

TASK FORCE ON LOW INCOME HOUSING.

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british columbia:  
an institutional analysis.

central mortgage and housing corporation

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BRITISH COLUMBIA:

AN INSTITUTIONAL ANALYSIS

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## TABLE OF CONTENTS

### ORGANIZATIONAL CONTEXT

Federal	1
Provincial	3
Federal-Provincial Relations	7
Municipal	9
Provincial-Municipal Relations	12

### PROGRAMS

General Policy Context	14
Assisted Home Ownership	18
Public Housing	21
Section Entrepreneur	49
Section 16 Non-Profit	52
Land Assembly	55
Rent Supplements	57

## ORGANIZATIONAL CONTEXT

### FEDERAL

The regional and branch offices of CMHC in British Columbia have the same basic structural and organizational components found elsewhere in the country. Operationally, both offices are distinctive in that they are characterized by an aggressive implementation of programs coupled with strong policy preferences. The Corporation, as evidenced in the workings of the region and branch, has a strong initiative posture. It has been deeply involved in the development of provincial housing policy, and plays an active role in promoting limited dividend and public housing.

"Municipal Initiative" is the by-word in British Columbia. The province maintains a relatively firm hands-off position with regard to placing low income housing in municipalities. Municipalities, partly because of the context in which they act and partly because of ideological perspective, are extremely reluctant to approve any form of low income housing, be it limited dividend or public housing. Apart from the City of Vancouver, there has been very little public housing activity at the municipal level. As a result, the Corporation, in attempting to deliver low income housing in the area, has turned

its attention to the potential of limited dividend housing.<sup>1</sup>

Limited dividend (Section 16, Entrepreneur) has the advantage of not relying on municipal initiative. Instead, it relies on the actions of the private sector; actions that can be influenced by strong corporation initiative. Attempts to stimulate private sector activity under Section 16, have resulted in considerable sympathy with difficulties encountered by developers in their dealings with municipalities. Municipalities, partly in an attempt to avoid low income housing developments, have withheld zoning changes and development permission from developers seeking approval of Section 16 plans. This has led the Corporation to view the municipalities as the villains of the piece.

Deliberate attempts are made to withhold the information that a particular project may, in fact, be a Section 16 development. Presumably, many of these developments, in terms of site plan layouts, would normally receive approval with little or no questioning from the municipality. The suggestion is that the only basis for rejecting such proposals comes in the knowledge that the

1. Corporation initiative directed toward the private sector (builders and developers) as opposed to community groups of non-profit associations, flows easily from the Corporation's general pattern of operation and decision making: a relatively closed, elitist system in which contact is almost exclusively with "expert producers" of housing, e.g., builders, developers, and other government agencies. The Corporation as a whole frowns on the extensive use of community group and non-profit associations as primary delivery mechanisms. Regional and branch initiatives that are limited to the builder/developer, then, are consistent with general corporate attitudes.



people to be housed will be of low and moderate income, thus actions to restrict such knowledge are not only acceptable but, in fact, desirable.

In matters of general housing policy and programs, the regional office is extremely sensitive to regional/provincial needs and preferences. The Corporation's area offices become very much the advocates of the provincial position when dealing with head office.

Partly as a result of the distance from head office and partly due to the close liaison that has developed with the province, the area offices operate with considerable independence of head office. However, because the province will build public housing only under Section 35A, considerable formal authority remains with head office. The consequent time delays and resulting conflicts regarding approval have resulted in strong provincial and area office preference for a greatly decentralized Corporation with approval authority resting with the regional office.

#### PROVINCIAL

The British Columbia Housing Management Commission (BCHMC) is the provincial organization primarily responsible for the delivery of low income housing. The Commission was established in 1967 and is formally charged with the responsibility for managing public housing in the province. In actual

practice, this has virtually meant that the Corporation is charged with the responsibility of managing public housing in Vancouver, as only a very small proportion of public housing built in the province has been built outside the City.

As noted above, British Columbia builds public housing solely under Section 35A. Prior to the establishment of the BCHMC, public housing in Vancouver was handled in the traditional fashion utilizing a local housing authority. The Vancouver Housing Authority, as all housing authorities, was composed of political appointees not necessarily conversant with the problems of delivering and managing low income housing. In the provincial view, it was inappropriate to charge such persons with the responsibility for administering such valuable assets; considerable disagreement began to develop regarding who should actually serve on the authority. At the same time, the province felt compelled to establish some sort of provincial organization to administer its public housing program. Several possibilities presented themselves: a series of relatively independent local housing authorities, an Ontario Housing Corporation-style organization to parallel the operations of CMHC, and the British Columbia Housing Management Commission.

The BCHMC is unique in that it is the only structure in the country that involved CMHC directly in matters of public housing management. The BCHMC is composed of two representatives of the provincial government, two CMHC representatives, and one representative from the municipality in which the public housing is located. Regional personnel were intimately involved in

the development of the BCHMC concept. The Commission was specifically designed to: (a) make the greatest possible use of existing CMHC expertise, rather than develop a provincial organization that would be in competition; and (b) insure that those who served on the Commission would be expert in housing matters as well as being in positions of authority with regard to approval of projects.

Technically, the Commission considers only questions of management regarding existing projects. In fact, however, because of the composition of the Commission, proposals for new projects or discussions of public housing needs in particular municipalities will very often be brought before the Commission in an informal manner. Such meetings normally include branch personnel who do not serve on the Commission (the two Corporation representatives are regional personnel). The province is strongly in favour of such discussions, contending that they shortcut approval time and provide an opportunity for federal, provincial and municipal representatives to jointly iron out any conflicts that may exist. It is felt that such a discussion forum is far more appropriate to the development of satisfactory compromise than piecemeal correspondence with individual governments. <sup>2</sup>

It is hoped that through these informal meetings agreements can be reached that the participants will then be able to act upon when they receive the proposals in the usual

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2. Interestingly enough, this particular tri-level organizational form corresponds quite closely to the form one might expect the proposals for a series of urban councils to take.



formal fashion. Since the formal channel for public housing proposals continues to be municipal to provincial to CMHC, and the CMHC portion being the branch rather than the region, the Corporation remains sensitive to the potential difficulties of ironing out agreements at such informal meetings that may result in a situation of shortcircuiting branch discretion and authority.

Of additional significance in commission structure is the formal role to be played by the municipality. Rather than taking a relatively passive position, either at the outset or after a preliminary request for public housing has been made, the municipality has an active ongoing role to play. In that defacto housing policy is largely hammered out at informal commission meetings, the municipal representative has a unique opportunity to participate in policy development. Because the majority of public housing units have been built within the City of Vancouver, the municipality represented is usually Vancouver. It would not be extreme to suggest that housing policy in British Columbia is the result of co-operation between the City of Vancouver, the province and Central Mortgage and Housing Corporation.

The addition of public housing to the responsibilities of the Greater Vancouver Regional District provides the technical possibility of a shift in decision authority away from the City of Vancouver. While the shift of responsibility to the GVRD has been too recent to cite concrete examples, it is unlikely that the authority of the City of Vancouver will diminish in the foreseeable future. (See discussion below for further elaboration)

FEDERAL - PROVINCIAL RELATIONS

In discussing federal-provincial relations in British Columbia, it is necessary to distinguish between provincial attitudes toward area representatives of CMHC and provincial attitudes towards head office in general. In the regional context, CMHC provincial relations are extremely good. The structure of the BCHMC reflects provincial desire to work with the federal government wherever possible. Although British Columbia could well afford to build its public housing under Section 35D and thus avoid the difficulties in dealing with head office as well as having the benefit of ownership of the projects, the province has steadfastly maintained that public housing is a joint federal-provincial responsibility. CMHC initiatives toward the province are answered in kind with provincial efforts to increase co-operation and facilitate joint federal-provincial action.

It is impossible, however, in this instance to separate the personalities from the organizational structures. The individuals involved in the original development of the BCHMC have retained positions of authority in both the federal and provincial structures. The close personal relations that have developed have considerably aided and advanced the atmosphere of co-operation. While it is clear that some changes in personnel would likely produce some changes in the general atmosphere, it is equally apparent that the organizational structures that have developed in British Columbia provide the necessary context for maintaining close contact and co-operation.

The co-operative atmosphere, however, does not extend to head office. Delays inherent in processing Section 35A approvals strain provincial confidence in federal abilities. British Columbia, too, has its share of public housing fiascos: inappropriate building materials and design, area office tentative approvals that are overruled, head office intrusion into minute details of construction, specifications that result in purchase of defective or end-of-the-line equipment that cannot be repaired. Such difficulties, coupled with a system that fails to provide authority to those with whom the province deals directly, lead to provincial demands for a decentralized CMHC.

Although the province is concerned with maintaining a position of dominance in developing low income housing policy within its borders, there has been little suggestion to date that the best way to do so is through unconditional grants to the province. Apart from ideology, the reason appears to lie in the success in the formal and informal relations between the province and CMHC. Good working relationships that have resulted in a joint housing commission and CMHC area offices that are prepared to act as the province's advocate when dealing with head office have obviated the need for a militant posture in favour of unconditional grants. As long as the results agree with the general thrust of provincial priorities, the province appears to be quite disinterested in assuming a more visible (and, consequently, a more politically vulnerable) position in policy development.

## MUNICIPAL

Municipal organization in Vancouver has been characterized as emerging defacto regional government. The Greater Vancouver Regional District Board is a special purpose body designed to co-ordinate particular municipal efforts in the Greater Vancouver Region. Membership on the Board is through indirect election: municipal representatives sit on the Board by virtue of their municipal posts. Until 1971, however, public housing was a municipal, rather than regional, responsibility.

Of a total of 4,283 units of public housing built under 35A in British Columbia throughout 1970, 3,560 were located in Metropolitan Vancouver.<sup>3</sup> Until 1967, the public housing thus built in Vancouver was managed by the Vancouver Housing Authority. With the provincial takeover of the housing management function, through the establishment of the BCHMC, Vancouver became "the" municipal representative and its policies and perception took on added importance in the provincial context.

The City of Vancouver operates with a small council elected at large. The structure provides virtually no ready opportunity for community or neighbourhood participation in planning or policy development. The results, in policy terms, have been well documented elsewhere.<sup>4</sup>

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3. Canadian Housing Statistics, 1970, Tables 47 and 54

4. See Bureau of Municipal Research: Proposals to Change Ward Boundaries in the City of Toronto, 1969

The very small size of the council (ten aldermen plus the mayor) provides little opportunity for the introduction of party politics that might help to direct council debate toward policy issues. Moreover, the at large nature of the election coupled with a high ratio of electors to elected, strongly favours the status-quo-oriented middle income voter. In addition, Vancouver operates with a strong city manager system. The city manager sits on the BCHMC as a representative from Vancouver. Because of the municipal context in which he operates, the Vancouver representative is free to participate in policy development considerably independent of control from the elected municipal council.

In departmental terms, the agency primarily responsible for the planning of public housing is the Physical Planning Department. Although the City also has a Social Planning Department, its influence in the sphere of public housing is considerably weaker. (The Department is new and has had difficulty in establishing itself vis-à-vis the older, hardware oriented departments.)

A metropolitan-wide housing need survey has never been undertaken in the Vancouver area. The City has repeatedly supported the notion of a metropolitan-wide survey but has run into difficulty on the matter of sharing survey costs with outlying municipalities. Requests to CMHC for Part V funding for such an undertaking have not been forthcoming. Despite the absence of a formal survey, the City contends that the need for low income housing (normally interpreted

as public housing) far outweighs the availability at present. A shortage of available land and high land costs in the City, coupled with stringent provincially set costs limits, has led the City to feel that future public housing must be built largely in its neighbouring suburbs. In partial response to this concern, the province gave the Greater Vancouver Regional District (GVRD) responsibility for public housing as of 1971.

The establishment of a housing department of the GVRD simply permits it to do what a municipality would otherwise do in the course of providing public housing. The GVRD is expected to plan for public housing needs in the Vancouver Region, can initiate public housing proposals on behalf of a municipality, and (where it has initiated the projects on behalf of a municipality) may sit on the BCHMC. Unfortunately, the reorganization of public housing responsibility has failed to address itself to the question of municipal resistance to public housing. As a result, while no municipality may opt out of paying its share of the costs of public housing, public housing may not be located in the municipality without its permission. The authority given to the GVRD, while providing for regional planning for public housing purposes, provides no uniform mechanism for implementing the plan. Development of a discussion forum is a long way from establishing a strong delivery mechanism.

PROVINCIAL-MUNICIPAL RELATIONS

Failure to provide the GVRD with authority to override area municipalities is very much in keeping with provincial insistence that housing is a municipal function that must rely on municipal initiative. It is also a reflection of provincial concern that the regional district system was gaining too much support too quickly, thus becoming a challenge to provincial dominance. It would thus follow that, in adding additional responsibility to the regional districts, care would be taken to guard against too strong a regional organization.

In general planning terms, the province has very limited formal control over the municipalities with regard to planning, council action, etc. There is, for example, no approval of official plans or review of zoning by-law changes. A formal agency to review municipal decision making, such as the Ontario Municipal Board, would be unthinkable in this context. The formal result appears very much to approach a "home rule" situation for the municipalities.

How real is provincial commitment to municipal autonomy? The Province has implemented schemes to equalize education and welfare costs throughout the Province. It has also initiated a Property Tax Rebate to home-owners that, in many areas, reduces the effective property tax payments to a few dollars. The Province thus contends that cost opposition to public housing schemes has been overcome through provincial action, and that municipal resistance to low income housing is simply a function of ideology.



Such arguments overlook a strong provincial bias, coupled with programs to underline it, in favour of home-ownership (read: middle-income group). General provincial dislike for rental housing, and a further dislike for public housing rental, is reflected in its several programs to assist home-ownership and the imposition of stringent cost limits on public housing development. In addition, the Province requires that municipalities pay 12  $\frac{1}{2}$ % of annual operating subsidies on public housing. A recent study undertaken for the Union of British Columbia Municipalities has concluded that provincial programs to equalize costs, and which the Province points to as effectively overcoming municipal opposition based on financial terms, are limited in scope and fail to address the problem of sharply increasing municipal costs that occur regardless of population expansion. At the same time, the Province refuses to override municipal intransigence in the area of providing low income housing through direct provincial construction and absorption of 100% of subsidy costs that are not borne by the Federal Government. Provincial insistence on municipal initiatives, in view of the lack of structural and physical re-organization to improve municipal capability, has become a smoke-screen for provincial inaction.

PROGRAMS

GENERAL POLICY CONTEXT

Policy thrusts of both the provincial and the municipal Governments will be demonstrated largely through the discussion of particular programs. Underlying all of the programs, however, are general policy preferences and attitudes that act as constraints on program delivery and the development of alternative programs thrusts.

Federal preferences (in terms of area offices rather than formal head office preferences) are largely directed towards stimulating activity under Section 16 and direct building of public housing by the partnership on either partnership-owned or CMHC-owned land. In the case of stimulating activity under Section 16, the emphasis is on aiding private developers in their dealings with municipal councils. The battle for council approval is presently left entirely to the developers. Such a suggestion flows directly from the premises that limited dividend housing owned by speculative builders is an appropriate mechanism to reach the low and lower middle income groups.

Parallelling the preference for the speculative builder is a general disapproval of and dislike for working with non-profit groups. The only exception to this general attitude comes in the area of provision of non-profit housing for senior citizens. Non-profit groups engaged in the provision of low income family housing, however, are viewed as

deficient in management capability. Non-profit associations are seen as amateurs in the field requiring considerable assistance and expertise from CMHC. Developers, on the other hand, are experts engaged in doing a job; their difficulties in getting approvals for their projects from municipal councils are a reflection not of their lack of abilities but rather of municipal wrong-headedness. Stimulation of Section 16 activities on the part of non-profit associations is considered undesirable largely because of the significant shift in corporate patterns of action that would be required.

Public housing is largely viewed as a program designed to house those who, by virtue of income or family structure, cannot be adequately housed in more desirable forms, i.e., privately-owned housing. Public housing is thus viewed as a residual program only. The preference for increasing or stimulating the activity under Section 35A in no way suggests general corporate conviction that public housing should be expanded to include all the very upper income brackets. Instead, concern for stimulating public housing results from a concern that even those in the so-called residual category are not being properly served by the present production levels. The primary block to the provision of public housing is considered to be the municipality; efforts to increase the authority or responsibility at the municipal level would likely not receive support. In general, while the preferred solutions to the low income housing problem are drawn from the confines of the present National Housing Act, they carry with them a

strong commitment to federal initiative and direct involvement.

At the provincial level, the emphasis is entirely on home ownership - assisted or otherwise. Provincial programs are directed exclusively to that end. In program terms, renters are virtually ignored by the Province. Those who strive to be home-owners on the other hand, are given assistance without regard to income. A willingness to assist even those with very low incomes to become home-owners apparently results from the conviction that home-owners will become responsible and productive members of the community. Efforts to expand public housing, except as a minimal residual program, would likely not be acceptable. In contrast, it would appear that any move in the direction of expanding assisted home-ownership programs would be warmly welcomed. In assisting low income people, for example, it would appear that rent supplements would not be acceptable because they further encourage a rental living arrangement; a rent supplement program that carried with it a phased purchase clause would be acceptable in that such a program would encourage home or unit ownership. The Province has, for example, expressed a desire to convert public housing to Condominium ownership and permit public housing tenants to apply their rent toward purchase of the unit.

The Province has provided considerable support to non-profit associations attempting to develop senior citizen housing. In view of the foregoing discussion, it is extremely doubtful that such support is easily transferable to non-profit family housing.

The municipalities are generally opposed to any form of subsidized low income housing. Large measures of the opposition may be traced to ideology (which is partly a result of the real difficulty of presenting divergent points of view given present Council size and structure). Equally important is the financial milieu in which municipalities operate and, the familiar difficulties that arise out of reliance on the Property Tax: concern that the value of all developments be as high as possible, that commitments to major ongoing expenses be kept low - this is particularly significant in that municipalities must pay 12½% subsidy on the operating losses, and a tendency to treat municipally-held land as an asset for which the municipality must receive full market value.

Because of the present arrangements regarding municipal initiatives in order to build public housing, Vancouver area municipalities do not feel threatened with the prospect of public housing in their area. Moving the responsibility for planning for public housing to the regional district has not changed municipal attitudes regarding public housing. It may, however, stimulate a municipal interest in limited dividend housing as an alternative to public housing or as an effort that can be pointed to to demonstrate that the municipality in question has "done its fair share". It is interesting to note that, until recently, the majority of public housing that has been provided, was developed largely as a result of public

action in slum clearance under the Urban Renewal Program. Relatively little of the public housing, then, actually resulted in an increase in the low income housing stock. Municipal preference follows the provincial lead in favouring home ownership.

#### ASSISTED HOME OWNERSHIP

The Provincial preference for home-ownership schemes has been emphasized several times in this paper. It is interesting to note that when Section 35A was first used in British Columbia, the Government had clearly fixed in its mind that Section 35A would be used for a subsidized home-ownership scheme à la the Co-operatives in Nova Scotia. It was suggested that the Province had expected that Little Mountain (the first Federal-Provincial Project) would in fact be for home-ownership and that the Province was quite surprised to learn that it would be a rental project. The shift, according to the Province, was the result of strong Federal preference for a rental housing arrangement. To date, the Province has not pressured CMCH to use Section 35A for home-ownership, but there appears to be a growing feeling that this should be done. The suggestion, of course, is that the partnership should go into municipalities to build for sale rather than rental. It is interesting to note that the Province nevertheless steps back from such apparently strong action by suggesting that municipal approval

would still be required prior to a direct partnership effort to build in a particular area.

The Province's primary program for assisting home-ownership is its so-called One Thousand/Five Thousand Program. The One Thousand/Five Thousand Program provides either a \$1,000 down payment or a \$5,000 low interest second mortgage to those purchasing a new home for the first time. There is no suggestion from the Province that the Program significantly expands the number of people able to afford home ownership. Instead, it was generally recognized that the Program, by bolstering the demand for home ownership, permitted a consequent increase in the sale price. One provincial official explained that in the long run, the increase in demand would bring forth an increase in the supply that would eventually put the two into a greater equilibrium.

At present the assisted home-ownership is a universal program - it aids a greater number of people whose income is high enough to carry the additional cost of a house but lack the necessary down payment. The Program is not presently geared specifically to the low income. To date, the Province has exhibited no particular indication of directing the program more closely towards low income groups. To this end, it is anticipated that the One Thousand/Five Thousand Program will be reviewed with a view toward determining its applicability to a modified rent-ownership scheme. In particular, to make the \$1,000 down payment available to tenants as well as home owners; to permit the subsidized rental rate to continue as



the mortgage payment; <sup>5</sup> and to apply such scheme as early as possible to the Section 35A Public Housing.

A temporary two-year Five Hundred/Twenty-Five Hundred Program, similar to the One Thousand/Five Thousand Program, for the purchase of existing housing, is being phased out. The initial purpose of the Program, and why it is presently being phased out, are both unclear. It was suggested, however, that while the One Thousand/Five Thousand Program stimulates new housing, the Five Hundred/Twenty-Five Hundred Program was not a sufficient incentive to accomplish the same end.

A further twist on assisted home-ownership has been developed in the Five/Five/Five Program. This is a Condominium program intended to persuade the elderly to move from large existing houses into multiple condominiums and thereby increase the family housing stock. It relies on the partnership to act as the entrepreneur in buying the land and contracting to build. The partnership is then the owner of the building and, presumably, oversees the resale on a Condominium basis. The \$5,000 first mortgage is expected to come from CMHC under Section 40, a second \$5,000, second mortgage coming from the Province, and the remainder from the sale of the existing house.

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5. The subsidized rental to continue as mortgage payment would occur as follows; if the rental had been \$70.00 and the payment needed was \$100.00, the individual tenant would continue to contribute \$70.00 with a \$30.00 forgiveness. A necessary rider would be attached that would presumably require that the \$30.00 per month that had been forgiven would be repaid on sale of the unit or that such unit could be sold only to the government.

### PUBLIC HOUSING

Much of the context in which the Public Housing Programs are delivered has been alluded to above. The Province builds solely under Section 35A Public Housing even though it presumably has the resources to build under Section 35D, if desired. The preference for Section 35A appears to derive from the favourable financial arrangements which, coupled with joint ownership, removes the Province from the direct firing line of political accountability for public housing.

### PLANNING FOR PUBLIC HOUSING

#### (a) The Municipal Role:

The formal responsibility for planning for public housing rests with the municipalities. While the City of Vancouver has long supported the idea of a comprehensive housing need survey in the Vancouver area, no such systematic survey has been done to date. Identification of housing need for purposes of determining the kind of units to be built consequently results largely from an examination of the household structure of those on the present waiting list for public housing. While there is some concern that such a list may not adequately reflect the true need for public housing, the general conviction prevails that the need is so great that moving at least in the direction of servicing those already on the list is a step in the right direction.

The normal process at the municipal level is for the council to request that the possibility of building a public housing project be investigated. The request then proceeds to the city planning department which is asked to develop a site, number of units it will accommodate, and the nature of the surrounding area in terms of transportation and amenities.

The land used for public housing tends to be one of the following:

(a) City owned land where suitably located. The majority of city owned land dates from acquisitions resulting from tax sales in the inter war period. Such lands were used exclusively in the early public housing programs. A major difficulty at present is the growing shortage, in absolute terms, of such land compounded with the difficulty of finding such land that would be suitable for residential proposes.

(b) A nucleus of city owned land that is supplemented with the acquisition of private land. This technique was utilized in the development of FP 13 and 14. In these cases, the city has acquired the private lands surrounding its original core of publicly owned land. The acquisition has been done by the city largely as a result of apparent senior level reluctance to do so directly which would create a potential precedent.

(c) A new assembly by the city of land that was all previously held privately. Because of the relatively small size of such parcels, the acquisitions are not normally carried

out under land assembly provisions. Instead, the city acquires the land as it does its regular acquisitions for other municipal purposes, e.g. open space. In some instances, city owned lands have been purchased through urban renewal funds borrowed from the federal government. In the case of a purchase of land that was previously held privately, considerable informal discussion with the senior levels of government usually takes place to determine the likely acceptability of the location in advance of acquisition.

Location criteria, particularly in the city of Vancouver, focus on: the availability of land (this is becoming increasingly important in the city of Vancouver in that city owned lands are decreasing); the state of servicing (in the city of Vancouver all servicing is undertaken by the city. This is not necessarily the case in some of the outlying areas and the mechanism used to service the land can greatly affect the price); the cost limits that the province has established on the final unit price. This last point is particularly problematic in that the province has established relatively low ceilings on unit cost. Given the high market value of land in the inner city, the land cost component of building public housing within the city of Vancouver has become prohibitive, unless either compromises are made on the matter of quality of the building or a mechanism is developed to subsidize the land cost.

Apart from consideration of a land assembly program (which will be discussed later) there are three basic options for reducing the land cost component in public housing in the Vancouver area:

(1) Select less suitable locations within the city of Vancouver that have a lower land value;

(2) Locate the public housing in the suburbs where land prices are lower;

(3) Require that the city of Vancouver sell its city owned lands at less than market value.

The first alternative is clearly unacceptable as a real solution to the problem. Under the present structure, the second alternative is unrealistic and unworkable. It will be recalled that municipalities have the final responsibilities for determining whether or not public housing projects will be built in their area. This responsibility has been maintained even with the reorganization of responsibility to the regional district. The forces previously at work to compel a municipality to refuse public housing have in no way been removed by the allocation of the development function to the regional district. Extensive building in the suburban areas would require a change of posture at the provincial level and a willingness to overrule municipal zoning and approval procedures. Such redirection at the provincial level is highly unlikely.

The third alternative, that of requiring the city of Vancouver to sell its city owned lands at less than market value, runs into difficulty from virtually every quarter. It is adamantly opposed to such a suggestion and maintains that it is not in a financial position to provide such a subsidy by denying itself the additional revenues to be gained from selling the land at market value. Apart from the general financial condition of the municipalities, the City notes that it must already pay 12½ percent of the operating losses of public housing projects. To further require that the municipality sell its land at less than market value, would be to require a considerable additional subsidy over and above the 12½ percent already required. Moreover, it is argued that if the lands were sold at market value to the partnership the subsidy to the individuals to be living in a public housing project would be derived from the much larger tax base of the provincial and federal government, rather than the relatively small tax base of the particular municipality.

Occasionally, realtors will approach the City regarding the possibility of the public sector purchasing privately held land for the purpose of building public housing. Unfortunately, such lands tend to be on poor sites that are unacceptable for a variety of reasons.

All reports on possible sites for public housing go to the Technical Planning Board for consideration. The Board

is composed of the Director of Planning (who acts as the Chairman) with the following members: two City Commissioners, the Corporation Counsel, the Director of Finance, the Superintendent of Property and Insurance, the Director of Permits and Licences, the Building Inspector, the Medical Health Officer, the Director of Social Planning and Community Development, the Superintendent of Schools, and the Superintendent of Parks. The effort here is to provide an inter-departmental board to consider the suitability of various public housing sites. There is also an attempt to assess the impact a public housing project of a particular size, composition, etc., would have upon the operations and facilities of the various agencies represented.

The greater Vancouver regional district also has a technical planning committee. Because the structure is so new, it is difficult to determine the impact the committee is likely to have on regional planning. For example, the committee is designed to have Municipal, Provincial and Federal representatives to participate in the committee's deliberations and discussions. To date, however, Federal representatives have not been appointed to the Technical Planning Committee. It is likely, however, that all housing programs developed by the GVRD will be channelled through the Technical Planning Committee.

Difficulties in implementing any future regional public housing plans have been alluded to several times previously in this report. While all constituent municipalities may opt



out of having public housing in their particular jurisdiction, they cannot opt out of paying their share of the cost of any public housing built in the region. The twelve and one-half percent subsidy on operating costs, normally borne by the recipient municipality, will now be shared among all of the municipalities in the Vancouver regional district. The province has presently set a maximum of one-half mill throughout the region to cover the twelve and one-half percent subsidy. At present assessment values, this is estimated to be the equivalent of approximately one million dollars. On the assumption that increased subsidy costs will be equal to increases in the assessment base, the one million dollars to be paid by the municipal level represents an annual subsidy of eight million dollars. At current costs, this would mean subsidies for approximately ten thousand public housing units. This, then, may be seen as the target of parameter for public housing units, presumably within the next decade.

In the city of Vancouver prior to the establishment of a housing responsibility at the regional district level, the City tended not to review broad housing policy. Instead, it tended to focus far more on specific urban renewal projects. The City did review the efficacy of working with Section 35A and found it to be advantageous to the City. The review did not, however, include a consideration of Section 35D, presumably because the Province refuses to participate under this Section.

The program review was undertaken with the prior attitude that public housing is suitable only as a residual program. This is fully in keeping both with the Provincial attitude and with the expressed preferences of the City's Chief Commissioner, who also sits on the BCHMC. Efforts to stimulate limited dividend rental activity in the city of Vancouver have likewise run into the familiar difficulty of a strong home-ownership bias. Public housing, and to a lesser extent limited dividend, is viewed as something of a bottomless pit - the more that is built, the larger the waiting lists become, and the more people are attracted to the idea of public housing (presumably because they now feel that there might be a chance of obtaining a unit) rather than "doing it themselves" on the private market.

Planning for public housing is intimately tied to general land use planning in a particular area. In Vancouver, despite the worry about where new public housing will be located, little or no concern is exhibited regarding the diminishing stock of low-income housing through public or private re-development. The history of action in the area has been to let the situation reach something of a crisis proportion before action is undertaken - it should again be recalled that the major portion of public housing units built in the Vancouver area were developed to replace housing stock demolished through urban renewal. One wonders whether, had urban renewal not been available, the housing needs of low-income people would have received any attention whatsoever.

A concern in this regard is not unreasonable. Vancouver's official plan reflects considerable awareness of the English industrial development model of urban growth. Virtually all of the downtown lands are zoned for commercial-industrial development. Presumably, such development stimulates a healthy business district and provides increased revenue to the municipality. In low income housing terms, a major difficulty arises in that a decrease in total residential accommodation creates still more pressure on existing low-income stock. The emphasis on commercial-industrial development creates precisely this situation compounded by the fact that, in Vancouver, many of the areas slated for commercial-industrial development are in existing low-income residential neighbourhoods. The result is to create still more pressure on the demands for public housing development which, given present land values coupled with cost limits, would presumably be developed outside the City.

In the overall picture of the regional district, a major planning difficulty is now arising from the success of the regional plan. Several of the area municipalities had had lands that were sub-divided down to lot size dating from the early Nineteen Hundreds. Since approval had already been given for the sub-divisions when the regional district began to develop its regional plan it had to take these approvals into consideration. The result was an excess of areas designated as "urban". The resulting designations of urban areas created a considerable disparity in land values between those designated as "urban" and other areas. Speculative

builders have thus tended to shy away from urban-designated areas and have, instead, purchased blocks of land in the non-urban sectors. The developers have then engaged in pressure and lobbying at the municipal level to get the zoning changed to "urban" for the areas within their land holdings. The situation has created considerable difficulty in attempting to enforce the regional plan. It would clearly be inappropriate for the public sector, while arguing against private pressure to re-zone lands into "urban" areas, to likewise acquire land that is cheaper by virtue of not being zoned for development and then proceed to seek a zoning change.

While the municipalities formally act as independent agents in initiating public housing projects, considerable discussion with the senior levels of government takes place prior to the advancement of a formal proposal. The informal gatherings that centre on the BCHMC provide the major forum for such preliminary discussions. The role of the senior levels of government, in helping to prepare municipal public housing proposals, is significant. Unfortunately, because the roles are informal, the administrators involved remain unaccountable to the public on matters of potentially fundamental policy development.

(b) Intergovernmental Relations:

Need

The Province of British Columbia has no stated public housing program or goal. It relies entirely on municipal initiative, and views its major role as controlling cost and design standards. Until quite recently, the municipal initiative was usually sparked by urban renewal projects, since public housing had to be built to house persons displaced from such projects. Until the late 1960's, municipal public housing planning consisted of little more than an examination of the 1961 census tracts to determine a likely composition of the population in the neighbourhood, which would then be reflected in the design of the project. Relatively unsophisticated though the technique might have been, it did demonstrate a much greater effort to determine used "need study" which merely involves consulting the public housing waiting lists to determine the number of new units required.

The municipality "plans" for public housing as the need is felt on a year to year basis. Although there have been discussions for some time about undertaking a comprehensive, long range need study of the Metropolitan Vancouver area, the study has never got under way. In 1971 responsibility for public housing was delegated to the Greater Vancouver Regional District Board. It is expected that one of the first tasks of the Board will be to undertake a sophisticated housing need survey.

In addition to attempts to determine the housing needs of the general population, there have been recent attempts to design projects that are better suited to the particular needs of public housing tenants. On Federal-Provincial Project No. 16, the consultant architect, with the support of field and Head Office CMHC personnel, expressed a desire to consult potential users of the project. The housing was to be for single men over 55, which presented design problems that had not been previously encountered. The City, however, opposed the consultation on the grounds that it was unnecessary and time-consuming. Project design proceeded without a formal survey of the needs of the probable tenants.

#### Location

CMHC, British Columbia, and Vancouver all assume that the choice and acquisition of land to be used for public housing is a municipal responsibility. The City possessed a considerable amount of land as the result of tax sales during the 1930's. For a time these City-owned sites were used for public housing. The sites tended to be marginal, however, and at the time of construction they tended to be located on the edge of the City away from transportation and other facilities. Subsequently, a number of more central projects were built on urban renewal sites.

Provincial cost guidelines make it necessary to use cheap land. In a major urban centre, inexpensive land means either sites that are substandard or sites that are on the remote urban fringes. Although these sites are, naturally, not as valuable as other locations in the City, the City has

nevertheless maintained a policy of selling the land to the Federal-Provincial Partnership at the maximum price possible. This policy derives, in part, from the conviction that City residents will already be subsidizing the public housing through operating cost subsidies and through additional City services required by the project. To sell City-owned land to the Partnership at cost would be to create a situation where City residents were, in effect, providing an additional subsidy.

Public housing projects in Vancouver are clustered heavily around the core of the City, mainly on the east side or in the south end. The only public housing projects that have been located outside the City have been for senior citizen housing. There is considerable suburban opposition to any form of low-income housing and to public housing in particular. The suburban municipalities have taken the position that low-income housing will serve only the central city poor -- presumably on the assumption that no low-income people reside in the suburbs or that such people would not be housed in low-income projects developed in their municipalities -- and housing the central city poor is not a suburban obligation. Suburban municipalities, however, are usually dormitory areas with relatively weak assessment bases, composed largely of residential rather than commercial or industrial properties. The extent to which such an assessment structure can carry the additional servicing costs involved in the provision of public housing is open to question. The suburban municipalities, however, have decided against providing public housing.



The public housing responsibility delegated to the Greater Vancouver Regional District Board will enable it to locate public housing throughout the region, but only with the approval of the municipality concerned. Once the housing is built, the costs are pro-rated across the entire region and individual municipalities are not permitted to opt out of paying their fair share. They can, however, refuse to allow public housing to be located within their borders in the first place. One way to overcome municipal intransigence in the matter of approving public housing would be to provide the GVRD Board with authority to locate the public housing directly in an area of the region. The Province strongly rejects this solution, contending that additional delegation of authority to the Regional District Board must come as the result of consensus within the region; the strong tradition of local autonomy that has developed in British Columbia would make any other solution politically impossible.

#### Cost

There are two elements involved in a consideration of costs: capital cost and subsidy cost. The two are usually linked. The quality of the location, design, and construction affects the level of the capital cost. The higher the quality, usually the higher the cost. Better quality units, however, are generally both more durable and, if properly designed, better meet the needs of the tenants, thereby decreasing unusual abuse. This in turn reduces the annual operating subsidy. Unfortunately, there has too often been a tendency to focus on the immediate

consideration of capital costs. This has certainly been the case in British Columbia. When several early public housing projects exceeded \$15,000 per unit in capital cost, the Province established a limit of \$12,000 per unit. Seemingly adequate units were produced on the open market for that cost and the Province presumably felt that there was no reason why public housing tenants should get housing that was any better than private accommodation. The result was a shift from architect-designed projects to off-the-shelf proposal call units of definitely inferior quality. There will be a more detailed examination of the reasons for the inferior quality in the proposal call system in the section dealing with the building of public housing.

The cost limits have been updated periodically to the point where they now stand at approximately \$11,000 per unit for senior citizen accommodation and \$19,000 per unit for family accommodation. The difference in unit cost between senior citizen and family accommodation -- due largely to the much smaller unit size of senior citizen accommodation -- has resulted in considerable provincial pressure to mix family units with high rise units for the elderly or for childless couples in an effort to arrive at a lower average project unit cost. The emphasis on the mix, however, is not the result of an examination of whether or not mixing senior citizens and families is in any way desirable in itself.

## Design

Until recently, the average unit size in Vancouver has been quite high. The first ten public housing projects averaged some 216 units. More recently (except for senior citizen projects) projects have dropped to under 100 units. The concept of smaller project size seems to be taking root quite firmly.

The public housing housing dilemma is clearly seen in the design problem. The early projects tried to demonstrate that it was possible to build public housing that was as good or better than the housing available on the private market. In order to build in durability and low maintenance costs, however, heavy duty masonry construction was used. As a result, public housing sticks out like sore thumb in a city where most family housing is wood finished. In an effort to reduce costs that were already above the market level as a result of the heavy duty construction, higher density row housing was developed. Unfortunately, row housing was a form of housing little known in Vancouver at the time. Public housing projects and their tenants were therefore clearly marked out and set apart from "ordinary" houses and their occupants.

In an attempt to make public housing less distinctive in design, the proposal call system was used. This system involves a public invitation to developers to submit the

development proposals suitable for public housing. In response, the builders tend to use their stock designs for cheap housing. The resulting units are indistinguishable from other low priced housing available on the market, but CMHC officials are dissatisfied with the quality of the living environment produced, and foresee the possibility of high maintenance costs.

Very few community facilities were built into the earlier projects. As a result of the increased federal interest in recreation facilities (coupled with tenant pressure), community recreation centres are presently being designed in some of the projects.

An apparent split is developing between the City of Vancouver and the two senior levels of government regarding the technique to be used for developing a project. Up until F.P. 10 a tender call system had been used. In the province's view, the system had created considerable unnecessary delays in dealing with Head Office and had resulted in design changes that appeared to be arbitrary and undesirable. From the City's perspective, however, the system was excellent. Previously, the City had been able to receive, on a regular basis, information regarding units, rents, incomes, and likely subsidy costs. Providing the City with the necessary information, particularly with regard to estimates and subsidy costs, is considered to be extremely important in light of the increased activity in public housing building. In 1970 the subsidy costs to the City were in the neighbourhood of \$70,000. For 1971,

however, the expected subsidy costs to the City are estimated to be approximately \$200,000. The sharp increases in costs to the City are aiding a general resistance to public housing.

The system is aggravated by two factors; sharply increased activity in public housing development and the move to the proposal call system. Difficulty in estimating likely subsidy costs would have arisen even under the tender call system with the increase in public housing activity. However, with the proposal call system, the detail on likely future costs are not laid out as under the tender call system. The City is clearly of the opinion that it would prefer to move more slowly in public housing and have the full costs laid out in advance than to move more quickly, as with a proposal call system, and not know what its obligations will be a few years down the line.

This opinion, however, conflicts sharply with that held predominantly by the Province but also shared by CMHC. The Provincial attitude is characterized by the familiar cry that developers are expert in their field and are, consequently, the best able to provide the best quality for the lowest price. In addition, Provincial response very much favours accepting the lowest bid on each proposal call. There is little demonstrated concern that the lowest bid may either produce increased subsidy costs in the long run or is the result of sharply cutting-back in design quality. The difficulty was demonstrated with the first project to utilize the proposal call system. The

plans for F.P. 10 received a thorough review by the branch staff and all proposals were considered by a jury consisting of the Chief Architect and Chief Appraiser. Their report shows a proposal which, in their opinion, combined the best design with the lowest cost; the proposal was the second lowest bid returned. The Province argues strongly against accepting anything but the lowest bid. CMHC ultimately prevailed upon the Province to do so in this particular case. The Architectural Institute of British Columbia, however, maintaining that the Province is unwilling in several sectors and particularly the housing one to accept a professional opinion, placed a ban on participation in proposal calls by its members.

On the next three projects the architects boycotted the proposal calls. All of the projects were small sites with less than 100 units each. The City, in contrast to the Province, took the position that an architect's design was required despite the small sites and the fact that the units were apartment buildings. The City's primary concern regarded planning requirements, aesthetics, and particularly problems of future maintenance. When the vote was put before the BCHMC, the Province, normally so insistent that public housing is a municipal matter requiring in all cases municipal acquiescence, voted against the municipality. CMHC, in line with its general view of municipalities as obstructionists and its close liaison with the Province, supported the Province in its position that an architect's design was not required.

As architects would not participate in the proposal call, the branch architect prepared sketch drawings to give an indication to the builders of the type of units which could be built on the proposed sites. Head Office Architecture and Planning Division was particularly opposed to the inclusion of these drawings, maintaining that they might well be considered as CMHC design solutions which they were not. There was, in addition, a protracted dispute as to whether or not the Residential Standards apply. (They had been adopted the previous year and had been said at that time to be only advisory.) The Branch, not realizing that they applied, had suggested to the City that density might be substantially increased on the sites in order to reduce the land costs. Head Office, on the other hand, maintained that the standard did apply and that density would therefore have to be cut-back. Both the Province and the Area Offices were incensed but the Ottawa view prevailed and the density was cut-back.

The difficulties encountered in the proposal call technique have lead to a considerable increase in pressure on the Province to withdraw from the proposal call. Not unexpectedly, the City is supported in its dislike of the proposal call system by Head Office Architecture and Planning Division. The extent to which the pressure will prove successful and a changeover be made to a consultant architect system is as yet unclear.

### Management

The British Columbia Housing Management Commission has sole responsibility for managing public housing in British Columbia. As noted earlier, the Commission is unique in that it provides for direct Federal, Provincial and Municipal on-going participation in public housing.

### Tenant Selection:

Applications for public housing are good for one year. The BCHMC is permitted to purge the lists of applications that are one year or more old without mailed notices to the applicant. Applicants are, however, normally taken according to the order in which they applied for the public housing.

The Area Manager has responsibility for tenant selection, although he must work within the application lists that are filed at Head Office and normally according to the date in which they are filed. The Commission claims that it does not consider drunkenness, criminal records, credit ratings, etc., when reviewing the suitability of an application. The stated reason is that people in need of public housing are usually multi-problem families and such additional problems may simply be further symptoms that the family is in considerable need of a variety of forms of social assistance. (This appears to be corroborated by the very high proportion of welfare recipients, when compared to other provinces.) In addition, there appears to be an attempt to provide a social mix among public housing tenants without setting specific percentage quotas of, for example, motherled families, welfare



recipients, etc. The Commission appeared aware of the dilemma it faces regarding such families: putting all of the "problem" cases into existing projects further underlines the notion that public housing is a residual program and provides little or no opportunity for the families to be exposed to "more normal" situations; at the same time, these are likely to be the families in the greater need of housing and efforts to keep the ratio of such families in the projects at a fairly low level, necessarily results in many such families being denied public accommodation.

The Area Manager also has responsibility for determining tenant transfer. In most cases, the initiative for the transfer results from an application by the tenant to move. The reason most often cited is a change in family size requiring either a bigger or a smaller suite. Occasionally, however, impetus for the move will come from the Area Manager. In these cases, the reason is almost always social and involves difficulties with neighbours or the fit into the area. It was suggested that such instances are rare and usually involve the participation of other social service agencies in the City.

Eviction:

According to the Commission, there are no set guidelines for eviction beyond non-payment of rent. The reason most often cited, however, was some form of child neglect that would involve participation of another social service agency in the

City. All cases of eviction must be approved by a vote of the British Columbia Housing Management Commission and is not simply a staff matter.

Tenure:

The standard lease now used by the British Columbia Housing Management Commission follows fairly closely the CMHC suggested lease. Rents are now stabilized for a two year period so that tenants may increase their income without a subsequent increase in rent. A distinction is made for welfare recipients, however, in that they are not permitted to increase their income by more than \$100 per month. The reason apparently derives from limitations placed on the shelter component of social assistance. There is, however, no ceiling on income increase for BCHMC rental purposes.

While increases are frozen, it is possible to have a rent decrease if there is a decrease in income. The reason for the decrease is not taken into consideration; therefore, a strike, a lock-out, or loss of employment are treated equally.

Tenant Associations and Management:

Little Mountain is the only project with tenant management at present. There is a formal memorandum of agreement between the BCHMC and the management committee at Little Mountain to manage the project and be paid \$400 per month for expenses.

The management committee had developed out of initial attempts by a worker from the Neighbourhood Services that had attempted to animate the project and develop a feeling of community with the surrounding area. The attempts were successful and the project tenants and surrounding neighbourhood had agreed to set up a common community centre. Efforts to secure the community centre led to the development of a committee that included several of the public housing tenants. When the dispute over the community centre was settled, this committee became the core group attempting to institute tenant management.

The BCHMC strongly endorses the idea of the City's Social Development Department working in neighbourhoods to both co-ordinate social services and develop a sense of community. The Commission appears to be in favour of such activity leading to still more tenant management situations. The response of the City in this regard is not known.

While the Commission expressed considerable satisfaction with the activities of Neighbourhood Services, it is critical of another tenants' organization that attempted to bring together several projects: the Inter-Project Council. In the Commission's view, the strength of the I.P.C. would have been to foster tenant associations in the various projects. Such associations could undertake a variety of activities in service to tenants in their particular project as well as moving toward a tenant-management position. In addition, such projects would form the basis upon which representatives to the I.P.C. could be elected. The Commission maintained that the

I.P.C. failed to pay sufficient attention to the development and maintenance of tenant associations and, as a consequence, several project associations died. Rather than attempting to revitalize the associations, the I.P.C., according to the Commission, then asked particular tenants in the projects to sit on the I.P.C. as project representatives.

The Commission is particularly critical of this move in that it sees it as an effort by the I.P.C. to develop a power base independent of the preferences of tenants actually living in the projects. In the Commission's view, the I.P.C. is legitimate only to the extent that its representatives come out of tenant associations that are representative of the tenants in the particular project. Insistence upon this perspective appears to be a function of both an adherence to traditional liberal democratic thinking and a concern that tenants in the particular projects will not be benefitting from the activities of the I.P.C. unless they have been organized and have a clear forum from which to state their priorities.

In the absence of tenant associations in other projects which the Commission feels would be suitable to undertake tenant-management responsibilities, the Commission has developed a system of resident caretakers. The caretakers are considered to be regular BCHMC employees responsible for the physical management of the project. Initially, the Commission appeared to prefer non-tenants as the resident caretakers. Now, depending on the preferences of tenants within the project, there appears to be a move in the direction of having the

resident caretakers drawn from the tenants in the project.

At the same time, the area managers who had previously been resident in a project in their area, are being phased out. The Commission appears to feel that the tenants will more quickly develop associations and become initiative in their dealings with the BCHMC if the area managers are not resident on a project. Rather than overcoming a we/they dichotomy, the Commission feels that having area managers resident on the projects actually served to further aggravate the dichotomy. The Commission hopes that this difficulty will in part be overcome with the concept of tenant resident caretakers.

#### Used Housing

The City Planning Department has pressed repeatedly for a program of purchasing existing housing to be used as public housing. A major program in this direction has not been undertaken largely because of low vacancy rates, the fact that such a program would not necessarily increase the total housing stock, and a feeling that the buildings that were considered for possible purchase seemed not to be suitable. Unfortunately, the majority of buildings examined for a used house system had the traditional six or more units within them - the cut-off point for CMHC vacancy rate surveys. Apparently, no investigation was undertaken as to the viability of purchasing existing single family housing.

The City Planning Department appears to be very much in favour of this latter approach. The Department expressed considerable concern about the loss of housing stock as the

result of private or public redevelopment in the downtown area. It was noted that several areas still had relatively large single family houses that were suitable for conversion into flats thus increasing the existing low income housing stock.

City Council appears not to have considered this alternative for providing public housing. The Chief Commissioner, who also sits on the BCHMC, as the individual who spearheaded much of the zoning for commercial/industrial uses in the downtown, is not sympathetic to the idea of a substantial used house program.

The views of the Federal and Provincial Governments are not presently known on such a proposal.

## SECTION 16 ENTREPRENEUR

Activity under this Section was very limited to the end of 1968. Of 2,800 units built under it from 1946 to 1968 all but 400 were for senior citizens and most of them were build by municipalities and service clubs.

This can be explained, in part, by the structure of the residential development industry. Until recently, much of the residential development business was in the hands of real estate firms. They would acquire small to medium sized parcels of land (from 2 to 20 acres) shortly before development and had a stable of small builders to whom they made lots available for construction. In some cases they would service the lots themselves and through related companies provide both the interim and long term financing. Effective horizontal organizations were established under which they would take a land development profit, finder's fee on the mortgage and commission on the house sale or management fee for administering a rental unit. Because they had independent sources of mortgage financing and could not be bothered meeting N.H.A. standards, they did not avail themselves of the provisions of the N.H.A. for rental housing loans. Not only were they not interested in direct federal funding, they made minimal use of the insured loan provisions.

The last few years have seen the advent of large scale professional builder developers in the province. Two of them, Dawson and Imperial, are general contractors who have moved into the development business because of the large land

development profits and tax shelters available. Others like Murry Hill Estates and the Mulik companies had experience in the rental field (and in Section 16 loans in particular) in Alberta, and expanded into the greener pastures of B.C.

With these new developers, eager to build volume and establish themselves in the area, and in some instances to market their large scale landholdings, loans for almost 2,000 units were made in 1969 and 1970, compared with 2,700 units for the period from 1946-1968. In 1970, loans for some 1,200 units were approved. The builders found that they could not make a profit on rental projects with interest rates at  $9\frac{1}{2}\%$  - 10% and to keep in production were happy to build limited dividend and assisted home-ownership projects. Whether they will be willing to do so with reduced interest rates remains in doubt.

The units produced appear to be better built than moderate cost housing operated by the real estate firms. This reflects the construction expertise of the large scale, professional builder. However, the familiar problems of inadequate design, facilities and location are present. Several developers complained that they wished to put in additional site facilities, day care centres etc., but claimed that they had been restrained by CMHC which was looking for the best possible price on the units and therefore the lowest rentals. Another claimed that the provision of such facilities was essential to the maintenance of the property and suggested that larger projects be built so that the cost of the facilities could be spread sufficiently widely to minimize rental increases.



All of the projects were located in outlying suburban areas, because of the cheaper land cost. One developer admits to specializing in picking up sites which others have attempted and failed to rezone and then pushing them through council. Another used Section 16 to develop land which had become undesirable for middle income use due to changes in the neighbourhood.

The Architectural Review of several of the projects approved last year noted three bedroom units above the second floor, overly long central corridors, no indoor recreational facilities, storage off of living rooms, etc. <sup>6</sup>

It was not possible to examine management practices in depth as most of the projects were only recently opened or under construction. Discussions with several developers revealed a strict, no nonsense approach (any trouble and they're out). This coupled with the failure to require leases, leaving tenants on a month to month basis, means that tenure is highly insecure. Several of the builders strongly opposed tenant associations in their projects, one of them taking the position that the association was "communist inspired".

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SECTION 16 NON-PROFIT

Section 16 non-profit has been used almost exclusively for senior citizen housing. Groups that have taken advantage of the Section appear to be traditional service associations. There has been almost no activity either in the area of these groups providing family housing or from community action style groups that may wish to engage in providing family housing for their members. While Federal, Provincial and Municipal co-operation appears to be quite good in the matter of providing senior citizen non-profit housing, all reacted with general disfavour to the possibility of community non-profit family housing. Institutional attitudes on this matter have been referred to above in the section on the organizational context.

The City Social Development Department, on the other hand, is strongly in favour of the stimulation and development of co-operative/non-profit societies. The Department contends that all non-profit groups require external expertise to enable them to work effectively within the system to provide low income housing. The Department noted that, even with non-profit societies who were promoting senior citizen housing, the City, which could provide a considerable amount of needed expertise, became instead both reactive and obstructionist. The City administration concentrated on interpreting by-laws to the letter rather than aiding the groups to build or becoming advocates for the groups where their proposals might run into difficulties with detail on City by-laws. In view of the City's unwillingness to assist

even the non-profit groups concerned with senior citizen housing, it is extremely unlikely that the administration could be persuaded to provide additional expertise to groups interested in building family housing. Interestingly, aid to community groups is perceived as strictly a municipal function. Considerable hostility exists toward the prospect of a Federal initiative in this area, particularly one that by-passes the municipality in determining, for example, what groups will receive what kinds of assistance.

For senior citizen housing, both the province and the municipality co-operate to make it attractive for non-profit societies to build. The province provides a one-third capital grant towards the cost of the development. The criteria for the grant tends to be past experience with the societies, the accommodation they intend to build and, of course, the general budgetary constraint regarding the total allotment for grants. There appears to be no shortage of societies interested in taking advantage of the grant.

The City of Vancouver matches provincial generosity by exempting non-profit senior citizen housing from the payment of municipal taxes. In cases where a non-profit society may wish to build senior citizen accommodation but lacks a site, the City, if it has a suitable site in its possession, will normally offer it to the non-profit society. The society then has a choice of either purchasing the lot at market value (as would be done if the City sold the land to the partnership) and paying no municipal taxes, or purchasing the land at a below

market value price. The vast majority of the groups opt for market value purchase with municipal taxes forgiven in the future. There is no suggestion that similar provisions would be made available to non-profit societies wishing to build family housing.

#### LAND ASSEMBLY

Notwithstanding the depletion of City owned land in Vancouver and the financial advantage to the City of having lands it can sell at market value, both the province and the City of Vancouver actively discourage any suggestions of major land assembly in the area. From the City's perspective, land assembly could only take place (assuming it to be vast in scale) outside of the City boundaries. While it was agreed that this might well help to overcome some of the difficulties now being encountered in providing public housing in the suburbs, the City appeared to prefer other mechanisms -- provincial approval of zoning by-law changes or sub-division agreements -- to public ownership of land. On the other hand, there was support for the proposition that land assembly funds be used to acquire small parcels of land within the City. It was generally felt that small scale land assembly of this sort could provide excellent assistance to the City in attempting to provide desirable development in infill areas.

Not unexpectedly, municipalities outside Vancouver are adamantly opposed to suggestions of large scale public ownership of land. Their position is strongly supported by the provincial Government. As noted earlier, many of the suburban areas have large quantities of land that are classified as urban. This has produced a situation where the land values of such parcels is significantly higher than that of other lands not so designated. Speculative builders have undertaken massive private land assemblies in the suburban areas. A move in the direction of large scale public ownership of land would

thus involve a position of over-ruling the area municipalities and a willingness to under-cut the private sector now holding the land. The province has demonstrated no sympathy whatever for such action.

It is interesting to note, however, that land assembly is permitted only under Section 35A thus requiring provincial participation rather than a direct Federal Municipal agreement. In theory, Provincial preference for Section 35A is based on concern for the financial viability of municipalities. The province maintains that if a municipality independently signs a land assembly agreement and then is unable to maintain its share, the province, regardless of whether or not it had been involved in the approval procedure, would be called upon to pay the municipal share. Such a possibility is clearly untenable to the province. It would not be inaccurate to suggest, however, that provincial intervention in land assembly approvals provides a convenient mechanism through which the province may actively discourage public ownership of land.

It should be noted that one recent land assembly was undertaken through Section 35C. It is CMHC area office opinion that the agreement was passed as the result of a provincial oversight and does not constitute the beginnings of a significant change in land assembly policy on the part of the province.

There is little evidence to suggest that British Columbia would take advantage of a significantly expanded land assembly program.

### RENT SUPPLEMENTS

Rent supplements, shelter allowances, etc., are generally viewed with disfavour from a variety of quarters. The province opposes any such scheme apparently on the grounds that, rather than encourage home ownership, such a program would stimulate rental arrangements. In addition, both the province and the City note that vacancy rates in Vancouver are low and rent supplements would likely result in simply further increasing rents. Such a program would then become inefficient in its delivery of low income housing. Suggestions that some form of rent control might be tied to the rent supplement program are seen as anathema to the private market operations both the province and the City wish to encourage.

At the same time, those who are not committed to home ownership and the operation of the private market, dislike such schemes precisely because it is felt that rent supplements would work effectively only when they are coupled with some form of rent control and rent control, in any form, is considered to be an administrative nightmare. On the matter of universal shelter allowances, the response is ambivalent, some concern being expressed for the inefficiency of universal programs that do not focus on the particular client group they are supposedly designed to serve.

In summary, British Columbia favours co-operation with the Federal Government in the provision of low income housing so long as that co-operation enables the province to maintain a position of dominance in the decision process.

Suggestions that CMHC should activate direct activity as, for example, under Section 37, are patently unacceptable. At the same time, the province is unwilling to move firmly in the direction of providing low income housing, particularly where such action may require over-ruling municipal councils. As noted above, however, the insistence on municipal autonomy is misleading and in no way suggests that the province would favour independent municipal action in dealing directly with the Federal Government. In program terms, the province appears to be entirely committed toward some form of assisted home ownership. Rental arrangements are generally discouraged and public housing will continue to be viewed as a residual program only.

Apart from a concern that the Federal Government has not sufficiently developed assisted home ownership programs, the province has expressed a desire for a significantly expanded program of Federal subsidies toward municipal infrastructure. Additional assistance in the area of water and sewer lines, treatment plants, storm drains, etc., is seen as the major key toward opening up the necessary lands for development which would, in turn, provide the needed housing at lower cost. The underlying assumption remains that the development would be rather traditional single family suburban housing.