriginal agent delivers to Northern Saskatchewan and 50% of the southern part of the province; Municipal agent in Regina
Alta	CMHC	Residual basis only	Delivery primarily through municipalities, independent agents and Aboriginal organizations
BC	CMHC	Residual basis only	Delivery primarily through municipal and regional district governments, independent agents and Aboriginal organizations
Yukon	CMHC	All	Nil
NWT	Terr.	All	Nil

APPENDIX 8: DELIVERY AGENTS/STAFF LEVELS OF SATISFACTION WITH RRAP PROGRAM DESIGN & DELIVERY PROCESSES

I. Satisfaction with RRAP Program Design – Delivery Agents/Staff

Table 1
Delivery Agents/Staff Level of Satisfaction with Design of RRAP Components

	Rating scale				
	Very Dissatisfied	Somewhat Dissatisfied	Neither Dissatisfied nor Satisfied	Somewhat Satisfied	Very Satisfied
a) Homeowner RRAP (n=87)	6%	25%	10%	31%	28%
b) RRAP for Persons with Disabilities (n=85)	4%	27%	13%	32%	25%
c) Rental/Rooming House RRAP (n=27)	4%	7%	19%	41%	30%
d) Conversion RRAP (n=17)	6%	6%	6%	53%	29%
e) Emergency Repair Program (n=46)	4%	26%	11%	28%	30%

Source: CMHC RRAP Evaluation, Delivery Agent/Staff Survey

Note: Numbers may not add to 100% due to rounding.

2. Satisfaction with Aspects of Program Delivery – Clients

Table 2
Satisfaction with Delivery Aspects – Homeowner RRAP Beneficiaries

Element of Delivery Process	Homeowner RRAP (n=437-530)				
	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Application, paperwork and forms	4%	5%	8%	24%	59%
Helpfulness of staff in helping to apply to RRAP	4%	3%	7%	16%	70%
Speed of loan and cheque processing	4%	4%	7%	22%	63%
Helpfulness of building inspectors	5%	4%	5%	23%	63%
Availability of contractors	9%	11%	7%	25%	48%
Quality of work	10%	6%	5%	22%	57%
Terms and conditions of RRAP agreements	3%	3%	5%	20%	70%
Overall satisfaction	4%	3%	5%	22%	66%

Note: Numbers may not add up to 100% due to rounding

Table 3
Satisfaction with Delivery Aspects – ERP Clients

Element of Delivery Process	ERP (n=253 to 284)				
	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Application, paperwork and forms	5%	8%	14%	29%	45%
Helpfulness of delivery staff/agents	6%	7%	8%	27%	52%
Speed of loan and cheque processing	5%	8%	8%	30%	49%
Helpfulness of building inspectors	6%	7%	10%	28%	49%
Availability of contractors	9%	14%	8%	30%	39%
Quality of work	8%	8%	8%	26%	50%
Overall satisfaction	4%	7%	10%	32%	46%

Source: CMHC RRAP Evaluation ERP Client Surveys

Note: Numbers may not add up to 100% due to rounding

Table 4
Satisfaction with Delivery Aspects – Landlord RRAP Beneficiaries

Element of Delivery Process	Landlord RRAP (n=216 to 339)				
	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Application, paperwork and forms	5%	12%	14%	31%	39%
Helpfulness of staff in helping to apply to RRAP	4%	5%	6%	17%	68%
Speed of loan and cheque processing	6%	7%	8%	26%	54%
Helpfulness of building inspectors	3%	3%	8%	22%	65%
Availability of contractors	12%	7%	15%	32%	34%
Quality of work	1%	7%	13%	26%	54%
Terms and conditions of rental agreements	2%	2%	24%	35%	37%
Rent change approval process	1%	3%	34%	31%	31%
Overall satisfaction	1%	3%	5%	34%	57%

Source: CMHC RRAP Evaluation Landlord Surveys

Note: Numbers may not add up to 100% due to rounding

Table 5
Satisfaction with Delivery Aspects – Homeowner RRAP-D Clients

Element of Delivery Process	RRAP-D				
	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Application, paperwork and forms (n=212)	4%	7%	11%	35%	44%
Helpfulness of delivery staff/agents (n=209)	3%	5%	3%	18%	71%
Speed of loan and cheque processing (n=207)	4%	3%	8%	24%	62%
Helpfulness of building inspectors (n=196)	6%	9%	14%	18%	54%
Availability of contractors (n=206)	12%	14%	6%	29%	39%
Quality of work (n=210)	11%	4%	6%	26%	53%
Terms and conditions of loan (n=199)	4%	4%	6%	18%	68%
Overall satisfaction (n=209)	3%	3%	5%	21%	68%

Source: CMHC RRAP Evaluation RRAP-D Client Surveys – Homeowner Survey question D5.

Table 6
Satisfaction with Delivery Aspects – Landlord RRAP-D Clients

Element of Delivery Process	RRAP-D				
	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Application, paperwork and forms (n=60)	10%	8%	8%	19%	55%
Helpfulness of delivery staff/agents (n=62)	10%	--	3%	17%	71%
Speed of loan and cheque processing (n=63)	7%	3%	2%	33%	55%
Helpfulness of building inspectors (n=58)	11%	3%	4%	9%	73%
Availability of contractors (n=63)	16%	4%	7%	23%	50%
Quality of work (n=64)	9%	11%	1%	20%	60%
Terms and conditions of rental agreement (n=57)	7%	7%	1%	30%	56%
Rent change approval process (n=31)	7%	--	12%	50%	32%
Overall satisfaction (n=65)	6%	3%	3%	23%	66%

Source: CMHC RRAP Evaluation RRAP-D Client Surveys - Landlord survey question D2.

Table 7
Satisfaction with Delivery Aspects – Homeowner RRAP-D Clients

Element of Delivery Process	Homeowner RRAP-D (n=196 to 212)				
	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Application, paperwork and forms	4%	7%	11%	35%	44%
Helpfulness of delivery staff/agents	3%	5%	3%	18%	71%
Speed of loan and cheque processing	4%	3%	8%	24%	62%
Helpfulness of building inspectors	6%	9%	14%	18%	54%
Availability of contractors	12%	14%	6%	29%	39%
Quality of work	11%	4%	6%	26%	53%
Terms and conditions of loan	4%	4%	6%	18%	68%
Overall satisfaction	3%	3%	5%	21%	68%

Source: CMHC RRAP Evaluation RRAP-D Client Surveys – Homeowner.

Table 8
Satisfaction with Delivery Aspects – Landlord RRAP-D Clients

Element of Delivery Process	Landlord RRAP-D (n=31-65)				
	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
Application, paperwork and forms	10%	8%	8%	19%	55%
Helpfulness of delivery staff/agents	10%	--	3%	17%	71%
Speed of loan and cheque processing	7%	3%	2%	33%	55%
Helpfulness of building inspectors	11%	3%	4%	9%	73%
Availability of contractors	16%	4%	7%	23%	50%
Quality of work	9%	11%	1%	20%	60%
Terms and conditions of rental agreement	7%	7%	1%	30%	56%
Rent change approval process	7%	--	12%	50%	32%
Overall satisfaction	6%	3%	3%	23%	66%

Source: CMHC RRAP Evaluation RRAP-D Client Surveys - Landlord survey question D2.

2. Client Satisfaction with Program Delivery – by Delivery Arrangements

Table 9
Satisfaction with Delivery Process – Homeowner RRAP Clients

Element	Federally Delivered		Provincially Delivered		Newfoundland and New Brunswick	
	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied
Application, paperwork and forms	8% n=219	85%	9% n=131	83%	12% n=174	80%
Helpfulness of program delivery staff	4% n=223	91%	8% n=131	85%	13% n=179	75%
Speed of loan and cheque processing	6% n=218	88%	11% n=131	84%	12% n=178	79%
Helpfulness of building inspectors	7% n=203	88%	9% n=131	89%	13% n=177	79%
Availability of contractors	19% n=211	74%	22% n=131	73%	20% n=163	72%
Quality of work	16% n=215	79%	13% n=131	79%	16% n=171	79%
Terms and conditions of RRAP loan (HO)	6% n=165	91%	5% n=131	89%	7% n=149	87%
Overall Satisfaction	6% n=214	89%	8% n=131	86%	10% n=174	85%

Source: CMHC RRAP Evaluation Client Survey (RRAP Homeowners)

Note: n/a indicates not applicable.

Table 10
Satisfaction with Delivery Process – Emergency Repair Program Clients

Element	Federally Delivered		Provincially Delivered		Newfoundland and New Brunswick	
	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied
Application, paperwork and forms	11% n=67	81%	13% n=134	72%	16% n=62	69%
Helpfulness of program delivery staff	10% n=70	81%	12% n=137	82%	19% n=64	74%
Speed of loan and cheque processing	7% n=67	88%	15% n=136	78%	17% n=65	69%
Helpfulness of building inspectors	10% n=57	84%	11% n=132	76%	19% n=64	73%
Availability of contractors	24% n=63	73%	25% n=142	64%	18% n=57	74%
Quality of work	16% n=69	80%	15% n=149	78%	12% n=66	73%
Overall Satisfaction	11% n=71	80%	12% n=148	79%	9% n=65	75%

Source: CMHC RRAP Evaluation Client Survey (ERP)

Note: n/a indicates not applicable.

Table 11
Satisfaction with Delivery Process – Rental and Rooming House RRAP Clients

Element	Federally Delivered		Provincially Delivered		Newfoundland and New Brunswick	
	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied	Somewhat Dissatisfied/ Very Dissatisfied	Somewhat Satisfied/ Very Satisfied
Application, paperwork and forms	17% n=275	70%	17% n=60	63%	29% n=35	71%
Helpfulness of program delivery staff	8% n=264	86%	12% n=59	80%	9% n=35	83%
Speed of loan and cheque processing	12% n=262	81%	12% n=60	83%	14% n=35	72%
Helpfulness of building inspectors	6% n=264	88%	14% n=60	82%	6% n=35	80%
Availability of contractors	19% n=263	67%	35% n=59	53%	9% n=35	77%
Quality of work	8% n=269	80%	19% n=59	72%	20% n=35	80%
Terms and conditions of RRAP loan (HO)/rental agreement (LL)	4% n=251	72%	16% n=57	65%	9% n=34	82%
Rent change approval process	4% n=176	61%	13% n=34	55%	38% n=24	63%
Overall Satisfaction	4% n=274	91%	14% n=59	84%	11% n=35	89%

Source: CMHC RRAP Evaluation Client Survey (RRAP Landlords)

Note: n/a indicates not applicable.

APPENDIX 9: DELIVERY AGENT/STAFF ASSESSMENT OF KEY PROGRAM STRENGTHS AND WEAKNESSES

Program Design	(%)	N
Rental RRAP – Major Strengths		
Repair Items that are Eligible for Funding	72%	25
Maximum Forgiveness Limit Per Unit	54%	26
Ability to Foster Partnerships to Alleviate Homelessness	53%	17
Rental RRAP – Major Weaknesses		
Program Budget Allocation for you Area	72%	25
Ability to Fund Projects Aimed at Homeless or Those at Risk of Homelessness	37%	19
Client Eligibility Guidelines	31%	26
Rooming House – Major Strengths		
Ability to Foster Partnerships to Alleviate Homelessness	77%	13
Ability to Fund Projects Aimed at Homeless or Those at Risk of Homelessness	71%	14
Maximum Forgiveness Limit Per Unit	71%	17
Rooming House – Major Weaknesses		
Program Budget Allocation for you Area	56%	16
Viability Assessment Guidelines	31%	16
Property Eligibility Guidelines	24%	17
Homeowner RRAP – Major Strengths		
Loan Terms and Conditions	49%	76
Guidelines for Determining Property Eligibility (e.g. Maximum House Values)	47%	77
Repair Items that are Eligible for RRAP Funding	47%	79
Homeowner RRAP – Major Weaknesses		
Program Budget Allocation for Your Area	60%	77
Native Targets and Ability to Meet Established Targets	46%	44
Guidelines for Determining Client Eligibility	42%	79
RRAP for Persons with Disabilities – Major Strengths		
Arrangements for Stacking with Homeowner or Rental/Rooming House RRAP	63%	41
Guidelines for Repayable Loans (Homeowners)	56%	75
Loan Terms and Conditions (Homeowners)	40%	67

RRAP for Persons with Disabilities – Major Weaknesses		
Client Eligibility Guidelines	41%	75
Maximum Forgiveness Limits	36%	75
Program Budget Allocation for Your Area	32%	74
Conversion RRAP – Major Strengths		
Ability to Foster Partnerships to Alleviate Homelessness	67%	15
Property Eligibility Guidelines	56%	18
Ability to Fund Projects Aimed at Homeless or Those at Risk of Homelessness	53%	17
Conversion RRAP – Major Weaknesses		
Program Budget Allocation for Your Area	61%	18
Maximum Forgiveness Limits	39%	18
Client Eligibility Guidelines	22%	18
Emergency Room Repair Program – Major Strengths		
Ability to Respond Quickly in Emergency Situations	62%	39
Client Eligibility Guidelines	45%	40
Maximum Contribution Limits	31%	39
Emergency Room Repair Program – Major Weaknesses		
Program Budget Allocation for Your Area, Given Need	51%	39
Native Targets and Ability to Meet Established Targets	42%	24
Maximum Contribution Limits	36%	39

APPENDIX 10

COMPARISON OF INITIAL AND FINAL PROGRAM BUDGETS

(federal lifetime dollars)

		1998-99	1999-00	2000-01	2001-02 ¹
Homeowner RRAP	Initial Ref. Level (\$M)	41.00	41.00	40.99	40.99
	Final Budget (\$M)	31.57	42.32	41.71	40.42
	% of Initial Budget	77.0%	103.2%	101.8%	98.6%
RRAP for Persons with Disabilities	Initial Ref. Level (\$M)	14.60	14.6	14.61	14.61
	Final Budget (\$M)	7.06	7.09	11.75	11.81
	% of Initial Budget	48.4%	48.6%	80.4%	80.8%
Rental/ Rooming House	Initial Ref. Level (\$M)	23.20	23.20	23.23	23.23
	Final Budget (\$M)	43.66	26.63	25.36	29.13
	% of Initial Budget	188.2%	114.8%	109.2%	125.4%
Conversion RRAP	Initial Ref. Level (\$M)			9.00	9.00
	Final Budget (\$M)			5.01	11.07
	% of Initial Budget			55.7%	123.0%
ERP	Initial Ref. Level (\$M)	3.80	3.80	3.80	3.80
	Final Budget (\$M)	4.43	6.09	5.56	5.15
	% of Initial Budget	116.60%	160.30%	146.30%	135.5%

Source: CMHC

Note 1: Preliminary data.

APPENDIX 11 – WEIGHTS

**Table 1
Rooming House and Rental RRAP Landlord Weights**

Province/ Territory	NS	NB	ON	MB	SK	AB	BC
Weight	.0351	.0574	.5831	.0144	.0357	.0960	.1783

**Table 2
RRAP Comparison Landlord Weights**

Province/ Territory	NS	ON	MB	SK	AB	BC
Weight	.0373	.6186	.0152	.0379	.1018	.1892

**Table 3
RRAP-D Landlord Weights**

Province/ Territory	PE	NB	ON	SK	AB	BC
Weight	.0274	.0218	.6455	.0905	.0900	.1248

**Table 4
RRAP Homeowner Weights**

Province/ Territory	NF	PE	NS	NB	ON	MB	SK	AB	BC	YT
Weight	.0998	.0177	.1527	.0982	.2810	.0389	.0796	.0852	.1396	.0073

**Table 5
Comparison RRAP Homeowner Weights**

Province/ Territory	NF	PE	ON	MB	SK	AB	BC
Weight	.1614	.0274	.4308	.0031	.1044	.0719	.2011

**Table 6
RRAP-D Homeowner Weights**

Province/ Territory	NF	PE	NS	NB	ON	MB	SK	AB	BC	YT
Weight	.0508	.0250	.0243	.0199	.5872	.0006	.0824	.0818	.1135	.0146

**Table 7
Comparison RRAP-D Homeowner Weights**

Province/ Territory	NF	NS	NB	ON	MB	AB	BC
Weight	.0579	.0276	.0226	.6687	.0007	.0932	.1293

**Table 8
ERP Weights**

Province/ Territory	NF	PE	NS	ON	MB	SK	AB	BC	NT	YT
Weight	.1657	.0274	.1060	.2388	.0523	.1393	.0848	.0920	.0749	.0187

**Table 9
Rooming House RRAP Occupant Weights**

Province/ Territory	NS	NB	ON	MB	SK	AB	BC
Weight	.0351	.0574	.5831	.0144	.0357	.0960	.1783

**Table 10
Rental RRAP Occupant Weights**

Province/ Territory	NS	ON	SK	AB	BC
Weight	.0379	.6282	.0385	.1034	.1921

**Table 11
RRAP Occupant Weights**

Province/ Territory	NS	NB	ON	MB	SK	AB	BC
Weight	.0351	.0574	.5831	.0144	.0357	.0960	.1783

**Table 12
RRAP-D Occupant Weights**

Province/ Territory	NB	ON	AB	BC
Weight	.0248	.7318	.1020	.1415

Table 13
Wait List Comparison Weights for Combined Comparison Group Data

Province/ Territory	ON	MB	SK	BC
Weight	.3593	.0089	.0220	.1099

Table 14
Rental Survey Comparison Weights for Combined Comparison Group Data

Province/ Territory	PE	NS	NB	ON	MB	SK	AB	BC
Weight	.0041	.0174	.0285	.2892	.0071	.0177	.0476	.0884

Table 15
Wait List Comparison Weights (Reported Independently)

Province/ Territory	ON	MB	SK	BC
Weight	.7186	.0177	.0440	.2197

Table 16
Rental Survey Comparison Weights (Reported Independently)

Province/ Territory	PE	NS	NB	ON	MB	SK	AB	BC
Weight	.0081	.0349	.0569	.5784	.0142	.0354	.0952	.1768

APPENDIX 12: THE MOST LIKELY IMPACT OF RRAP ON THE LEVERAGING OR DISPLACEMENT OF PRIVATE RESOURCES

For purposes of the economic impact study, the amount of renovation expenditure per client attributable to the program has to be related to the amount of forgiveness per client under the program, since the key input to the economic model is the total program forgiveness budget. This forgiveness budget has to be adjusted upwards or downwards by a displacement/leveraging factor. The procedure for estimating the factor is as follows.

The impact of RRAP on decisions to renovate taken from Tables 5-1 and 6-1 are summarized below in Table 12-1. This is a (qualitative) decision tree for property owners.

	Home owner	ERP	Rental	RH	RRAP-D HO	RRAP-D Rental
Not Done Any Renovations	.35	.29	.15	.20	.42	.35
Done the Same Renovations	.15	.28	.10	.10	.16	.20
Done Fewer Renovations	.28	.23	.53	.46	.21	.26
Done the Renovations Later	.16	.15	.11	.10	.10	.11
Convert Converted or Redeveloped	.00	.01	.02	.03	.00	.01
Sold	.04	.01	.05	.05	.08	.02
Other	.03	.01	.03	.05	.04	.05

Source: CMHC RRP Evaluation Client Surveys

Information on average renovation costs and forgiveness levels for each program was obtained from a report prepared by Assisted Housing Division.

	HO RRAP	ERP	Rental	Rooming House	RRAP-D HO
Average Repair Costs	9624	4488	13854	10951	8909
Average Forgiveness	7734	4255	12639	9562	7872
Difference	1890	233	1215	1389	1037

Source: CMHC's Renovation Programs, Assisted Housing Division, May 2002.

From this information assumptions were made about what each property owner would have spent on housing renovation in the absence of RRAP. A value of zero was assumed for those that would not have spent any money on renovations without RRAP, who would have sold their properties or who would have done something else. For those that would have done the renovations anyhow, the full renovation costs as reported in the administrative data was assumed. For those that would have done fewer renovations or would have done them later, the amount of money that they contributed to the cost of the renovation was assumed. For those who would have converted the property to another tenure form or who would have demolished the property and built anew, a value of \$50,000 was assumed as the amount of money that they would have spent if they had not obtained RRAP assistance.

Table 12-3 Assumptions of what would have been spent in absence of RRAP – Average per unit \$					
	HO RRAP	ERP	Rental	Rooming House	RRAP-D HO
Not Done Any Renovations	0	0	0	0	0
Done the Same Renovations	9624	4488	13854	10951	8909
Done Fewer Renovations	1890	233	1215	1389	1037
Done the Renovations Later	1890	233	1215	1389	1037
Converted or Redeveloped	50000	50000	50000	50000	50000
Sold	0	0	0	0	0
Other	0	0	0	0	0
Source: AES, CMHC					

A per unit average for all of the units in each program of what would have been spent on renovations in the absence of RRAP was estimated by multiplying the results of Table I by the assumptions in Table 3 and summing for each program. The results of this calculation are shown in Table II-4. For example, it is estimated that if RRAP did not exist, that RRAP homeowner clients would have spent on average about \$2,270 on housing renovations anyhow.

Table 12-4
Estimates of what would have been spent in absence of RRAP
Weighted Average per unit - \$
(Table 11-1) X (Table 11-3)

	HO RRAP	ERP	Rental	Rooming House	RRAP-D HO
Not Done Any Renovations	0	0	0	0	0
Done the Same Renovations	1444	1266	1370	1083	1388
Done Fewer Renovations	520	54	641	641	215
Done the Renovations Later	307	36	134	134	108
Converted or Redeveloped	0	641	1099	1099	0
Sold	0	0	0	0	0
Other	0	0	0	0	0
Total	2270	1996	3243	3510	1712

Source: AES, CMHC

The difference between what was spent in the absence of RRAP and what was spent under of RRAP equals the amount that was spent due to RRAP. For example, the average RRAP homeowner spent \$9,624 on renovation. He would have spent \$2,270 in the absence of the program, so that the estimated amount of renovation expenditure attributable to the program is \$7,353 per homeowner client.

Of the \$9,624, \$1,890 was his own funds. As he would have spent \$2,270 in the absence of the program, it is concluded that the homeowner reduced his renovation expenditures by an estimated \$380 due to the program.

The adjustment factor is calculated as follows. For the Homeowner client, the \$7,353 is equal to 95% of the average homeowner forgiveness level (\$7,734). Hence for every dollar of Homeowner RRAP forgiveness, 95 percent of that amount would not have happened otherwise. The conclusion is that on average the Homeowner RRAP displaced a small amount of private renovation activity (a value greater than I would have suggested the HO RRAP leveraged renovation activity).

Another way to view this is to divide the amount by which the homeowner reduced his own renovation expenditures (\$380) by the average forgiveness amount. This equals about 5%. Hence for every dollar of forgiveness, 5 cents of private renovation activity is displaced.

**Table 12-5
Estimated Displacement/Leveraging Factor for RRAP**

	HO RRAP	ERP	Rental/ Rooming House	RRAP-D HO
A) Average Renovation That Would Have Been Done Without RRAP - \$	2270	1996	3243	1712
B) Average Renovation That Was Done With RRAP - \$	9624	4488	13854	8909
C) Difference - \$	7353	2491	10610	7197
D) Average Forgiveness	7734	4255	12639	7872
Factor =C/D	.95	.58	.84	.91
Program Forgiveness Budget (\$000)	47,075	6,569	22,410	11,433
Share of Total Budget (%)	54	8	26	13
Source: AES, CMHC				

The displacement factor for the whole RRAP program is estimated to be 89 percent. This is a weighted average of the displacement factor for each program, were the weights are derived from the share of each program budget of the total program budget.

This means that for each \$1000 of RRAP forgiveness, the amount of additional renovation activity in the economy is \$890. One hundred and ten (\$110) dollars would have been spent on housing renovation anyhow.