

TASK FORCE ON LOW INCOME HOUSING.

WORKING PAPER Nº 2

quebec:  
an institutional analysis.

central mortgage and housing corporation

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QUEBEC:

AN INSTITUTIONAL ANALYSIS

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## INTRODUCTION

In March 1971, the Task Force on Low-Income Housing, set up by Central Mortgage and Housing Corporation, entrusted the Urban and Regional Research Centre with the study of "Institutional Aspects of Public Housing in Quebec".

The terms of reference of the Task Force indicated that "institutional" aspect should be interpreted as the evaluation of policies, programs and the production system of public housing; the product itself was analyzed by a different group.

"Social housing" is generally referred to in official texts as "low-cost housing". Yet this expression is itself quite ambiguous. If it means "low-rent" housing, which is for the most part old and deteriorated housing, the study of the production system of these units would be centered on the "filtering down process". We also arrive at the same subject of study if low-cost housing means housing which is available to low-income groups: in North America and particularly in Canada (and until recently, even more so in Quebec), low-income groups have had access to this housing on the private market.

Low-cost housing could also be defined as housing which has a low production cost. Since it is known that housing units produced by the State, or with its assistance, are not produced at a lower cost than those produced by the private market, it will be necessary to study, as a whole,

housing units produced at a cost lower than an amount arbitrarily established or even to study, as a whole, lower quality housing units.

Finally, the expression "social housing" could mean that part of the housing stock which receives assistance from the State; the expression "social" indicates that this product escapes in part, the mechanisms of the private market. Therefore, our study must deal with government housing assistance programs, the majority of which are not intended for the low-income group (interest rebate, etc.).

The purpose of our study was therefore defined by a combination of two of these definitions: government assistance programs to housing intended for the low-income group. In Quebec, this corresponds mainly to Section 4 of the Quebec Housing Corporation Act<sup>(1)</sup> and to the Family Housing Act. This subdivision of the subject matter exists and forces us to evaluate these programs according to internal program criteria, without locating them in the total housing policy of which they are components, and without analyzing them in relation to housing units as a whole available to low-income groups.

The background documents of the Task Force define five units of analysis in the production system of public housing; the Federal Government, the Provincial Government, the Municipalities, the citizen groups and the contractors. Bearing in mind the time constraint (3 months) as well as



financial constraints, we had to limit the field of study even within this subject matter, which has already been subdivided in a rather arbitrary fashion.

The main shortcoming concerns the construction industry which was not analyzed, because of both the complexity of the problem and the lack of available information and also because two other Task Forces were studying this area. The results of this research were made available to us too late to be integrated into this report.

The Federal Government (Central Mortgage and Housing Corporation) was also studied by a different group. Its action is nevertheless covered in part in this report to the extent that CMHC deals with the Quebec agencies, and also for purposes of comparison.

Research is therefore restricted to the Quebec agencies, the public agencies and the non-profit organizations acting in the field of housing for the low-income group: Quebec Housing Corporation, the Municipalities, the co-operative sector, the citizen groups at the local level. There was little study made of the actions of public agencies in favour of specialized clientele.

This report is the synthesis of five partial reports bearing on the following institutions or experiences: analysis of the selection process of public housing tenants in Quebec; an analysis of the re-housing experience in the Gaspé in terms of the application of the B.A.E.Q. plan; study of the action

of the co-operative sector (namely the Co-op-Habitat Federation); analysis of the orientations and actions of citizen groups in the field of housing (in Montreal); Provincial Government (mainly QHC) and Municipalities (mainly Quebec City and Montreal).

This report has attempted to summarize the results of these partial documents, with the exception of the analysis of the Provincial Government and Municipalities, the results of which are part of this text.

This research is entirely based on existing data and on information provided by resource persons.<sup>(2)</sup> No specific survey was undertaken; this report is therefore strictly dependent on readily available data which explains the rather unequal quality of the information presented in the various sectors.

This research, covering such a vast area in a short a period of time, with a limited perspective (the institutional aspect had to be supplied by an economic analysis and by a systematic analysis of the product) cannot lead to precise and definite recommendations concerning the State policies in the field of low-income housing. We believe however that this short research was able to show up the contradictions and dead-ends in the present Government policies as well as in the relationships between the objectives and the means used, such as in the distribution of functions and responsibilities among the various actors. The irrele-

vance of certain solutions was also discussed and some hypotheses for precise solutions have been suggested, the consequences of which should be studied.

The initial plan of this report was amended during the drafting in order to integrate new available information. As a general introduction, we will first present certain characteristics of housing in Quebec compared to the rest of Canada; this chapter includes also a brief description of CMHC intervention in Quebec and the positions taken by certain intermediary bodies in Quebec in the field of housing.

The second chapter presents a synthesis of the ideology of the public bodies in this field.

The third chapter contains a general view of the structures and functions fulfilled by the public agencies

The fourth chapter is devoted to action by non-profit organizations as well as that by citizen groups in the field of housing.

The following chapter deals with a study of the relationships between the various agencies described in the two previous chapters.

Even though the evaluation of the product was not part of our mandate, we have devoted a chapter to it which serves mainly to justify the recommendations which we will be led to make in the last chapter. Considering that the co-operative experience was described in a special chapter and that we have not analyzed specifically the programs dealing with specialized clientele (elderly, students, etc.), public



housing built by QHC and the Municipalities is the main object of the analysis of this chapter. \*

The last chapter presents both a synthesis of the main results and recommendations dealing with the purpose of public housing, the distribution of responsibilities and the role of the various public actors or non-profit organizations involved in the production of public housing.

This type of work is rather distant from academic research and leads to many intellectual dissatisfactions for the researchers participating in it. This is why I insist on thanking all those who were kind enough to participate in this experience (see next page) and particularly Mr. Gérard Divay, who was called upon by circumstance to assume a very important portion of the research which he did quite successfully under particularly difficult conditions. Finally, it is necessary for me to underline the full co-operation of the CMHC Task Force and its Chairman, Mr. Michael Dennis.

Jacques Godbout  
October 10, 1971

\* It is very important to note that the picture of QHC which is drawn from this report derives from the analysis of the low-rental housing programs only. It does not take into account its action in the urban renewal programs which was an important factor explaining the creation of QHC, where its function was quite different.

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FOOTNOTES

- (1) Section 16 (non-profit organization) and 35 (public housing) of the National Housing Act. The differences between the two parts of the Federal and Provincial Acts will be brought out in the report.
  
- (2) Meetings and interviews took place mainly with the following agencies: QHC, employees of the City of Montreal and Quebec, Department of Social Affairs, CMHC Regional Office, members of the co-operative movement, representatives of the citizen committees.

PART ONE

HOUSING IN QUEBEC AND THE ATTITUDE OF  
PUBLIC AGENCIES REGARDING ACCESS  
TO HOUSING BY LOW-INCOME GROUPS

## CHAPTER I

This first chapter is an introduction to the balance of the report. It endeavours to locate the social housing problem in the Quebec context; to this end, some data are presented first on housing in general, and then on the impact of the National Housing Act in Quebec. The position taken by certain intermediary bodies are then briefly described to illustrate the present orientation of Quebec in the field of housing. Finally, a brief note locates the low-income housing problem in the total political context.

### A. THE CHARACTERISTICS OF HOUSING IN QUEBEC AND THE ROLE OF THE NATIONAL HOUSING ACT

This part gives only a general and partial view; it does not come within the terms of reference of this report to present a specific analysis of the state of housing in Quebec. The data on which this section is based are therefore not new to most people. For a more extensive analysis, we would refer the reader to the research done by the economic group of the Task Force.

In order to present a picture of Quebec, we are mainly comparing its situation with that of Ontario, as a whole, and with cities (Montreal, Toronto, etc.).

# 1. Characteristics of Housing in Quebec

According to Lithwick, Canada is one of the better housed countries in the world, at least if we rely on global statistics.

Canada ranks second only to USA in the provision of basic equipment, is tied with the USA for the lowest occupancy density (0.7 people per room) and ranks first in the Western world with an average of 5.3 rooms per dwelling. (1)

The great majority of Canadians are well housed and at a lesser cost because the income per capita has increased more than the cost of housing (1957 to 1967), according to Lithwick. (2)

Nevertheless, it is in Canada that housing costs the most (statistics of OCDE). Furthermore, these aggregate figures can often conceal important regional differences: thus, according to the CSN (3) (according to the 1961 census) from 1951 to 1961, rents have increased much faster than salaries in the City of Montreal.

	City of Montreal	Metropolitan Area
Rent increase	83.3%	81.2%
Salary increase	66.9%	82.1%

For an important sector of the population it is therefore possible that the aggregate statistics conceal a real increase in the cost of housing.

In a general way, the situation in Quebec resembles that of Canada. If the increase in the stock is measured by

the number of units per capita, the most rapid increase took place in Quebec (from 1951 to 1966), mainly in Quebec City and in Montreal. It is foreseen that 60% of new constructions in the Province will be located in Montreal, in the next few years. With regard to the amounts that were spent for residential construction, Ontario has been ahead of Quebec since 1959 and the gap is increasing constantly (double in 1969 and 1970). There were however more starts per thousand population increase in Montreal than in Toronto, and in Quebec City in relation to Hamilton (1961 to 1970).

There are however important differences concerning the housing characteristics in Quebec as opposed to the rest of Canada and in the use made in Quebec of the National Housing Act (NHA).

We will illustrate these differences by using comparisons between Quebec and Canada, Quebec and Ontario, the City of Montreal and Quebec City as opposed to other large cities in Canada.

#### Tenant-owners

The first difference, which is well-known, is the proportion of owners to tenants: approximately 66% of the population in Canada were homeowners in 1951 and 1961 with a decrease of 3% in 1966; approximately 70% in Ontario with a decrease of 3% in 1966; in Quebec, this proportion of owners stands around 49% and shows a much lesser decrease in 1966: 47.9%.



The difference is more striking between the cities: the proportion of owners increases from 1951 to 1961, and again in 1966 but remains low for Quebec City and Montreal (36%, 42%, 43% for Quebec; 24%, 32.6% and 32.8% for Montreal). In Toronto, this proportion decreases continuously but remains high (70.8%, 67.4%, 61.7%). In Hamilton, it increases from 1951 to 1961 and decreases back to the 1951 level in 1966 (68%, 73%, 68%).

The 1967 Canadian statistical data indicated that 44% of the low-income households are owners in Quebec, as compared to 60% in Ontario. These figures appear to have little significance to us to the extent that they do not distinguish between the urban and rural areas, where a large proportion of the low-income households, as defined here (income lower than \$5,000), is found. These figures do not agree with data resulting from the investigation of the salaried family in Quebec <sup>(4)</sup> which indicate that only 30% are owners (100% = salaried families) in the metropolitan zones in Quebec.

#### Apartments - Single-Family Dwellings

This difference in the percentage of owners comes up again in the figures on the type of construction: apartments or single-family dwellings. In the 13 metropolitan areas in Canada defined by the census, all except Quebec City and Montreal, the number of single-family dwelling starts decreases constantly from 1952 to 1956, from 1957 to 1961 and from 1962 to 1968. This evolution is summarized in the following figures which apply to metropolitan areas as a whole: 58.75% single-family

dwellings between 1952 and 1956, 47.32% between 1951 and 1961, 32.95% between 1960 and 1968.<sup>(5)</sup> The cities of Montreal and Quebec show a difference here again not only in absolute terms but also in the trends that they follow: between 1952 and 1956, they have the weakest rate of all the metropolitan areas (28.95% in Montreal; 47.51% in Quebec City). For the period 1957-1961, the rate for Montreal decreases to 17.53%, (the next lowest rate after Montreal is in Toronto, with 35.82%; all the other areas show a figure of over 60%). On the other hand, the rate for Quebec City averages 67.92%. For the period 1962-68, Montreal increases its rate to 23.24%, almost reaching Toronto which has continued to decrease to 25%.

Quebec recovers its 1952-1956 rate with 46.88%. It is therefore possible that two areas of Quebec will find themselves at the level of the other areas, but by having followed opposite trends. Yet, in 1969, the apartments represent 66% of the starts in Quebec and 49% in Ontario.

Within the types of apartments built, we find important differences: in 1970, some 82% of the apartments built in Hamilton and 96% of the apartments built in Toronto are buildings containing more than 50 units, as opposed to 18% in Quebec City and 36% in Montreal.<sup>(6)</sup>

#### Percent of Income Used for Housing

On the other hand, the percentage of income used for housing is found within the average for the metropolitan

areas, whether we consider households in general or family households composed of 2 to 5 persons earning from \$3,000 to \$8,000. <sup>(7)</sup> This figure is 16.8% for the whole of the households in the metropolitan areas, 16.5% in Montreal and 17.7% in Quebec; for families earning from \$3,000 to \$8,000 the figures are respectively, 17.7%, 17.1% and 16.5%.

Furthermore, the analysis of the 1961 census <sup>(8)</sup> shows that in Montreal, the amount used for housing constitutes a rather constant proportion of income up to a threshold of \$1,000 per capita. Therefore, only the very poor families would use a higher proportion of their income for their rent. These data are, however, contradicted by the economic group's compilations bearing on recent data (1967) which show that, for metropolitan areas as a whole in Canada, households having an income lower than \$4,000, paid 30.7% of this income in rent as compared to 20.6% for those whose income is lower than \$6,000, and 15.6% for the whole of the households in metropolitan areas. It is quite astonishing that such a difference would exist between Montreal and metropolitan areas as a whole.

The above rates are the highest in the world; but they are not different from the rest of Canada. An investigation of the salaried family indicates in itself that housing represents 18.8% of the budget of the wage-earner in Quebec. On the other hand, FRAP <sup>(9)</sup> asserts that workers in the City of Montreal devote 25% of their budget to rent (the source of data is not given). As we do not have equivalent data for other Canadian cities, and as these data need to be checked, it is not possible to know if the underprivileged of the population in Quebec pay more for their housing.

### The Costs

We wish to distinguish between land costs and construction costs. Land costs are much lower in Quebec than in all of the metropolitan areas. In 1968, if Toronto is used as a basis (100%), land costs constitute 41.0% for the whole of Canada, 25.3% for Montreal and 27.7% for Quebec City. The city that is closest to this figure is Hull, with 32.5%.<sup>(10)</sup>

Furthermore, in Montreal and Quebec City, this cost has always remained lower than the national average for the last 13 years; in Montreal, the gap has increased in the last few years.<sup>(11)</sup> These figures may not be significant for construction as a whole.

As for construction costs (Toronto = 100),<sup>(12)</sup> they are essentially the same as in Toronto (100.5 in Montreal; higher in Quebec: over 104.9; Canada: 105.7).

### Sub-standard Housing

We distinguish here between physically sub-standard (major and minor breakdowns, toilets, showers or bath) and socially sub-standard (over-crowding).<sup>(13)</sup> Quebec City and Montreal are among the cities with the smallest proportion of physically sub-standard housing<sup>(14)</sup> (the only exception is Quebec City because of its high proportion of housing units without baths or showers: only Halifax and Regina have a higher rate than Quebec City. This favourable position appears to be due to a remarkable improvement during the decade 1951-1961). On the other hand, as far as the social

aspect is concerned (over-crowding), these two cities have one of the highest over-crowding rates.

However, there is some question about the validity of this data. Obviously, the data hide local phenomena; in la Petite-Bourgogne, for example, the investigation by the City of Montreal considers 70 to 80% of the housing units to be unsanitary.<sup>(15)</sup> More interestingly, a report from the Conseil des Oeuvres de Montreal<sup>(16)</sup> compares the census data with data of an investigation carried out by the Economic Research Corporation: for the same zones under study, the research bureau estimates that 18 to 37% of the housing units are satisfactory, while the Federal census establishes that 58 to 60% of the number of housing units are in "good condition".

Other specific characteristics for Quebec could be mentioned: the importance of Montreal, the architecture, and the high rate of vacancy (maybe temporary). We have described a few components to show that Quebec, while being comparable to the rest of Canada as a whole, manifests particular characteristics. The phenomenon appears to be demonstrated by the fact that for most of the characteristics presented, we find the cities of Montreal and Quebec in a similar situation, and yet different from the other large Canadian cities, yet Quebec City and Montreal are extremely different from each other with regard to the points of view of their populations and their type of city. One would have rather expected to find comparable characteristics between Toronto and Montreal, Quebec City and

Ottawa or Hamilton. Can this specific situation in Quebec be explained only by economic factors (Halifax frequently approximates Quebec City and Montreal; it is the only city in the Maritime provinces that is included in the sampling) or also by cultural factors?

#### The National Housing Act in Quebec

Quebec, on the whole, has availed itself much less of the National Housing Act than has Ontario. If we do not have data concerning the aggregate sums spent in Quebec by CMHC, a comparison <sup>(17)</sup> of the use of the various Sections of the Act by the provinces makes this assertion evident. The Sections which apply to housing for the underprivileged which are administered by QHC will be studied in more detail later. Only a comparison of the aggregate results with Ontario is given here. In this comparison, it is evidently necessary to consider the fact that the Ontario Housing Corporation was created three years before its Quebec counterpart, which made it very difficult for Quebec to avail itself of several sections of the Act.

#### Housing in General

##### a) Approved Loans and Conventional Loans

In 1970, Quebec obtained loans approved by CMHC for 9,887 housing units, whereas in Ontario, this figure was 26,933. If we compare these figures with conventional loans, we find that the difference is much less important (9,042 in Quebec,

14,602 in Ontario). Therefore, it is especially the CMHC-approved loans which explain the large difference in the total number of loans granted to Quebec and Ontario: 18,929 in Quebec, 41,535 in Ontario.

Those CMHC-approved loans apply mainly to single houses in Quebec (67% of the single houses were financed with these loans in Quebec, 45% in Ontario) and multiple-family buildings in Ontario (44% in Quebec, 75% in Ontario: inverse proportions).

Section 40 authorizes CMHC to lend when loans are not available. In 1970, Ontario availed itself of this Section for 53 units whereas Quebec did for 7,352 units. One can only wonder why the lending institutions do not grant more loans in Quebec.

Section 24: Home Improvement. From 1955 to 1970, Ontario received 118,876 loans for the improvement or extension of houses, as against 44,828 in Quebec.

Section 35-1-a and 35C: Land Acquisition. These Sections permit grants to be made for the acquisition and development of land for housing purposes. Quebec has not availed itself in any way of these Sections, whereas in the rest of Canada, from 1955 to 1970, 10,259 acres were acquired and 18,104 lots were developed under Section 35A. Under Section 35C, 24 loans made it possible to develop 440 acres and to set aside 340 others for future development. The non-use of this Section of the Act in Quebec will be explained later.



Section 23: Urban Renewal. From 1948 to 1970, Quebec has implemented 22 urban renewal projects, the cost of which is assessed at \$74,516,000, whereas Ontario has undertaken 24 projects for a total cost of \$156,836,000. Even if the number of projects is equal, it is noted that the Ontario programs are much more important.

b) Low or Moderate Cost Housing in Quebec

Generally speaking, assistance to the low-income group represents a weaker proportion of CMHC activity in Quebec than in Ontario, at least if we compare Toronto, Hamilton, Montreal and Quebec City for the years 1954 to 1970: 66% and 41% in Toronto and Hamilton, 38% and 28% in Montreal and Quebec City (in housing units).

In this respect, Lithwick provides interesting data, even if they stop in 1968 (from 1946 to 1969), concerning the total number of housing units for low-income people to which CMHC has contributed, expressed as a percentage of the number of families with an income lower than \$3,000, per metropolitan area. Quebec City and Montreal are the two urban areas with the lowest percentages: 14% and 12.4% (Toronto 62.5%; Hamilton 36.7%).<sup>(18)</sup> Let us note here, as we will see later on, that the only public housing project located in Quebec, prior to 1967, was the Habitations Jeanne-Mance.

Section 16: Entrepreneurs. From 1954 to 1970, 9,723 units were built in Montreal, 16,168 in Toronto, 1,846 in Quebec City, 1,537 in Hamilton. The largest project financed under this Section in Montreal, since 1968, is located in l'Ile des Soeurs and from all evidence, is not intended for the under-privileged.

Section 16: Non-profit Organizations. (19) Quebec

availed itself more of this part of the Act than Ontario did: 2,194 units in Montreal, 834 units in Toronto (from 1954 to 1970). Until 1971, there were 3,876 housing units in Quebec, 2,098 units in Ontario.

Section 35A: Federal-Provincial Agreement for Public Housing. Until 1971, only one project was financed under this Section: the Habitations Jeanne-Mance (796 units). In Ontario, 6,599 units were built under such agreements.

Section 35D: Federal Loans for Public Housing. Until 1971, 9,735 units in Quebec, 38,240 in Ontario. Of these 9,735 units, 4,118 were built in 1969 and 5,372 in 1970, that is, almost the total number. Before the creation of QHC, Quebec did not have any agency which permitted it to avail itself of this Section of the NHA.

Section 35E: Rental Subsidy Granted by CMHC (1970). Quebec has not yet benefitted from these subsidies. (20) In Quebec therefore, at the present time, only the Habitations Jeanne-Mance (796 units) enjoys a Federal contribution for the operation of the project. Overall, Ontario has received subsidies for almost 40,000 units (includes Sections 35A and 35E).

Sections 16 and 35D: Assistance to Housing for the Elderly. This item is particularly important if we accept the conclusions of the Lithwick report which assert that the majority of the poor, in large cities, are the elderly.

From 1946 to 1970, in Quebec, loans were obtained for 2,881 housing units; in Ontario, for 19,427 units. On the other hand, in Quebec, loans were obtained for 10,912 hostel places and in Ontario, for 2,810 hostel places. Furthermore, this effort by Quebec took place mainly in 1969 and 1970: (21) 3,755 and 2,573 hostel beds, respectively (function of QHC).

c) Conclusion

On the whole, Ontario has availed itself much more of the NHA than has Quebec: the units for the elderly, urban renewal and non-profit organizations are the only items where Quebec has participated on an equivalent basis. For most of the other programs, the gap between Quebec and Ontario is quite wide and not in proportion to their difference in population. The gap is also significant if we compare the whole of the programs oriented towards low-income groups.

Certain characteristics are peculiar to Quebec in the field of housing. A more specific and in-depth study of the census data might show other characteristics. A few examples seem sufficient to show that a housing policy for Canada should include significant provincial variations.

B. POSITIONS TAKEN BY SOME POLITICAL  
PARTIES AND INTERMEDIARY BODIES

The housing problem has given rise to many reports, studies and some publications by intermediary bodies and it has also become part of the platform of certain political parties. The activities of these organizations must not be

ignored. The two most important projects concerning housing in Montreal (Habitations Jeanne-Mance and la Petite-Bourgogne) were undertaken after these groups had aroused public opinion on this problem. (22)

We will present here a brief summary of the position of various groups as expressed in recent publications. This summary is certainly not exhaustive, because these groups have expressed themselves, in particular, through the mass-media and through statements made to various responsible agencies. But it does represent the characteristic approach of these bodies to proposed housing solutions.

#### 1. Political Parties

Only the Parti Québécois, the Union Nationale and, in Montreal, the Front d'Action Politique (FRAP) mentioned the housing problem in their political platforms, at the last Municipal and Provincial elections. The other parties either did not publish a platform, (e.g., Social Credit, Parti Civique in Montreal), or they did not mention housing in their platform (e.g., Liberal Party). (23) Therefore, only the suggestions of the Parti Québécois, the Union Nationale and FRAP are discussed here.

##### a) Parti Québécois

Under the title of "L'Habitation", (24) the Parti Québécois proposes the following solutions:

- progressive nationalization of land in the urban perimeter
- definition of expropriation procedures to obtain adequate housing at reasonable rents for evicted people

- citizen participation in urban renewal: groups carry out projects themselves; groups receive grants as do municipalities; allowance for ownership by means of monthly rent
- tenants' rights, fair leases; extension of the jurisdiction of Rents' Commission.

b) FRAP (25)

FRAP devotes 20 pages of its platform to the housing problem. An analysis of the situation shows the following problems: high number of slums in Montreal, the high rents (25% of the salaried family income, according to FRAP), demolition of good housing (e.g., Concordia), insufficient public housing, land speculation, tenants' rights.

FRAP proposes the following solutions:

- renewal of old areas
- citizen participation in renewal decisions and management; a major role for neighbourhood associations in the Municipal Housing Bureau; co-operatives affiliated with the Municipal Housing Bureau
- municipal control of urban land: temporary measures in the meantime to prohibit resale of public land to the private sector and systematically acquire land
- tenants' rights. Main measures proposed are: type of lease; extension of the jurisdiction of the Rents' Commission to cover all housing obligation of landlords to obtain authorization from the Commission to increase rents; decentralization of the Commission into neighbourhoods; enforcement of the housing code; tenants' rights to collective bargaining with landlords
- self management of public housing units according to a public co-operative formula.

FRAP ends this section on housing by setting some long term objectives; 10,000 public housing units a year, reduction of private sector control in housing, etc.

c) Union Nationale

In its electoral platform,<sup>(26)</sup> the Union Nationale devotes slightly more than one page to housing where certain specific measures are proposed to

- (a) "enable the greatest possible number of Quebecers to have reasonable housing at a reasonable price" (ownership is not specified);
- (b) permit Municipal departments to undertake a program of land acquisition and development;
- (c) provide housing allowance under certain conditions;
- (d) grant subsidies to non-profit organizations and loans for the implementation of low-rental housing programs "not only to non-profit organizations but to any person who meets the requirements of the Corporation" (Section 16, Entrepreneurs).

2. Intermediary Bodies: the Confederation of National Trade Unions

CNTU is the only pressure group which has recently published a brochure on the housing problem in Quebec. <sup>(27)</sup> We will discuss only this publication because it well represents the position taken by other intermediary bodies as expressed in several of their reports and statements. <sup>(28)</sup> Also, it is important to remember that the essence of this publication had already been presented for discussion in 1970 at the regional conferences which brought together in various areas of the province, militants from the three central Quebec unions:

CNTU, FTQ and CEQ. Therefore, this text seems to be representative of union thinking on housing problems.

a) Analysis of the Situation

CNTU feels that the housing problem affects a large segment of the population and that it should be part of an urban development policy. One of the principal factors, according to CNTU, which prevents the development of such a policy, is the lack of co-operation between the three levels of government.

Mainly from census data (29) and CMHC data, it is concluded that there is a housing crisis in Quebec (e.g., high rents, lack of housing, etc.). While warning the reader of the difficulty of such an endeavor, CNTU tries to define housing needs and the standards of adequate housing (e.g., size of rooms, amount of sunlight, sanitation, etc.).

An analysis of the reasons for high building costs is presented. The major factors are regressive fiscal policy, land costs, slow technical progress in the construction industry, and profits.

With respect to ownership, CNTU considers such a policy inadequate for Quebec because of the attitude differences of the population. They add, "we must demystify this notion of ownership which has been wrongly elevated by certain people to the level of civic virtue".

b) Proposed Solutions

While the proposals of CNTU are similar to those of the PQ and FRAP, they are in some cases more detailed.



- With respect to the absence of an urban development policy and the lack of co-operation between different levels of Government, CNTU recommends that "Quebec claim sole jurisdiction in the areas of housing and urban affairs".
- With respect to land, CNTU also advocates the nationalization of urban land without specifying the terms. Temporarily, they propose control of land prices, prohibition of resale and the creation of public corporations to develop new towns.
- With respect to rent controls and tenants' rights, the proposals of CNTU are much the same as those of PQ and FRAP.
- CNTU is rather hesitant about discussing low-income housing. They are opposed to public housing which aims only at hiding the most obvious signs of poverty, which constitutes a public relief policy, which produces ghettos and is unsound economically (deficit financing creates administrative complications and it does not promote low-cost production). They are also opposed to lower interest rates, fearing that such measures ultimately benefit the better-off classes. They are also against generalized subsidized housing because they feel that this amounts to controlled consumption and that it would be preferable if redistribution of income were not accompanied by such a factor.

They consider the most urgent problem to be that of low income people who have been evicted because of the many changes being made in the city. They feel we should give direct aid, have a policy of conservation and restoration of good housing, and propose penalties for builders who demolish good housing.

More generally, CNTU would like to see considerable public participation to assure at least 30% of annual production and whose immediate aim would be to make up the present production deficit which would, in principle, apply to everybody, and play a regulating role on the market, research and the increase of productivity. Such residential areas would be managed by the residents, like co-operatives, which the State should also encourage.

- Finally, CNTU recommends that the housing problems of old people and immigrants be studied more closely.

c) Conclusion

Generally, these three organizations have arrived at a similar analysis of the situation and their recommendations have several points in common. The analysis often seems a little vague. It is based on the same types of data, particularly the census, and often on the same authors (especially Blumenfelt). Several of the recommendations are the same as those of the La Haye Commission, but they are fairly different from present policies and government ideology as we will see later. In general, the State is given a much larger role (without, however, ignoring the private sector) and the proposed policies are of a more universal nature than the present interim and emergency policies. The importance placed on evicted persons (particularly by CNTU), seems quite significant to us and it will be related to the position of citizen groups in the following chapter.

C. THE LARGER POLITICAL CONTEXT

In Canada, housing for low-income people is related to the debate over Federal-Provincial relations, particularly in Quebec. Social policy is presently the focus of these debates and thus, too, the social aspects of housing. But it is not impossible that the present Quebec Government might drop the housing question in favour of the current social policy which places little importance on housing. An indication of this attitude might be the lack of interest shown by the Minister of Municipal Affairs in the creation of the Ministry of Urban Affairs which could be a roundabout way for the Federal Government -- at a time of open social debate -- to intervene in matters of housing. The Minister's reaction was minimal,

especially if it is compared to that of the Mayor of Montreal, the Chairman of the Executive Committee of the Montreal Urban Community, and also to the reaction of the previous Minister of Municipal Affairs. The present Minister of Municipal Affairs, according to La Presse (June 30, 1971), said that "he had already acknowledged that tripartite meetings could be of value and that he still held this opinion". However, the Minister of Municipal Affairs in the previous Government reacted very negatively to the recommendation of a Ministry of Urban Affairs as soon as the Hellyer report came out: "The Quebec Government is utterly opposed to the creation of a Federal Ministry of Urban Affairs which is a matter of purely provincial jurisdiction" (Le Devoir, June 31, 1969). From January 1971 (La Presse, January 20, 1971), the Chairman of the Montreal Urban Community (Mr. Saulnier) drew attention to this Federal Government proposal and was opposed to a Federal Ministry which might interfere in urban affairs. He proposed the name "Secretariat for Affairs of Federal Jurisdiction in Urban Areas" to avoid any ambiguity. When the creation of the Ministry was announced, his reaction was negative as was that of the Mayor of Montreal and several suburban mayors on the Island of Montreal. Mr. Saulnier said that, "in theory, every time Ottawa sticks its foot in something that doesn't concern it, new problems are created".

#### D. GENERAL CONCLUSIONS

We have pointed out certain characteristics and problems peculiar to Quebec in the field of housing. One can see that aggregate data often obscure important problems. We have also briefly presented a look at these problems by certain

intermediary bodies and the overall solutions that they propose. It should be noted that the general data presented here do not touch on all of the housing problems of low-income people. Certain problems, such as the demolition of good housing and the resultant forced mobility (problems which these bodies feel are of high priority), are not always evident from the general data and should be given special attention. The intermediary groups are, moreover, in agreement with the recent report on Urban Canada -- housing is one of the biggest problems of the urban poor. Therefore, we need new data on these points in order to examine the urgent problem of housing the poor. This is not, however, within the scope of this report.

Finally, it is important to emphasize that according to most Quebec political analysts the "problème national" (i.e., the role of national feeling in Quebec (translator's note)) is paramount. It is even apparent in the way the housing problem is approached. It is important to note, in this respect, that the groups which have been the most active and which have proposed solutions, often have a nationalist commitment as well. This aspect of the situation will be elaborated upon throughout the rest of the report. But, for the moment, let us state that outside of jurisdictional problems which occur between the Canadian Government and most of the Provincial Governments and which cause many administrative problems, intervention in problems of provincial jurisdiction involving housing, would be even less called for in Quebec than elsewhere. Because of numerous administrative complications, delays, indecision, and buck-passing, for which the citizens have to pay, few groups in

Quebec want to see a stronger Federal power. It is generally held that the proposed solutions will be less costly and more effective if the Federal Government does not enter directly into the operations alongside the Province. CNTU's view in this regard is fairly representative -- Quebec ought to demand sole jurisdiction in the area of housing. Both the characteristics peculiar to Quebec, and the weak effect of the NHA bring home the need for a policy which takes these things into consideration. This does not preclude a Federal Government incentive program for the provinces. This would still be quite possible and has, in fact, been done many times in the past few years: <sup>(30)</sup> often the Federal Government only has to decide to tackle a problem and make funds available to the provinces for the Quebec Government to decide that this is a high priority problem, of provincial jurisdiction, and to take action on the matter. Therefore, one wonders if the creation of the Ministry of Urban Affairs was good strategy. The outlook, the approach and the kind of action taken by the Ministry seem to be technocratic, whereas it is really a political problem. Moreover, this incentive role should not be expressed as a uniform national policy which suits the situation and the problems of the province which can best "communicate" with the Federal Government.

#### E. FINAL REMARKS

In view of this general description of the situation both in terms of objective data, the political situation and the reaction to housing, one cannot help being amazed at the

absence of any reference to this matter in the Federal Government's report on urban government which specifically discusses the housing problem. (31) Amazement turns to astonishment, however, when one notices that in examining the attitudes of the major Canadian cities with respect to certain serious problems, they chose Toronto, Windsor, St-John (N.B.), Edmonton, Vancouver and Victoria.... and Westmount for Quebec! (32)

FOOTNOTES

- (1) N.H. Lithwick, Urban Policy (Draft Document), Chapter 5, "Housing in Canada", p. 5-5
- (2) Ibid., p. 5-6
- (3) Regional Conferences '70, p. F-13
- (4) M.A. Tremblay, G. Fortin, Les comportements économiques de la famille salariée au Québec, Québec, Presses de l'Université Laval, 1964, p. 260
- (5) Op. cit., Lithwick, Table 5-13
- (6) CMHC, Housing Statistics in 1970, Table 16: see also Lithwick, Table 5-17, on the total number of families living in apartments: 66% in Montreal, 58.2% in Quebec. The highest figure for the other areas is Halifax with 37%.
- (7) Lithwick, Table 5-22, Statistics for 1964
- (8) Montreal Council of Social Agencies, Le logement locatif à Montreal, p. 4
- (9) FRAP, Les salariés au pouvoir, p. 44
- (10) Op. cit., Lithwick, Table 5-24. It is not stated if the cost of services is included.
- (11) Op. cit., Lithwick, p. 5-B-9
- (12) Ibid., Table 5-24
- (13) Ibid., Tables 5-31, 5-32, 5-34, 5-36
- (14)

	Montreal	Quebec City	Toronto	Canada
Major repairs	2.8	3.1	2.2	5.6
Minor repairs	15.3	14.2	13.6	20.3
Toilets	5.5	5.2	10.2	21.0
Showers or baths	7.6	15.4	7.9	22.9
- (15) Regional Conferences '70, p. F-10
- (16) Conseil des Oeuvres de Montréal, Opération: Rénovation sociale, 1966, p. 28



- (17) CMHC statistics: Research Monograph No. 5, N.H. Lithwick
- (18) Op. cit., Lithwick, Table 5-38
- (19) The QHC Act designates them by the expression "non-profit organizations".
- (20) The new agreement recently concluded between CMHC and QHC will no doubt permit QHC to benefit soon from subsidies in operation deficits, even if difficulties remain.
- (21) The QHC data indicate that 6,107 hostel beds were approved for the year 1969-70.
- (22) Robert Kardos, "Political Power and Urban Redevelopment Case Study: Montreal", McGill University, Montreal, Master's Degree thesis, 1969, 214 pp
- (23) Bourassa Québec, Montreal, Editions de l'Homme, 1970, 126 pp
- (24) La solution, le programme du Parti Québécois, Montreal, Ed. du Jour, 1970, pp. 66-69
- (25) FRAP, Les salariés au pouvoir, Les Presses Libres, pp. 43-63 Montreal
- (26) Objectif '70, Union Nationale Programme, p. 70
- (27) CSN, Le logement au Québec, Secretariat of political action of the CSN, 1970, 172 pp
- (28) We should call attention to the Social Development Council of Montreal and the Montreal Council of Social Agencies who have made several studies of the housing problems in the underprivileged areas. The Union of Municipalities of Quebec has also presented an important report dealing with all aspects of housing expressing their point of view. We refer to this report in a later chapter.
- (29) Sometimes the data apply to all of Canada, which does not permit us to conclude that this is a crisis which applies specifically to Quebec.
- (30) A study of this animation role of the Federal Government remains to be done.
- (31) Urban Canada, Problems and Prospects, report drafted by N.H. Lithwick, Ottawa, 1970, 262 pp
- (32) Ibid., p. 205

## CHAPTER II

### AIMS AND ACTION STRATEGIES OF THE PUBLIC AGENCIES

Intervention by public agencies is no longer rejected in principle, but their aims and means still remain unspecified, and moreover, seem defined in quite a different way by local and provincial politicians and public servants. If ideological conflicts no longer appear as such, they persist nevertheless, and underlie the discussions on organization for action all the more readily since the newness and the small number of experiments do not permit an accurate delineation of the impacts of various proposed alternatives.

#### A. IMPRECISIONS AND IMPLICATIONS OF THE AIMS

For a long time, in spite of some measures having been taken, the Provincial Government and the Municipalities have not taken any significant action. While the rationale for some intervention is generally accepted, the objectives pursued go beyond housing which seems to be reduced to an intermediary or purely instrumental goal. This makes it difficult to define the scope of action to be taken, and has not yet resulted in a multi-dimensional approach to the question of housing in general, and of low-income housing in particular.

1. The Legitimation of Intervention

The construction of low rental housing by public authorities is no longer openly considered as a "communist measure" by local elected representatives as it was at the time of the discussion of the "Dozois Plan" in Montreal. (1)  
The various arguments which are often used in official documents to legitimize public intervention follow.

a) The Assertion of a New "Right"

"Decent housing" is presented as "a necessity", "a right" in the title itself of a working paper by the Union of Municipalities of Quebec. At the time of the Parliamentary debate on the QHC Act, Pierre Laporte declared:

Housing...is a fundamental necessity for a human being. It is a right. To-day one must consider that it is a right to be able to live in a housing unit that is not only sanitary, which is the minimum, but in a housing unit which has adequate modern conveniences and which is large enough. (2)

This is merely a statement of principle; it is not supported by any guarantee that this right can be exercised nor do the minimum standards of a decent housing unit yet appear in any provincial legislation or regulation. The recent report of the Investigation Commission on Health and Welfare (3) explicitly defines a decent housing unit as a "fundamental social right" and also asserts that the exercise of this right requires a much more extensive intervention by the State.

b) A State of Chronic "Crisis"

Although it is normal for the Government to intervene in a time of crisis, it is obvious that according to many official statements, the field of housing is in a state of crisis which causes little worry. The problem appears to be chronic; when the QHC Bill was presented, the Minister of Municipal Affairs was able to quote editorials from Le Devoir dating back to the end of the twenties, indicating that the most acute problem in those days was that of housing; in 1969, three-quarters of a sample of 273 municipal authorities estimated that there were not enough housing units on the market in their municipality to permit each citizen to have a decent housing unit. (4) But the components of this crisis were not made explicit. The factors that have led to it are enumerated by UMQ:

This acute housing crisis -- caused by a strong demographic movement, a considerable increase in construction and financing costs, the financial inability of citizens to achieve ownership, the insufficient investment output and diminution of existing housing stock, the rental freeze policy which has a sterilizing effect on private construction, and the aging of existing stock -- has reached such a critical point that it not only justifies but requires intervention by all levels of Government and an acknowledgement of collective responsibility. The statistics on housing reflect only part of the needs, which are so extensive that it is almost impossible to overestimate them... (5)

Those most affected by this problem are often identified as large families, the elderly, and low-income households. Yet, the extent of the crisis for each social category is not specified. For example, the proof of need for housing which QHC requires in order to approve low rental housing programs is rarely expressed in quantitative terms; in the larger cities the need is obvious. (6) The general reference to a "crisis" does not permit a distinction to be made between the problems (whether they are problems of supply or demand), nor does it encourage a variety of solutions. So far this reference to a "crisis" has been used primarily to justify an increase in the housing stock, although it is certain that the lack of housing units is the main problem even if it is possible to dispute opinions of the following type:

It is not possible indefinitely to make the claim that there is a lack of housing units in the City of Montreal. There is in fact a shortage of actual tenants. Statistics and evidence show that there are thousands of vacant housing units in the metropolitan area; the problem is therefore not the scarcity of housing units but rather the scarcity of slums for which there is unfortunately too great a demand. (7)

c) A Means to Boost the Economy

In another vein, public intervention in housing in the form of assistance to investments or direct construction is sometimes presented as a necessary measure to boost the economy. For example, it appears that the small municipalities

have a tendency to argue for major programs for hostels or low-income housing by overestimating their needs, their main argument being that it "creates activity". When the announcement was made to the representatives of the municipalities on the 26th of September 1969 that QHC placed \$65,000,000 at the disposal of the municipalities, the Minister of Municipal Affairs principally used the economic argument:

Needless to say, if we obtain the co-operation and immediate participation of the municipalities, this short term infusion of \$65,000,000 into the construction market, this Fall and Winter, will greatly help to reduce unemployment and help to generate beneficial activity on the labour and capital markets as well as equipment and building materials production. (8)

It must be noted however that at the provincial and municipal levels, economic concerns are much less important than at the federal level although a recent study, financed in part by QHC, endeavours to analyze the relationship between housing policy and the overall economic policy. (9) The arguments used to justify intervention to provide decent housing for all, to solve a crisis, and to activate the economy do not necessarily correspond to the real objectives pursued.

## 2. The Real Objectives of Intervention

Social housing seems to be only a secondary concern. The improvement of housing conditions for low-income people is not an objective which has priority; it is fully accepted only to the extent that it serves other purposes.

a) The Elimination of Unsanitary Housing

The first and, initially, the most effective action taken by public authorities on housing problems was to repudiate the blight of slums. In this respect, the order in which the objectives of QHC were presented during the Parliamentary debates, likely corresponds to the order of political priorities:

- Permit the municipalities to tackle their problems of slum clearance and redevelopment and to solve them in conformity with a renewal policy.
- Encourage owners and private enterprise to take an active part in the renewal of their municipality.
- Permit the municipalities to obtain through a non-profit corporation, low cost housing for low-income families. (10)

The order in Section 3 of the Act is similar. (11) Action on housing is therefore primarily conceived in negative terms. In Montreal, an urban renewal project was insisted upon as a prerequisite to the first public housing projects (Habitations Jeanne-Mance, Îlots St. Martin). (12) In Quebec City, the municipal administration was concerned first of all with elimination prior to construction:

On the 3rd of December 1965, that is, 14 days after coming to power, the Municipal administration of Quebec City, anxious to rid itself of the blight of slums, formed a committee which was responsible for taking an inventory and the necessary steps to reduce as much as possible the number of unsanitary dwellings. (13)

This subordination of social housing to slum clearance has been suggested by several lesser indicators: for example, in the archives of the municipalities and newspapers, the documentation on low rental housing is often included under the general heading "urban renewal" or "slum clearance".

For certain people, the elimination of unsanitary housing appears to be a magic operation intended to solve a problem (poverty) which they do not wish to analyze by eliminating its symptoms:

We will undertake what is really most important in the fight against poverty, because there is no more evident and terrible sign of poverty than the obligation of an important sector of the population to live in quasi-inhuman conditions. (14)

If according to some, the demolition of slums aims primarily at the elimination of a pathological environment, preventive action against deterioration, the rehabilitation of buildings is sometimes rationalized as a "civilized act". (15) The possibility of creating architectural "monuments" which also serve a social purpose, undoubtedly encourages some local authorities not to neglect the action in the field of housing.

b) Reinforcing the Social Fabric

The elimination of slums and eventual construction of new housing units is theoretically supposed to bring about a better "integration of the individual in society". (16) The aim of rehabilitation in the sense of social renewal is being more and more explicitly developed if not clearly explained. The attitude of the Canadian Federation of Mayors and Munici-



palities is quite clear on this point: It is essential to modify the social structure as well as the physical structure. (17) This opinion seems to be shared by many Quebec politicians. The Minister of Municipal Affairs ended his speech on the presentation of the QHC Act as follows:

To provide such an opportunity to this sector of the population means to really help them rehabilitate, to become better citizens. (18)

Of course, social rehabilitation may be understood in several ways, but it always implies a change in the behaviour of low income groups, and their integration through a process of progressive socialization, i.e. "internalizing" the values of the privileged groups:

A mixture of families of different incomes produces a social climate that is much healthier and mutually beneficial. It also permits children to socialize and adopt the values and habits of other groups. It is only through the integration of all income levels that we will be in a position to improve public attitude towards public housing. (19)

Although this theme has not been expressed as much in Montreal as in Quebec City, one of the justifications for the choice of the location of municipal housing in Operation 300 was "the stability of the social environment," (e.g., the Parc Thomas-Chapais project):

Apart from the fact that there is a real local need, the location appears to be well chosen for housing construction projects of this type because they would be located in a social environment of evident stability, dynamic because of its youth, and a distribution of the income groups. (20)

The distribution of types of dwelling units in municipal projects can also allow for a variation in the social composition of a neighbourhood which is sought, not only for the social effects which it is supposed to produce, but also, more simply, to insure the continuing viability of existing public services. The success of this rehabilitation program will be assessed by outward appearances, for example, in time, the care of lawns will be taken as an indication that the new residents have become "respectable"! (21)

### 3. Implications: Lack of Definition of the Clients of Housing Programs

Given the nature of the objectives that really have priority, it is difficult to decide which clients should receive housing assistance. Ultimately, social renewal, as it is conceived, would imply a manipulation of all social categories. However, there is agreement that assistance should first be given to low-income groups. But the definition of this category is still imprecise. Some would be inclined to exclude the welfare recipients because they do not have a true "income" and should therefore receive special attention. The municipal authority would substitute, in their place, persons earning from \$3,000 to \$5,000. (22)

Regulation No. 2 of QHC defines a low-income person as follows:

A person whose family income, according to standards established by the Corporation, is insufficient to permit him to rent satisfactory housing accommodation adequate for his needs at the average rental rate accepted by the Corporation for the district in which this person will live. (23)

The interpretation of "low income" is therefore left up to the members of the Corporation and would normally require specific knowledge of local housing conditions. QHC seems to accept as "low income" any person whose salary is in the lower third of the wage scale; "the upper limit of the lower third of the distribution of prevailing incomes" was selected as the maximum beyond which subsidies in municipal housing are no longer granted. (24)

Sometimes the recipients of public housing assistance programs are defined according to criteria other than that of income, for example, all those whose needs cannot be satisfied on the market, or all persons dislodged following intervention by a public body.

#### 4. Extension of Intervention

In most cases, where official positions are taken, the limits of public intervention are rather clearly established. On this point, several municipal employees are adopting a more pragmatic attitude less concerned with prevailing ideological

principles. Frequently, an extension of public intervention is feared all the more when its precise effects on the private sector are unknown.

a) General Role of Supervision and Correction

Public powers must favour private enterprise and not act in its place; this principle is frequently clearly reasserted:

It is certain that it is up to private enterprise to continue to play the most important role in the field of housing. In a democratic and capitalistic system, free competition is a very important factor in our economy. (25)

It is very important and even essential that the effort and contribution of private enterprise continue to develop, as it operates on an extremely tight competitive market which leaves only a reasonable margin of profit. (26)

The non-profit organizations are generally classified under the heading "private enterprise". But the latter is mainly made up of capitalists. The assertion of the general principle implies that public powers permit and accept profits. In this respect, some sources of information have denounced the hypocrisy of certain claims made by CMHC that they limit the profit of companies (e.g., such is the experience of the limited dividend companies). Opposition to the first public housing program arose in part from its refusal to take the place of private enterprise. This is shown in many of the statements made by the Mayor of Montreal.

As for you, home builders, get ready to rebuild Montreal, no more, no less...I am opposed to a municipally operated slum clearance project. I am opposed to the system whereby the City substitutes itself for private enterprise.... (27)

Public intervention is easily accepted when it grants assistance to private enterprise or when it leads to a better functioning of competition even if it then requires unusual measures, for example, to fight land speculation:

In order to organize the future environment and to set the successive stages for its implementation over time, it is important to ensure a healthy competitive market, or at least, a balance between supply and demand, to maintain moderate prices and a satisfactory process of development by allowing public authority to intervene on the market as a land vendor.... (28)

b) The Supplementary Role to the Public Sector

Nevertheless, in spite of all the deficiencies of the private sector, the State is granted the right to act directly as promoter but only to remedy the deficiencies.

The State obviously has a very important role to play at the level of legislation and planning but it should only intervene in the implementation of programs when private enterprise has failed in its task. The role that the State has to play in the financing of housing is also a supplemental role, regulating the total volume of savings

allocated to housing. All measures must be taken to safeguard an economy based on free enterprise. (29)

The deficiencies of private enterprise capitalism are primarily manifested in certain types of housing, i.e., the low production of large housing units. Still, public administrators define the aims of their programs much less in terms of the type of housing than in terms of the clients to be served: elderly, students, low-income groups. Some have even proposed a division of responsibility among promoters according to the degree of solvency of the users:

Between the system of free enterprise which is intended mainly for those who are more fortunate and the State system which is intended mainly for those who require to be protected and supported by society, there is a co-operative system which answers more and more the needs of the average income family. (30)

The coherence of such a proposal with the generally held principle stated previously is not evident, considering the relative importance of each of these social groups. These slips in thought suggest that public housing, that is, housing provided by the State does not primarily aim at remedying the deficiencies of the private sector but also pursues other aims. This is suggested by the paternalistic language used, e.g., "protected", "supported". In this perspective, the extension of public intervention would appear to be unlimited.

In spite of the expansion of the role of private enterprise, in spite of the creation of anonymous non-profit organizations, in spite of the role played by co-operatives, we remain assured that the level of construction will never be sufficient to meet the need and enable all families, particularly the modest income family, to be housed appropriately, considering that they must count on aid from the State, both to obtain a housing unit and to pay the cost of it. (31)

The content and spirit of these statements differ greatly from the recent position taken in the report of the Investigation Commission on Social Health and Welfare, which, after having recognized housing as a right, states that:

...the few cases of low-cost housing subsidized by the State are inspired not from the principle of universality of access to housing but from the very principle of supplementary assistance to economically weak groups. (32)

The Commission's conclusion to "recognize access to housing as a universal right" implies therefore that the State will intervene directly in all of this industry which, today, depends almost entirely on private enterprise. In the same manner, as universality of access to education and health care require the State to assume its responsibility in these sectors in

place of private enterprise, so does the recognition of access to housing as a universal right imply a similar direct intervention in housing services.

These statements of principle do not prevent many public servants from being concerned with the consequences of wide-spread public action. It is feared that if the Government acts as a promoter, it will lead the public sector to compete with rather than complement the private sector. Indeed, officials frequently present their public housing programs as a temporary measure intended to produce "a stimulating effect" on private enterprise which must again assume its normal role. This argument has also been used to justify urban renewal programs, for example, la Petite-Bourgogne, the validity of which, in this case, still remains to be shown. Certain sources in QHC share a concern which more closely approximates that of CMHC than that of municipalities. Municipal officials who have worried about the effects of public intervention, especially in small municipalities, wonder if urban renewal does not deter private enterprise (excluding non-profit organizations), in particular financial institutions, from activity in the housing sector.

Certain municipal officials are less worried about this matter, feeling that important public sector activity can only be beneficial and act to increase the possible choices for the majority of individuals. However, if housing is to become a public service, such as public transportation, the declaration of this principle will undoubtedly give rise to in-depth studies of the effects of public intervention and the different methods of its application.



5. Intervention Within the Context of Public Activity

It is recognized that a housing policy for low-income people creates problems of integration between "housing in urban centres and individuals in society".<sup>(33)</sup> The physical aspect of integration has now been recognized at QHC and especially in the municipalities. In this regard, sources at the two levels of Government have expressed regret that minimal urban plans have not been drawn up for the entire Province.

The integration of housing policy in social policy as a whole, has not been to date systematically sought out for various reasons such as: persistence of the beliefs concerning the determination of social phenomena by physical or architectural factors; emphasis on the increase or improvement of housing stock; evolution of the sharing of the responsibilities for social action between provincial and municipal governments. Public administrators, however, seem to show more foresight than previously and are no longer satisfied with "magic". "The problem of poverty will not be settled by the expediency of housing" as was asserted at QHC, a finding similar to that of Minister Andras:

Actually, in a wider sense, the greatest weakness of the public housing program is that it is necessary to have one -- and that the best that can be said about it is that it constitutes a means of remedying a symptom rather than the cause of a serious social problem. <sup>(34)</sup>

The problem is also recognized as such by the Union of Municipalities:

We must, at the same time, consider the housing problem and be satisfied that the improvement of the residential environment will be accompanied by an improvement in the opportunities for employment, the level of education and our economic prospects. If we wish public housing to remain the exception, we must take all necessary steps to prevent poverty from becoming a chronic illness in Quebec. (35)

This brief review of the main positions taken shows that the public authorities responsible at present for housing policy still lack much precision in their analysis of the problems of public intervention in the field of housing. Objectives set to date have dealt mainly with the physical dimension of housing imposed by the perceived urgency of action and reflect, unfortunately, ideological preferences which reality would tend to question, and which were meant to spare as much as possible the dominant system of housing production and distribution.

B. UNCERTAINTIES AND PREFERENCES IN THE CHOICE OF STRATEGIES OF ACTION

The proposals and experiences regarding strategy show the same problems as the definition of objectives.

1. Control of Regulations or Intervention in the Form of Encouragement or Direct Action

The control of housing through the revision of construction and housing codes (36) and the supervision of their

enforcement is the measure that private enterprise favours; they frequently point out the necessity for this. Those who opposed the Dozois Plan in Montreal declared that it was preferable to avoid slums by applying regulations than to have the Government engage in demolition and construction operations. (37)

During recent years, the municipal authorities in Quebec City and Montreal have decided to strengthen their enforcement of the housing code. (38) Systematic supervision requires enormous and lengthy inspection given the large number of buildings; the result is that the application of the code to any one building appears to have been relatively arbitrary to date and, in certain cases, this has been used for other purposes (e.g., expropriation). Contrary to what certain statements could lead one to believe, it is obvious that either supervision or direct intervention do not constitute mutually exclusive alternatives. At best, enforcement of the housing code prevents deterioration of housing stock but it does not really reduce the gap between supply and demand for some types of housing. Moreover, in order to take measures to intervene, and in particular to grant subsidies, "a precise and efficient control instrument is needed. This instrument is the housing code which established the standards relating to the occupancy and maintenance of residential buildings". (39)

This housing code is therefore indispensable, but it is also necessary to provide for direct intervention. It may take several forms, depending on whether the land/buildings are owned or leased by private enterprise, non-profit organizations

or the public sector, and according to the distribution of the decision-making power between the three sectors with regard to construction, promotion and financing. Even considering only these dimensions, it is possible to envisage a variety of formulae. So far, very few have been experimented with, but the authorities at the provincial and municipal levels have proposed others on several occasions.

## 2. Action on Supply Rather than Demand?

The actions undertaken so far have been based upon a diagnosis which attributes the crisis to a lack of housing and so they have been directed primarily at increasing the supply of housing units: construction of hostels for the elderly, student residences, municipal housing. According to many authorities, action regarding supply is still far from sufficient and should include other public measures such as:

- the search for and use of new products and modern techniques in construction which would considerably reduce construction costs without reducing quality; the modernization and industrialization of the building industry as part of an extensive development of all housing-related professions
- the granting of certain financial exemptions which would help re-establish investment output in real estate property at a decent level and encourage private enterprise to expand its role and activity in the field of housing
- the adoption of legislation which would establish a quantitative system to determine rents which would tend to lower the rental value of housing units while guaranteeing the owner the minimum revenue necessary for him to maintain and improve his property. (40)

So far, primary provincial action taken to deal with demand has been to grant an interest bonus under the Family Housing Act. The other measures that were proposed seem to be easily accepted when they concern the middle or upper classes, for example, "tax exemption on that part of the income which is used for the payment of land taxes or interests on mortgage loan". (41) On the other hand, when they concern low-income groups, some reluctance is elicited which is clearly warranted by the real difficulties which their enforcement would entail, but which is no doubt also nurtured by an ideology that does not recognize the validity of income redistribution. The soundness of such measures is sometimes questioned:

The construction and conservation of housing units are economic measures intended to place a sufficient number of houses on the market. However, the occupation of these housing units by social classes constitutes a social measure. Is it not then the role of the State to provide subsidies for all households whose incomes are insufficient to pay the price of a decent housing unit? (42)

No one totally opposes such a possibility. However, action taken to deal with the demand for housing, particularly for low-income groups appears to be far from accepted. A question in the UMQ survey asked if the State should grant a housing allowance rather than implement its own housing projects: 50% of the respondents were uncertain, 29% unfavourable and 21% favourable. (43) If it were shown, however, that this formula would cost less than the present construction of low-rent

municipal housing, the majority might accept it more readily. In the same sampling, 71% of the respondents felt that given a fixed amount of money, the endeavour must be to rehouse the greatest possible number of families in less costly housing units rather than fewer families in more expensive housing units. (44)

Action on demand could be in the form of a subsidy to the tenant or owner. Section 787-E of the charter of the City of Montreal stipulates for example that:

The Council may, by by-law, on the conditions and in the sectors of the city that it selects, decree that the city grants to the owners of any rehabilitated or rebuilt building...a subsidy for the rental of any housing unit to a tenant that has been designated by the city.

At the time the QHC Act was discussed in plenary committee, Pierre Laporte had proposed putting such a measure into widespread use:

I find that if the Quebec Housing Corporation received from the legislator the authority to grant a rental subsidy, you could accomplish a great deal, first by conserving a large number of housing units which could be rehabilitated, and secondly, we could perhaps keep in the renewal areas something that people ask for more and more: the present social character of these neighbourhoods. (45)

On the other hand, in an UMQ document, we find a proposal which seems to imply a subsidy to the tenant:

The purpose of a rental allowance is to increase sufficiently the level of income so that all families except the most needy can have a free choice in selecting a decent housing unit on the private market. This measure would certainly constitute a great saving if its cost is compared to that of public housing. (46)

A rental subsidy, for the owners of certain types of housing units, is proposed more often than a housing allowance for tenants. It has, for certain people who no doubt still consider the poor to be irresponsible, the advantage of keeping the tenant under control and does not involve an increase in the income of the underprivileged, who would then have the opportunity to use this allowance as they saw fit (to the extent that the housing allowance is not adjusted in each case to the actual rent and is specifically paid for this purpose).

The QHC Act and regulations provide for a housing allowance in exceptional cases -- when low income persons are evicted from their housing unit because of the demolition of the property due to an urban renewal or a low rental housing program. This allowance for the occupancy of a housing unit should be paid for jointly by QHC and the municipalities, and it should cover the difference between the rate of rent provided for in the scale of rents of QHC and the average rate of rent in the districts where these persons are relocated. In practice,

an increase in the moving cost is permitted to avoid the implementation of the necessary administrative mechanisms for the application and "breaking in" of the procedure.

The Department of Social Affairs is committed at present to a program of housing subsidies within the context of the Social Assistance Act; but the evolution of this experience may, as will be shown later, stymie the development of future debates on housing allowance.

Whatever the final formula is, its adoption would suppose a certain form of rent control and establishment of a strict method of calculation of the rental value of the housing unit, unless we are ready to accept an uncontrolled transfer of public funds to owners, in the name of the tenants' welfare. The role of the Rent Control Board should be modified and extended, minimal provincial regulations should be instituted, a competent staff at the municipal level should be trained, and the State should own an important and diversified stock of housing units to better control, by comparison, the private sector. These constitute conditions which, for many, prevent us from considering the widespread use of a housing allowance in the near future but which however could easily be implemented within a few years.

### 3. Construction or Rehabilitation?

Public action at the provincial level has been concerned so far with the supply and, even more specifically, the production of new housing units. (47) The QHC Act authorizes subsidies for rehabilitation only within urban renewal zones (Section 49). At



the municipal level, on the other hand, most of the authorities responsible feel that the improvement of the stock should go hand in hand with the construction of new housing units and even become more important. In the UMQ survey, 57% of the respondents felt that, to answer the present needs in housing, the accent should be placed on rehabilitation of existing buildings. (48) The City of Montreal has, this year, proposed a vast program to rehabilitate 100,000 housing units in 10 years, on the basis of the experience acquired in the rehabilitation of 468 housing units for which the City has granted approximately \$268,000 in the form of subsidies, under Section 787-A of its Charter which was added in 1965:

The Council may, by by-law under the conditions and in the sectors determined by the city, decree that the city will grant a subsidy for the rehabilitation of any residential building which does not conform to the housing standards required by the municipal by-laws in effect. The amount of subsidy must in no case exceed 25% of the actual cost of the rehabilitation work nor 1/6 of the actual value of the rehabilitated building as written down for the first time on the assessment role. (49)

It is recognized that rehabilitation requires public intervention:

We could admit in principle that rehabilitation is an individual responsibility and not a collective one. In practice, however, it is easy to conceive that private rehabilitation of a building in a zone

which is in the process of deterioration is not very profitable. On the other hand, rehabilitation of a complex requires, from planning and architectural points of view, a unity of view which is only possible through the implementation of a total operation. This way, the Commission feels that the Housing Corporation should be empowered to co-ordinate these actions under the authority of a co-operative grouping of the owners. Such an action would doubtless never be possible to realize if a minority of owners has the power to obstruct it. It seems that if a pre-established proportion of owners -- 75% appears to be acceptable -- agreed to this action, it should be possible to force the minority to join in. (50)

Rehabilitation presents undeniable advantages in the minds of the administrators. Private enterprise does not provide large new housing units. As it is, buildings that could be rehabilitated frequently contain large housing units. Furthermore, many low-income families do not like to live in new housing units: "to place at the disposal of these families conventional housing units would better answer a need that has been clearly expressed". (51) However, its application can be limited locally because of the state of delapidation of the properties: for this reason, the City of Quebec will not engage in an extensive rehabilitation program.

Furthermore, up till now, the improvement of the stock seems to have been conceived independently from the low-income housing policy. Rehabilitation entails an increase in rent. In Montreal, the gross increase would be approximately 50%. (52) If rehabilitation does not bring a decrease in the stock of housing units available for the low-income group, it will then be necessary to provide a housing allowance or rental subsidy; yet the statistics published by the City of Montreal do not indicate, so far, that any subsidy has been paid under Section 787-E of the charter. (53) It is, however, necessary to mention that the City has adopted public housing projects in rehabilitated buildings. On the other hand, certain sources of information have argued against this formula, saying that considering "the greater need of tenants in the public sector", placing rehabilitated housing units at their disposal might cause problems for the municipality.

#### 4. Ownership or Rental?

This alternative arises when determining what is best for those receiving public assistance and also when the public authorities wish to define their own functions and responsibilities in the field of real estate.

Access to ownership is evidently considered, most of the time, as the ideal solution; for a long time this has been a necessary prerequisite to becoming a full municipal citizen. However, the public authorities in Quebec do not seem to be concerned with making this their sole objective; very few indeed would subscribe to statements of the following type:

The absolute enjoyment of the individual's right to ownership should be the main pre-occupation of any representative of the people when he is called upon to legislate on the sharing of responsibilities between individuals. (54)

It has frequently been asserted, both at provincial and municipal levels, that it was necessary "to revise the rights of ownership in urban areas" or, that it was necessary to denounce the "myth of ownership". As far as they are concerned, it is not quite realistic to propose access to ownership for persons whose annual income is below \$6,000; certainly, low-income people often can, with much difficulty, purchase a house, but it is not fair to impose this action on the majority. The last CMHC programs (\$200 million and \$100 million) can therefore only be accepted with much reservation, particularly in large urban areas where ownership of a single family dwelling means an exodus to the suburbs as well as major additional costs, both for those who make use of the program and for the community. Even if access to ownership is preferable, it must be thought of in realistic terms:

Much imagination and open-mindedness will be required in the consideration of the choices to be offered to each family to enable home-ownership. This is only fair and reasonable for the community as a whole. (55)

Access to ownership could be widened if public assistance promoted equally the purchase of old housing units and new housing units; this proposal received approval by almost 3/4 (73%) of those who answered the questions of the UMQ survey. (56)

The dissociation of land ownership and building ownership would undoubtedly also facilitate the purchase of new and old housing units, as was advocated by the Chairman of the Ligue des Propriétaires de Montréal, at the Symposium held in Montreal in April 1971.

Accession to ownership or co-operative ownership can also be contemplated in the case of co-operatives or non-profit organizations. Municipal officials have frequently been in favour of this, but the local elected representatives and authorities have shown much more reticence in this respect.

When the municipalities themselves decide to provide housing units to certain categories of people, they find that they are faced with the same dilemma: to be owners or tenants. They can become owners if they themselves take the task in hand (normal procedure) or purchase housing units built by private enterprise; this last solution was attempted in Hull. (57)

However, certain elected representatives declared that it is not the city's role to become the largest owners in the area; this was stated by the present Chairman of the Executive Committee of the City of Montreal: "It is not the City's vocation to become the biggest property owner. We definitely have no such intention". (58)

To avoid this possibility and at the same time continue a major effort, the City could rent housing units which it could then sublet as public housing units. This solution was proposed on several occasions, in the plans of urban renewal programs (particularly those of Rivière-du-Loup and Sherbrooke, zone Saint-François), and in the document of UMQ:

Another aspect which also deserves serious consideration is the rental of a certain percentage of public housing in private projects. Housing units and houses rented by public agencies and sublet at a reduced rent would permit the maximum use of existing conventional housing at moderate costs. This also permits the administration of a program which allows assisted families to remain anonymous. (59)

### C. CONCLUSION

On the whole, both at municipal and provincial levels, the following main points are noted:

- Even if the actual actions that are undertaken deal mainly with the supply of housing units, a general attitude is observed which favours intervention on the demand side.
- Access to ownership is not considered as "an aim" in itself in the field of housing, particularly in the case of low-income people, but also in a general sense. This attitude is different from that of CMHC and from those of most of the Provinces.

- The municipalities appear to favour rehabilitation programs more than QHC (at least according to the limitations which it imposes on such programs, which may be due, however, to legal constraints).
- The general attitude seems to favour the co-operative sector which is given quite an important role in this field.
- Except for the functions of certain municipal civil servants, a restrictive and traditional role is given to the public sector, with respect to the private sector.-- a role of regulator, compensator, non-competitor. At the municipal level, action is rarely seen in universal terms but rather in specific terms of quite paternalistic help. However, neither in our reading nor in our interviews did we come up against the attitude that "the poor have only what they deserve". Also, in the case of some municipally-elected representatives, action in the housing field is seen as a universal social measure.
- There is a certain tendency (particularly in Quebec City) to consider public housing as a "normal" thing in the sense that it is normal to live there, that "it applies to everybody". The conclusion is not, however, that public intervention should be normal, that is, that it should be any more extensive.
- Public housing projects, contrary to previous observations, are seen as help, assistance, or support by the State for people who cannot get along in life alone.
- Most of the time, action has objectives other than those of housing the poor, as was shown in the introduction to this chapter. This finding is again prevalent at the level of specific projects. For example, a municipal civil servant justifies a renewal program mainly as being "a civilized act, that of preserving a valuable and original heritage". The problem of access to rehabilitated housing in the end becomes secondary.

If we compare the public bodies in CMHC and other Provinces, we see that there are some minor shifts in favour of private enterprise as the intervening party. This is, however, only a matter of degree, except for certain municipal civil servants. In any case, they seem to imply that private enterprise is only concerned with the better-off classes, since so much importance is placed on the co-operative sector and non-profit organizations in general; this is also seen considerably differently by CMHC.

The attitude toward ownership is different both from the viewpoint of CMHC and the other Provinces, where ownership seems to be a fundamental value. On the other hand, the attitude toward public housing (60) is more ambiguous: paternalistic themes (e.g., the State must assist those who cannot help themselves) are accompanied by the assertion that public housing is a normal thing, intended for all, and that the problem of access to housing should be the object of universal measures. This ambiguity does not lead to a large role for the public sector. Rather, the public sector must remain compensatory and non-competitive in the private market. But the ideological positions of public bodies cannot be summarized as clearly being "against public housing and for private property," as is the case in several Provinces.

- Only the positions taken in the report of the Investigation Commission on Health and Welfare are unambiguous and markedly different from the attitude of the Federal Government toward the private sector. This report marks a true evolution in the approach of the Quebec Government to housing and permits one to note the radical change of attitude in recent years. Considering that this report so far has been a guide for the Provincial Government's policy in social matters, the positions that were taken permit us to forecast major amendments to the housing policies, a transformation that would be of the sort hoped for by the various intermediary bodies which have recently looked into this problem in Quebec.



- (1) Plan Dozois: Low-rental housing program Jeanne-Mance in Montreal. Mayor Jean Drapeau had firmly opposed this project and had, among other things, described it as is reported in the text (cf., The Montreal Star, February 5, 1957).
- (2) Debate of the Legislative Assembly of Quebec, First session, 28th Legislature, Tuesday the 27th of June 1967, Vol. 5. no. 87, p. 4431.
- (3) Report of the Investigation Commission on Social Health and Welfare, Volume III, "Development", Book 1, Government of Quebec, 1971, p. 184-186.
- (4) The Union of Municipalities of the Province of Quebec (UMQ), Rapport de la journées d'étude of the 24th September, 1969, November 1969, p. 49. The representativeness of this sample was not controlled, but was at least composed of representatives from municipalities of all sizes (less than 3,000 population to more than 100,000). It appears therefore to be interesting to cite the results as indicative.
- (5) UMQ, Le logement décent, une nécessité...un droit...une responsabilité. Work document, June 1969, p. 6.
- (6) More or less exhaustive studies, dating a few years back, have shown that there was a significant lack of certain types of housing. A unique example of such a systematic study is the Martin report for Quebec.
- (7) Raoul D. Gadbois, Qui abuse...? Propriétaire? Locataire? ou la ville de Montréal?, 1966.
- (8) UMQ Lectures given at the annual Conference of the Union of Municipalities of the Province of Quebec on the 24th, 25th, and 26th of September, 1969, p. 30.
- (9) François D. Lacasse, Politiques du logement: Analyse économique, Welfare Council of Quebec, Inc., Montreal 1971, 229 pp. Unfortunately the fragmentary data on the Quebec situation used in this report should be used with caution.
- (10) Debates, op. cit., p. 4427.
- (11) QHC Act 3: "The object of the Corporation is to promote the renewal of the territory of the municipalities of Quebec, to facilitate the acquisition of real property by the citizens of Quebec, to make low-rental housing available to them."

- (12) However, renewal was presented differently. The movement for the construction of Habitations Jeanne-Mance (a grouping of some fifty associations and groups) underlined the beneficial effects of the operation which required prior demolition of the area where disease and delinquency were high. On the other hand, in la Petite-Bourgogne, citizens were mobilized more effectively through reconstruction and preservation of the existing neighbourhood.
- (13) Lecture given by the Chairman of the Municipal Housing Bureau of Quebec, at the time of the opening of the OMHQ on the 11th of March, 1970.
- (14) Debates, op. cit., p. 4430.
- (15) Statement by the President of the Municipal Housing Bureau of Montreal, at the time of his speech to the Symposium on Rehabilitation, held in Montreal in April 1971.
- (16) This aim is made explicit in Le logement décent, op. cit., p. 23. It must be noted that certain newspaper articles and statements have a tendency to present access to public housing as an individual privilege, which is all the more pathetic since very few are "chosen".
- (17) Canadian Federation of Mayors and Municipalities. Memorandum to the Honourable R.K. Andras, Minister of State for Urban Affairs, April 5, 1971, p. 17.
- (18) Debates, op. cit. p. 4430.
- (19) Le logement décent, op. cit., p. 24.
- (20) Housing Department, City of Montreal. Operation 300, July 1968, Project 1, Parc Thomas-Chapais, p. 11.
- (21) Cf., the importance of the symbol of lawns ("as beautiful as in Westmount!") at the Habitations Jeanne-Mance (cf., J.C. Leclerc, et al., "Le malaise social aux Habitations Jeanne-Mance" mimeographed report, unpublished, 1967, 21 pp.) Some of those who were interviewed have indicated that one of the tasks of social renewal consisted in "teaching people how to mow their lawns".
- (22) UMQ, Rapport de la journée d'étude, op. cit., p. 50.
- (23) Regulation No. 2 of QHC, Section 1(d) Order in Council No. 3182, November 22, 1967.

- (24) Léopold Rogers, Report of a work group on the scale of rents in subsidized municipal housing units, November 1969, p. 70.
- (25) UMQ, Le logement et l'aménagement urbain, document prepared by UMQ for the meeting held on February 18, 1969, convened by the Honourable Robert Lussier, Minister of Municipal Affairs, p. 4.
- (26) Le logement décent, op. cit. p. 7.
- (27) Declaration of Mayor J. Drapeau to the Quebec Builders Association, Montreal Star, April 14, 1955.
- (28) Le logement décent, op. cit. p. 18.
- (29) Le logement et l'aménagement urbain, op. cit., p. 13.
- (30) Le logement décent, op. cit. p. 8.
- (31) Le logement décent, op. cit., p. 11.
- (32) Report of the Investigation Commission on Social Health and Welfare, Le développement, Book 1, 1971, Government of Quebec, pp. 184-185.
- (33) Cf., Le logement décent, op. cit., p. 23.
- (34) Official report of the Debates in the House of Commons, April 21, 1970, pp. 6097 and 6098.
- (35) Le logement et l'aménagement urbain, op. cit., p. 13.
- (36) In the rest of Canada, the expression used is "occupancy standards".
- (37) For example, the words of the then Chairman of the Executive Committee of Montreal, reported in The Montreal Star March 5, 1955.
- (38) For Quebec, cf., note 12. In Montreal, By-law 3122 establishing the relative standards of occupancy and maintenance of residential buildings was adopted in 1965. A team of inspectors was formed and considerable work has been accomplished since then. Cf., Housing Department, City of Montreal, Rapport des activités, May 1970, pp. 23-25.
- (39) Montreal Housing Bureau, Code du logement et subventions, Participation of the Provincial and Federal Governments, p. 1.

- (40) Le logement décent, op. cit., p. 6.
- (41) Le logement et l'aménagement urbain, op. cit., p. 7.  
Incidentally, the municipal authorities are proposing this measure all the more willingly since it does not affect municipal resources.
- (42) UMQ, "L'aménagement du territoire au Québec" work document for the meeting of March 8, 1969, in Quebec, p. 28.
- (43) UMQ, Rapport de la journée d'étude, op. cit., p. 49.
- (44) Ibid., p. 5.
- (45) Debates, op. cit., p. 4456.
- (46) UMQ, Le logement et l'aménagement urbain, op. cit., p. 12.
- (47) Existing buildings were purchased in only a few projects.
- (48) UMQ, Rapport de la journée d'étude, op. cit., p. 30
- (49) By-law 3292, adopted in 1966, indicates the conditions under which this is applied. In particular, the rehabilitation works must amount to at least \$2,000 and preference must be given to rehabilitation works which contribute to lodging families with the largest number of children. There was some thought given to increasing the municipal subsidy to 40% of the cost of the works but, this would then be accompanied by greater rent control.
- (50) Report of the Provincial Planning Commission, 1968, Chapter 8, p. 73.
- (51) Housing Department, Montreal, P.L.M. Restauration, 732-1, December 1970, p. 12.
- (52) SHM, Code du logement et subventions, p. 3
- (53) SHM, Rapport des activités, May 1970, p. 24
- (54) R. Gadbois, op. cit., p. 17
- (55) Le logement et l'aménagement urbain, op. cit.
- (56) UMQ, Rapport de la journée d'étude, op. cit., p. 51
- (57) It implies no doubt an even greater control on the part of QHC. Cf., editorial "Rien ne change au pays du Québec," Le Droit, July 24, 1970.

- (58) Declarations reported in The Montreal Star, January 26, 1971.
- (59) Le logement décent, op. cit., p. 26.
- (60) Even the QHC Act does not use the expression "public housing" nor even "municipal housing" but only the expression "low rental housing".

PART TWO

STRUCTURES, FUNCTIONS, AND INTERRELATIONSHIPS  
OF THE MAIN PARTICIPANTS

### CHAPTER III

#### STRUCTURES AND FUNCTIONS OF THE PUBLIC AGENCIES

This chapter takes a look at the major public agencies that intervene in the field of low-income housing, mainly the Quebec Housing Corporation and the Municipalities, but also the Department of Social Affairs. A summary of the Acts controlling the activities of these agencies in this field is given in the appendix. We will not, here, deal specifically with non-profit organizations which are analyzed in the following chapter. But, in the description of the functions fulfilled by QHC, the powers of QHC concerning these agencies will be briefly described to give a general idea of its intervention.

##### A. PROVINCIAL AGENCIES OTHER THAN QHC

No definite or explicit housing policy exists at the provincial level. When QHC was created, some effort was made in this direction, but the reduction in its mandate compared to what was originally planned, prevented the realization of this endeavour. At present, the Treasury Board, responsible for the definition and implementation of a PPB system in the Provincial Government, has classified housing as part of the social mandate of the State. This implies that, in the short term, all Government intervention in this sector will be viewed in this context.

Apart from QHC, and often bearing no relationship to QHC, several Departments and quasi-governmental agencies act in the field of housing.

1. Fire Commission, Department of Labour

These agencies intervene only indirectly by the issuance of standards which must be complied with in buildings. The Department of Labour considers municipal housing the same as public buildings. The requirements of these standards and the strictness of their literal enforcement (not even recognizing equivalents sometimes) can have an appreciable effect on the unit cost price of low-rental housing.

2. Department of Education

The Department of Education must approve all projects of student residences before QHC can give its approval and commit itself to financing. Generally speaking, the Department of Education defines the needs and the Housing Corporation receives the orders from the Department in this sector.

3. Department of Social Affairs

a) Housing the elderly

The Department of Social Affairs has remained responsible for housing the elderly and exceptional children; as in the case of student residences, QHC receives requests from the Department which must authorize the construction and participate in the operation deficit.

In 1970, the Department of Social Affairs decided to stop constructing homes for the elderly because their traditional



design was causing much controversy, but more likely, because the Department of Social Affairs was having to make large payments to cover the operating deficits (which are quite high in this type of project). The homes brought together different types of old people; some could still take care of themselves while others had to receive constant medical attention. To a certain extent, the homes fulfilled the function of a hospital and administrative costs were thereby greatly increased. From now on, the elderly who can care for themselves in daily life, can stay at home or live in small low-rental municipal units, and receive the necessary services at home, if the need arises. This new policy will no longer cause the systematic isolation of the elderly that are still self-sufficient; for this reason, this policy appears to be desirable. But there is still a question to be answered, for although the Province reduces its expenditures -- mainly those of the Department of Social Affairs -- by bringing the elderly to live in public housing units, municipal expenditures are thereby increased because, in the public housing units, the municipalities must assume 25% of the operating deficit. To what extent will municipalities agree to -- or be forced to -- participate in the financing of a social policy?

b) Social Assistance Act

Passed on December 12, 1969, the Social Assistance Act endeavours to fill the gap between the ordinary or special needs of a family or person living alone and the income of these people. These needs include the "costs pertaining to living in a house or a housing unit" (Section 5) which are determined by regu-

lation (Section 48). The provisions of regulations Nos. 1, 2 and 3 (Order-in-Council No. 3491, of September 14, 1970) define ordinary and special needs regarding housing. For the owner, monthly cost pertaining to housing is calculated as one-twelfth of his annual payment of municipal and school taxes, fire insurance, interest, and principal on the mortgage of his residence, plus an amount of \$10. for maintenance, plus the cost of heating, electricity, gas and water, all of which adds up to the amount to which he would be entitled if he were a tenant (Regulation No. 1, Section 303). The monthly costs pertaining to the housing for a tenant or a roomer living elsewhere than in a room with board, is the amount of his rent, plus heating and electricity, gas and water, determined by taking into account the regional disparities of cost and if need be, the size of the family, up to an amount determined in the schedule which follows (Regulation No. 3):

<u>No. of Persons</u>	<u>Maximum Amount</u>		
	Zone I	Zone II	Zone III
1	45	55	60
2	55	65	70
3	70	80	85
4 and more	80	90	95

The Social Assistance Act can also cover special needs pertaining to housing; they are enumerated in Regulation No. 2 and left to the judgement of the Department's local and regional offices. In particular, the local office may raise the rates mentioned above by 50%, when this assistance is necessary to

safeguard the health of a person or the cohesion of the family, or when the implementation of an urban renewal scheme otherwise shows that this measure is necessary. Special assistance is also provided for fire insurance premiums, the cost of moving, purchase of bedding, rent, repair and installation of furniture and household equipment, replacement of food and clothing destroyed in a disaster, the cost of renting and storing furniture, disinfection, repair of goods and essential services for health, payment of arrears of rent, and on occasion, the cost of gas and electricity.

The statistical results of the first months of operation are not yet known. However, according to information received, serious difficulties are in the offing. The designation of renewal areas appears to leave much to be desired. And, above all, the maximum amount allowed in each category is apparently so much below the average rent in some areas that when local agents of the Department no longer wish to let a family live in totally unsanitary conditions, they are forced to find normal accommodation for the family within the maximum housing allowance allowed. This could have several consequences. In the case where most of the vacant units of a particular type are only found in the same neighbourhood, this could easily lead to the formation of "sophisticated ghettos", as one insider put it, i.e., streets filled with socially-assisted people in good housing units. On the other hand, under the present scheme, those receiving social assistance could obtain better housing than could any low-salaried person: a paradoxical

situation which could be "normalized" if a housing allowance were made generally available.

Finally, it must be noted that on several occasions, the present Minister of Social Affairs has underlined that housing constituted "a sector or one of the components of social policy". (1) If these statements can be taken as indications of a new and lasting trend, it can be hoped that public authorities will soon be concerned with developing a true housing policy, not just building housing units. However, research on these matters at the Department of Social Affairs appears to be only in the initial stages.

#### 4. Rent Control Board

Even if this agency does not play a part in the production of housing and only exercises a control function, it is an important means of controlling the price of housing.

The Landlord-Tenant Act which came into effect in April 1951, has been extended each year and amended many times since then. The agencies of rent control are: the Rent Board composed of seven members, three of which are representatives of the tenants and three are representatives of the owners, who come under the Department of Justice and the rent administrators at the regional level. The administrators rule, in their respective areas of jurisdiction, on matters of eviction, extension of leases and establishment of rents, and arbitrate disputes which arise between lessor and lessee. Specifically, they may cancel a lease extension when a house is falling apart, and order a temporary evacuation for the purpose of repairs. At the request of an absolute majority of Municipal Council, and on the recommen-

dation of the Rent Board, the Lieutenant-Governor-in-Council may prohibit, or instead, impose the enforcement of this Act on all or part of the Municipality. This Act does not concern all categories of housing units:

33a: At the request of an absolute majority of the Council of a Municipality concerned and on the recommendation of the Rent Board, the Lieutenant-Governor-in-Council may:

1. make this Act applicable to all or part of the territory of this municipality if it is not subjected thereto, or, when the Act applies to only part of this municipality, to any other part of its territory;
2. decree that in all or part of the territory of this municipality which is subjected to enforcement of this Act or which becomes subjected thereto under paragraph i, the Act applies also, when the rent that can be legally required on a date which it sets, does not exceed the amount which it indicates,
  - a) to houses built between May 1, 1951 and a date which it indicates, but which shall not go beyond April 30, 1968;
  - b) to houses released from the enforcement of the Act or to houses which have not been so released but where the legally effective rent of which, on December 1, 1962, exceeded one hundred and twenty-five dollars per month, in the municipalities of the Island of Montreal and one hundred dollars per month in the other municipalities.

## B. QUEBEC HOUSING CORPORATION

### 1. Creation of QHC

The Bill creating QHC was first presented by the Liberal Government in 1965-1966, then changed and adopted by the Union Nationale in 1967. During the process, the aims of the original Bill, which at the beginning were very broad, became progressively limited.

Under pressure from several citizen groups, some municipal authorities and after several studies, an Inter-departmental Committee was formed in 1964. It recommended in 1965 that a Quebec housing agency be created which would give Quebec control over the relations between the municipalities or non-profit organizations and the Federal Government. Where QHC is able to intervene directly in the municipality, it would permit it to build public housing and acquire land for the purpose of housing.

The Parliamentary Debates were not so much concerned with the content of the Act as with the autonomous nature of the Act with regard to the Federal Government, and there again debate was mainly on the fact that the Act would prevent direct relations between the municipalities and CMHC. Only Pierre Laporte proposed that all housing be under the complete jurisdiction of the Province:

In this field of provincial jurisdiction, where we have collectively, through our own negligence, favoured the intervention of the Federal Government, it is essential that we reassume our jurisdiction and exercise it completely, not only because it is truly a social field where we can naturally have requirements that other provinces would not have... I asserted that we were quite well disposed to co-operate with the Federal Government in the field of housing but that we felt that the option formula should finally be used so that we may withdraw from this joint plan and obtain equivalent fiscal compensation, which would then have given us complete jurisdiction in the field of housing in the Province of Quebec. (2)

The adopted Bill reduces the powers of QHC vis-à-vis the municipalities, by depriving it of the ability to intervene

directly, <sup>(3)</sup> or to acquire land for the purpose of housing. The Bill also deprives QHC of any possibility of defining a housing policy for Quebec as it limits its field of action to public housing, non-profit organizations and urban renewal. QHC is thus changed from an agency capable of direct intervention and responsible for the definition of a housing policy in Quebec into an agency with pump-priming and control functions in severely limited fields of action. The nature of its "autonomy" is clearly demonstrated by the absence of any relationship between the municipalities and CMHC. Time has unfortunately prevented us from analyzing how the objectives of QHC have been altered. However, it seems that the concept of an agency responsible for all aspects of housing in Quebec, never at any time, went beyond official statements. Over and above the question autonomy, the debates did focus on slum clearance, but not on the question of a housing policy. These rather unoriginal themes -- autonomy and slum clearance -- were dominant at the time of the creation of QHC.

## 2. Structures

The management of QHC is composed of five members, appointed by the Lieutenant-Governor-in-Council. Two members, including the president, are appointed for ten years. The three others are chosen either from among government civil servants or are appointed as agents of the Crown in right of the Province. <sup>(4)</sup>

QHC has only been in existence for four years and has just begun to feel the effects of its low rental housing program. The mechanisms that were planned for the daily administration and financing of its operations have not yet all been implemented.

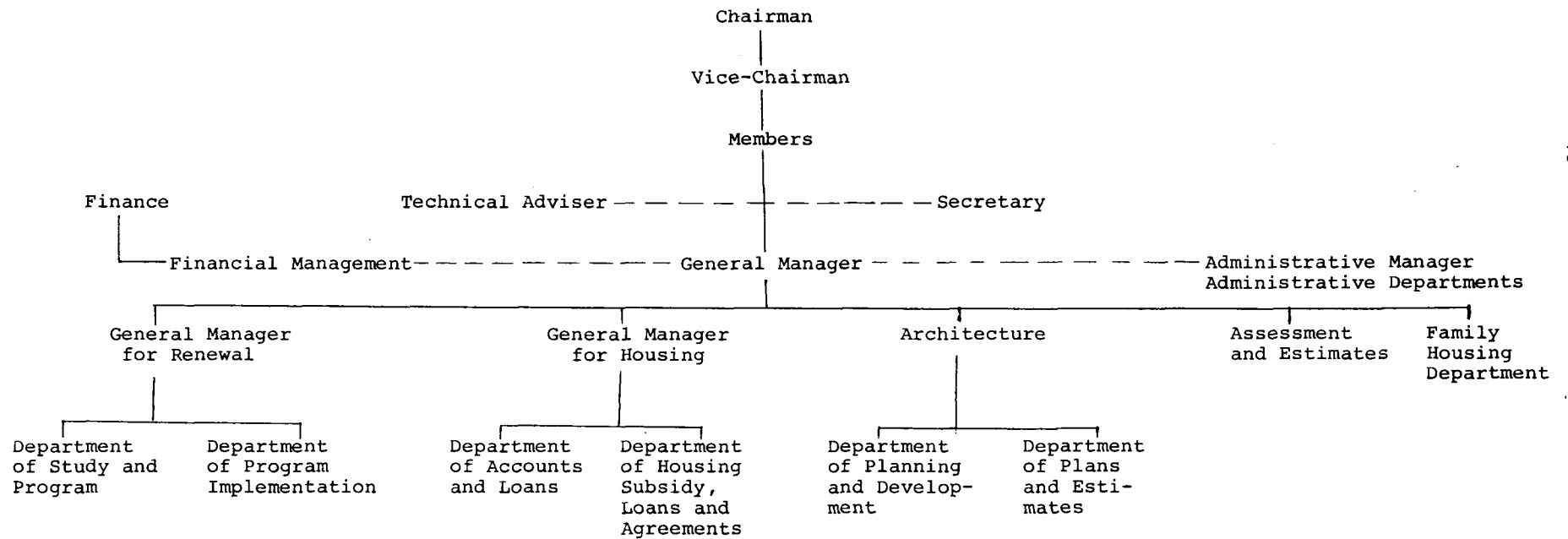
We do not see a major difference between the organizational chart presented in the two annual reports of QHC (1967-1968 and 1968-1969, see graph Nos. I and II) and the present organizational chart (No. III) which indicates a "program structure", partly because two of the three directorates correspond to renewal and housing programs; while the third directorate, "architecture", is functional. QHC has therefore, from the beginning, adopted a structure similar to that which the Ontario Housing Corporation has adopted recently.

The organization of QHC does not appear to have been completed yet. Now that several housing programs have reached their operational stage, a mortgage and property administration department has been set up. Until now, recruiting was one of the main problems. The lack of qualified personnel has sometimes been responsible for certain difficulties with the other intervening bodies. For example, because QHC did not have enough building inspectors, it had to ask CMHC inspectors to supervise building sites according to its own criteria, which QHC then had to pay for. This temporary delegation of duties did not present major problems for QHC or CMHC, but the municipalities and builders thought it strange. The CMHC Regional Office appears to have shown much goodwill in helping to train QHC employees and in filling temporary needs. The work teams have built up progressively; several new co-ordinators were hired a few months ago which enables better control over project implementation. As yet, some professional groups do not appear to be making a significant contribution, although their under-utilization was not surprising in view of the style of QHC's



I

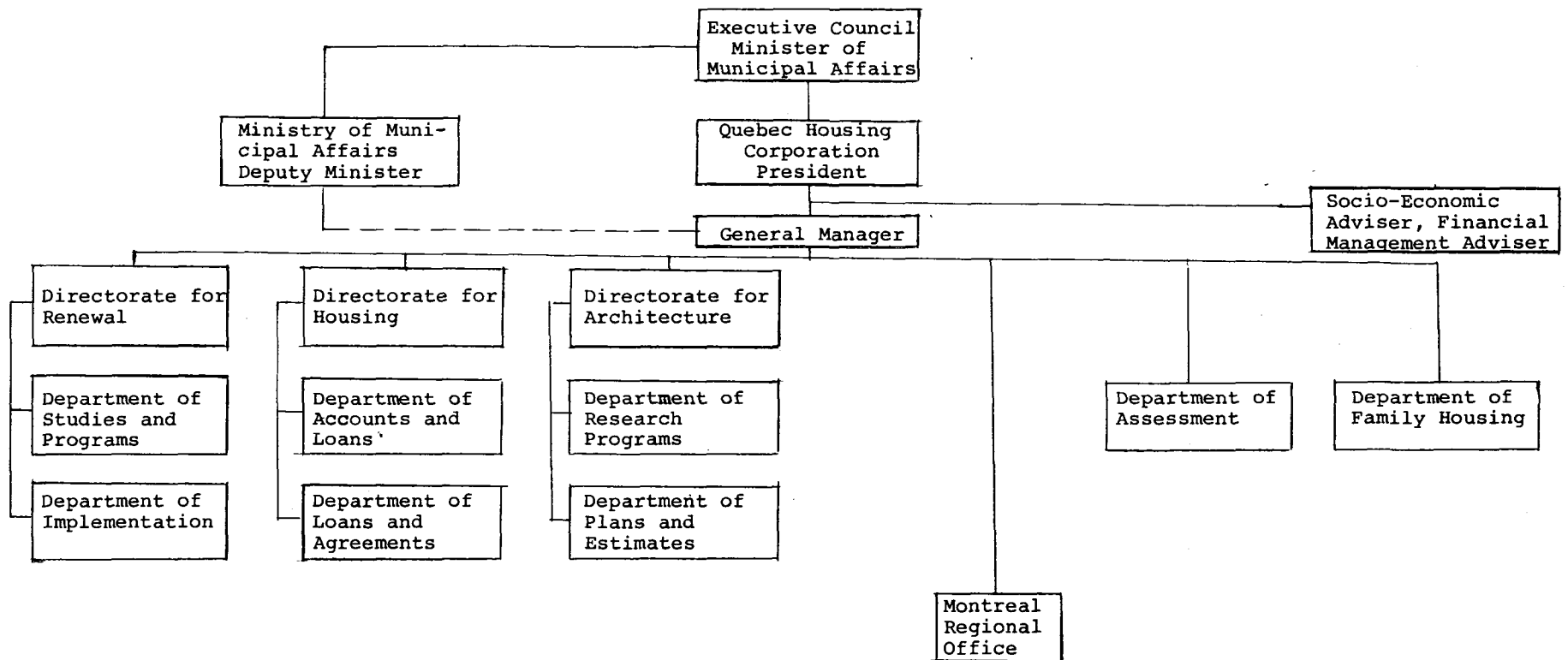
ORGANIZATION CHART OF QHC, 1968



Source: Annual Report of QHC, 1967-68, p. 27

II

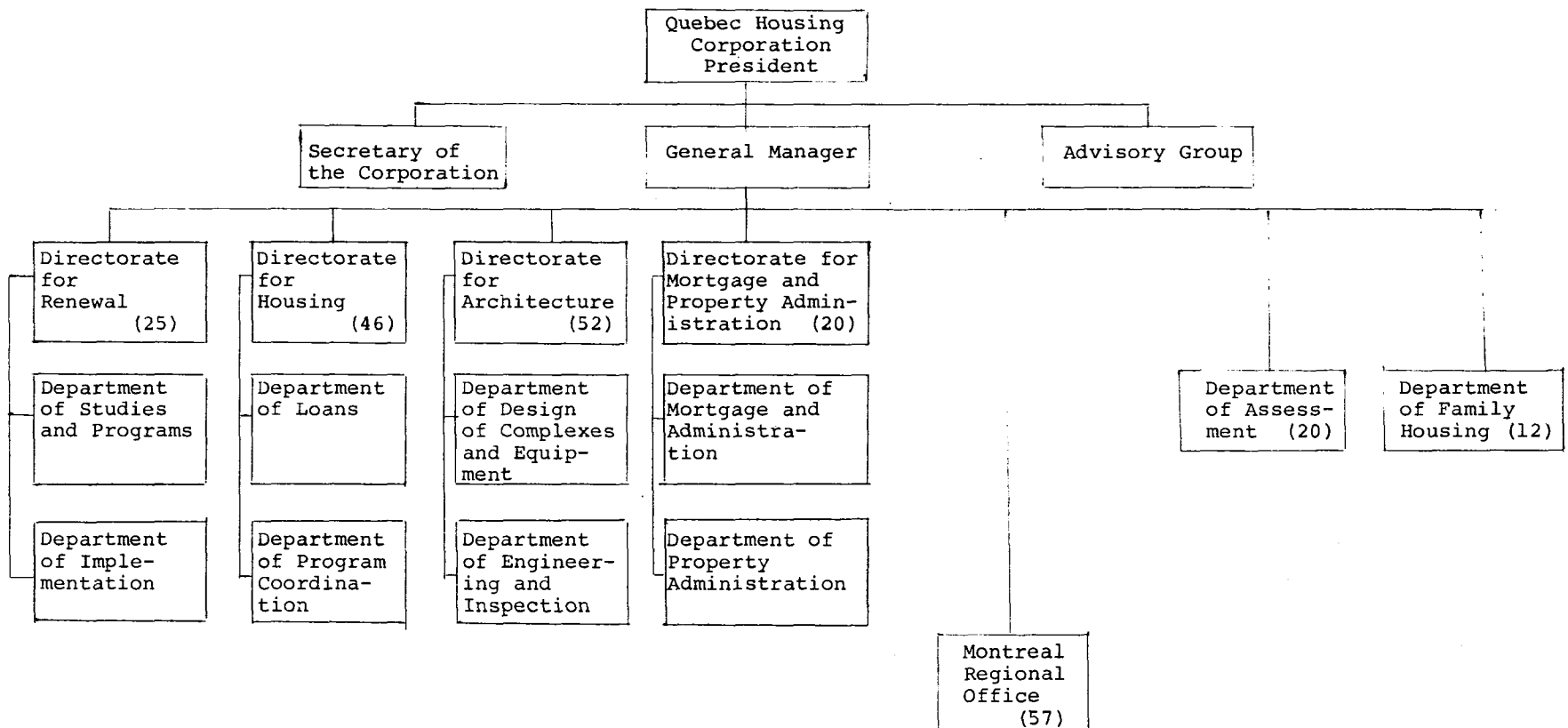
ORGANIZATION CHART OF QHC, 1969



Source: Quebec Government, QHC, Second Annual Report 1968-69, p. VI

III

PRESENT ORGANIZATION CHART AND STAFF



operations. For example, the majority of architects have been confined to one consulting division, although from time to time, they have been called upon to design projects. The research sector has not yet been implemented, but it is hoped that they will soon be active. From April 1968 to April 1969, the staff has increased from 33 to 73. In September 1971, it consisted of 216 employees; the maximum authorized is 250. Close to 50% (109) are professionals and senior officials. The respective staffing of each directorate is shown on the Present Organizational Chart (No. III).

At the time the Corporation was set up, recruiting took place mainly from employees and officials of CMHC. At the beginning, all five members of QHC management had worked at CMHC. At present, three out of the five have at one time worked for CMHC but left their position well before the creation of QHC. It is also important to note that at least six of the present senior officials and management, including the President of the Corporation, have worked for the City of Montreal.

### 3. Role, Power and Functions of QHC

The final legislation, as we have seen, reduced considerably the field of operations of QHC as compared to the original plan. For example, research, coordination of governmental action and direct intervention in municipalities and acquisition of land were dropped. Overall, the role of QHC has become that of financial controller and it also defines and controls procedures in very limited programs: public housing, urban renewal (which will not be discussed here), and non-profit organizations. Also

the QHC administers the Family Housing Act. Within this reduced field of action, QHC does, however, possess extended powers, especially with regard to the definition of the product, its beneficiaries, its partners and its standards; this power is, however, limited by the frequent necessity of the approval of the Lieutenant-Governor-in-Council. Also, a recent law now permits direct intervention in exceptional cases, on the initiative of the Lieutenant-General-in-Council.

a) Definition of Standards, Regulatory Function

QHC defines and determines:

- its clients: low-income people. As we have seen, this is defined as follows: "the upper limit of the lower third of the distribution of prevailing incomes". However, in practice QHC has defined clients' income differently, depending on whether they are dealing with public housing or projects built by non-profit organizations. Units built by housing co-operatives are intended for higher income groups, as will be discussed later. However, it has been difficult for QHC to proceed otherwise than within the context of the Act which does not permit the Corporation to grant subsidies to non-profit organizations.
- its product: low rental housing, defined in the regulations as "housing built or acquired by the municipality or a non-profit organization, administered by them and put at the disposal of low-income people". It is important to note here that the Act authorizes QHC to intervene only in rental projects. Therefore, projects implemented by the municipalities or by non-profit organizations cannot be aimed at providing access to home ownership or co-operative ownership. This restriction creates specific problems in the case of housing co-operatives and leaves all responsibility for providing access to ownership to CMHC (except for Family Housing Act, see below).
- its partners: the municipalities and the non-profit organizations. Officially it accepts agencies "sponsored" by a social club or another organization which it recognizes (e.g., Federation of Co-operatives, Association of Builders).

- the requirements of a low rental housing program. For public housing, certain requirements are specified in the Act. For projects built by non-profit organizations, the decision rests with QHC which has, however, re-inserted into its regulations the same requirements as for the municipal projects.
- the conditions and terms of loans for its partners.
- rental, maintenance, conditions, etc.

b) Financial Assistance

Public housing (Section 58)

- study and research on housing and preparation of low rental municipal housing programs: grants covering up to 87.5% of the cost accepted by QHC.
- housing allowance for people evicted because of housing projects: maximum 50% of the allowance (Section 35 of the NHA does not provide for such an allowance).
- loans for low rental programs: maximum 95% of the costs dealing with construction, acquisition and alteration; in exceptional cases, QHC may finance up to 100% of the cost. This happened only once, in a town which was in the riding of the then current Minister of Municipal Affairs.
- subsidy for operating deficit: maximum 75% of the annual operating deficit; in exceptional cases, the subsidy for deficit can also reach 100%.

Non-profit organizations (Section 62)

There are two major differences with respect to public housing: QHC does not grant any subsidies to non-profit organizations, but it can finance 100% of the cost as accepted, and it does this in most cases.

Access to ownership: Family Housing Act

This Act came into effect on January 15, 1948. Its objective is to facilitate access to ownership for moderate income families and to ensure permanency of possession by granting an interest rebate on a loan obtained for the construction of a house or its acquisition. This Act and the regulations concerning its enforcement were amended on several occasions. Specifically, since September 27, 1967, it has not been administered by the Farm Credit Bureau but by QHC. To be eligible for the benefits

of the Act, the applicant must fulfill certain conditions. At present, his annual income, plus 60% of the spouse's income must not exceed \$7,000 plus \$500 per dependent child less than 18 years old. The construction cost or price of acquisition of the new house, including the cost of the land, must not exceed \$17,000 for a single family dwelling nor \$25,000 for a duplex. The total amount of the first and second mortgages cannot exceed \$14,000 for a single-family dwelling or \$20,000 for a duplex. Furthermore, the house must conform to certain standards, particularly as to size. If these conditions are fulfilled, the contribution of the Provincial Government is 3% per year on an amount of \$7,000, amortized proportionately with the loan.

Since 1970, the purchasers of co-operative housing have been eligible for the benefits of the Act.

c) Control

- the needs justifying a housing program are most often presented in the form of evidence yet, few in-depth studies are carried out.
- program preparation, choice of site, etc. QHC appoints a co-ordinator, approves the program, and controls its implementation.
- choice of builder: QHC proposes to use the "proposal call" technique both for non-profit organizations and for municipalities (described later). QHC intervenes throughout the process.
- the purchase of land: with regard to the municipalities, QHC and the Lieutenant-Governor-in-Council must authorize the acquisition of land (Section 53D) for the project.
- construction: a QHC inspector sees to it that the works conform to the approved plans.
- management: with the exception of the definition of certain standards and the approval of the lease, management is left to the Municipal Housing Office. However, only a few projects have now been completed and the creation of a new department at QHC for this purpose leads us to believe that the management of municipal rentals will depend upon the importance of the municipal administrators who are controlled by QHC. Also, QHC can establish a grievance examination bureau in each municipality where a low rental housing program is undertaken by either the municipality or a non-profit organization. This bureau must hear any low rental housing tenant who submits grievances bearing upon the administration

(Section 63). These bureaus have not yet been created and will not be before the need arises.

d) Direct Intervention

As we have seen, the legislation did not grant this power to QHC; however, a recent amendment now permits QHC to intervene directly in exceptional circumstances. According to the Act, QHC cannot however initiate this intervention, for which the Lieutenant-Governor-in-Council is responsible. This amendment covered the intervention in Saint-Jean Vianney but it could expand the field of action of QHC. In the Gaspé (and probably also in a few other cases), within the framework of the ARDA program, it did in practice intervene directly and take full charge, thus short-circuiting the municipalities. The criteria for its intervention (choice of the site, type of construction, etc.) were mainly financial. This could be due however to the political urgency of the intervention and pressure by CMHC.

e) Assistance

Other than in the large cities, QHC provides considerable assistance to municipalities; by naming co-ordinators, keeping files, providing procedures, it actually plays the role of a guide for the municipalities.

f) Incentive

In the beginning of its existence, QHC gave incentive to the municipalities, who were reticent to avail themselves of the Act, mainly by diffusing information, but also by establishing direct contacts with certain municipalities.



In summary, the role of QHC was essentially that of a mechanism for the distribution of funds and control of their use (Federal funds, for the most part) and in the case of the small municipalities, its function was that of supervisor, technical advisor and provider of incentive. It has played a minor role in governmental co-ordination in the field of housing, even if several informal meetings have taken place. QHC has been very much preoccupied with research. A committee has been formed which has proposed research programs. In practice, the Corporation has done very little in this area. Its direct intervention has been very much the exception up until now. This limitation of its role is largely due to the limited functions that the Act has accorded it both in the fields of action and in initiative which is left to the municipalities and non-profit organizations. (See relations with the Federal Government for the latter's role in this limitation.) It is also likely that QHC is a branch of the "CMHC mentality" (see Collins' report) since most important members came from that organization, especially at the beginning. However, our analysis of QHC has not permitted us to verify this assumption.

This does not mean that QHC has played a negligible role. In fact, it has acted as a real "tutor" to the municipalities, except for the largest ones. <sup>(5)</sup> But in exercising this role, the criteria applied were primarily economic, although in certain cases (e.g., Ilots St-Martin, Place Bardy) high costs were accepted in the name of architectural criteria.

The formulation of a general policy has remained at the conceptual stage. QHC lacks the necessary tools for this undertaking such as statistical data on the condition of housing units, rates of rent and the socio-economic characteristics of the population in all the municipalities of the Province. QHC is accumulating this data (particularly with regard to detailed renewal programs) but the data are fragmentary and not comparable. (6) A precise knowledge of the situation does not appear to be one of QHC's priorities since it probably shares the belief mentioned above, namely that in any case, "the need for housing is fundamental, vital and therefore unlimited". Even by restricting its field of activity to the physical aspect of housing, to building (an accepted limitation), QHC could no doubt play a more significant role than it does at present by making a greater demand for the integration of projects in the urban fabric and by favouring architectural innovations. These are not much sought after. The proposal call technique (see below) does not permit important innovations to be brought in. On the other hand, builders cannot assume the risk of having an architect prepare original plans which will not necessarily be accepted; as it is they have a short enough time in which to make their proposal. At QHC itself, the directorate of architecture acts mainly as a technical adviser and so far does not seem to have wanted to assume the role of designer. Nevertheless, this role would be easily accepted by the municipalities; in the UMQ survey, 91% of the respondents felt that QHC should experiment with new types of housing. (7)

If QHC does not fully deal with the physical dimension of housing, it deals even less with the problems of housing in general. But this situation is the result of an inadequate definition of its mandate and an incomprehensible distribution of responsibilities between governmental agencies rather than a lack of perception on the part of the management and employees of QHC. Co-ordination between government departments still gives rise to certain difficulties, whether these concern agreement on minimum physical safety standards, the definition of client groups, or eligibility criteria for public housing. Admittedly, committees composed of representatives from QHC and other departments do meet. Co-ordination is becoming more and more imperative at QHC since the administrators of occupied housing units are encountering problems (particularly with regard to the provision of community services) whose solution requires the participation of other government departments or municipalities. At present, users might think of QHC as the scapegoat in a situation for which it cannot be fully held responsible considering the limits of its present mandate.

C. MUNICIPALITIES AND MUNICIPAL HOUSING OFFICE:

STRUCTURE AND FUNCTIONS

1. From Indifference to a Partial Acceptance of Some Problems

Until QHC was instituted, several municipalities, mostly medium size cities, completely lacked interest in the housing problems of low-income people. At times, they have even used rather elegant means to rid their territory of unsanitary housing since it was a bad source of revenue. For example,

they would negotiate with the Provincial Government a plan for a new roadway so that an unsanitary neighbourhood would be expropriated or they would stringently enforce certain municipal by-laws. According to local administrators, everyone was quite satisfied with these results because the municipality improved its image and those who were evicted had fewer taxes to pay in the neighbouring areas. Now, the majority of municipal authorities seem to be concerned with the quality of houses and even with housing itself. In response to the UMQ questionnaire, 55% were of the opinion that it was the responsibility of the municipalities undergoing fast demographic growth to see that newcomers found housing. (8) However, the municipalities have reservations about undertaking the construction of public housing; some have even proposed strict limits to their contribution which would be lower than what the present legislation authorizes:

The effort that a municipality should be called upon to support in the implementation of a public housing program should not exceed 5% of the cost of construction and operation and no municipality should thus be called upon to subsidize more than two units per 1,000 population. (9)

At QHC, some are of the mind that the speed at which the municipalities committed themselves to this action was quite slow:

However, the municipalities to which the Act confers important responsibilities, have not yet committed themselves to any great extent in this sphere of activity. (10)

Some municipalities have no doubt changed their attitude toward public housing as they became aware that implementation was not so very costly. In some cases, the sale of vacant land by the municipality to municipal housing offices can even compensate for almost all of their 5% share of the cost of the project. By the land taxes which they then recover, the municipality can compensate for their share of the operation costs. <sup>(11)</sup> However, when the 5% constitutes a net disbursement, only the larger municipalities seem to be in a position to afford it.

## 2. Structure

### a) Municipal Administration

Since 1967, only the City of Montreal has had a Housing Department which is distinct from the Planning Department (in Quebec City, the Planning Department is responsible for housing). The department is composed of approximately 140 employees. As described in an official report of the City of Montreal, <sup>(12)</sup> the functions of the department are as follows:

- to keep an up-to-date inventory of the housing situation in the City.
- in the urban renewal areas defined by the Planning Department, to prepare plans for construction, rehabilitation, development or demolition and to co-ordinate the execution of these plans.
- in the urban renewal areas defined by the Planning Department, to manage temporarily all those buildings that the City has acquired or built for the above-mentioned purposes.
- to enforce the housing code.
- to enforce and publicize the regulations concerning subsidies for rehabilitation, demolition, reconstruction or rental of buildings.

- to give the necessary assistance to persons displaced by urban renewal work or by public works projects and to rehouse them if necessary.
- to carry out research on residential construction techniques.
- to initiate, animate and encourage citizen participation in the conservation and improvement of the urban habitat.
- to keep the Planning Department informed of current studies and projects by describing all public housing programs and residential complexes.

According to certain sources of information, Quebec municipalities do not have sufficient administrative resources to handle by themselves the housing problems which arise in their areas; Montreal is the one exception. Even in Quebec City, which has quite a large Planning Department, they seem to lack the necessary manpower to undertake rapid action on a large scale. However, with technical assistance from the Province (leadership and tools) several municipalities could easily provide sufficient personnel for execution and supervision. Lacking internal administrative resources, most of the municipalities enter into dependent relationships with QHC where political games tend to make decisions even more unpredictable.

In Montreal, the problem is certainly not the lack of administrative resources but the organization of these resources. The Housing Department, according to By-law 3545 which created it, "must co-ordinate and implement government policies in the field of housing". But other departments have to intervene in the finalizing and implementation of projects: Departments of

Planning, Permits and Inspections, Highways, Justice. They do not all share the same concepts regarding the development of the various sections of the City. These differences of opinion may cause delays and lessen the possibility of formulating a comprehensive housing policy, specifically by allowing CMHC to take advantage of the situation and to make its own views prevail.

b) Municipal Housing Office

The municipalities can create a Municipal Housing Office which is a non-profit corporation and an agent of the municipality "for the purpose of acquiring, building and managing low-rental housing for low-income people" (Section 55). Normally it is made up of at least 5 members, 2 of whom represent intermediary bodies and tenants' associations. It seems, generally, that the members of the Offices are often recruited largely from the membership of the municipal administration: elected officials, department directors, employees. They are appointed and dismissed by the Municipal Council. We get this impression from general data on the 45 existing offices <sup>(13)</sup> and it is confirmed in the Municipal Offices which we have studied more closely.

In Montreal, the Office is made up of three directors from Municipal Departments (Finance, Housing and Property) and two representatives of the public (a social worker and a housewife from la Petite-Bourgogne, who was appointed after consultation with citizen groups). The director of the Office is the director of the Housing Department, so that in practice, the Office becomes almost a branch of the Housing Department, a legal

fiction which nevertheless often permits the administrative processes to be speeded up. No elected official is a member of the Montreal Office.

In Quebec City, the Office is made up of one elected official, the city manager and the director of the Planning Department, who is also the director of the Office, and two citizens, one appointed by the Mayor of Quebec and the other representing a public housing tenants' association.

In Lévis, the Office is made up of seven members: two elected officials, the city clerk and the municipal manager, a representative of a social welfare agency and two representatives of the public housing tenants.

The functions of the Office have not been studied in detail, but it can be assumed that they are essentially an extension of the municipal administration or, in the smaller municipalities, an extension of the Municipal Council. One consequence of the composition of these Offices is that they can hardly escape the control of municipal politics.

Finally, it should be noted that one of the functions of the Office is to permit the municipalities to recover taxes on their public housing projects.

### 3. Role, Powers

As we have seen, the municipalities are willing to undertake a housing program. The majority of the municipalities feel that they do not have too many responsibilities in the field of housing; the larger ones wish that they had autonomy and the



more extensive resources and powers that would go with it. (14)  
The municipalities which have a competent staff should be able to make certain decisions, subject only to a posteriori supervision by QHC. In fact, waiting for prior authorizations from QHC sometimes entails delays which prevent the municipalities from acting at an opportune moment, thus risking increased client dissatisfaction and complaints against municipal offices.

All those at the municipal level that we have met have stated that QHC limitations regarding land purchase (15) were much too narrow for the municipalities to control land speculation and thus reduce the cost of land for low-rental housing projects. In the survey of the Union of Municipalities, 77% of the respondents felt that "a municipality should have the power to create a land bank on simple options while awaiting the authorization prescribed in the Act". (16) However, if this is agreed to in principle, there are still differences of opinion concerning the purpose and method of use of such a bank. The position taken by the Union of Municipalities is quite restricted:

Such a policy should, however, prevent the transfer of too much land to the public domain and, it is also essential that the public authorities not be able to engage in unfair competition with the individual. (17)

On the other hand, the Provincial Planning Commission has advocated a broader solution:

Any property acquired by means of expropriation should be attached forever to the public domain and not be disposed of otherwise than by rental and emphyteutic lease unless the prospective purchaser is a public body. (18)

Furthermore, some people at the municipal level and at QHC have felt that QHC should continue to supervise, if only a posteriori, all property transactions. In fact, the municipalities, in the field of housing as in others, have the freedom but are relatively powerless; one can only wonder if their powerlessness is intended to increase the power and prestige of their provincial creator or, on the contrary, is intended to hide its weaknesses.

The creation of regional agencies which would favour the mobilization of administrative resources and the harmonization of planning regulations thus preventing a strict municipality from impoverishing itself to the satisfaction of laissez-faire factions was the wish of most of the sources of information.

According to the by-laws of Quebec City and Montreal, the construction of "low-rental housing" or "subsidized housing centres" is one of the prerogatives which the metropolitan governments could assume. At this time, they appear to be too preoccupied with simple survival to attempt operations in the field of housing which would use up a lot of their reserve funds. (19)

Even within the context of the present Act, one could conceive that public housing could be undertaken at a regional level, since a Municipal Housing Office is not able to benefit municipalities other than the ones for which it is the agent. Even if it has not yet been applied, this arrangement has not been totally ignored.

D. THE ACTUAL ADMINISTRATIVE PROCESS: QHC - MUNICIPALITIES

According to the legislative provisions concerning public housing programs, it would seem that QHC's main function would be to ratify the choices made by the municipalities. While conforming to official procedures, QHC in fact exercises an important influence on municipal decision-making. QHC has a major advantage as it makes the decision regarding the sharing of the cost of projects; furthermore, it has itself defined the process to be followed. It guides the municipalities -- excepting the largest -- all along the process. The exercise of this role was facilitated, even necessitated, by the inherent difficulties and gropings which occur at the breaking-in stage of a new mechanism. (20)

1. Preparation and Decision

If they adhere closely to the letter of the Act, municipalities should only communicate with QHC when they make a presentation of a proposed low-rental housing project. This procedure has remained the exception until now. Municipal approval of a housing project is more often a formality than a first step, or as one QHC official puts it, the "crowning event", because an informal process of agreement between QHC and the municipality takes place. On the other hand, this practice prevents a municipal council from being forced to make several amendments to their regulations, because during the process of approval it may be necessary to adjust the information required for a project (e.g., a description of the properties to be acquired, the measures that will be taken for rehousing persons,

and eventually, the proposed housing with explanatory plans and specifications, the agency which will be responsible for the construction and the development of the buildings, the estimated cost of the implementation of the program and the proposed method of financing, the delays provided for its implementation, the provisions taken to administer the housing units, the selection criteria of those who will occupy these housing units and the amount of rent which will be asked, proof of the need for low-rental housing, and a survey of the average rent rate in a district where the program is intended to be implemented).

There is no single model of relations between QHC and the municipalities; different circumstances can call for variations, such as the urgency (political) of the intervention, existence of a Municipal Housing Office or the presence or absence of competent municipal employees. From the information collected and QHC guidelines, one of the most frequent methods of processing can be illustrated. This can only be a brief description, since only an examination of the processing of each file would give the complete understanding necessary. Because the municipalities are not very often well informed of the possibilities available, the purpose of their first contact with QHC is frequently to obtain precise information and to submit a draft proposal, which mainly indicates the number of housing units desired. After a brief study of the municipal situation, QHC judges the cogency of the application and recommends whether the preparation of the project should proceed. The municipality must then

establish its needs and express its preferences with regard to such things as the site, the type of building, and so on, following which a decision is made.

## 2. Choice of Builder

The municipality must then fill out the necessary papers for the choice of builder. QHC encourages use of the "proposal call" method -- a promoter offers to build low-rental housing for a contract price within a specified time on the basis of plans and specifications which he presents. This procedure was formulated at a time when the Corporation had to quickly commit large sums of money where it was impossible to suffer the usual delays entailed by a recourse to other procedures, such as having plans and specifications prepared by an architectural firm and then calling for tenders for construction. However, at times Montreal still uses this method, even in some cases by having the plan prepared by its own architects. The City may choose either method, depending on the characteristics of the individual project: size, particular difficulties, or the desire of a group of citizens to participate. (21)

The proposal is developed on the basis of the specifications which establish the needs; it is prepared with the "active participation" of QHC and approved by it. The proposal call is made by public notice, published at least twice in one week, in both English and French, in one of the daily newspapers in Montreal and Quebec City, in a newspaper in the region where the works will be executed and in a building journal which has

province-wide distribution. The notice is drafted according to formula prepared by QHC and must be checked by them before its publication. This notice indicates specifically the place, the date and the hour of the closing of the call for tenders. During the process, QHC can ask the municipality to appoint a co-ordinator who will be responsible for the project at the municipal level; if the municipality does not have a competent employee, a person with experience in the field of construction could be hired. For its part, QHC designates one of its employees as co-ordinator, and he must follow the project until it is fully completed.

On the established date, the proposals are called for by the municipality or the Municipal Office if there is one, and if the municipality has conferred upon it the power to implement housing projects. Tenders are opened in the presence of a representative of QHC. A joint committee made up of the municipal co-ordinator and the QHC co-ordinator consults professionals in the architectural division, study each proposal by examining the suitability of the documents provided by the tenders and the clauses of their application form, and the manner in which their plans and specifications satisfy, both quantitatively and qualitatively, the needs specified. The committee then submits a report to the municipality and suggests that it select the tender which best meets the needs at the lowest cost. The municipality must select the committee's proposal. Once authorization has been given by the Province, the municipality (and the Municipal Office) must then sign a contract for the works with the contractor selected. The latter must then complete the plans and specifications

regarding construction, architecture, structure, heating, ventilation, plumbing, electricity and landscaping. These plans and specifications, which may vary slightly from the preliminary plans, must be approved by the Municipality and by QHC for the purpose of the loan before construction can begin.

When the municipal project is presented to QHC, the latter sends a copy to the Regional Office of CMHC so that they may check its eligibility for a loan and set the amount of the loan. This part of the process is relatively short, the 21-day delay provided for in the regulations seems to be generally followed. Once the plans have been checked regarding their conformity with the standards (or more precisely, with the interpretation of the standards) and after the examination of the file is completed, QHC can then approve the municipality's project and give the Municipal Office the requested authorization -- after having received approval by the Municipal Council -- to make the loan and to acquire the necessary property for building the project. At the beginning, approval and authorization were given separately; now, after simplifying the procedures, they are given in a single resolution which must be ratified by the Lieutenant-Governor-in-Council. This phase is not merely a formality; it may take some time, because certain Ministers may have an interest in asking for detailed information on the project. The Order-in-Council authorizes the Corporation to commit itself definitely to the project.

The municipality makes a loan to the Municipal Housing Office representing the 5% of the cost of the program which it must assume. The interest-free loan occasionally enables the Municipal Office to purchase land which the municipality sells to it. After 50 years, the municipality becomes the owner of the project.

### 3. Construction

Before QHC will start making progressive disbursements, of funds for the work as it is done, the borrower must sign for the loan and provide all documentation which is required by the conditions of the letter of commitment from QHC.

QHC supervises the construction or alteration work to ascertain that it has been done in conformity with the approved plans and specifications and that the standards are respected. The site is also inspected by CMHC agents and municipal inspectors (and also by inspectors from the Departments of Labour, Public Works, etc.) if there are any. According to some local authorities, it has happened that certain differences of interpretation -- and sometimes the unexpected issuance of new standards -- have influenced the rate of progress of the works. During discussions with the builder on site, the QHC co-ordinator can, on occasion, bring about definite improvements or answer unforeseen problems.

### 4. Administration of the Housing Units

The procedures at this stage are not completely developed; it is quite evident that they are determined by QHC. QHC prepares the basic documents: lease, scale of rents, criteria for the



allocation of units (see chapter 6), and method of building maintenance. Except for the large municipalities which have sufficient staff to make the necessary corrections to the procedures and to adapt them to local conditions -- with QHC approval -- it must be anticipated that the management of low-rental housing will be under the control of QHC, to a greater or lesser extent, depending upon the importance of the provincial staff. Municipal initiative in the implementation of low-rental housing proves therefore to be closely circumscribed.

#### E. CONCLUSION

QHC is still a small organization and its rate of expansion is relatively slow, particularly if it is compared to its Ontario counterpart which had a staff of 1,100 employees in 1970. We must bear in mind, naturally, that the Ontario Housing Corporation was formed 3 years before QHC. However, this phenomenon is explained not only by the youth of the organization but also by certain recruitment difficulties, due to the fact that there were so few occupied housing units, their lack of power to intervene directly by the large role played by the municipality in getting programs underway, and finally, by the absence of new programs launched since its creation. We can however expect an increase in staff as the public housing units become occupied since QHC intends to closely control their management. Also, the recently acquired powers of intervention in exceptional cases could, if they are used, cause an increase of staff. It was not possible to analyze the evolution of QHC in a detailed way: structure, ideology, etc. The information

which we collected does not enable us to make a judgement on the "CMHC mentality" which would influence QHC. However, we can say that our contacts have often given a very different impression from that which one gets from some other organizations: CMHC employees (with a few exceptions) are much more preoccupied with the economic aspects of the housing problem than those of QHC (and employees of QHC more so than those of the municipalities) and are much more confident that private enterprise can solve these problems.

The QHC has now neither the means nor the power to form a housing policy for Quebec. CMHC is still the body which intervenes in a significant way in the housing sector, even sometimes competing with QHC and municipal housing projects (as we will see in chapter 5). In addition, QHC has not yet succeeded in obtaining a portion of the research funds granted under Part V of the National Housing Act (for its own research, outside of urban renewal studies). These funds are necessary for the establishment of a policy which takes into account the characteristics of Quebec, since these characteristics must first be examined. CMHC and the Federal Government seem to consider research as a Federal prerogative, not only in the housing sector but with respect to all urban problems: thus, the creation of the Ministry of Urban Affairs. Even before the creation of this Ministry, Quebec only received 11% of the funds distributed under Part V of the NHA. (This figure excludes funds granted to organizations like the National Research Council.)

The municipalities are much less hesitant about participating in QHC programs than they were at the beginning. But their position on the idea of public housing is still a little ambiguous. However, they do not deny that a housing problem does exist for the poor in their cities (as opposed to certain cities elsewhere in Canada). This is probably why the need for housing is often presented without in-depth research. However, QHC accepts this procedure, which may indicate that the number of requests from the municipalities is still rather small. In this respect, it must be noted that the financial burden on the municipalities is greater in Quebec than in Ontario where OHC provides 100% of the capital cost (Quebec, 95%) where the municipality pays only 7.5% of the operating costs (in Quebec, 25%), and where OHC grants to the municipality a compensation in lieu of municipal taxes which is probably higher than the municipal taxes actually collected on a public housing project. It must be noted however that the municipality becomes the owner of the project after a period of 50 years.

The sphere of initiative left to the municipality is associated with the creation of a unique local structure -- the Municipal Housing Office -- which is a non-profit corporation under the jurisdiction of the municipality composed mainly of elected officials, municipal civil servants, and representatives of intermediary bodies and tenants' associations.

The margin for action which legislation leaves to QHC is very limited with regard to municipal projects: wedged between its principal financial backer (CMHC) and its foreman (the municipalities), QHC could easily function simply as a branch, enabling municipalities to receive Federal money for public housing and controlling the Provincial Government's distribution of this money. This is probably one of the main reasons why the Provincial Government created QHC. The inability of the Corporation to act as foreman leads to the belief that the legislation was intended to create a small controlling body. In spite of these legal limitations, QHC has imposed its rules of the game on the municipalities and has persuaded the municipalities to intervene. Successive amendments to the Act have enabled QHC to insure the complete financing of some projects and also to act as foreman. Even these possibilities have not been used so far. They are an indication of the expanding role which the Provincial Government has been called upon to play in housing.

However, before concluding this matter, it is necessary to describe the part played by QHC with respect to non-profit organizations as well as QHC's relations with various other bodies.

FOOTNOTES

- (1) Cf. speech delivered by Mr. Claude Castonguay, Minister of Social Affairs at the 62nd annual meeting of the Canadian Association of Public Hygiene in Toronto, April 22, 1971.
- (2) Parliamentary Debates, op. cit., p. 4432.
- (3) QHC now holds this power, in exceptional circumstances.
- (4) QHC Act, Section 6.
- (5) This assessment only applies to public housing, and not to the role of QHC in urban renewal; research is under way at present at CRUR on this matter.
- (6) Nevertheless, in the case of detailed renewal programs, a certain standardization has been imposed.
- (7) UMQ, Rapport de la journée d'étude, op. cit., p. 29.
- (8) Ibid., p. 23.
- (9) UMQ, Le logement décent, op. cit., p. 29.
- (10) SHQ, Deuxième rapport annuel, 1968-69, p. 14.
- (11) Certain municipal officers have shown, during interviews, calculations establishing clearly that, in the long term, the Federal Government "made money" with the public housing programs, or at least was not in a deficit position, and that under certain conditions, the municipalities were not in a position to be subjected to important losses but on the other hand that QHC had to bear the full weight of programs in deficit positions.
- (12) Montréal et son gouvernement, Municipal Departments, 1970, p. 7.
- (13) May 1971; at the end of September 1971, the number was 59, and 39 others were in the process of being formed.
- (14) UMQ, Rapport de la journée d'étude, op. cit., pp. 36, 42.
- (15) At present, the municipalities can only purchase the immoveables described in each low-rental housing program which must be approved by QHC.

- (16) UMQ, Rapport de la journée d'étude, op. cit., p. 38.
- (17) UMQ, Le logement décent, op. cit., p. 19.
- (18) Report of the Provincial Commission on Urbanism, op. cit., Chap. 10-11, p. 41.
- (19) Without speaking of the true motives for these oppositions, certain informants have manifested the fear of seeing, in the case of regionalization, centre-town absorb the major portion of the available funds for subsidized housing; still, the need for such housing appears to be more important in centre-town.
- (20) Half the municipalities now have a tendency to implement the first project, then to wait for the results before undertaking another; this is in danger of continuing for a certain time.

#### CHAPTER IV

##### NON-PROFIT ORGANIZATIONS AND CITIZEN GROUPS

Although the QHC Act devotes 11 Sections to municipal low-rental housing, only one Section (No. 62) is concerned with non-profit organizations. This Section, while it does not define the expression "non-profit organization", permits QHC to make loans to these bodies for low-rental housing (it does not therefore permit subsidies or enable home-ownership) and merely states that the users can include the elderly and students. All the rest is defined by the regulations of QHC.

Therefore, this is an area in which the Corporation permits a wide latitude of action, even if there is a capital restriction. The lack of any subsidies for these organizations eliminates from the start clients with a very low income unless they can obtain funds from other bodies.

We have seen that, concerning special client groups (students, elderly, etc.), QHC has mainly been responding to the demands of departments concerned (Social Affairs, Education). It has played a negligible role in the actual conception of programs and projects (except in certain unusual cases, such as a unique student co-operative, carried out by Co-op-Habitat). The policy of the Department of Social Affairs regarding the elderly has already been briefly described. A statement of their achievements will be presented in Chapter 6. Because time has not permitted an in-depth analysis of the programs of these Departments, the present chapter is principally

concerned with low-income people in general.

In this field, QHC has carried out most of its projects in conjunction with Co-op-Habitat Federation. This is therefore QHC's greatest initiative because the Section of the Act dealing with non-profit organizations does not even mention housing co-operatives. This is why we will devote the major portion of this chapter to the experience of the Co-op-Habitat Federation in Quebec.

On the other hand, QHC has not financed any project put forward by a citizens' group from a lower class district, who could have constituted themselves as a non-profit organization. The Act, by not allowing subsidies, has not favoured such projects. Moreover, this has lead to a situation where the users (as defined by QHC) of these programs are in a higher income classification than those in public housing. Nevertheless, it can be assumed that the Corporation could have found the means <sup>(1)</sup> to help these groups. The latter part of this chapter is devoted to a brief description of the role of these groups.

#### A. CO-OP-HABITAT FEDERATION

##### 1. To 1968

Housing co-operatives took a new direction in 1968. Before this date, the main function of housing co-operatives in Quebec was to act as a means to ownership for lower-income people. <sup>(2)</sup> It seems that the major role of the co-operatives was to provide a financial formula which made it possible for the individual to use his resources to buy a house. Actually, these were builders'



co-operatives, not housing co-operatives. Often the role of the co-operative was limited to obtaining the credit necessary for building the house. The methods used were home-made, depending on the skills of the member of the co-op, who often built his house at his own speed. Generally, the co-operative only lasted until the house had been completed. On the other hand, this role has been limited in quantity, (10,000 families in 20 years).

Before 1948, only local co-operatives existed. The Federation of Housing Co-operatives was formed in 1948 with the major purpose of helping these local co-operatives. Its expenses were met by the local co-operatives. Regional units which existed were not authorized to represent the local units, of which they were made up, at the level of the Federation (see organization chart, p. 112). During this period, the Federation was mainly concerned with information.

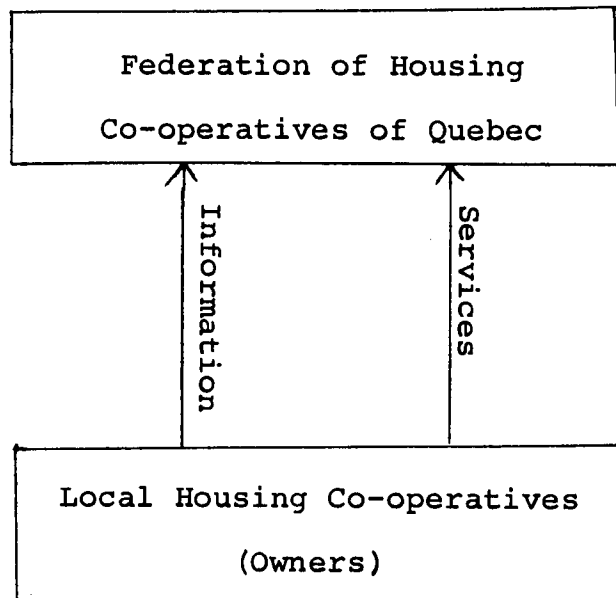
## 2. The Situation at the Time of Reorganization (1968)

### a) The Federation was Almost Absorbed by the Duberger Co-operative

When the Federation of Quebec Co-operatives reorganized, it was mainly made up of the Co-operative of Metropolitan Quebec which had, itself, become the Duberger Co-operative which has existed since 1958 and which is still active. It then built mostly individual houses where the member of co-op became the owner. Initially, this co-operative was mainly concerned with the working classes, but gradually, with the increased cost of houses, its clientele was made up of white collar workers and professionals, and this, in part, explains the reorientation of the movement.

ORGANIZATION CHART OF THE  
OF HOUSING CO-OPERATIVES OF QUEBEC  
OF QUEBEC (1948-68)

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151 Registered Co-operatives  
9503 Single Family Dwellings Built  
Total Value: \$95,141,848

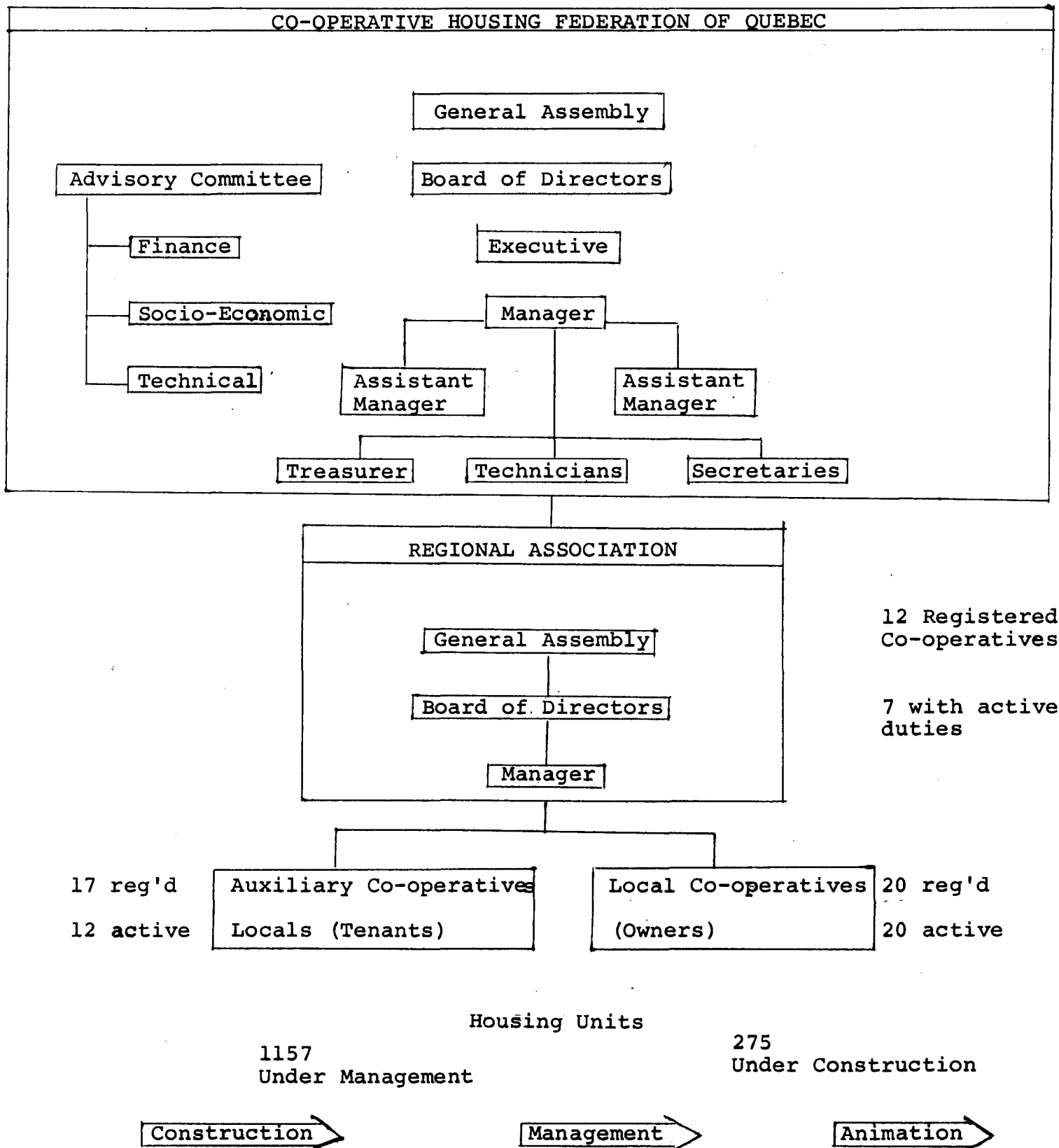
b) The Report of the Co-operative Council

At the same time, and fairly independently, the Co-operative Council, with the support and collaboration of some Quebec civil servants who obtained a CMHC grant, undertook an overall study of Quebec housing co-operatives. The resultant report proposed a complete reorientation of the program: a large-scale offensive concentrated on high density urban areas; use of modern methods of management and construction; buildings of a multi-family nature; collective ownership (no longer individual ownership) and self-administered programs; action in underprivileged areas and urban renewal areas; a large enough interventionist role to be effective on the construction market.

As far as structures are concerned, a three-tiered organization was suggested (see organization chart, p. 114):

- Regional Unit: this is essentially a link between the Federation which provides the services and the members of local co-operatives. It is made up of a reserve of members and constantly analyzes the needs of the region with respect to housing. The Board of Directors of the Regional Unit proposes various projects to the Federation to insure that they will meet the needs.
- Local Unit: The members themselves of the various local co-operatives establish the rules of community life. The local can also organize, according to its needs, consumer co-operatives, recreational associations, etc. It should provide information on the workings of a co-operative and should promote the participation and the education of its members. The Local Unit participates in the activities of the Regional Unit by sending representatives who then elect the Board of Directors.

ORGANIZATION CHART OF THE FEDERATION  
OF HOUSING CO-OPERATIVES OF QUEBEC (1969-71)



- The Federation: The Federation is the economic, administrative and social tool at the disposal of the Regional and Local Units. It possess all the professional and technical services necessary to fill this role. The Federation prepares housing plans for the Regional Units which are then charged with implementing these plans. The Federation strives to be both modern and efficient.

Some prospective members of QHC were consulted at the time this report was prepared. Also, one of the members of the interdepartmental committee proposing the creation of QHC is also a member of the group which prepared the report on co-operatives and which is now acting as an advisor to Co-op-Habitat.

c) The Legislative Aspect

The QHC Act does not define housing co-operatives, which are considered non-profit organizations. The Corporation does not permit the financing of co-operative ownership, which contradicts one of the recommendations of the above mentioned report. In addition, the Corporation cannot subsidize non-profit organizations.

In summary then, at the time QHC was created, we were faced with a) a co-operative sector which is practically a co-operative of local owners, b) a report which proposes the complete reorientation of the movement and a large-scale offensive, and c) a law which does not specifically define the role of the co-operatives and which does not provide for co-operative ownership.

3. The Beginnings

QHC was created in 1967; close informal ties existed between the co-operative council and QHC. Some months after the creation of the QHC, the new structure of the "Federation Co-op-Habitat du Québec" was set up. In practice, this is a group

consisting of people from the Co-operative Council and sympathizers of the co-operative movement. It was the nucleus of this group that asked for the report. At the beginning there was no regional or local structure, with the exception of Duberger. At first, of the 20 legally-existing local co-operatives, only one became part of the new Federation. Thus, it was really a relatively "fictional" federation which was created bit by bit from above. We might hypothesize that at both QHC and the Federation, there was a project afoot to make the Federation into a significant force in social housing in Quebec:

QHC was convinced from the beginning that the co-operative movement had, because of its nature, a very important role to play in social housing in Quebec. (Document: Operation Survival.)

There were, however, certain legal conditions which also seem to have been demanded of QHC: the Federation could not be called a Federation for long if it had no elements to federalize. The original group could then have become a local unit. It chose the federal structure as recommended in the report, which again indicates the intention to set up a far-reaching organization. To do this, sympathizers were recruited in the different regions to make up a Regional Unit. Then some of the members of the Regional Unit founded the local co-operative in order to carry out a project. This local co-operative was a temporary body which would eventually be replaced by the residents of the project (see below). Thus, contrary to the previous phase, everything is designed from above; projects do not come from local initiative. Decisions were often made at the suggestion of QHC or because of the availability of land (or sometimes, buildings).

After the agreement with the QHC was signed, providing for 15 co-operative projects, an Order-in-Council (July 1968) made \$12,000,000 available to the Federation. An agreement between QHC and the Federation provided that 8% of the loan, which was calculated according to the number of projects started, would be devoted to the administration of the Federation.

The Federation added 50 employees to the 18 employees of the Federation of Metropolitan Quebec who became employees of Federation Co-op-Habitat. It also opened an office in Montreal.

#### 4. The Year 1968-69

Four projects were initiated: two involved buying existing buildings (one for a students' co-operative in Montreal); another was at Duberger where there were already owners of houses built during the previous phase and whose residents were members of the Federation of Metropolitan Quebec. This is eventually going to create problems.

Two of the projects were built under supervision: the Federation prepared the plans and controlled the whole process. It almost acted as the contractor. (Duberger and Alma). These two projects contained 146 units. The agreement signed by QHC with CMHC provided for 15 co-operative projects and 1,020 housing units.

Without knowing to what extent the Federation was responsible, we can state that QHC could have played a part in this low production. In effect, the proportion of projects which were initiated, as compared to those provided for in the CMHC agreement, is not much smaller in the co-operative sector than in most of the other programs of QHC (the elderly, students,

etc.). If we take into account the newness of the structure of the Federation and the numerous administrative problems which came up, the number of projects undertaken is respectable.

But it is evident that such a small number of projects, compared to the structures set up and the number of people employed, caused the Federation considerable financial difficulties. Also, at this time, some suburban land was bought by the Federation, and the two projects under its control showed a deficit. The administrative budget for this year reached \$900,000 and the projects underway involved commitments in the order of \$5,500,00 of which \$2,000,000 went for the purchase of the student co-operative building. The Federation only took, for its administrative expenses, 8% of \$5,000,000 and not \$12,000,000 as it should have done. These are some of the factors that explain the financial difficulties which broke out in the following year.

##### 5. The Year 1969-70

In the autumn of 1969, the Federation obtained a loan (in the form of a bond issue) of \$2,000,000 from the co-operative movement which demanded the formation of a tripartite Management Commission: two representatives from the Department of Finance, two from the Federation and one from QHC. The operating budget was reduced to \$600,000; personnel was reduced to 38 people, the Montreal office was closed and the real estate department was abolished. There was an attempt made to rationalize administrative procedures.



During this period, five projects were begun, two of which are still under supervision (67 units) and two of which were given to a general contractor. For the fifth project, the proposal call method suggested by QHC was used and this proved to be more economical. There was no longer a deficit for these projects (except for Laval: see below) but the Federation did not succeed in solving its financial problems due to other commitments.

The biggest project (324 units), and also the biggest failure, of the Federation was at Laval in suburban Montreal. According to the Federation, it was only because of the great pressure exerted by QHC that it undertook this project. It has now been completed for over a year; in the month of June 1971, 216 of the 352 units were rented. This created an operating deficit in the order of \$200,000 during the fiscal year 1970-71.

We should also note that from 1969, QHC has more than a relationship of collaboration and external control. It becomes directly involved in the Federation by its representation on the Management Commission. (3)

#### 6. The Year 1970-71

At the beginning of this year, five new projects were begun (505 units). In one of these projects, a new construction formula was tried out, called "outside management", where the Federation acted as general contractor and gave the building to various sub-contractors. In this project, it would seem that the cost will be less than expected.

Several months after the beginning of this year, the manager was again replaced. But a new manager was not named until four months later and activity was practically suspended during this period. The financial situation worsened. An organization committee was formed. The Department of Finance named someone to inspect the affairs of the Federation and created a tripartite committee: Department of Finance, co-operative movements, Federation Co-op-Habitat. This committee studied the situation of the Federation and produced a document which asked the co-operative movement and QHC to "save" the Federation financially. In May 1971, the financial institutions of the co-operative movement took complete charge of the Federation Co-op-Habitat -- taking over "the assets, buildings and real estate of the Federation, and its administration".

Two solutions are now possible: dissolution, or subsidization by the Quebec Government (QHC cannot subsidize a non-profit organization, see below); it is impossible to say what will happen in these circumstances.

#### 7. The Supervisory Role of QHC

According to the Federation, QHC has not strictly supervised operations and has delegated much responsibility to the Federation. This was especially the case in the beginning. The two organizations were new and seemed "to delegate their responsibilities mutually". But after the first year, the relationship seemed to be much more one of collaboration than of supervision. A contact told us that in 1970 the two organizations were in weekly contact.

QHC can hardly "save the Federation financially" since the Act prevents it from subsidizing non-profit organizations.

8. The Local Co-operatives and Citizen Participation

The procedures used by the Federation to implement the projects, even if they did prove to be economical over the years, have not involved to any great extent the future residents. The Federation produced the housing which it rented on the market, without any selection criteria, as any contractor would have done.

However, a democratic structure, as we have seen, should ensure the participation of the residents as soon as the project has been built, and it should maintain the co-operative aspects of the project.

In fact, as we have seen, the members of the Regional Unit effectively form the Local Unit in a temporary basis, until the project is occupied. What happens when the project is finally occupied? Tenants are recruited without any sort of test, principally because there is difficulty in filling the projects. On June 28, 1971, out of 1,157 available units, 766 were rented and 391 were vacant. We must note, however, that seven out of thirteen projects are completely filled and that out of the 391 vacant units, 216 are in Laval as we have already described.

The Federation should do something so that, when the units are occupied, the tenants take over the administration by forming themselves into a Local Unit. There were social animators

in 1968 (there were three people in this department). But, in 1969, when the housing units were just beginning to be occupied, the department disappeared as a result of the financial difficulties. With all of the problems we have described, the Federation does not have time to devote to encouraging this local structure provided for in its organization chart.

It was thought that the "temporary" Local Unit which was formed from the Regional Unit, would turn over the administration of the project to the residents' Local Unit who would elect their own administrative council once the project was occupied. In practice, only three co-operatives at the local level were formed in this way, and in only one case (Co-operative of the Students of Durocher) did the authorities readily accept that they be represented in the Regional Unit. In Duberger, where the Regional Unit was made up of owners from the previous movement (before 1968) and where the Regional Unit was very powerful in the Federation (it was really the only co-operative in existence at the time of reorganization), tenants were refused the right to be represented at the regional level. Moreover, when they were represented at this level, they felt under-represented in the Federation, since locals existed in only 15 regions and since there are 12 Regional Units, there are 8 "Artificial Regional Units" who have their word to say against the "real local Units". Specific demands in certain projects came to nothing. For all of these reasons, towards the end of 1970, a movement of tenants or residents of co-operative movements sprang up. They demanded that they be reimbursed

the part of their rent that goes to the social aspect of the movement, or the "sociétariat" as the Federation calls it. They also demanded a representative in the Federation and a role in decision-making since they sensed that the Federation was facing a crisis and they wanted to be involved in the decisions being taken.

In May, the movement became "the association of the residents of Co-op-Habitat of Quebec". The Federation is worried about this situation, with good reason. The Federation has accepted that the association send delegates, with the right to speak, to the annual meeting which has been put off until September 1971 in view of the problems previously described.

This is a rather paradoxical situation for a co-operative movement, but it is easily explained if we think of how the Federation was set up and of the many financial difficulties which prevented the creation of desired structures at the local level. Thus, we cannot conclude that there was opposition to the idea of participation on the part of the management. And so, the Federation has encountered difficulties, not only in terms of economic returns, but also with respect to the "co-operation and participation" aspects of the movement. We can also conclude that the tenants are definitely interested in participating in decision-making, even though they have not been initiated into co-operative procedures, have had nothing to say about construction and have been selected at random from requests for housing.

## 9. Some Characteristics of the Projects

- Clients: The Federation's housing units are mainly for people earning between \$6,000 and \$8,000 per annum.
- Cost: It has varied from \$11,300 to \$16,000 for seven projects where we have cost figures. Considering the number of rooms and the quality of the projects, the cost is low. Although the architectural quality of the projects was not studied, our contacts have been unanimous on the point that projects which have been built are of high quality. (See also the report by Melvin Charney for Duberger.)
- Number of Rooms: If one compares co-operative housing to apartments financed under the NHA in Canada in 1970, one sees a major difference in the number of studios and one-room apartments (5% co-operative; 41.5% NHA apartments) and a much larger quantity of large units (45% have 3 bedrooms compared to 10% for HNA apartment). Compared to public housing (Montreal: 28 projects), co-operative projects also include fewer small units, but more units of two and three bedrooms, and fewer with four or five bedrooms. We can say, then, that although the Federation has built much larger units than private enterprise, it has built fewer large units and fewer "studio and one room" units than the municipalities. It must also be pointed out that the Federation has organized a unique student co-operative by acquiring an apartment building for this purpose. Contrary to most student residences which are primarily composed of rooms, this residence permits several students to share an apartment in a building which is co-operatively managed.

## 10. Local Initiative

While the Federation Co-op-Habitat was developing, we witnessed the local efforts of low-income people who wanted to use the co-operative formula to solve their urban housing problems. These groups have not yet produced any housing units, but it is possible that certain projects will result soon. The absence of subsidies makes it very difficult to produce housing units at prices which people whose income is below \$6,000 can afford.

## 11. Conclusion

From the experience of the Federation, one can conclude that the co-operative formula, as applied during these years and within the framework of the present Act, does not make housing available to people whose income is below \$6,000. This cannot be explained by the inefficiency of the Federation because even the most recent projects which were produced efficiently were not intended for the lower-income groups. Only some sort of subsidy could make these units accessible to people of very low income. These subsidies do not necessarily have to pass through the co-operative. Rather than requiring the co-operative to finance itself at the market price by giving it loans, the subsidy could be granted directly to the individual in the form of a housing allowance. But the present law definitely does not permit the co-operative movement to reach the lowest income classes.

Mostly because of the cost of land, the Federation's projects are usually in the suburbs and are thus of no help to people in the city centre. The intention of the Federation to play a major role in urban renewal zones has not materialized, perhaps in part because of the resistance of the municipalities.

In spite of everything, the Federation is concerned with relatively low-income groups, the housing units it has built are of high quality and contain more rooms than the apartments built by the private sector, and it has tried some original things, such as the student co-operative in an apartment building.

However, despite these encouraging signs, the Federation generally still finds it necessary to act like a capitalist, often building projects on the basis of the availability of land, without any particular criteria for selection, and for the most part placing little importance on resident management of the buildings.

Many of its failures (but perhaps not their explanation) stem from early financial difficulties. It would seem that these difficulties are due in great part to the type of organization and its early structure: the Federation was originally organized as a public service which is evaluated not by financial returns but by the services it provides, whereas the way it was financed by QHC was based on criteria of profit-making capacity. For example, a municipality can allow \$1,000,000 to set up a housing department before building any public housing; these costs are not included in the accounts of the projects it builds. Therefore, there is a contradiction in the method of financing and the method of accounting of the Federation and also in its mode of operation and organization. One gets the impression that the Federation was organized a little like QHC in terms of its functions, without being able to be financed in the same way. Its method of financing soon reduced the Federation to undertake rather ordinary projects and led it to forget its social objectives. QHC was closely involved in this experiment but it was not able to help the Federation sort out its financial problems at a time when it would still have been possible to sort them out, since the law prevented it from granting subsidies to co-operatives.



If the Act were to define housing co-operatives more precisely, then it could allow subsidies to be granted to co-operatives, in particular to certain co-operatives arising out of local initiative in underprivileged areas which cannot undertake such experiments unless they are subsidized.

In spite of this partial failure and because it seems to us to be due mainly to problems occurring during the first year of operations which could not be immediately corrected, the Federation could now play a bigger role, and, in certain circumstances, apply itself to the more underprivileged areas. The Federation should be more sensitive to local initiative; local groups could only be allowed to receive grants on the condition that they be recognized by the Federation as co-operatives. If QHC is interested in the social aspects of the co-operative movement, it should finance it in a specific way and not just include it in the costs of a project as calculated by market prices.

#### B. CITIZEN GROUPS AT THE LOCAL LEVEL

We have only studied citizen groups in Montreal, as was called for initially. We will, however, describe briefly, the situation in Quebec City.

##### 1. Functions

In Montreal, citizen groups were more concerned with the housing problem a few years ago, when the Petite-Bourgogne project was started, than they are now. Now only 18% of the

existing citizen groups are concerned with housing. Most often these groups formed and became interested in housing as a result of intervention in their neighbourhood: autoroute, Concordia project, Petite-Bourgogne. Thus it is mainly as a reaction to outside intervention rather than their own initiative that citizen groups interested in housing are created. That is to say that the major objective of these groups is either to preserve their houses or their neighbourhood, or to prevent them from being turned into something else at the citizen expense.

In Quebec City, housing is a more central concern of citizen groups. This may be because housing is generally in poorer condition in Quebec City.

Within this overall purpose, citizen groups fulfill the following functions:

- pressure, demands: numerous statements, petitions, etc., have been presented to the provincial authorities and to the municipal authorities; the purpose of these statements is either to criticize existing projects or to recommend detailed or major changes, to demand consultation and participation of citizens in developing projects. In Quebec City, they also demand that the projects be carried out by the citizens and proposals have been submitted.
- participation in decision-making: certain committees are represented at the Municipal Housing Office. Moreover, public housing tenants' associations do have certain managerial powers. These powers are not specified by legislation and since they have only recently been instituted, it is difficult to tell what role they will play. The committee from Ilots St-Martin took part in defining the rent scale and it seems to be consulted on certain problems.

Other than these tenants' associations, the groups have little to say about the development of the projects. They are usually consulted on relatively minor details and, especially in Petite-Bourgogne, the groups are a little disillusioned about the possibility of participating in the decision-making process which will transform their neighbourhood.

## 2. The Role of Non-profit Organizations

In Montreal, only two groups animated by English-speaking people have gone so far as to propose projects which they want to implement themselves. Here the difference from Quebec City is remarkable: for several years, citizen groups in Quebec City, either as co-operatives or otherwise, have proposed housing projects and several of these may soon be completed. (These experiments are described in the appendix of the report on housing co-operatives.)

## 3. Structures

There is no group in either Quebec City or Montreal which encompasses the different citizen groups but rather, these groups operate in a somewhat isolated way. Even in Petite-Bourgogne, an attempt at consolidation (Le Reveil of the citizens of Petite-Bourgogne) failed and the committees formed again at the block level and now act in an isolated fashion. There is, however, a new attempt currently being made at consolidation. Local structures are often very informal and unstable. Numerous committees are formed and not followed up; the situation varies from month to month.

Turning more specifically to the residents of public housing projects, a conference of public housing tenants in Quebec City is now being arranged which could eventually give rise to a permanent provincial structure. This project originated as a result of a recent conference which took place in Ottawa where several Quebec representatives (particularly those from outside Montreal) were disappointed by communications problems. QHC has indicated that it is in favour of such an initiative.

With regard to local governmental structures, there is the possibility of citizen participation in local structures which the Minister of Social Affairs intends to get underway and which will have certain responsibilities for the social aspects of housing. These are the Local Centres for Community Services whose structure was recently outlined in proposed legislation which will be presented at the next session. After meetings between the Department and citizen groups in a Montreal neighbourhood, the Department accepted several of the citizens' recommendations and the proposed legislation suggests that the administrative council of the Local Centres for Community Services be composed of 10 members, 5 of whom will be elected by the local population. Also, the general director will be named by the administrative council. However, it is possible that these structures will be modified before the legislation is adopted by the National Assembly.

### 3. Governmental Attitudes to Citizen Participation

QHC seems to be fairly open to citizen participation, albeit with some apprehension. As we have seen, with its model

lease for municipal housing, the Corporation requires that the municipality recognize a tenants' association which must represent the tenants "on questions of housing and the general welfare of the residents". However, the Corporation does not specify the role of this association which should be defined "in the general regulations of the office". This openness is also manifested by certain actions, such as the participation of two QHC civil servants in a recent national conference of public housing tenants.

Some civil servants seem to be afraid that the tenants' associations will become citizen groups whose objectives are no longer limited to housing administration, but who represent underprivileged citizens and all of their problems which could easily lead to a more political type of action. Even if the difference between these two types of committees is very real, it is, however, extremely difficult to define in operational terms at what "moment" a tenants' association becomes a citizens' group. And it is difficult to see how we can establish criteria which are not arbitrary. It is only in the face of real powers which will soon be granted to tenants' associations that we will know the attitude of QHC toward citizen participation in the management of public housing.

QHC is more reticent about citizen groups which want to play the role of a non-profit organization in implementing housing projects. This reticence is mainly justified by fear of the inefficiency of these groups in working on such projects.

C. CONCLUSION

QHC has defined its low-income clients differently for non-profit and public housing programs. Thus it has acted within the law, which does not permit subsidies for these groups; a concept similarly adhered to by the Union of Municipalities of Quebec as to the role of the co-operative sector in the field of housing.

Between the system of free enterprise which is intended mainly for those who are more fortunate and the State system for those who need to be protected and supported by society, there is the co-operative system which answers an ever increasing need of middle income families. (4)

The ambiguity of the authorities concerning low-income people and citizen groups which could use such a procedure is manifested in another way: although there is a lot of concern about the creation of ghettos in public housing, assistance to low-income persons is still limited to this type of program, where the future tenants have no role or any initiative, and programs implying such initiative is reserved for other income groups.

FOOTNOTES

- (1) For certain people, Section 58 of the QHC Act permits subsidies to be granted for the preparation of projects, a crucial stage in the action of these groups.
- (2) We do not have precise data on the income categories during this period. Concerning the Duberger co-operative in 1958, the average income amounts to \$3,787. In 1965, it amounts to \$5,099 (Rutigliano, op. cit., p. 33).
- (3) We do not know what the actual role played by the Commission was. It had quite extensive formal powers. It was specifically given the responsibility to "supervize the financial and administrative organization, the structure and operation, of the Federation and the involvement as a whole".
- (4) UMQ, Le logement décent, op. cit., p. 9.

## CHAPTER V

### RELATIONS BETWEEN THE ORGANIZATIONS

This chapter does not only aim at presenting the formal relationships between these organizations, but also at describing as far as possible from available information, the real relationships which exist, and the relative influence of certain organizations on others. This may provide a cross-check on the description of the functions they fill and certain aspects of the product which are analyzed in the following chapter. The relationship between QHC and Federation Co-op-Habitat was described mainly in the chapter dealing with non-profit organizations.

#### A. THE RELATIONSHIP BETWEEN QHC AND CMHC

##### 1. Political Level

On a political level, this relationship is often mixed up with the relationship between the Federal and Provincial Governments, which will not be analyzed separately.

Even if the general objectives, as set out at the creation of QHC have not been translated into concrete terms by the Quebec Government, the Federal Government has exercised certain influence on the reduction of the powers of this organization. Indications are that the Quebec Government wanted to get complete jurisdiction over Section 16 (Entrepreneurs and Non-profit Organizations), which was refused by CMHC under the pretext that paragraph 16 - Entrepreneurs - was repealed. Quebec also wanted jurisdiction over loans to mining companies (Section 17)



and receive a proportion of the research funds under Part V of the NHA.

Since the creation of QHC, four agreements concerning housing have been signed with CMHC, the last one quite recently. In all of the agreements, one paragraph specifies that the only responsibility of CMHC relates to the eligibility of loans under the NHA and the amount of the loan. Furthermore, contrary to the other provinces, QHC holds the mortgages.

Comparison of the texts of the agreements suggests that QHC can progressively acquire more autonomy in the redistribution of the funds allocated by the Federal Government. <sup>(1)</sup> The first agreement set the amount of funds which could be committed for distribution under each of the Sections (16, 35D, 36D), and indicated the list of the projects which were to be financed in each category: non-profit housing for low-income families, for the elderly, for retarded children, public housing, student housing. One clause did provide for the possibility of substituting by common agreement one project for another. However, this proved to be rigid and constraining. In the second agreement, the projects were no longer enumerated and only the total amount available for each category (low-rental housing, public housing, student housing) was established. Nevertheless, the transfer of funds from one heading to another was not authorized unless it was mutually agreed to. The third agreement grants QHC a total sum to be allocated among low-rental and public housing projects in amounts which have to be agreed upon

by both parties. However, in the third agreement, this relative increase in freedom is accompanied by greater restrictions concerning joint publicity: for each project, a press release, a sign for each building site, as well as a bronze commemorative plaque must say that this is a joint project of the Corporations!

In the last agreement, an understanding was reached regarding subsidies for the operating deficits of public housing (Section 35E, NHA; Section 55, QHC) which could include community and recreation services. As far as amount of the deficit is concerned, the existence of two different rent scales is a source of complex administrative problems; instead of determining the amount from QHC's calculations based on its own scale of rents, the agreement provides that CMHC's contribution will be based on "the scale of rents requiring the lowest contributions". According to one contact, this procedure is aberrant, since it requires a double accounting which eventually will entail administrative costs greater than the amount that would be saved by using this procedure. QHC feels that social, recreational and community services should be set up at the neighbourhood level except for minor supplies and that these services should not be restricted to public housing projects. However, in order for QHC to be able to grant these subsidies, the services must be located on land included in the mortgage.

Since construction projects under Section 16 (Entrepreneur) were started again, Quebec has tried several times, but without success, to bring this program under its jurisdiction.

One of the reasons given is that these programs compete with QHC projects in the allocation of CMHC funds. CMHC feels that this program does not compete since it is not aimed at the same income levels, and implicitly, it accords this program an economic rather than a social objective.

## 2. Administrative Level

At both the Regional Office and at QHC, administrative relationships between the two organizations are described as "good". However, for more than a year now, it seems that interaction has been much less frequent because of internal problems at QHC. It seems that the Regional Office has no control on QHC operations. It is not responsible for the inspection of building sites. As far as control of building costs, density, etc., are concerned, QHC looks after this itself and does not present to CMHC projects whose cost surpasses the ceiling set by the Federal body. (2)

The control that the Regional Office would eventually like to have will be difficult to obtain because of the proposal call formula that QHC applies in its relations with the builders: this formula implies that changes in the projects would involve complicated procedures for the builder which would entail a possible increase in cost.

In summary, inspite of the fact that QHC's field of operations has been reduced, CMHC feels that QHC's powers are now too broad and would like to reduce them more. However, this attitude is not justified by a negative evaluation of QHC, but rather by policy considerations: the definition of a housing policy, is, they feel, up to the Federal Government. However,

we must point out that CMHC Regional Office is much more favorable to QHC. These two positions reflect the present ambiguity between Federal and Provincial Government jurisdiction in defining a housing policy, a domain in which the Federal Government has in practice exercised jurisdiction for 20 years.

B. THE RELATIONSHIP BETWEEN QHC AND THE QUEBEC GOVERNMENT

Officially, the Minister of Municipal Affairs is responsible for the enforcement of the QHC Act; he exercises control over the personnel. However, it has not been possible to analyze the actual relationships which existed at the time when we first encountered QHC. We do know that there was a tendency for the Department of Municipal Affairs to participate more closely in policy-making at QHC and even to modify its status to this end. The present situation is difficult to describe: the projects and intentions of the present Minister of Municipal Affairs appear to fluctuate and are difficult to predict. But the relationship between the two bodies is certainly closer than before, as evidenced by this statement by the Minister to the Municipal Affairs Commission:

[QHC is a semi-autonomous agency.] This means that the officers of the Corporation are employees of the Department of Municipal Affairs. It is administered in a rather independent manner by the Corporation itself but it comes directly under the Minister of Municipal Affairs in the sense that there is constant consultation between the Director of the Corporation and the Minister concerning approval of housing projects. (3)

QHC has also established relations with the Ministry of Social Services with respect to programs for the aged, and concerning public housing projects about which QHC has sought the advice of the Department. A relationship of a more political nature also seems to have existed over the definition of the scope of QHC's activity and the possible eventual institution of new programs affecting access to housing.

The Department of Education takes the initiative in most of the student housing projects.

Since information on this matter is very limited, it is difficult to come to any valid conclusions. Certainly, QHC has not played a broad role in co-ordinating the efforts of governmental bodies concerned with social housing, except with respect to the Departments which are directly involved in the programs. But governmental influence on QHC is impossible to determine from our present knowledge.

#### C. RELATIONS BETWEEN QHC AND THE MUNICIPALITIES

Even if, legally, the municipalities have the initiative in the projects, we have seen that, in fact, QHC has played a much larger role, especially in municipalities other than Montreal. We have not given close attention to the relationship between QHC and cities other than Quebec and Montreal. We can say, however, that QHC acts virtually as guardian to the smaller municipalities. In the Gaspé, for instance, QHC bypassed the municipalities in taking options on lots and entered into direct negotiations with the builders. But this does seem to be an exceptional case and, in the other municipalities, QHC has respected the delays which are necessary for the municipality to get the feel of the situation and to set up the necessary structures for implementing the

project under the direction of the QHC co-ordinator.

Municipal civil servants in Quebec City and in Montreal have complained that the QHC administration is slow, that it has caused many delays and that this could produce increased costs. But at the same time they do admit that this may just be a "breaking-in" period. In Quebec City, QHC has also been accused of not delegating its authority to the civil servants, which also slows down the process. However, in Montreal, the relationship is often a political one and so, several times, civil servants have been by-passed and their decisions overruled.

#### D. QHC RELATIONSHIPS - PRIVATE SECTOR

QHC also wishes to indulge and encourage both capitalist and non-profit private enterprise. But until now, statements of good intentions do not appear to have been accompanied by any significant support, except possibly for the co-operatives (see Chapter IV). The management and employees of QHC have asserted that they were ready to provide appreciable technical assistance to co-operatives, and the 1968-69 Annual Report both praised and encouraged the co-operative movement. (4) This attitude is a response to expectations which have been voiced many times, such as:

The degree of participation of citizens, unions, associations in these bodies, which operate for the welfare of people rather than for profit, will indicate the success of our housing policy. The State should encourage the creation and operation of non-profit organizations devoted to the construction and operation of moderate-income family housing. (5)

However QHC seems to be quite cautious when it comes to non-profit organizations, although such allegations have not been verified. Officially, QHC recognizes non-profit organizations that are "sponsored" by a service club or another group which it recognizes (e.g., Federation of Co-operatives, Builders' Association). Some civil servants whom we interviewed insisted above all on the necessity for these bodies to have highly qualified administrators, as they feel that public funds could not be entrusted to corporations which were operating in the traditional manner of charitable groups. Whether we are concerned with effective assistance or criteria of evaluation, we must not forget that the development of non-profit private enterprise inevitably limits the profits of the capitalistic owner since the housing market cannot be extended indefinitely. This finding is quite trite but it must not be neglected when it comes to interpreting the attitude of the authorities toward non-profit organizations.

QHC also insists that it will not compete in a disloyal way with capitalist owners and promoters. Their worry about being considerate certainly does not lead QHC to accept their claims unconditionally. Occasional pressure put on the Department by slum owners to slow down the implementation of the low-rental housing policy did not impress QHC civil servants. QHC is mainly concerned with the construction industry and, without being in a position to really contribute financially and technically to its modernization, it endeavours to strengthen its relationship with the builders. The Minister of Municipal

Affairs asserted recently that "the professional staff is in constant communication with all the manufacturers" (prefab houses).<sup>6</sup> The proposal call formula is unique in that it involves the builder from the time of the preparation of projects and eventually permits them to provide land. Informal contacts aside, the employees of QHC do discuss all proposals with tenderers and these discussions can only bring an improvement in the quality of the projects that are presented.<sup>7</sup>

However, there is the feeling that the proposal call formula favours certain builders more than others; this selectiveness is perhaps not harmful given the structure of the building industry. Furthermore, the proposal call is supposedly the "most economical".

#### E. QHC RELATIONSHIPS - CITIZEN GROUPS

QHC has always appeared to be intent on involving citizens in the implementation of low-rental housing but much less seriously than is the case in the detailed renewal programs.

This participation of the public in the development of renewal programs constitutes one of the most important aspects of the process established by the Act.<sup>8</sup>

Typical letters patent for the constitution of a Municipal Bureau, prepared by QHC, indicate that two members of the Corporation must be included in the selected representatives of concerned intermediary bodies and citizen groups. Furthermore, in the model public housing lease, drafted by QHC, the lessor agrees:



To recognize a tenant committee formed of representatives selected amongst the tenants of the project and duly elected by the majority of the latter, for the purpose of representing them on matters pertaining to the occupancy of the housing units and the general welfare of the residents within the context of the terms of reference of the Office. The role of this committee may be defined in the general regulations of the Office.

Until now, QHC has not supervised the enforcement of these provisions.

The Property and Mortgage Administration Department has hired a sociologist, in part to define the methods whereby the tenants will "participate". The tenant committee appears to be accepted to the extent that it contributes to the settling of numerous internal problems (e.g., disputes, maintenance), but their aspirations for self-management would be refused at this time. QHC has not yet accepted the claims of the first tenant committees who requested a 50% representation in the Municipal Offices. Moreover, at present, there is no question of involving future tenants in the preparation of projects.

Also, the future relationship between tenant committees and citizen committees seems to be a source of apprehension, to the extent that the citizen groups could cause the tenant committees to be more demanding in their claims.

QHC has asked the representatives of intermediary bodies to participate in the formulation of rent scales. Many of them did not appear to wish to have their contribution restricted to the discussion of technical problems. QHC appears to have accepted this exchange of views to the extent that they

are not again questioning the present legal situation and are not fearful that this type of participation will only bring about more critical and exacting requests.<sup>(9)</sup> This may well be one of the reasons <sup>(10)</sup> behind the premature dissolution of the work group composed of intermediary bodies which had been formed to examine certain aspects of the QHC Act.

F. RELATIONS BETWEEN CMHC AND THE MUNICIPALITIES

We have seen that QHC succeeded in imposing its rules of the game and in limiting the relationship between the municipalities and the Federal Government in the field of housing. This did not happen without creating several problems due to the fact that CMHC intervenes in an important way, particularly under Section 16 - Entrepreneurs. QHC's monopoly meant that the only link between CMHC and the municipalities was an indirect one -- the granting of the building permit by the municipality to the builder. In Montreal, there are cases where CMHC <sup>(11)</sup> came in to compete with the Housing Department for the purchase of land intended for municipal housing projects. Certain projects financed by CMHC compete with Housing Department projects. <sup>(12)</sup> The Regional Office has "its concept" of the development of Montreal and in particular of centre town which does not necessarily correspond to the development concept held by the Municipal Housing Department (the Department responsible for the definition of housing policy in the City of Montreal). The Housing Department is trying to establish a minimum agreement which would concern a reciprocal exchange of information on the respective projects of the two agencies. We do not know CMHC's attitude to this but it is

certain that some co-ordination is necessary if CMHC is to continue administering the program under Section 16 - Entrepreneurs.

G. RELATIONS OF THE MUNICIPALITIES - PRIVATE SECTOR

The municipalities would like to be in a position to control or at least to orient private investment in housing in their domain. At the present time, they do not have the necessary means to do so, except for the issuance of permits. Considering the initiating role which has devolved upon them, the municipalities should be able to co-ordinate all housing projects, particularly those intended for low and middle income people and to supervise their location in relation to each other. In fact, the municipalities do not have any control over the projects by promoters, who receive direct help from CMHC and who even sometimes compete with municipal projects for the purchase of land.

The municipal authorities are frequently anxious to maintain strong ties with the builders and promoters. In Quebec City, the Department of Planning informs them of the available locations and of the possibilities for investment. In Montreal, the Housing Department meets the tenderers to discuss their proposals and explain their reasons for selecting this one or that. Since the projects are examined by the same persons, it is easier to make explicit the criteria of choice based on quality. According to our contacts, some municipalities would prefer that proposal calls be limited to promoters within the region; but for financial

reasons, this cannot be accepted. In the investigation by the Union of Municipalities, the majority of respondents agreed with the idea of taking an inventory of the housing needs and up-dating it regularly. They were also in favour of having specialized studies done, under QHC direction, which would be placed at the disposal of all those interested in making investments using some possible legal advantages. (13)

FOOTNOTES

- (1) The attitude of CMHC toward the latitude left to the discretion of QHC is different at Head Office. They are reluctant to accept the fact that they have nothing to say in the QHC programs perhaps because this clause is not in conformity with NHA and that CMHC must retain power to define housing policy even for low-income people. On the other hand, the Regional Office agrees with this clause and believes that QHC must be taken seriously and CMHC must abide by QHC's rules. There is therefore quite a wide divergence of views between the Regional Office and Head Office, in this respect.
- (2) When the municipalities find themselves compelled to reduce project costs, this is not due to direct CMHC intervention.
- (3) Journal of Debates, 2nd Session, 29th Legislature, Permanent Commission on Municipal Affairs, the 9th and 10th of June, 1971, p. 2439.
- (4) SHQ, Deuxième rapport annuel, 1968-69, p. 14.
- (5) UMQ, Le logement décent, op. cit., p. 9.
- (6) Journal of Debates, op. cit., p. 2443.
- (7) Certain sources of information have suggested that only the institution of a permanent jury which would study the development proposals for all the low-rental housing projects in the Province, excepting Montreal, would permit the development of appreciations on the quality of the proposals.
- (8) SHQ, Deuxième rapport annuel, 1968-69, p. 17.
- (9) Certain proposals from intermediary bodies are quoted in L. Rogers, Rapport of a work group on the rent scale in subsidized municipal housing, November 1969, pp. 22-23.
- (10) The lack of availability of certain members of this work group did not permit a normal functioning.

- (11) Indirectly indeed since CMHC does not supervise this type of project (Section 16 -- NHA).
- (12) The Place Dupuis project, located at the boundary of Terrasse Ontario (city renewal area) eliminates green spaces planned in the Housing Department project (according to one contact).
- (13) UMQ, Rapport de la journée d'études, op. cit., pp. 39-40.

PART THREE

THE PRODUCT

## CHAPTER V

### THE PRODUCT

It was not within the scope of this project to study the housing produced under the various Federal and Provincial Acts. The description of the product is thus not exhaustive and it is based, in part, on official reports and on certain studies carried out particularly in Montreal during the past few years. For purposes of comparison, we see Habitations Jeanne-Mance as fairly important.

#### A. HABITATIONS JEANNE-MANCE (HJM)

HJM is the only collection of public housing units carried out in Quebec under Section 35A of the NHA. It is sometimes cited as an example of Federal-Provincial-Municipal co-operation. The Hellyer report mentions it as one of the exceptions in Canada, i.e., a collection of public housing units which is viable. We might point out some nuances in these statements. HJM was completed in the late 1950's by the Federal and Provincial Governments. The Mayor of Montreal was always vigorously opposed to the project and even today, the municipal administration does not consider HJM as one of its housing projects and tends to free itself of all responsibility for these units. As for the Provincial Government, it has delegated its responsibilities to the City of Montreal which made it a project initiated by the City of Montreal but conceived in part by CMHC. This may be one of the reasons for the "social malaise" which seems to exist there and the "dictatorial" aspect of the management, according to a 1967 report. (1)



The complex is managed jointly by the City of Montreal and CMHC, who chose the council for HJM which is made up of 7 members, of whom two are tenants (a recent measure). In practice, day-to-day administration is the responsibility of an administrator who has considerable power primarily because of the conditions of tenancy stipulated in the lease (see below). At present, there is no tenants' association; and, according to the above mentioned report, the administrator tries to prevent any kind of autonomous tenants' association, even recreational associations. Since nothing is explicitly set out in the regulations, everything depends on the discretionary power of the administration. One tenant talked about a "prison without bars" and about the atmosphere of fear which exists there. This atmosphere, which was described in the 1967 report, seems to be still present, although we have not been able to confirm this through research. But since the factors which create this atmosphere have not been changed (e.g., discretionary power of the administrator, especially obvious with regard to the lease), we can assume that the situation has not changed much.

-- Rent Scale: this was altered in 1967 and has not been changed since. It is a "Graduated Rental Scale for fully serviced accommodation in public housing projects" which reaches 30% of the income where the income is \$576/month. In theory, the tenant is evicted if his income exceeds this amount. But this seems to depend upon the discretion of the administrator, and so far these do not seem to have been any evictions for this reason although strong pressures might be exerted.

- Tenant Selection: On the first of June 1971, the waiting list contained 278 names. There is no particular method of selection. As long as the income is within the allowable limits, tenants are taken on a first-come, first-served basis. Most HJM tenants are on welfare (approximately 75%). This rather high proportion, which is found in very few projects, might explain the difficulties in administering this project.
- Lease: The lease is an important reason for the fear the tenants feel and their hesitation to do anything that might get them evicted:
  - the lease is monthly: "the present lease is for an undetermined period...and either party can terminate it with one month's notice." CMHC's head office was rather surprised at this.
  - termination: "in the case of failure to conform to one of the clauses, the landlord has the right to terminate... The tenant will have 5 days, from the date of notice, to move."
  - rent is modified as income changes.
  - there is no clause about the right to form a tenants' association. "Nothing prevents it," we were told, "but you can't turn elephants into gazelles!"

As we will see later, this situation is very different from the municipal public housing project situation which is much more favorable to tenants. This situation is also very different from the kind of thing that the Minister, Mr. Andras, has been proposing concerning the management of public housing (e.g., 2-year leases without rent increases). This is even more amazing since it is a project where CMHC could make changes without the approval of the Provincial Government <sup>(2)</sup> (the most commonly used excuse for explaining problems in public housing is the resistance of the Provinces to Federal innovations).

B. MUNICIPAL PUBLIC HOUSING BUILT SINCE THE ADVENT OF QHC

The municipal public housing policy conforms to the previously cited concept of public action in the field of housing and to the traditional way of presenting public activities, that is, producing a product without analyzing its impact. It is essentially the quality of the new housing units produced and not the degree of improvement of the housing conditions of specific groups which expresses the results of a policy.

Although its purpose remains vague, both the concept and allocation of public housing (which, we must not forget, represents only part of low-rental housing and which is not necessarily subsidized), appear to be the result of rather negative thinking, inspired by a persistent and pregnant fear; the fear of creating "ghettos". Unfortunately, unless one merely wants to augment current polemics, this notion cannot be used in the analysis of results. The denunciation of "ghettos" is still often used by local elected representatives as a noble excuse for inaction. In certain cases, this is an indication of the existence of a real situation: the location of a homogeneous social group within a specific physical area. If this results from a multitude of uncontrolled processes, it tends to appear natural; on the other hand, if it is the result of public action, it generates "ghettos". If this phenomenon is so "abnormal", one can wonder why the public authorities do not try to diversify the population in all neighbourhoods. Nevertheless, this constant denunciation of the risk of "ghettos" might increase the chance of them appearing (not a prediction but a self-fulfilling prophecy). It is probable that the so-called new public "ghettos" no longer fulfill for their residents

the positive functions <sup>(3)</sup> of natural "ghettos" ("natural" being here the specific result of the play of private interests).

To prevent the formation of a relatively homogeneous milieu -- which is still virtually imbedded in the legal definition of the policy -- public authorities are forced to plan a product and to define allocation criteria which run the risk of diminishing the effective impact of the policy. They are even sometimes led to provide it in a way which makes impossible the unique character that one would like this type of action to retain.

The contradictions in the definition of public housing show that the notion of ghetto expresses a reality which is the result of government housing policy which discriminates against the poor. As in other sectors (e.g., health, "welfare") only a universal type of policy <sup>(4)</sup> could stop this discrimination. This is why the various measures taken with regard to the architectural aspects of the projects and those aiming at physical integration appear to us to be relatively fruitless: the most that they can achieve is to suppress certain obvious negative consequences.

#### 1. Quantity

As of May 31, 1971, QHC has approved loans for 7,067 housing units. Of these, 47.5% are located in Montreal, 61% in Montreal and Quebec City; close to 63% are in the region of Montreal.

Population Stratum	Number of municipalities in the stratum	Number of municipalities with MHL	Number of housing units
<5,000	≈ 1,500	8	309
5-10,000	61	5	192
10-25,000	50	13	732
25-50,000	19	5	733
50-150,000	9	4	758
>150,000	3	2	4343
(Quebec City)	-	-	( 984 )
(Montreal)	-	-	( 3359 )

## 2. Location

In Montreal and Quebec City, the projects are actually spread throughout various neighbourhoods. <sup>(5)</sup> In Montreal, the projects are located in existing neighbourhoods whereas in Quebec City, the largest project is located on the periphery of the city but not in the urban area. In the Gaspé, most of the projects are on the outskirts and some are even some distance from the urban area.

## 3. Size

Generally speaking, the projects are rather small. In 1969-70, the average number of units per project was 86 (according to QHC financial commitments). In Montreal, most of the projects do not exceed 200 units except the first one (Ilots St-Martin: 313 units), which was built within the framework of urban renewal in la Petite-Bourgogne. In Quebec City also, only one project contains more than 200 units (Place Bardy: 434 units). At the beginning, high-rise housing was totally rejected. However, in order to make a profit, high-rise buildings have been built in certain projects. According to the municipalities, the diversification of building types is accepted in principle.

QHC has not defined any maximum unit cost, thus retaining the possibility of accepting better quality projects at an even higher cost. In practice, however, it cannot systematically seek out an improvement of the quality without considering cost. The first two projects in Montreal and Quebec City (Ilots St-Martin and Place Bardy) are considered by QHC employees as interesting but costly experiments in the search for quality (costly, in part, because they were the first projects). Since then, they have preferred lower cost projects, while wondering what the consequences in the long term will be for each of these options.

4. Number of Rooms

Size	Quebec	Montreal	NHA Apartments Canada 1970
1 bedroom or less	33%	28.26%	41.49%
2 bedrooms	22%	28.14%	36.90%
3 bedrooms	27%	26.09%	10.95%
4 bedrooms	15%	13.14%	0.60%
5 bedrooms	0.23%	4.35%	--

In Quebec City and Montreal, more big units are built for public housing projects than are built by private enterprise. On the other hand, in Quebec City, few 5-bedroom units are built, and only a few more in Montreal.

5. Community Services

There are few community services since this expense is considered prohibitive. All in all, the municipal authorities prefer not to provide community facilities in public housing projects even if they are needed, in order to force the integration of future residents within the neighbourhood. Sixty-eight percent of the respondents in the survey by the Union of Municipalities felt that public housing tenants should use services

located in the neighbourhood, even if they have to be provided if they do not exist.

#### 6. Selection of Tenants

QHC gives directives and proposes application procedures which the municipal offices can change, subject to QHC approval. They are still, however, at the experimental stage. Because of ambiguity, both in the concept of public housing and in the objectives of these programs, they attempt to apply three principles which are, perhaps, irreconcilable: low-income housing, housing for people who must be relocated, and the creation of a normal milieu (that is, being made up of people from several segments of the population). This third principle has been voiced, particularly, by the Rogers Commission report which was set up by QHC to study rent scales. This principle is considered very important by the City of Quebec. In Quebec City and Montreal, the selection of tenants is carried out by the municipality or by a committee named by the municipality (Quebec), but this committee does not seem to have played a very large role. In Levis, the City has used social workers from a social service organization to make selections. It is quite possible that this procedure is often used in small towns which do not have a large administrative staff. In any case, in this situation, the same individuals have also taken on the role of social animator for the tenants, which makes their role ambiguous since the animator is then seen as an administrator with some managerial powers.

One of the main reasons why public authorities place so much importance on a normal or "representative" composition in public housing, is that they consider the construction of public housing by the municipality to be abnormal (see below). The easiest way to have this situation considered normal by the public, without tackling the problem of manipulating the social composition, would be to have public bodies considered as ordinary promoters with no limitation to their action other than the pursuit of the interests that they must serve.

Since each of the three principles necessitates taking into account different variables in order to estimate demand, the final ordering of these principles seems to be an important factor in determining what weight should be given to each variable.

QHC's order of priority is indicated in Regulation

No. 2:

28: Any housing unit acquired or built under a municipal low-rental housing program must be leased to persons of low-income in accordance with the rules established by the Corporation and in the following order of priority:

- a) any person receiving a rental allowance under the terms of the Act;
- b) any person evicted from a dwelling unit due to the implementation of a renewal or a low-rental housing program;
- c) any person evicted through expropriation by a public body.

The recommendations of the Rogers report follow the above order of priority although, in principle, they seem to reduce the importance accorded to the income variable:



. in municipal housing intended for those whose housing conditions are the worst, it is necessary to admit households which are the worst lodged according to the proposed weighted system.

. in municipal housing built within the framework of a renewal operation, whether or not they are located within the renewal zone, it is necessary to admit, regardless of income, any person dislodged following the implementation of a renewal or housing program.

. in municipal housing which is intended for them, it is necessary to give priority to the admittance of those persons expropriated by a public agency.

. however, if the number of housing units is less than the number of dislodged households, then those with a low-income will be given relative priority. (7)

In Montreal, the order of priorities in the allocation of public housing units is generally as follows:

1. Any persons displaced by the implementation of the project, if any.
2. Any person receiving a housing allowance under the QHC Act.
3. Any person dislodged following the implementation of a renewal or housing program.
4. Any person dislodged following an expropriation by a public body.
5. Any person dislodged by the implementation of the housing code or any other municipal by-law.
6. Any person dislodged by an Act of God.
7. Any person who is not able to acquire appropriate housing (with priority given to those who are poorly housed: deplorable condition, quality of the housing unit) taking into consideration that person's capacity to pay: elderly, large families with low-income, etc...

Thereafter, preference is always granted to applicants who have lived in the area (variable) where the P.L.M. is built. In the case of la Petite-Bourgogne, priorities were further specified as progress was made in the renewal works in each neighbourhood.

When a P.L.M. is specifically designed, in whole or in part, for the elderly, the order of admission is according to distance from the project site (first those living in the neighbourhood, then the rest of the city). (8) In the case of low-rental housing units in rehabilitated buildings, first priority is given to "the households, displaced by the rehabilitation operations, which want to come back and live in their units. The other priorities remain the same". (9)

The Municipal Housing Office in Quebec City defines its eligibility policy in a slightly different manner:

Thus, priority will be given to households: 1) that have been expropriated by the Provincial or Municipal Governments or their agencies, without any other consideration; and 2) those who are the most ill-housed. (10)

Accessibility to public housing and the minimization of the importance is strongly underlined as a principle:

Public housing is thus accessible to anyone living in the City of Quebec, whether they be persons living alone or families. In principle, any person whatever his social condition or income may be accepted. (11)

Therefore, in practice, QHC and the municipalities (Montreal and Quebec City) grant priority to those people displaced by public intervention and then to those with a low-income. In order to conform to the third principle, those exceeding the income threshold are permitted to live in public housing but they have to pay the commercial rent. A point system was developed. (12)

The weighted grid proposed by QHC takes the following into account: the monthly family income (possible 5 points for an income of \$500 or more and 35 points for an income below \$215. Implications: those on welfare obtain from the start, the maximum points allowed on this variable); the number of dependents (3 points

for 1 person up to 15 points for 5 persons or more); the percentage of present rent in proportion to income (0 points for a percentage lower than 15 and 20 points for a percentage above 36); the absence of a spouse (maximum of 5 points); physical or mental handicap (possibility of 5 points).

In Montreal, a total of 30 points can be obtained for each variable: family income, percentage of rent to income, overcrowding, special cases (family with single parent, physical or mental handicap, two households in the same unit) and a total of 60 points for the quality of the housing unit. Furthermore, the use of this grid "must insure that a certain demographic and social balance is maintained regarding, for example, the number of workers, non-workers, elderly, persons alone, etc. The creation of a concentration of households with the same social and economic problems must be avoided".

In Quebec City, a maximum of 10 points can be granted when the rent is too high in relation to the income, 8 points when the condition of the housing unit is very poor, and 12 points when overcrowding is very great. Family income is not taken into account but to "avoid a social and economic imbalance, in selecting first those who have been expropriated and those most poorly housed 30% are taken from the income group of \$3,000 or less, 50% from the income group 3,000 to \$5,000 and 20% from the income group \$5,000 or more". (13)

Pauline Baril's report (14) shows that this porportion does not correspond to the proportion of applications, which are, respectively, 49%, 34% and 17% for the same categories of income.

If we compare these percentages, we see that those families with the lowest incomes have the least chance of having their request accepted, if the proportions cited are followed. And so, by aiming at social integration, this method penalizes the poorest people and, in any case (and perhaps simply because it is artificial) the method is unworkable. In fact, a partial survey carried out only a few months after the tenants moved in, showed that the breakdown had changed completely: 50% from \$3,000 or less, 38% from \$3,000 to \$5,000 and 12% from \$5,000 or more. (15)

An analysis of requests for housing was carried out for the City of Quebec. "For 994 housing units, where the date of occupancy was spread out over a two-year period approximately, (end of 1972) the Municipal Housing Office in Quebec City had received as of April 28, 1971, 2,216 requests, an average of 2.23 requests for each units." (16) We can suppose that the number of requests would increase considerably in the few months before the date of occupancy. It is interesting to note that the number of requests for a project located in an underprivileged area where there is a citizens' committee and a renewal project was 5.15 per unit, whereas there were only 1.53 requests per unit in Place Bardy, which is located in the outskirts of the city. "The prospective tenant is usually married (80%), has an average of 2.7 children, and his gross income is between \$3,000 and \$4,000 per annum."

We have no data on waiting lists for Montreal. The Municipal Office only receives requests 2 or 3 months in advance. What are the results of this system of selection? The presently completed public housing projects were earmarked for people of low and very low income. In Ilots St.-Martin, in September 1970, 7 people were paying commercial rates for rent, but one third of the tenants were paying the minimum rent. In Place Bardy, in Quebec City, as we have just seen, 50% of the households have an income below \$3,000 (out of the 95 four-bedroom units occupied in May 1971). An in-depth study is now being conducted to examine the results of the selection method used in Ilots St.-Martin. The partial results <sup>(17)</sup> presently available show that the selection leads to the poorest and most "hard-up" (women alone, etc.) of those dislocated by public works, being concentrated in public housing projects, which would form the main function of public housing. This function ought to be analyzed in the context of urban renewal which leads people with more resources (financial and social) to leave the neighbourhood and which provides the "hardest-up" with public housing. Here again, we are faced with one of the biggest problems in housing the poor -- forced mobility -- and it is perhaps in this perspective that we ought to analyze the results and functions of public housing: to analyze the value of public housing as a mechanism in transforming the use of urban space. <sup>(18)</sup> It is possible that the ghetto problem would be seen in a different light from this point of view. The public housing unit is a place where we confine those who do not participate in this transformation of space. We will come back to this problem in the last chapter.

## 7. Management

The management of public housing has only just begun and the mechanisms of management are not all in operation. We will describe mainly the rent scale and the lease. We will conclude with a discussion of the tenants' complaints.

As we have seen, municipal housing units are managed by the Municipal Office which sets up a rent scale conforming to QHC standards, and which draws up a lease conforming to those prepared by QHC, which has to be approved by the Corporation itself.

### a) Rent Scale

This has been established by taking into account not the attributes of the housing unit but the capacity of the family to pay. The average percentage which families devote to their housing unit at various levels of income has been calculated. The basic data have been drawn from the 1961 Census statistics pertaining to the distribution of rents paid by the variously incomeed families in Montreal. It has been agreed that the scale of rents for subsidized public housing should be drawn from prevailing rent/income on the market, either skewed up or down; up, because a rent increase appeared necessary to take into account the quality of public housing units which are assumed to be better than those on the market; down, on the other hand, to reduce rents "so that the rent structure of subsidized municipal housing takes into better account those with the lowest income". However, "a minimum rent,<sup>(19)</sup> not much lower than what most families in the same financial condition pay to live in decent, non-subsidized housing units", was retained. <sup>(20)</sup> The majority of the respondents to the Union of Municipalities' survey recommended this minimum, provided that

it would vary according to the region and the municipality, (21) but, for now, it remains uniform. The recognized family income is composed of the total gross income of the head of the household and the gross income of the wife, after a deduction of \$1,250. Gross income includes income from regular salaries and additional income (e.g., pensions, welfare, investments), but does not include the earnings of student children, bursaries or financial aid, assistance from members of the family who do not live under the same roof, capital gains, inheritances, insurance, family allowances, or income from working children less than twenty years of age. However, it has been proposed that net income be used in the calculation.

The income-rent ratio is a valid criterion for establishing the amount of the rent, provided that the income used is the net income, and that, in the determination of the net income, the traveling expenditures of the wage-earner are taken into account as well as the specific needs of the family and the number of children. (22)

Others are strongly opposed to this, on the basis that the components to be deducted from the gross income are difficult to determine with precision and that the control of the net income would require meddlesome investigations which the present formula avoids. This claim does not seem well-founded because already the income tax return with supporting documents is being used. However, some problems could arise due to the fact that quite a few tenants do not have a stable income and do not file income tax returns.

The present scale takes into account, to a certain degree, the composition of the family; the rent is increased for each child that works by one quarter of the price of the rent for one bedroom, if the child is between the ages of 21 and 25, and half of this amount if he is older than 25. On the other hand, in Montreal, the rent is reduced progressively, depending on the number of dependents. (23)

Some of our contacts expressed the feeling that it was unfair that a scale of rents conceived for Montreal should be applied uniformly to the rest of the Province. The adaptation to local conditions is authorized only for rents which are outside the scale, that is, for commercial rents payable by tenants whose incomes are higher than \$6,000. Still, the primary consideration of the working group was that the scale should "vary with time, place and other factors which have given rise to such a scale". (24)

An exact knowledge of the income and rent structures in each municipality, or even in each ward of the municipality obviously would be a pre-requisite to a local adaptation of the scale. This knowledge is not available except for Montreal, of course.

Finally, the principle of subsidized housing gives rise to certain reservations because its application, under present conditions, favours a minority of possible beneficiaries:

It is the community that pays the subsidies. It must not be forgotten that it is actually the rate-payers who, in the final analysis, pay for these subsidies.

We might point out also, that the majority of people in Quebec cannot live in a housing unit which suits their income, the burden of dependents and the high rents they would have to pay for a housing unit which would answer their needs. (25)



The situation would become normal again if the effect of demonstrations were strong enough to cause the underprivileged to demand a general subsidy for housing.

b) Lease

The following table shows a few characteristics of the lease type proposed by QHC (adopted almost without modification in Quebec) and which was modified by the Municipal Housing Office in Montreal, compared to the Habitations Jeanne-Mance and the CMHC lease type (which is not used in Habitations Jeanne-Mance).

QHC leases and Montreal Municipal Housing Office leases are considerably more favourable to tenants than the lease at Habitations Jeanne-Mance. They also seem more favourable than the CMHC lease type, except for the fact that rent cannot increase for 2 years instead of 1 year. A significant difference is the recognition of a tenants' committee <sup>(26)</sup> elected, "for the purposes of representing them (the tenants) on all matters related to occupying such a unit and for the general well-being of the residents". The regulations attached to the lease cannot be changed except by agreement between the committee and the lessor. In his speech in the Commons, explaining the intentions of the Federal Government regards public housing (April 21, 1970), Mr. Andras announced that the Government intends to grant subsidies to the tenants' associations. He was referring, however, to "recreation and mutual help" types of associations and not to an association which would have managerial powers. "This kind of

	QHC	MONTREAL	H.J.M.	LEASE TYPE* CMHC
Duration	1 year	1 year	monthly	2 years
Advance notice at any time	tenant 3 months	tenant 1 month	tenant and lessor 1 month	tenant and lessor 1 month
Modification of rent	- no increase for 1 year - reduction effective the month following the request	idem QHC, more precise	continual increase and decrease	no increase for 2 years; decrease
Visits and inspections	tenant agrees to show premises within reasonable time	must be forewarned and <u>present</u>	at any time	24 hours written notice, at a reasonable time
Tenants' committee	lessor recognizes tenants' committee elected by them	idem QHC	no provision	no provision

\* There seems to be a difference between what was proposed by Mr. Andras (Commons Debates, April 21, 1970) and the lease type drawn up by CMHC (copy submitted to the Conference of Public Housing Tenants of Ottawa). Whereas the Minister talks about a 2-year lease, it would seem that the CMHC lease type is still a monthly one. Whereas the Minister says that rents cannot be increased for 2 years, the lease type states that "the rent... may be increased from time to time over the 2 year period...". We have given the Minister's version here.

self-help activity deserves to be encouraged." Therefore, one wonders whether or not the tenants' committees in Quebec could benefit from this financial aid. QHC already provides some assistance for space, furniture, etc.

c) Tenant Reaction

We have information on two projects: Place Bardy (only partly finished) and Ilots St-Martin, where a survey was recently done.

At Place Bardy, it was only after several months of negotiations that the committee succeeded in getting a representative on the Municipal Housing Office (they were temporarily represented by a community worker who came from the Office, a situation which the committee did not accept). The units were not all occupied then and it may only have been a problem getting organized.

Materially, the main complaint was the lack of ceiling-lights. This irregularity will be corrected in the kitchens at the request of the tenants. This problem may have stemmed from the added cost that such installations would have involved, but it also reveals the absence of any relationship between public housing clients and the architect whose middle class ideas (in middle class houses, it is now customary to do away with ceiling-lights) do not apply to public housing clients. In this type of situation, a relationship between architect and client in the development of the project is even more necessary than it would be if he were dealing with the middle classes who have the same values as the architect.

The survey done in Ilots St-Martin brought out the following major problems:

- 75% of the households live below the poverty line (a household spending 70% and more of its income for food, clothing and housing).
- The rent scale, even though favorable to the tenants as compared to that of CMHC, is too high; the residents pay an average of 24.8% of their income for rent; this percentage reaches 25.7% for those who pay the minimum rent. The rent is too high, especially for those who pay the minimum rent and for large families. And yet, this seems to have been requested by the tenants.
- The residents are generally satisfied with the physical aspects of the units (e.g., space, conveniences, modernness. The main source of dissatisfaction is with the exterior of the units: maintenance, services, cleanliness, etc. However, there is general satisfaction with the administration. But more than 50% of the residents would like it if management was in the hands of the residents.
- The "milieu" is the major problem according to the residents: space (150 people per acre\*), recreation, the social composition of the residents (welfare recipients, English speaking people, women alone, blacks) seem to create certain tensions which the survey, to which we are referring, was not able to analyze in depth.
- Generally speaking, there is no fear of the administration similar to that often observed elsewhere (see Jules Audet's report, and also Habitations Jeanne-Mance).

#### 8. Conclusions on Municipal housing

QHC and the municipalities have implemented a public housing program which overall is not innovative, compared to those in other provinces, and which fills the same functions: to provide housing for poor people displaced by public expropriation.

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\* which is not higher than in a number of "natural" neighbourhoods.

The action tended to spread out, even though some areas have seen little activity (Abitibi; North Shore). The concept of public housing does not differ very much, except for the insistence (particularly in Quebec City but also generally), that these projects be considered a normal environment, where different social classes would live side by side (normal in its normative sense, surely not in its statistical sense, since this is a rare phenomenon). One might well wonder whether this objective, whose aim is to prevent the development of a ghetto and an artificial environment, is not in itself very artificial. "The mixture of socio-professional categories in the new housing units usually presents insoluble problems." (28) In any case, this objective has not been reached: people living in the few projects that have been finished are mostly from the lowest income categories.

If these public housing projects fulfill the same functions as those elsewhere, we can say that they do this well, and often better than in the other provinces, at least if they are compared to public housing projects analyzed in the report by Jules Audet, using the same evaluation criteria: the projects are small (most have less than 200 units), are spread out and are rarely on the outskirts of the town; the rent scale and the leases are favorable to the tenants; the tenants' committee is recognized in the lease. On the other hand, there is a lack of community services (but it is felt that these should be integrated into the neighbourhood). It was not within the terms of reference of this report to evaluate the architectural quality of the projects, but, briefly, QHC projects are physically better integrated and less of an eyesore.

Thus, they probably avoid certain problems for those who implemented them. Their management is more "humane" and gives certain guarantees of participation which are, however, rather difficult to evaluate just now, but which are more significant than those which existed in the CMHC lease type and those in most other provinces.

C. NON-PROFIT ORGANIZATIONS

Here we will only describe the relative importance of these programs as compared to others and some of the tendencies which seem to show up.

Generally, up to March 31, 1970, these programs were distributed as follows:

	Number of Projects	Approximate percent of Funds Committed
Municipal projects	53	29
Elderly	141	40
Maladjusted youth	27	12
Co-operative projects and others	13	7
Students	26	15

Projects designed for special clients made up about 67% of QHC's financial commitments during the first two years. This constitutes the largest part of QHC's activity, because the organizational structures already existed in the Departments concerned with the elderly and students. This does not seem to correspond to a particular QHC orientation. Moreover, the importance given to special clients diminished after the second year of operation, as the following figures show:

	1968-69 (Approximate Percent)	1969-70 (Approximate Percent)
Municipality	19	31.5
Elderly	50	33.5
Maladjusted youth	13	11
Co-operative and others	8	5
Students	10	14
Special clients	73	58.5
Non-special clients	27	36.5

(Source: QHC Statistics)

For an amount almost triple the original amount (from \$65 million to \$190 million), the proportion devoted to special clients diminished significantly. This is particularly due to the importance of municipal projects. We should add that in two years, they carried out a large part of the program which had been projected over five years when the QHC was set up. They had estimated that they would carry out projects involving 10,000 units for students in five years but financial commitments for more than 7,000 units were made after only two years. Now it is the low-income people who are seen as being more important. This trend is confirmed by the figures which we were able to obtain for the year 1970-71:

QHC Financial Commitments (April 1970 - May 1971)

	<u>Number</u>	<u>Housing</u>	<u>Cost</u> (Round Figures)
Municipal projects	27	1913	\$26,300,30
Co-operative and others	5	633	\$ 8,000,00
Elderly	1	40 beds	\$ 302,00
Exceptional Children	nil		
Students	nil		

During this fiscal year, QHC activity for the special clients was almost suspended. However, several projects have been approved since May 1971, so this weak activity is more indicative of a period of transition and also perhaps of a re-thinking of certain programs, rather than a permanent halt to activities in this field.

D. HOUSING ALLOWANCES

QHC, the City of Montreal and the Department of Social Services each have a separate housing allowance policy.

- QHC can give grants for temporary housing to people dislocated by the implementation of low-rental housing programs. The amount must not exceed 50% of that spent jointly by the province and the municipality. This provision has not yet been used by QHC.
- Department of Social Services. Since the end of 1969, the Social Assistance Act permits the Department of Social Services to give housing allowances to people on welfare; this law is very flexible and permits large housing allowances. The effects of this Act, which are not yet clear, worry some civil servants. The large amount of the allowances means that the welfare recipients can live in housing which is better than that of some workers (29) which can have unexpected consequences. These consequences could be positive if they produced a consideration of the universal character of such a measure. This is consistent with certain declarations by the present Minister of Social Services: "housing as a part of social policy" is a theme which has come up repeatedly in statements by Mr. Castonguay.
- City of Montreal. Section 787-E of the City of Montreal permits the granting of subsidies to any owner of rehabilitated or rebuilt buildings in return for renting to a tenant designated by the City. This Section has not yet been used, but it might be used within the framework of the vast rehabilitation program which the City of Montreal wants to undertake.

E. ACCESS TO OWNERSHIP

The only Quebec program (everything that relates to ownership in the NHA is now administered by CMHC) of assistance regards access to homeownership is the Family Housing Act which dates from 1948. (See Chapter III) This program is intended specifically to encourage ownership by the relatively low-income group.



From 1949 to March 31, 1971, interest rebates were granted for 97,138 loans, representing a total financial commitment of \$231 million on the part of the Province. There are now 55,656 loans being processed, representing a net commitment of \$190 million. On the average, the Province gives an interest rebate of \$2,384 on each loan. Since 1949, \$112 million in interest have been paid.

Since 1949, these subsidies have permitted interest rebates to be granted on 102,638 housing units for 423,969 persons.

During the 1969-70 fiscal year, 2,067 applications were accepted. In 61% of the cases, the term of the loan varies between 25 and 35 years. An income distribution of the beneficiaries shows that in 1971 this program applied mainly to persons earning more than \$6,000 per year.

Income Distribution (Fiscal year 1970-71)

Up to \$3,000	2.32%
3,001 to 4,000	4.93%
4,001 to 5,000	9.20%
5,001 to 6,000	19.03%
6,001 to 7,000	30.02%
7,001 to 8,000	24.47%

In June 1971, the maximum amount which could be used for the purposes of the Family Housing Act, was increased by \$25 million to \$225 million. The effects of this Act are being discussed. The Inter-departmental Committee for the Study on Housing made a rather pessimistic judgement in 1965, which, although it was not proven by an investigation, was nevertheless backed up by some general data.

Consequently, either the Act has no effect on the housing market, in which case it does not fulfill any useful purpose, or, if it really does have an effect, it is mixed in with other factors which cause price increases and so proof is impossible.

In general, it would seem that the behaviour of the housing market is much more markedly subject to the general economic situation and to the more or less advantageous borrowing conditions permitted under the National Housing Act, than to the benefits available under the Provincial Act. (30)

It is obvious that the advantage of an interest rebate decreases as housing prices increase, but according to some provincial contacts, this does not mean that the subsidy principle for new housing is not good, although the methods of its application do require extensive alteration.

In 1970-71, the Province spent \$6,902,987 in interest payments to help house people of moderate rather than low income. Financially, this is a very large program since subsidies and not loans are concerned. Since 1961, the number of beneficiaries has decreased regularly in absolute figures, but not in proportion to new constructions.

This decrease in absolute figures will probably stop following the special CMHC \$200 million program, which is intended for the same income group and which will involve Provincial expenditures on the order of \$20 million. This is a typical example of unilateral decision-making by CMHC which then is a burden on the provincial budget. Whereas CMHC only makes loans under this program, the Province grants quite substantial subsidies, although the interest rebates do extend over several years.

There is much debate at present about amending this Act to make it much more extensive. In contrast to its counterparts in other provinces, QHC so far has not accorded any special significance to this Act, which is the only legislation which permits it to encourage ownership.

F. LAND ASSEMBLY AND LAND BANKING

Within the framework of the QHC Act, the Government of Quebec has not permitted municipalities or QHC to acquire land for the purpose of housing, except in areas where approved QHC programs are underway (e.g., urban renewal programs or low rental housing programs). But even within these zones, each land purchase must be approved by both QHC and the Lieutenant-Governor-in-Council. However, as early as 1969, documents show that the Quebec Government intended to present legislation in this sphere. Discussions with CMHC about this problem are continuing and it would seem that legislation will be presented at the next Session. Cities like Montreal are ready to use this law. But it does not seem that the law will be any more precise than the Federal law and so one might suppose that it will fulfill the same functions as in Ontario, and will not specifically favour the low income group. Certain documents even seem to indicate that the law will allow promoters to implement projects which will involve demolishing housing which is in good condition as well as cheap in order to build luxury high rises.

There seems to be no question of land banking or implementing the recommendation of the LaHaye report to the effect that any land acquired by a public body cannot then be sold to a private individual.

G. REHABILITATION

The present laws do not place much importance on rehabilitation except in renewal zones. However, the City of Montreal plans to rehabilitate 100,000 housing units in 10 years. This program is based on the experience of 468 housing units for which the City gave approximately \$260,000 in grants (25% maximum of the real cost of the work; maximum of 1/6 of the value of the buildings). There are regular meetings being held with QHC and CMHC and it is quite possible that this project will soon be implemented. The program does not now deal with the problem of access to these rehabilitated units. However, it is possible that for an initial trial period the program will only be directed at owner-occupants. But if the higher levels of government are prepared to finance part of the allowance, it seems that the City of Montreal is prepared to use the regulation in this way (see above). The solution to the problem of controlling the rents will be facilitated by the existence of the Rent Control Board, whose jurisdiction covers the majority of the housing units to be rehabilitated (old housing). This is an innovative program where the higher levels of government will be able to play their role in controlling the "access" aspect of the program. This is perhaps the principal motivation of the Montreal administration in undertaking this program. It is by such measures, rather than by meddlesome controls over the execution of the program, that the higher echelons would be able to play an important role.

## H. CONCLUSIONS

- At first, QHC had difficulty in committing all the funds it received from CMHC. But it does not now seem to have any trouble "spending its money" something which CMHC used to take it to task for. These difficulties occurred mainly at the outset.
- The type of program which QHC undertook was fairly traditional, and in compliance with the NHA. The Corporation did not initiate new kinds of programs and there have been few changes in the programs since the beginning. The new approach to the elderly is mainly due to the Department of Social Services. The only program, outside of the NHA, already existed before QHC was set up, and this program has not been expanded nor has it taken any new direction. This indicates that QHC is not focussing on access to ownership, as are its counterparts in several other provinces. No new short-term programs are now planned, but the situation could change rapidly (see last chapter).

Even if these programs are not of a new type, they are well administered -- at least this is true of the municipal housing -- judging from current tests, programs in other provinces (see Jules Audet) and the only CMHC project in the province of Quebec (HJM). These programs are spread out, small, etc. The rent scale is favorable to the tenants and tenants' rights are recognized; tenants are even given certain managerial roles, which seem to be fairly rare in the other provinces and which is very different from CMHC's project. (31)

- The most original aspect of QHC programs was the importance placed on the co-operative sector, a program which is now at an impasse, as seen in the previous chapter, but which should be tried again, giving more attention to low-income groups and local initiatives, as we have already suggested.
- Community services should be integrated into the whole neighbourhood and Federal grants in this area should not be directly linked to the public housing in the neighbourhood.
- In the province of Quebec, as elsewhere, public housing seems to be the result of the State's bad conscience over the demolition of moderately-priced housing (e.g., by renewal). It aims at mainly helping the poor displace by public expropriation, and it corresponds closely to the implicit objectives of the NHA. This objective ought to be official and explicit so that public housing could be evaluated in relation to this objective and made a possible means of State intervention in the transformation of the use of urban space.

- QHC devoted a large part of its budget to special clients (mostly the elderly and students) as it responded initially to the demands of other bodies in areas where the Departments concerned had already set up programs and structures. This tendency is changing and now low-income people in general are treated with increased importance.
- QHC, the Department of Social Affairs and the City of Montreal have parallel programs of housing allowances. These programs are each slightly different and aim at helping different clients (e.g., displaced people, welfare recipients, tenants of rehabilitated housing). Only the Department of Social Affairs has effectively provided such allowances. The City of Montreal might soon use this regulation on a large scale, within the framework of a rehabilitation program involving 100,000 housing units. Such a policy should be made the object of concerted action by all the organizations concerned. Otherwise, it could lead to ridiculous situations, as the brief experience of the Department of Social Affairs shows.

FOOTNOTES

- (1) Leclerc, et al "Le malaise social aux Habitations Jeanne-Mance" mimeographed report.
- (2) One cannot, however, discard the hypothesis of resistance by the City of Montreal, which is the other partner in the agreement.
- (3) Cf. in particular, Fried, Marc, Levin, Joan, "Some Social Functions of the Urban Slum," in B.J. Frieden and Robert Morris, Urban Planning and Social Policy, New York Basic Books Inc. 1968, pp. 60-83.
- (4) Even if such a policy, in the field of housing, is difficult to enforce and frequently risks losing its redistributive character (see the works of Hutterman, in this respect).
- (5) See report of Jean-François Léonard, map; for Quebec, report of Pauline Baril.
- (6) UMQ, Rapport de la journée d'étude, op. cit., p. 51. This position is coherent with the assumptions mentioned previously concerning the facility of integration as a function of the size of the projects, the cogency of which will be demonstrated by experience.
- (7) L. Rogers, op. cit., pp. 47-50.
- (8) Housing Department, City of Montreal, P.L.M. Dublin Fortune 716, December 1969, p. 13.
- (9) Housing Department, City of Montreal, P.L.M. Workman-Delisle, December 1969, p. 14.
- (10) OMHQ, booklet, Les logements municipaux, p. 5.
- (11) Ibid.
- (12) Several factors are taken into consideration: housing conditions, absence of a father, percentage of the income devoted to rent. This last criterion is never, however, the only one (contrary to Section 16 Entrepreneur).
- (13) OMHQ booklet, p. 8.
- (14) Pauline Baril, p. 66 ff.
- (15) Partial survey; the project was not finished.

- (16) Pauline Baril, p. 47 ff.
- (17) It seems to be prohibited to draw general conclusions from the presently available statistics which only deal with the composition of the first two public housing projects.
- (18) And rural space also in the way that we depended upon the use of public housing to close down settlements in the Gaspé (see Gaspé report). Whereas the original project of closing down the settlements also aimed at integrating these "marginal people" into society, the only measure which was taken was to "locate them geographically near" to society and to offer them public housing in towns which were themselves marginal.
- (19) It appears that at the request of the tenants of Ilots St-Martin a minimum rental higher than that of CMHC was retained.
- (20) L. Rogers, op. cit., p. 32.
- (21) UMQ, Rapport de la journée d'étude, op. cit., p. 57.
- (22) UMQ, Le logement décent, op. cit., p. 28.
- (23) 1st and 2nd dependent = \$2.00 each  
3rd and 4th dependent = \$3.00 each  
5th and 6th dependent = \$5.00 each  
7th and others = \$6.00 each
- (24) L. Rogers, op. cit., p. 60.
- (25) L. Rogers, op. cit., p. 20.
- (26) For a description of the role and operation of the tenants' committee (Place Bardy) see Pauline Baril, pp. 24-29.
- (27) Pauline Baril, pp. 88-91.
- (28) Chombart de Lauwe, quoted by Pauline Baril, p. 62.
- (29) And even better than those that are occupied by employees who apply the Act in certain regions...?
- (30) Report of the interministerial Committee of Studies on Housing op. cit., Appendix C, pp. 4-5.
- (31) On the other hand, in 6,000 units taken back by CMHC, in the region of Montreal (Section 16 - Builder), there is no particular policy of accessibility for low-income people even if the rents are low enough (it seems that the only motivation is to rent the unit); there is no tenants' association and the present "animation" projects are very vague and contemplated with much reticence (see report of Fernand Hivon).



PART FOUR

GENERAL CONCLUSIONS

AND

RECOMMENDATIONS

## I. GENERAL CONCLUSIONS AND RECOMMENDATIONS

The recommendations in this chapter are limited by the institutional perspective of this report and should be subjected to economic analysis and an in-depth analysis of the results of the policies which we have not described systematically. Certain recommendations were made in the preceding chapters (e.g. cooperatives).

The first part of this chapter focusses on the role of QHC where we include certain recommendations related to cooperative housing. The second part is devoted to the role of the citizens.

### A. INCONSISTENCIES AND AMBIGUITIES OF QHC

The Quebec government has, at present, neither a housing policy nor a specific policy on social housing. Given its structures and current powers, it could not possibly have such a policy. All it can do is apply part of the Federal policy, often in competition with CMHC which plays the major role in Quebec housing in spite of QHC's existence. This creates certain ambiguities in the role, status and objectives of QHC. We will now briefly synthesize these ambiguities.

Even though at the beginning there was talk of creating an organization which would provide Quebec with a housing policy, the legislation which was adopted only accorded QHC three "objectives": 1) urban renewal; 2) facilitating access to ownership; and 3) low rental housing. QHC has no control over housing policy, an area where CMHC exercises

determinant and independent action with respect to municipal and provincial levels. This limitation is only partly due to the influence of the Federal Government. For example, surely a Crown Corporation can hardly ensure permanent coordination of governmental activities in housing. In addition, no provincial planning policy has yet been adopted. Such a policy would provide a framework for QHC's activities.

In view of the nature of the agencies responsible for implementing the policy, it is understandable that the dimensions of housing other than physical have in fact been minimized. However, some consideration has been given to the other dimensions (but there is a risk that the authorities will deal with these dimensions solely from an ideological perspective). Because of their sources of revenue and their responsibilities for developing their area, the municipalities who hold this initiative are interested first of all in real property. Also, QHC as a "Crown Corporation" responsible to the Department of Municipal Affairs must fulfill the objectives which legislation assigns to it, legislation which does not specify "the general improvement of housing conditions". Such a Corporation can no doubt act more efficiently than any directorate within a Department. However, despite the fact that its members were chosen from the various Departments concerned, QHC seems to be in a poor position to insure the permanent coordination of government activities in the field of housing.

Regarding the three "objectives" of QHC, we see that the Federal Government has stopped urban renewal and has retained control over almost all means of facilitating access to ownership (Quebec has only the Family Housing Act).

The real purpose of QHC is, then, limited at present to low rental housing. Thus, the implicit division of the roles of CMHC and QHC seems to entrust the responsibility for the social aspects of housing to QHC.

There is a contradiction even within this social function. QHC does not even administer all sections of the National Housing Act which relate to this social aspect; the most important problem here is Section 16 (Entrepreneurs) which competes with QHC both in terms of allocation of funds and in terms of specific projects (e.g., competition for land).<sup>(1)</sup> Section 16 should be given over entirely to QHC unless the evaluation of this part of Section 16, carried out by the Task Force, leads to the conclusion that this Section should be repealed, or that an explicitly different function should be given to it. In any case, QHC should have the power of direct intervention, as does CMHC.

So, we see that QHC's role has finally been reduced to the physical aspects of social housing. The other aspects of social housing should, in any case, be entrusted to the department responsible for social affairs, and, to the extent that housing policy is used to achieve social goals, it should be formed in cooperation with this department. In effect, it is not up to a Crown Corporation to define social policy and

QHC has not played this role any more than has CMHC. However, (perhaps the economic group will come to some precise conclusions on this matter) there is no unanimous feeling, at present, on the relative importance of housing policy in the social policy of a State, nor on the preferred methods of redistribution. From the institutional point of view, it can be stated that the Department of Social Affairs would be in the best position both to undertake a comparative evaluation and to apply the policy, unless it were diverted from its objectives, as was noted in the analysis of present policies. Moreover, the Department of Social Affairs now considers the social aspect of housing as under its jurisdiction, as we have seen, but it is not yet possible to specify its immediate intentions in this field. However, housing will probably become part of the "social mission" of the State, within the framework of the P.P.B. system", presently being set up in the government. Therefore, performance in this area will be evaluated within the context of this social mission, thus making it plausible for QHC to come under the Department of Social Affairs. The only present QHC program which justifies its connection with the Department of Municipal Affairs is Urban Renewal, for which the Federal Government has now stopped granting funds.

A body like QHC is justified as an instrument to implement the physical side of a housing policy defined by a department of government. Such an organization would then be an important instrument of direct intervention in the housing market, and the construction industry, for increased productivity,

etc. It is not within the terms of reference of this Task Force to determine overall housing policy. However, from the point of view of social housing, we can only deplore this division of tasks (social aspect, the rest of housing policy) between the Federal Government and the Provincial Government. This leads to different policies for solvent demand and for non-solvent demand which has had negative results in the countries where this policy is in force.<sup>(2)</sup> Also, there seems to be general agreement on the difficulty of having a policy promoting access to housing without some control over production. QHC has studied this problem and is not prepared to intervene in a universal manner in the social aspects of housing before it is in a position to ensure some control over production, rent costs, etc. Such a social policy should be closely linked to the overall housing policy, even if it depends institutionally on two different organizations. For these two reasons, we conclude that, from the point of view of social housing, Quebec should also begin to play a larger role in housing policy in general. Quebec does not even give QHC or the municipalities the power to assemble land banks, an indispensable instrument of housing policy. Legislation to this effect will probably be presented at the next session. Also, we do not know whether or not housing is one of the Quebec Government's priorities in its current discussions with the Federal Government.

B. PERFORMANCE OF QHC

Although QHC was left with very little leeway, we have perceived certain specific characteristics in its programs, and even if its main function has been that of financial controller, it has gone farther than this. Its performance shows that it has been beneficial, in many ways, to low-income people.

The Act gave QHC broad powers to define programs. In particular, it is up to the QHC to define "low-income people", moderately-priced housing, and non-profit organizations. We have seen that the Corporation's definitions are in the spirit of the Act.<sup>(3)</sup> With respect to non-profit organizations, the Corporation wanted to place special emphasis on the cooperative sector. This was not provided for in the Act which indicates a new orientation on the part of QHC even if the attempt has now resulted in a deadlock. At the local level, the Municipal Housing Office has such close ties with the municipal administration that it is difficult to see how it could escape the control of the municipality. Thus the administrative level in the province of Quebec does not interpret the law in a way which would be more favourable to the middle classes, as is happening in other provinces (see in particular the report on land assembly in Ontario).

In Quebec, public housing has fulfilled the same function as elsewhere: to provide housing for persons displaced or likely to be displaced by public expropriation.<sup>(4)</sup> It has

conformed to the objective implied in this section of the National Housing Act <sup>(5)</sup> despite a certain ideological hesitation in Quebec to accept a housing program designed for a particular income group (CNTU, City of Quebec, Rogers report on rent scales), a resistance not found elsewhere, which sometimes leads to the statement that public housing is "normal".

The relocation of displaced persons would seem to be of prime importance to meet an urgent need of poor people living in large urban areas. This is demonstrated by several factors, particularly regarding major citizens' groups which play a role in the housing process and are concerned with the problem of the transformation of their neighbourhood by external intervention. Thus they reiterate the recommendations of the CNTU report which give high priority to this problem. The Lithwick report also mentions this as being a high priority. By merely pointing out that this is one of the major problems in housing for low-income people does not mean that public housing is the best solution, or even an adequate solution. The first step in developing policies would be to make the objectives clear. We suggest that the Government should stop defining its objectives in ambiguous and contradictory ways (e.g. public housing is a place for social rehabilitation; public housing solves temporary housing problems; public housing is a microcosm of future society integrating all social classes). It should define its program objectives in the context of real functions.



If the objectives were thus defined, this would lead to an evaluation of the results of public housing and to an investigation of policy alternatives (e.g. rehabilitation, housing allowances), with relation to this objective<sup>(6)</sup> and not only with relation to internal evaluation of the program, i.e., number of units produced, density, community services, quality of construction, etc. Even the idea of a ghetto could be seen in a new light if public housing were a pen where we put people who could not adapt to current transformations in the use of urban space.<sup>(7)</sup> Unfortunately, this study was not able to analyze public housing projects from this point of view.<sup>(8)</sup> Accordingly, we believe that an investigation of the change in population and the change in the function of poor areas is necessary before a policy on housing for low-income people can be developed, especially in urban areas. This kind of investigation would not be within the power of QHC. But, it should be undertaken by a joint committee of the government departments concerned.

If, however, QHC's public housing program is evaluated internally, the performance is comparatively good: small projects, spread out, etc. (see Chapter V). There is no atmosphere of fear as there is in some other projects. The lease is very favourable to the tenants and they have certain managerial powers. An evaluation of the quality of construction was not within our terms of reference. The biggest difference, compared to Habitations Jeanne-Mance and projects in other

provinces, is that everything is done as though it was accepted that the people living in public housing had rights, and that the poor should not "get only what they deserve". But densities seem to be fairly high and community services are at a minimum. As we have seen, there is a divergence of opinion between QHC and CMHC on this point.

The most original aspect<sup>(9)</sup> of QHC activity (which comes from its own initiative since the law was very vague on this) seems to have been its experience with Co-op Habitat. This program could have led to an important role on the housing market, somewhat similar to the situation in some Scandinavian countries. However, this experiment is now at an impasse and we can suppose that it was almost doomed to failure, partly because of the restricted powers of QHC (e.g., no subsidies to non-profit organizations) which gave it no margin for error which would have allowed the mistakes, which inevitably occur in the initial phases of a program, to be corrected, especially since it was set up by two organizations which had, themselves, just been created.

This experiment is now in jeopardy, just when more efficient procedures have been worked out and competent administrative structures have been tested. Also, partly because of the initial difficulties, the housing units which were produced did not help people with incomes below \$6,000 and innovative management techniques were not explored as was expected from the original objectives. But, until QHC is

able to subsidize non-profit organizations, cooperatives will not constitute useful mechanisms for low-income groups.

We recommend that this experiment be pursued but that the objectives be clearly established in the Act (that 'cooperatives' be clearly defined and that the income groups which are to be helped are also specified) and that QHC be given the necessary powers to carry out such a program. We also recommend that Co-op Habitat be much more sensitive to local initiatives; a way in which the government could "hasten" this process would be to give grants only to local groups (and not to the Federation), on the condition that these groups be recognized by the Federation (which would also avoid "false cooperatives").

QHC has placed little importance on access to ownership. This tendency has been brought out several times. It seems that there is less importance placed on this value in the Province of Quebec. However, in strictly financial terms, the Family Housing Act is an important program, as it involves the granting of subsidies. Moreover, it is possible that it will greatly increase in size.

QHC has the monopoly of relations with the municipalities. Relations between the municipalities and CMHC were practically non-existent before QHC was set up; but it was feared that such relations would develop following the Habitations Jeanne-Mance Project, and particularly as a result of the many Urban Renewal projects implemented since 1964. For several months now, QHC has had the power of direct intervention in exceptional cases. This still seems insufficient since, except for the larger ones, the municipalities

do not have the financial resources necessary to undertake action in the field of housing. In the largest cities, civil servants have complained of the slowness of the QHC administration, although they do admit that it might be due to the youth of the organization. QHC should encourage the metropolitan governments to use the powers at their disposal to undertake housing programs; the financial burden of housing for low-income people should be borne by the whole of the urban area. Also, the metropolitan government has an overall view which enables it to decide on the best location for the most useful projects.

QHC's role of financial controller seems to be not only due to its limited powers and initial problems, but also to its great interest in this area. QHC has a different outlook than CMHC, at least in the sense that it is much less preoccupied than the latter with safeguarding capitalist returns in the real estate field. But, it is difficult to imagine how QHC could have undertaken action in this field within the framework of its legislation.

#### C. PERFORMANCE OF CMHC

Generally, QHC has performed well and so it is not for this reason that at the CMHC head office (but not at the regional office), there is a current tendency to centralize authority and to control QHC more closely; this attitude is all the more debatable since the evaluation of CMHC activity

is rather weak on several counts and it poses certain complex administrative problems at the expense of the citizens. In particular, we point out the following:

- Quantitatively, as seen in Chapter I, CMHC intervention in Quebec is much less significant than in Ontario, especially in the low-income sector. However, this was partially due to the Quebec Government's indifference to this problem before QHC was created.
- Public housing: the only public housing project implemented in Quebec with CMHC participation, (Section 35A NHA), where the latter had broad powers (e.g., rent scale, lease), does not compare favourably with projects implemented by QHC and the City of Montreal. We do not refer here to the physical characteristics of the projects (they were not built during the same period), but rather to the present management of the projects, which is much more favourable to the tenants in QHC projects in Montreal.
- Section 16 (Entrepreneurs): In the Montreal area, nearly 6,000 housing units have been taken over by CMHC, which indicates a fairly high failure rate. There is some tenant participation in management of these projects. The only specific effort made at the moment is in keeping individual tenants informed. But there is still a lot of reticence and not much activity should be expected in this area. In other respects, CMHC projects might compete with public housing and cooperative projects.
- Access to individual ownership programs meet urbanization standards (i.e., density, especially) of the "suburban municipal council". This is indicated by the recent annexation of certain suburbs by the City of Quebec, which wants to increase the density of these new areas, and also, by the Ville Level report which calls for a higher density than that favoured by CMHC.
- CMHC activity aims first at access to ownership (even for low-income people) which corresponds to neither the situation nor perhaps the values in Quebec; that is indicated by several factors that we have pointed out throughout this report.

- The relationship between CMHC and QHC might create administrative complications because of the somewhat different systems and concepts adopted by QHC, such as grants for community services, rent scales, grants to tenants' committees, etc. These complications often delay the implementation of programs and make citizen participation more difficult.

#### D. RECOMMENDATIONS

For all of the reasons just described in this chapter, such as 1) the definition of housing in Quebec as part of the "social mission" of the State; 2) the necessity of evaluating the public housing policy within the framework of the transformation of urban space; 3) the favourable performance of QHC and the characteristics of this organization which seem to correspond better to Quebec problems; and 4) the administrative complexity and the lack of CMHC intervention <sup>(10)</sup> compared to Ontario, we are led to believe that Quebec does not fully benefit from the National Housing Act except where it applies the Act itself.

We therefore recommend that the responsibility for housing policy and the application of the National Housing Act in Quebec be given to the Department of Social Affairs to which QHC would be attached.

This would mean that:

- all physical aspects (in the case of direct intervention) would be entrusted to QHC and that QHC would have a monopoly on direct intervention (Section 16 - Entrepreneurs or other forms of direct intervention).
- the relative importance of access to ownership programs would be negotiated with Quebec which would have the option of undertaking other types of programs with financial compensation.

- Quebec would benefit from different kinds of grants for the development of projects, for community services and housing allowances, without having to conform to precise conditions which are not in keeping with its programs and which cause numerous delays and administrative complications.
- QHC and the Department to which it would be attached be allowed a portion of the research funds granted under the National Housing Act.
- urban renewal, to the extent that it is pursued, would be taken from QHC and given to the Department of Municipal Affairs. The functions now fulfilled by QHC should, in the normal course of events, be given to this Department, since QHC only has full responsibility and powers to initiate action in exceptional cases.

With the exception of urban renewal, most of QHC's current housing objectives are the responsibility of the Department of Social Affairs. However, hopefully, the scope of these objectives will be widened to include all aspects of housing policy, for the reasons enumerated above which particularly concern the social aspects of housing. But a housing policy includes several other aspects, some of which could become the responsibility of a Department of Supply which would then be able to take charge of land development. To the extent that the functions of QHC are extended, studies must then be made to re-examine the question of housing coming fully under the Department of Social Affairs. However, it is certain that the present functions of QHC and even housing policy per se (as distinct from housing) should come under the Department of Social Affairs.

## II. CITIZEN GROUPS

As we have seen, citizen groups in Quebec are very loosely structured at present, but it is possible that a provincial association of tenants' committees concerned with public housing will soon be formed. In addition, the tenants' associations in Montreal and Quebec City are planning to form an association of various neighbourhood groups. We can also soon expect to see certain local initiatives implemented in the housing field, especially in Quebec City; in Montreal, housing is now of secondary interest to citizen groups except when their own housing or their entire neighbourhood is threatened with demolition or transformation on a large scale. We will first tackle the politico-institutional aspect of participation at the local level (e.g., neighbourhood government, other decentralized local structures), and then examine citizen groups as intermediary bodies which ought to exist even if neighbourhood municipal governments were set up.

### A. POLITICO-INSTITUTIONAL ASPECTS AT THE LOCAL LEVEL

We cannot make recommendations for the creation of a new level in the politico-administrative structure simply based on housing research; too many other factors have to be taken into account. However, we have examined citizen groups as intermediary bodies and it is with regard to this kind of role that we can more readily make recommendations.



1. "Neighbourhood Government"

With respect to Montreal and Quebec City, the law creating metropolitan governments requires these new entities to reform their structures and the municipal boundaries in their area. This restructuring possibly might lead to some decision-making power at the neighbourhood level. These neighbourhoods might eventually have certain powers in the housing field: control over and encouragement of local initiatives; veto power over projects (debatable, however, since this might maintain the status-quo and be prejudicial to the neighbourhood itself). But certainly, they will be able to play a large role in minimizing the social costs of the transformation of their neighbourhoods, and, in a more positive way (since they will have had a prior look at the projects) adapt new projects to meet the needs of the neighbourhood and not implement them to the detriment of the residents. They would also be able to control more closely the numerous small changes in the neighbourhood which gradually lead to major transformations.

2. Local Centres for Community Services (LCCS)

Institutionally, the most interesting new structure is the LCCS of the Department of Social Affairs. In theory, this affects social housing and in view of our previous remarks on the role of the Department of Social Affairs, we very much hope that these centres will play a role in the field of housing. The LCCS should establish a link with the municipal

government and we recommend that it be represented in the Municipal Housing Office. This is an entirely new type of body (semi-decentralized, semi-dispersed, neighbourhood oriented, and it has not previously existed) which should be evaluated. We do not even yet know exactly what these centres will be like since the legislation has not yet been adopted and it is possible that they will be changed. Therefore, we can only recommend that the development of these bodies be followed closely and that pilot projects be carried out to involve these centres in housing. As well as acting as a "surveillant" of the social aspects of projects, LCCS could administer policies concerning access to housing (which does not involve the direct intervention of construction and rehabilitation).

B. CITIZEN GROUPS AS INTERMEDIARY BODIES

1. What Functions Can These Groups Perform and Under What Conditions?

- Demands and pressure: We have no recommendations to make in this regard since this is up to the citizen groups. We might suggest that the governments be sensitive to their demands. However, it would seem that this function will become more and more important depending upon whether there will be an official channel through which the groups can make themselves heard.
- Ways of Expressing Needs: These groups should be consulted on all projects which affect them, just as other social classes are consulted (as is recommended by several statements by these groups. (see below)
- Methods of liaison: The transfer of information to citizens is an indispensable method, especially in the case of large projects which involve dealing with several variables, as in the case of Petite-Bourgogne. One of the main problems now is that the information the citizens

get depends essentially on the attitudes of the different levels of government. It will be necessary for the groups to find a way of depending less on this method: they will have to demand that data be official. We could even go as far as demanding that the groups be represented in controlling the collection of the data.

## 2. Semi-Official Role

-- Administration: The tenants' committees already have some role in the management of public housing; this role is not yet clear because of the newness of these experiments. It will probably become larger, but experiments of total self-management ought to be attempted and evaluated before definite decisions about managerial powers for these groups are made. However, if they are given managerial responsibilities, they will cease defining themselves as pressure and citizen groups. And inversely, if they are given very little power, we should not be surprised if they become more demanding and exert more pressure, a situation which could lead to political activity. Therefore, it would seem that the present ambiguity in the role of these committees and the fear of the authorities (especially certain QHC officials) that they might become "citizen committees" is due to the attitude of the authorities; and if they are not given some power, then the administration should agree to negotiate with them.

-- Decision-making: The different citizen groups (no longer only the tenants' committees) should be represented equitably on the bodies which have roles to play in the field of housing. We will not consider here the possibility that they might enjoy a direct decision-making role; they would then be a politico-administrative machine which we have described in the preceding paragraph.

If we take into account the present structures, the extent to which the number of occupied public housing projects increases, and the possibility of the Municipal Housing Office launching new programs (e.g., rehabilitation), these groups will have to be better represented

at the Municipal Housing Office. The different committees (including both tenants' committees and other citizen groups) will have to fit into the metropolitan level and choose representatives from the different public bodies which deal with housing.

- Non-profit organization (in the form of a co-operative or otherwise): Until now, citizen groups in Quebec have played this role very little. Public bodies, instead of being suspicious, should encourage efforts in this area. This attitude is quite debatable, especially if we consider the 6,000 housing units taken over by CMHC in Montreal and the case of certain "respectable" organizations which did not use, for the purposes approved, the funds granted to them under Section 16 - Non-profit organizations.(11) There is no reason why, with a little technical help and some guidance, these groups could not undertake useful and innovative projects. Such experiments should at least be tried. They do, however, have to be subsidized, especially the first ones and allowance should be made for some initial failures as provided for in other programs. They will also require organizational guidance (social animation), especially at the beginning, in towns other than Montreal. The role of the social animator can become ambiguous if it is combined with administrative tasks, as seen in the case of Levis. For this reason, it would be preferable for this organizational support, even if it is financed by a public body, to originate from outside organizations (e.g., Social Development Council). If the citizens opt for the cooperative formula, this support could come from Co-op Habitat, which, as we have recommended, could also be responsible for eligibility conditions on behalf of public bodies.

It is not possible at this time to specify what type of project these groups could best undertake, because of the semi-absence of such experiments in this field in Quebec. We can, however, suggest that these groups be encouraged to participate in the City of Montreal's rehabilitation program if it is implemented. Actually, in this area, promoters seem to be hesitant to intervene because of the complexity of the task and want to limit their role to that of builder.(12) We must remember, however, that such experiments require broadmindedness on the part of the public bodies who should accept the possibility of failures.

### 3. On What Terms Can They Fulfill These Functions?

We have already mentioned certain of these conditions in the preceding pages; here we take a more systematic look at them.

- "Informational" support: Public bodies should provide the same information (e.g., cost of land, cost of construction) to these groups as is provided to the builders. The usefulness of this information is tied up with organizational support promoting the assimilation of this information which is often presented in a very technical form.
- Technical support: The groups should call on different organizations as much as possible for technical help: universities, Social Development Council, etc.
- Financial support: Financial resources should originate from the groups themselves as much as possible (e.g., savings accounts) and also from intermediary bodies (e.g., unions). It is very important that funds are found during the initial phases of technical preparation. Under Section 58 of the QHC Act, the Corporation might have granted such subsidies. It has never done so.

Something should be said about the problem of being financed by government funds. Financial aid to grass-roots movements on the part of the Federal Government is sought by some Federal politicians and civil servants and also by grass-roots groups in other provinces (the Federal Government has the funds, an official commitment to "participatory democracy" and it is usually not in direct conflict with these grass-roots groups since it is farther away).

In the present context, the Federal Government could very easily use this type of subsidy against the provincial governments. This would be particularly dangerous inasmuch as subsidies would be given for projects which other levels of government would have the responsibility to implement, with all their attendant problems. In this case, direct financing by the Federal Government again poses complicated problems of respective responsibility of the different echelons who impede citizen participation.

In addition, this problem cannot be dealt with in the same way in Quebec as in the rest of Canada. In the other provinces, we can apply the politico-organizational hypothesis that the more removed a government is, the more readily it can finance this kind of group, which particularly threatens the lower levels of government without directly challenging the higher level. However, this hypothesis is only partially valid in Quebec since the grass-roots groups do challenge the Federal Government if they are nationalistic. But, in Quebec all of the current significant social movements are, to different degrees, nationalistic. And, even if they weren't, the municipal government could use this argument to encourage the Federal Government to take its side. FRAP is a good example. The Federal Government entered into a direct coalition with the Drapeau administration against this party.<sup>(13)</sup> And even if the circumstances were exceptional, this alliance cannot help being significant.

For all of these reasons, we can only be hesitant about direct Federal subsidies. At least the Federal Government should certainly not have a monopoly over these subsidies. The fairly broadminded attitude of QHC and the even more favourable attitude of the Minister of Social Affairs makes it desirable that a portion of the NHA Part V research funds be granted to these organizations for this type of experiment. Also, the Federal Government should only finance projects which it is responsible for implementing. This would prevent problems

which arise in Federal projects from becoming the responsibility of other levels of government which had nothing to do with undertaking the projects in the first place. It would also prevent numerous administrative complications which are always detrimental to the implementation of projects and citizen participation.

The absence of a clear definition of the responsibilities of the different levels of government prevents those levels, which are in direct contact with the citizens, from suitably informing them, since they never know whether or not the higher levels have changed their minds. If responsibilities are clearly defined, at least local officials could no longer use this as an excuse. The preceding recommendations would allow existing procedures to be simplified and responsibilities to be clarified.

FOOTNOTES

- (1) Municipal projects: competition also with the co-operative projects.
- (2) See the analyses by Huttman; for France, see J. Bobroff-Gutkin and F. Novatin-Lative, La politique d'Albin Chalandon, Espaces et Sociétés, March 1971, pp. 9-29; we have also found certain negative consequences in our provisional report, page 11ff.
- (3) The different operating definitions of "low-income person", depending on whether public or non-profit housing is involved, are due to the fact that the Act does not permit subsidies to be granted to non-profit organizations.
- (4) At least this is what comes out of the evaluation of the solutions and statements by politicians.
- (5) "The most unwarranted conclusion is that the public housing clauses were designed to fill the need for units to replace those destroyed in urban renewal areas" (Collins, 1st July, page 8).
- (6) An assessment should be made with regard to the number of low-cost housing units that were demolished, the mobility which this entails, the possible "marginalization" (it might have existed before but it is only institutionalized by public housing) that public housing produces for the persons concerned.
- (7) It may also be that the present use these persons make of space costs too much or does not conform with optimal utilization. This is particularly true in the case of the Gaspé.
- (8) The Task Force on Urban Assistance might come to precise conclusions on this point.
- (9) This aspect of QHC activity denotes a different orientation than that of CMHC, unless QHC had given importance to the co-operative sector only to compensate for its lack of power in the Administration of Section 16 (Entrepreneur) and that QHC had wanted "to make its own small Section 16 - builder". There are several analogies between the Co-op Habitat product and certain realizations of CMHC under Section 16, at least, in the process of production.



- (10) The last program of CMHC for the construction of low-rental housing which has just been announced (La Presse, August 10, 1971) grants almost \$18 million to Ontario (out of almost \$27 million) and approximately \$1,700,000 to Quebec for only one project in the Hull suburb.
- (11) According to the newspaper Québec-Press (July 18, 1971), an important businessman was constituted as a non-profit organization and received a loan from QHC for a student residence, a loan which he used for other purposes. This man, in fact, will have to reimburse the amount, but it is possible that QHC will finance again part of a project (also financed by CMHC) which will provide residences for the elderly. In this case, "the right to a mistake" is recognized.
- (12) This appears to be demonstrated by the current experiment of a builder who has rehabilitated housing in the context of the urban renewal program of la Petite-Bourgogne; at the beginning, he had intended to administer the project, but in the face of the numerous difficulties, he has decided to limit his role to that of builder, and now, various non-profit organizations (e.g., YMCA) of the citizens might take charge of the administration of the projects; this, however, is just an experiment and may still change.
- (13) See the declarations of Mr. Jean Marchand, October, 1970.