

NHA CONSULTATIONS - REPORTS OF MEETINGS

policy planning division
central mortgage and housing corporation ottawa



National Housing Act
Proposed Amendments for Consultation
Meetings with the Province of Québec
May 2 and 3, 1972.

The first meeting was held on May 2, 1972 at the Congress Inn in Québec City. Participants were Messrs. Jacques Bernier, Andre Dauphin, Robert Boyle, J.P. Arsenault, and Louis Boulanger of La Société d'Habitation du Québec, Pierre Boucher of Le Conseil de la Trésorerie, Jean Cimon of the Ministère des Affaires Intergouvernementales, André Saumier and Jean-Jacques Lemieux of the Ministry for Urban Affairs, Gaetan Belec of the Privy Council Office, H.W. Hignett, Alain de C. Nantel, Noel Guilbault and Marcel Laperrière of Central Mortgage and Housing Corporation.

Mr. Hignett outlined the historical background which led to this meeting. He indicated that the emphasis of the Federal Government investment in housing had been directed increasingly at the needs of low income people through the provision of substantially increased funds for Public Housing, Limited Dividend Housing, Non-profit Housing and Assisted Homeownership.

In addition there had been a growing concern with the conservation and rehabilitation of existing housing and the preservation of neighbourhoods as opposed to outright clearance. In order to meet mounting demands, proposals had been developed and examined successively by the Corporation Management, the Minister and the Ministry for Urban Affairs and eventually the government. The amendments to be discussed had been considered by the government of Canada and their decision had been that they are acceptable in principle and sufficiently developed to be presented to the provinces for their reaction, comment and advice.

Mr. Hignett went on to review the proposed amendments which included Land Assembly, Assisted Homeownership for low income families, housing sponsored by Non-profit Corporations, Residential Rehabilitation Assistance and the Neighbourhood Improvement Program.

He indicated that an understanding on principles could come out of this meeting and that problems of implementation could be taken up later. He expected that after discussion of the proposed amendments the officials of the Province would give us their impressions and would have the opportunity to study the amendments further before responding to them officially.

He pointed out that in reading the consultation documents the participants should read "province" wherever the word "municipality" appeared.

Mr. Bernier welcomed this opportunity for consultation. He agreed that these discussions would lead to an understanding in principle and that Central Mortgage and Housing would receive the Province's official comments in writing in approximately two weeks. However, he informed the meeting that they would have to refer monetary items - grants and subsidies - to Treasury and to the Cabinet and that decisions concerning these items would necessarily come later.

It was then agreed that the proposed amendments be discussed under their respective program headings and the following are the main points which were raised during these discussions:-

Amendments to the Land Assembly Program

Mr. Bernier indicated that the province agreed in principle with the proposed amendments under this heading. He said that land assembly would have to be handled through the province in the same manner as the other programs covered by the agreement between La Société d'Habitation du Québec and Central Mortgage and Housing Corporation.

The province did not intend to hold land for the municipalities but would lend to the municipalities in order that they may acquire land. In order to do this an amendment would be required to the Québec Housing Corporation Act, the Planning Act or the Cities and Towns Act.

Mr. Hignett then responded to a request for a clarification in the provision of the acquisition of land for redevelopment. The province indicated that the potential for loans for land redevelopment was extremely limited. With the scarcity of land for redevelopment in urban centres and with the elimination of the Urban Renewal Program there would be very little response if any by the municipalities to the redevelopment aspect of the Land Assembly Program.

The financial arrangements for land assembly were then discussed. While the province agreed to permitting the municipalities to pay the interest only on land loans up to the time of disposal, they insisted that they should amortize the loan - capital and interest - over the 25 year period if the land was used for municipal purposes.

With regard to municipal debentures it was agreed that it would not be necessary to issue new ones at the time of disposition when the land was to serve for municipal purposes. The term of the loan for installation of services, etc. would begin from the time of such installation.

It was also agreed that the costs of acquisition, planning, etc. would be included in the amount of the loans for land assembly.

On the program as a whole the province indicated that it would favour mostly the assembly of land for new development.

Assisted Homeownership for Low Income Families

Mr. Bernier indicated that the objectives of this program were well understood. Since 1948 the province had born the costs of a very expensive program of interest rebates through their Family Housing Act which pursued the same objectives. This Act expires June 30, 1972 and the province is interested in reviewing our proposals before recommending a replacement for this legislation.

Mr. Bernier then furnished some significant statistics on the Family Housing Act. 100,388 families have received assistance under the Act since its inception in 1948. A total of 242 million dollars were committed to this program of which 77 million were still outstanding. In the year 1971-72, 6244 requests were received, 989 were refused, 155 are being reconsidered, 3200 were approved and 1900 are under review.

The 3200 approvals were distributed as follows:

731 Caisse Populaire
519 Banks
170 Insurance Companies
1780 CMHC

Of the 1780 CMHC loans, 24.4% were at the rate of 7 7/8% and at the top of the range 60.6% of these loans were at 9½%.

These statistics he argued would indicate that the middle income group might have benefitted more from this legislation than the low income group. Mr. Bernier had just received this information on the Family Housing Act and he promised to forward a complete set of data to CMHC within the next few days.

Mr. Bernier then indicated that the program was acceptable in principle but that it was less generous than the provincial program. It was not the intention of the province to enter into the lending part of the operation but having been involved in subsidized housing for the past 24 years it hoped to administer the matching grants with the existing provincial mechanisms. A method should be devised to incorporate the federal and provincial grants into one operation directed by the province.

The definition of family income was then brought up and the Province indicated that they had been defining family income in the same manner as the federal and provincial income tax on the basis of gross income less exemptions. Mr. Hignett explained that CMHC generally defined family income as the gross income of the principal wage earner plus 50% of the spouses income. He added however that there would be no problem in agreeing on a definition which would be acceptable both to the province and the federal government.

The eligibility of families was then discussed. Mr. Hignett explained that the maximum income to qualify as a low income family under the program would be \$7,000 for a family of three with an additional \$300 to \$500 per child over and above the original three. The province advised that they would like to see the maximum income set on the basis of \$8,000 - \$8,500 for the applicant and his spouse plus \$500 per child. The contention was that with the basic \$7,000 for a family of three access to the program for low income families of one and two children would be limited. Mr. Hignett indicated that if a minimum family were not set at three that older citizens could not be excluded from the program.

With regard to the selection of a unit suitable to the applicants need at the time of application, it was argued that there should be some allowances made for possible family expansion. The Family Housing Act applied to houses with a minimum of three bedrooms except for condominiums and senior citizens housing. Mr. Hignett suggested that the minimum 800 square foot unit might be replaced by the minimum 1,000 square foot unit. On this basis it was agreed that the program would be more acceptable.

The question of setting the maximum unit costs for the areas in which the units are located was then brought up. Mr. Hignett indicated that there would be some flexibility in the application of this criterion. For example in the province of Québec, the maximum costs for Montreal, Québec and the rest of the province would be different.

The province felt that a payment of a minimum of 22% of the family income towards principal, interest and taxes was too high and would discourage low income families from becoming

homeowners. Mr. Hignett replied that people who want to become homeowners must expect to pay more for it. The program does not address itself to families whose income is under \$5,000, and who would probably be better off as public housing tenants. He added however that this 22% minimum was still open to discussion.

It was also argued that the fixed percentage of 22% of family income to qualify for assisted homeownership might be too low for low income families who were already paying rents at a G.D.S. ratio higher than 22% and who wished to become homeowners - Mr. Hignett indicated that minor adjustments upwards might be made in such cases.

With regards to the periodical review of family income it was suggested by the province that the first review should not take place before 5 years. Subsequent reviews could take place every two years thereafter, but the first five years of home ownership are usually a period of extra expenditures and financial adjustment and it was not deemed advisable that the first review should take place during that period. Mr. Hignett considered that this was a valid argument and suggested that the proposal would be reviewed.

The conditions for resale then came under scrutiny and the province felt that there should be no claim against capital gain upon resale after five years. Other issues surrounding controls on resale were discussed but this whole matter was left open for further consultation.

The program was accepted in principle but it was felt that it would have limited effect in making homeowners out of tenants, especially in moving low income families from public housing status to assisted home ownership.

Housing Sponsored by Non-Profit Corporations

Mr. Bernier indicated that the province agreed with this program. This type of assistance was now under review by the province, but approval would be required by Treasury and the Cabinet and funds for such a program would not be available until the approval of the 1973-74 Budget.

He added that it was their intention to administer this program and that it would be possible to apply it now to senior citizens housing by capitalizing interest rebates in lieu of matching capital grants.

Residential Rehabilitation Assistance Program

Neighbourhood Improvement Program

These two programs were discussed jointly. Mr. Bernier stated that the province found the content of these two programs insufficient as a replacement for urban renewal. They were too limited in scope and lacked potential. The province was amending its legislation to go much beyond the Corporation's proposals. While some basic elements of the Neighbourhood Improvement Program were good, it was not expected to produce the desired results.

The province asked if there would be any assistance for urban renewal in Montreal and Québec City since it appeared that the program eliminated clearance in slum areas. Mr. Hignett explained that the Neighbourhood Improvement Program was aimed at conservation and that no funds would be made available for total clearance.

With regard to the Residential Rehabilitation Assistance Program he pointed out that it would apply to all rental property owners and low and moderate income homeowners in

Neighbourhood Improvement Program areas. Outside of these areas assistance would be available to non-profit groups and such others as may be determined by federal/provincial agreements. For example, the Rehabilitation Program as it applied to Montreal could be determined under these agreements.

The discussion then centered on the definition of neighbourhood given in the consultation document. An explanation of the kinds of neighbourhoods to which the program would apply was given. However, Mr. Hignett added that there would have to be some flexibility in the application of this definition - scope of the work to be undertaken; the part played by residents; the size of the neighbourhood were all factors which would have an important effect on the results of the program. The province (or the municipality) would make decisions as to the number and size of neighbourhoods within the scope of a given budget. For example, the choice could be made between one large neighbourhood or five smaller ones.

The question was raised as to how strictly the "predominately residential" criterion would apply to smaller cities of 5 - 15,000 population. Mr. Hignett answered that a predominately residential neighbourhood could include "employment producing" establishments and that there would be no hard line definition of a predominately residential neighbourhood. The stabilization of the area would be an important factor, so would the expected life time of the buildings affected by the program as a reinforcement to this stability.

With regards to the allocation of funds Mr. Hignett indicated that the budget for each neighbourhood project would be close ended. It would be a matter of determining what could be done with the amounts allotted.

It was suggested by the province that the payment of 25% of the net cost of acquisition and clearance of noxious non-conforming uses and sub standard units was too little. Mr. Hignett explained that this was not necessarily so - that re-use of the land was the determining factor as to whether or not the federal contribution was adequate.

With regards to the involvement of citizens, there was disagreement with some of the suggestions made regarding the ways in which citizen participation would be reflected. Mr. Hignett pointed out that these were just suggestions - applications for this program would have to indicate how residents would be engaged in it, but it would be up to the province to determine the method and types of resident participation.

A number of points were raised on the Residential Rehabilitation Assistance Program. It was suggested that the sliding scale formula discriminated in favour of the large landlords in that they would qualify for 100% grants as compared to a grant-loan sliding scale adjusted to income for low income families. Mr. Hignett pointed out that this was not completely true since landlords would be bound by rent controls for a period of 15 years. He added that the Corporation was not wedded to the suggested sliding scale formula.

The question of the \$4,000 ceiling on grant loans was also raised. It was argued that \$4,000 would not be sufficient to improve a property to a minimum standard of health and safety. Mr. Hignett replied that according to the Corporation's engineers the amount of \$4,000 was sufficient. He cautioned that if this amount were exceeded rents might be affected upwards, thus defeating one of the objectives of the program of providing adequate low income housing.

The province indicated that the \$4,000 grant-loan did not go far enough and that rehabilitation should go beyond the minimum health and safety standards to provide sufficient incentive to make the program a success. Mr. Hignett pointed out that if the rehabilitation program was to finance beyond the minimum standards, that we would have to finance also the rehabilitation of units already meeting the minimum standard. The program was aimed at the worst areas worth saving and it was preferable to bring a number of units to minimum health and safety standards than a few beyond. He suggested however that in certain cases a unit might be improved beyond the minimum standard provided that the costs of rehabilitation did not exceed the grant-loan limit of \$4,000. There would be some flexibility in the definition of a standard house.

The province added that while their experience in rehabilitation had been limited to urban renewal projects and the Montreal Rehabilitation Program only, their objectives were to upgrade the housing stock. They had been providing grants of 25% of the costs of rehabilitation of units from \$1,000 to \$8,000 per unit. In view of this they felt that the Corporation's proposed program might not go far enough.

The matter of administration costs to the municipalities of such a program was raised. These costs had been estimated at \$100 per unit in Montreal. Mr. Hignett agreed that these could prove to be onerous for municipalities and that a formula should be worked out to have them paid by the federal government and the province.

On the question of statements the province suggested that they should be submitted quarterly and not monthly. Mr. Hignett agreed to this.

National Housing Act
Proposed Amendments for Consultation
Meetings with the Province of Québec
May 2 and 3, 1972.

The second meeting was held on May 3rd, 1972 at the office of the Minister of Municipal Affairs. Participants were the Honourable Maurice Tessier, Messrs. Richard Beaulieu and Paul Blier of the Department of Municipal Affairs, Jacques Bernier, Andre Dauphin, Robert Boyle, J.P. Arsenault and Louis Boulanger of La Société d'Habitation du Québec, Pierre Boucher of Le Conseil de la Trésorerie, Jean Cimon of the Ministère des Affaires Intergouvernementales, André Saumier and Jean-Jacques Lemieux of the Ministry for Urban Affairs, Gaetan Belec of the Privy Council Office, H.W. Hignett, Alain de C. Nantel, Noel Guilbault and Marcel Laperrière of Central Mortgage and Housing Corporation.

Mr. Bernier invited the Minister to address the meeting.

Mr. Tessier welcomed the federal representatives and indicated that the province was willing to participate in all joint Federal/Provincial programs on the condition that the province be the only one to decide on programs - where and how monies will be spent.

The federal government could set the standards and criteria but decisions would be taken by the province only - they had their own priorities and budgetary restrictions. It was understood that CMHC would not deal directly with the municipalities.

All the proposals which had been made by the federal government were acceptable in principle; there remained to discuss the terms and conditions. There were certain programs which the province would not be able to implement at this time, but he added that monies which would be allocated to these and not expended should be kept in reserve or allocated to other programs.

On Federal/Provincial cost sharing programs he stated that the federal government's share should always be greater because of its greater sources of income. In fact, this was not a new principle - in public housing the costs were shared on a 50% federal, 25% provincial and 25% municipal participation.

With regard to public housing he informed the meeting that the province was being pressured by the municipalities to reduce the percentage of operating losses underwritten by them. He felt that this was a reasonable request in view of their financial position. If this situation was not corrected the construction of public housing would be unduly reduced or delayed. He suggested that the province was prepared to do its share to alleviate this burden on the municipalities and suggested that operating losses in public housing be shared on the basis of 60% federal, 30% provincial and 10% municipal contributions.

He stated that the Neighbourhood Improvement Program was not an adequate replacement for the Urban Renewal Program. He thought that it was very incomplete and would be difficult to implement. He felt that very few small municipalities of 5 - 15,000 population would benefit by it. He hoped that consultations would continue on this program and that ways and means should be found to broaden it.

On Land Assembly the municipalities did not have the powers to enter into this program, but the Québec Housing Corporation Act would be amended to permit them to do so.

Mr. Nantel thanked Mr. Tessier for the hospitality extended by the province and for their cooperation in the consultation process. There existed a spirit of cooperation and understanding by tradition which had been reflected in successive agreements between the Québec Housing Corporation and CMHC and which guaranteed that there would be no meddling in matters of provincial jurisdiction.

On the provincial budgetary allocation he indicated that CMHC would continue to take into account the needs and the requirements of the province. In the past, when the Québec Housing Corporation had not been in a position to expend the monies allocated in the provincial budgetary package, it had been the practice for CMHC to make up for it by increasing its spending in the Québec Region accordingly.

Mr. Bernier then reiterated that the province agreed in principle with our proposals and that we would receive their formal response in approximately two weeks.

He commented further on the inadequacy of the Neighbourhood Improvement Program to replace Urban Renewal and gave a number of examples of locations where the only solution was Urban Renewal. He suggested that the retention of this program on a specified and limited basis be entertained.

FEDERAL-PROVINCIAL CONSULTATION
ON PROPOSED N.H.A. AMENDMENTS
ST. JOHN'S, NEWFOUNDLAND

MEETING MAY 1-2, 1972

In Attendance:

Provincial

Mr. A. Vivian, Chairman, Newfoundland and Labrador
Housing Corporation

Mr. J. L. Seymour, Secretary, NLHC

Mr. H. Cumming, Director of Development, NLHC

Mr. R. Hillyard, Supervisor, Property Management, NLHC

Mr. K. Lawrence, Comptroller, NLHC

Mr. J. T. Allston, Director of Urban & Rural Planning

Mr. Z. Sametz, Special Assistant to the Minister of
Community and Social Development

Mr. K. Harnum, Director of Resettlement,
Department of Community and Social Development

Mr. R. Penney, Assistant to the Minister of Intergovernmental
Affairs

Mr. Cyril Abery, Treasury Board, Department of Finance

Mr. Fred Way, Treasury Board, Department of Finance

Municipal

Mr. Hubert Harnett, President of the Newfoundland Federation
of Mayors and Municipalities

Federal

Central Mortgage and Housing Corporation

Mr. Ian Maclellan, Vice President (Chairman)

Mr. R. L. Mersey, Regional Supervisor

Mr. P. J. Osborne, Policy Planning Division, Head Office

Mr. J. C. Mick, Branch Supervisor

Mr. J. P. Ryan, Branch Manager, St. John's Branch

Ministry of State for Urban Affairs

Mr. Roger August

Note

The Honourable Wm. Marshall, MLA, Minister without
Portfolio in the Provincial Cabinet, was present at the
beginning of the meeting to welcome the delegates.¹

The meeting proceeded over two full days of discussion
with a luncheon and cocktail party provided by Central Mortgage
and Housing Corporation. The Province provided a luncheon the
following day. The tone of the meeting was extremely friendly

¹ Summarized on Page 6 of this Report

throughout.

A better understanding of the proposals was attained as a result of the discussions. More positive and official reactions may be expected in due course after a further assessment has been made.

The proposed N.H.A. amendments were in general, well received by the provincial officials of Newfoundland. The objectives of the various proposals are aimed at areas of present provincial concerns and the proposed legislative initiatives of the Federal Government are welcomed. Provincial financial constraints will be the chief deterrant to taking advantage of the proposals if and when enacted.

In their view, some of the salient short comings of our proposals are:

- (a) The housing proposals for low income families will not reach down to the greater proportion of their low income population.
- (b) Subsidy and grant sharing ratios should be Federally weighted (i.e. 75% to 25% Provincial to allow for the Province's limited financial capability and the high proportion of low incomes.)
- (c) Except for Assisted Home Ownership proposals all proposals are urban oriented and thus provide little or no assistance to the rural areas where over 50% of the provinces population, mostly which is poor, is located.

The following is a summary of reactions of Provincial officials to each of the proposals.

NON PROFIT

The usefulness of this program in the Province's overall housing strategy, will be assessed now that it is

better understood. Indications are that the Provincial financial input may have a low priority because of its difficult cash position and preference for home ownership assistance.

As a point of clarification to Provincial officials, it was assumed that the Federal grant will be available to match grants provided by a municipality, as an agency of the Province.

ASSISTED HOME OWNERSHIP

This program was considered to be an excellent Federal breakthrough. The N.L.H.C. recommended a subsidized home ownership program to the former, as well as the present government. It is understood that the Provincial subsidy for home ownership is receiving favourable consideration.

Considerable discussion took place about the controlling elements of the program. Provincial officials were the most critical about the Federal Government's position of requiring repayment of subsidy from capital appreciation upon resale. They suggested that a more reasonable position would be to permit repayment, if really required, on a similar basis to a student loan, recover subsidy or provide for an earned forgiveness after a prescribed period of subsidy-free occupancy or sale, whichever comes first. Their studies have indicated that the cost of administration in trying to recover a subsidy would exceed the amount collected. Some concern was also expressed about the excessive amortization period of 40 years applied to those in the lower income range - the most needy. A maximum of 30 to 35 years would be reasonable. In their opinion, the income review term should be extended to 4 or 5 years.

Some Newfoundland officials would have preferred to see the qualifying G.D.S. more closely related to the public housing scale so that a greater proportion of their low income population could benefit.

In our discussions it was assumed that as the borrowers income increased, the assistance would be removed in the reverse order in which it was applied including retention of the 25 year term through the preferred interest rate until the market interest rate was reached. It was explained that these details would be covered by regulations, and would be subject to further review.

Newfoundland has established a direct lending program catering to rural areas where they feel CMHC is not providing adequate service. The question was asked whether CMHC would subsidize their lending program. It was suggested that if the Provincial government had in mind a similar program, where it would lend down to our beneficial rate on its own with their own funds - then asked for a subsidy, the matter could be discussed.

RESIDENTIAL REHABILITATION ASSISTANCE

It was made clear that there is a great need for this program in Newfoundland. It was suggested, however, that it would be difficult politically for the Province to restrict their assistance to Urban N.I.P. areas only.

Allowance should be made in the proposed legislation to accept grants provided by municipalities as being eligible for the matching Federal grant.

The major municipalities would have no difficulty in running the program but it is almost certain that the Province would have to be the administrator in the smaller municipalities where there is a lack of technical competence.

Provincial officials indicated that they may want to discuss a special agreement which would tie in with the DREE resettlement areas. The problem of financing rehabilitation of homes moved to these areas might better be resolved by exploring the possibilities under Section 58 at a preferred interest rate.

THE NEIGHBOURHOOD IMPROVEMENT PROGRAM

This program will be useful to Newfoundland but it is not as well thought of as was urban renewal. Strong competition between municipalities is expected for inclusion in the initial allocation of funds and ideally an advance five year program should be developed before the Province became involved.

In view of the age, quality of municipal services, and outmoded street patterns in the majority of Newfoundland communities the reverse percentage of Federal grant contributions might be more appropriate particularly in the smaller municipalities (i.e. 50% for normal municipal financing, 25% for special amenities)

In discussing the responsibility centre for administering this program some of the Provincial officials now involved in urban renewal found it difficult to believe that the Corporation would not become heavily involved. Although, as in a rehabilitation program, the major municipalities could administer this program, the Province would have to act on behalf of the smaller ones.

Municipal occupancy and maintenance standards may be a problem and it was suggested that CMHC may develop a simple model by-law or code which could be sent to the Provinces.

LAND ASSEMBLY PROPOSALS

The proposals outlined were acceptable and understood.

Indications are that land assembly funds will continue to be in demand in Newfoundland. It was suggested that under Sec. 40, land should be sold at market, even if it meant a loss - especially in small communities.

GENERAL

Honourable William Marshall, Minister without portfolio, in his welcoming remarks made four points:

- (a) Standards and policies of Federal government should relate to provincial circumstances - should be more flexible;
- (b) Government considers improvement of housing conditions a priority;
- (c) The Province will be conducting a survey of housing conditions throughout the province and will also be analyzing the effects of Federal and Provincial legislation;
- (d) Will be promoting more dialogue between the three levels of government.

NOTES FROM A MEETING BETWEEN FEDERAL
AND PROVINCIAL OFFICIALS ON AMENDMENTS
TO THE NATIONAL HOUSING ACT FOR 1972

MAY 15, 1972; ONTARIO HOUSING
CORPORATION BOARD ROOM,
101 BLOOR STREET, TORONTO, ONTARIO

Present at the meeting from the Province were: Mr. Goyette, Vice-Chairman of the Board and Managing Director, O.H.C.; Mr. Riggs, O.H.C.; Mr. Burkis, O.H.C.; Mr. Stow, Taxation and Fiscal Policy Branch, Ministry of Treasury, Economics, and Intergovernmental Affairs; Mr. Taylor, Executive Director, Municipal Services Division, T.E.I.A.; Ms. Joiner, Economic Planning Branch, T.E.I.A.; Mr. Bain, Director, Municipal Planning and Development Branch, T.E.I.A.; Mr. Fleming, Executive Director, Urban and Regional Planning Division, T.E.I.A.; Mr. J. Brown, Director of Urban Renewal, T.E.I.A.; Mr. Hobbs, Intergovernmental Affairs, T.E.I.A.

Present at the meeting from the Federal Government were: Mr. Hignett, CMHC; Dr. Oberlander, MSUA; Mr. Locke, CMHC; Mr. Davis, P.C.O.; Mr. Crenna, CMHC.

Mr. Goyette began the meeting by introducing those present from the Federal and provincial governments. He pointed out that the meeting was taking place in the context of some significant changes in the Ontario Government structure -- especially the grouping of several departments into Ministries under the direction of policy ministers.

In this process, housing had not yet "found its niche". Attempts to group it with social policy departments would result in it being cut up. It was recognized that housing was the sum of many complexities. He anticipated a provincial housing policy statement before the end of the year, but they were still in the process of preparing this. The matter was subject to current debate.

Mr. Goyette went on to say that the provincial officials saw the meeting as being concerned with an explanation in detail of the four items presented. They would then report back to the concerned Ministers (Messrs. McKeough and Grossman).

He stressed that Mr. McKeough had been interested in meeting Mr. Basford for some time.

Mr. Hignett then introduced the amendments to the Act for discussion. He stressed that they were designed to test different ways of doing things and to provide a wider range of choices. The amendments would support programs already underway in the provinces.

He pointed out that most provinces had a capital grant technique for non-profit housing for senior citizens.

He noted in regard to Assisted Home Ownership that the program would be particularly relevant to smaller places where public housing would not work as well. Support in several provinces was strong, and borrowers were found to be little different from the ordinary NHA borrower, although

perhaps more defenceless in the face of builder bankruptcy or similar difficulties.

The land assembly proposals represented modest increases in authority. Cedarwood (now North Pickering) could be contemplated under them.

In regard to rehabilitation he noted that the existing housing stock could be considered one of our greatest social assets. Some provinces were already active in this field. The housing industry was, however, not organized at present to tackle this type of activity.

The Neighbourhood Improvement Program had many of the same elements as Urban Renewal, being both more and less generous.

The President noted in connection with the research amendments that CMHC had found it difficult to do experimental projects in which there were costs over and above those that were commercially viable. These would permit such costs to be covered under Part V of the Act. "Front-end" costs for those who found it difficult to put project proposals together -- non-profit and co-op groups, would now be available.

Mr. Goyette responded to Mr. Hignett's remarks by saying that he had three general questions to ask prior to detailed discussion:

1. In future discussions of housing policy matters, was the province to speak to the Urban Ministry or to CMHC?
2. How soon would the legislation be available?
3. What levels of funding were anticipated and were these to be in addition to or out of current levels?

Mr. Oberlander replied to the first question by outlining the initiation of and rationale for the Ministry of State for Urban Affairs. He pointed out that line departments tended to think in program rather than policy terms. The Ministry was intended to be a horizontal, policy one, with no program delivery capability, dealing with the full range of urban issues, among them housing.

He noted further that the Ministry had participated in the provincial and, in some cases, tri-level consultations on them. He mentioned that he was on the Board of Directors of CMHC and that there was continuing liaison on research matters between the two agencies.

The Ministry had 135 people and this would rise to a full complement of 200 by next year. Its budget was \$15 M.

Mr. Hignett stated that in all matters relating to the NHA, CMHC was the point of reference.

In regard to the second question, he said that the proposals would not add on to the present budget. CMHC funds were now in the order of \$1 Billion per year and this was probably the practical limit for a time.

At present much the largest part is subject to the control of the provinces. Public housing alone amounted to some \$310 M.

Each September, meetings were held with the provinces to review with the provinces their budget requirements and to get an idea of their developing programs over a five-year period.

On a program by program basis:

1. In non-profit housing, \$100 M was involved, the allocation being associated with provincial subsidy support.
2. While Urban Renewal was running down, the new program could be expected to continue at about the same level...\$25-30M a year
3. Land assembly was currently at the \$60 M level and could be expected to rise to \$100 M. Cedarwood would be a straight add-on.
4. The sewage treatment program was becoming demanding to the point where questions were being raised as to whether scarce housing capital should be used for this purpose. An increase from \$50M to \$125M per annum had taken place over a few years.

In sum, within the same kind of budget, a wider range of options, requiring lower subsidy support, was being offered.

Mr. Goyette asked whether things had reached a point where the province would be allowed to make a little greater determination of its priorities among a mix of programs, to share in Federal five-year forecasts, and to develop an expectation of a five-year run. Funds were already being committed by the province into 1973 -- but no real assurance of continuity existed. They really did not know more than one year in advance under the present system.

Mr. Hignett pointed out that provincial five-year forecasts have a profound effect on CMHC's submissions to Treasury Board; however, general approval is only given on the next year's budget.

Mr. Goyette wondered whether the province could determine how a larger amount of the allocation among programs was made, for example, if land assembly were to be given a higher priority than student housing. Programs would have to fit with the totality of provincial objectives under the new Ministry arrangement.

Mr. Stow asked about the timing of the legislation.

Mr. Hignett explained that the legislation would cover the basic principles. The regulations would cover specific subsidy levels, etc. While the Act would deal with the cost-sharing formula, the conditions under which it would be shared would be regulatory to the maximum extent possible.

Ms. Joiner asked whether the Ministry could set five-year commitments to the provinces within a total dollar allocation.

Dr. Oberlander replied that the NHA was a CMHC responsibility. The Ministry had been involved in the process of developing the amendments but the practical implications of its work in this and other cases would see the light of day in particular legislation. Finance and Treasury Board provided funds in the normal process and within their fiscal objectives. Mr. Basford participated in the allocation of resources as a member of Treasury Board.

Mr. Stow pointed out that the matching grant provisions involved automatic commitments of provincial funds.

Dr. Oberlander suggested that not all provinces would participate in all programs. Arrangements could reflect their policy priorities.

Mr. Stow asked whether the amendments could be considered as a total package or in isolation.

Mr. Hignett recalled that the same 50-50 cost-sharing formula was employed throughout to ensure equity.

Mr. Stow replied that matching grants were not the same as cost-sharing. Whatever was spent was shared. Here the allocation did not rest entirely with the provinces. If Ontario did not have the kind of program required it could not participate.

Mr. Fleming asked what flexibility to shift funds among programs existed, to reflect changing needs.

Mr. Hignett reiterated that within the confines of the Capital Budget, CMHC attempted to adapt to changing provincial priorities over time.

Mr. Fleming asked what would happen if Ontario wanted all the sewer funds available for a given year.

Mr. Hignett suggested this might cause problems although the Federal Department of the Environment could be asked to cover the additional amounts. A different breakdown within the total provincial allocation was quite agreeable.

Ms. Joiner returned to the question of fund commitments as part of agreements with the provinces under the NHA. There was no provision under the Act to do five-year budgeting.

Mr. Hignett responded that five-year commitments as such are not made at the provincial level either. He went on to discuss the difference between the Urban Renewal agreements and those contemplated under the Neighbourhood Improvement Program, in response to Mr. Stow's comment that a specific annual agreement was proposed under N.I.P. Urban Renewal was open-ended. N.I.P. would be closed-ended with an annual bulk allocation. Provincial selection of municipalities and neighbourhoods would be made within this amount.

Mr. Taylor pointed out that in the past, when a new Federal policy was announced, Ontario had to pick up the balance of the tab.

Mr. Crenna said that there was a five-year limit on the new program.

Mr. Goyette asked whether "consult" and "agreement" meant a formal negotiated agreement or just talks.

Mr. Hignett responded that for N.I.P., formal agreements were contemplated. For other programs the Federal Government was open to master agreements similar to that with Quebec.

Mr. Stow raised the problem of auditing the joint financing arrangements. The province might have to finance the municipalities.

Mr. Hignett suggested that immediate municipal cash requirements under N.I.P. were modest. Routine arrangements were in force.

Mr. Goyette asked whether more provincial voice in other social housing programs, specifically Limited Dividend, might be considered. This program was taking the higher income families from public housing, tending to leave the province with mother-led families.

Mr. Hignett said that CMHC would be happy to consult on this. He recalled that Federal initiative programs were diminishing rapidly.

Mr. Goyette suggested that the two programs be considered together. The province might want to shift public housing funds into L.D., for example.

Ms. Joiner said that out of the billion dollar NHA package, some are determined unilaterally by the Federal Government.

Mr. Burkis pointed out that Assisted Home Ownership fell into this category along with L.D. up to the point of subsidy.

The President agreed that this was the case but the provinces would determine the extent to which they would provide assistance in a given year.

Mr. Goyette suggested this arrangement could result in pressures on the province to come along to the party. In reply to Mr. Hignett's question as to what pressures had been felt as a result of Federal actions to date, he mentioned that this had only been the case in regard to aid for public housing tenant groups.

Mr. Hignett reaffirmed that CMHC would like to consult in future on the total range of NHA programs. He suggested that detailed review of the present proposals begin.

Ms. Joiner pointed out that the new financing mechanisms were not included in the blue book of proposals. These were likely to have a significant effect on the capital market.

Mr. Goyette suggested this would be added to the agenda under "other".

Detailed review of the land assembly proposals was then initiated.

Mr. Hignett stressed that while a whole variety of end uses could be supported, the program would not provide funds merely for say, an industrial park. Downtown re-development could be involved as well.

Mr. Taylor said that he felt the Federal Government was "frightened of" CBD involvement.

Mr. Hignett replied that this was a fair comment. The harshness on poor people whose housing was withdrawn from the market, the resulting net loss of housing, was also a factor.

Mr. Taylor said that the objective of increasing units was not made clear by the Federal Government under urban renewal.

Mr. Bain pointed out that the new communities land would need to be related to the provinces regional development program and industrial strategy.

Mr. Hignett and Dr. Oberlander stressed that this program would support provincial initiatives.

Dr. Oberlander pointed out that normal market processes were at work in rebuilding CBD's across Canada.

Mr. Hobbs hoped that "new community" was being used in the widest sense. An experimental approach was needed.

Mr. Hignett affirmed this to be the case.

Mr. Goyette raised the question of Belleville's land assembly application which had proceeded to the final stages via CMHC before it reached the province. Problems in priorities and funding could result if the municipal

initiatives conflicted with provincial regional development plans.

Mr. Hignett and Mr. Locke stressed that Belleville was an exception not the rule. The current proposals simply provided the municipality with the same capability as the province to use a debenture.

Mr. Hobbs asked if loans for green belts had been considered.

Mr. Hignett replied that they had been agreed upon by all parties at the Federal/Provincial conference of 1967-68 but not acted on. He said that under the present proposals a green belt at the fringe of a new community could be considered but not a green belt alone.

Dr. Oberlander said that support for an overall regional strategy such as the Toronto-Centred Region Plan was critical.

Mr. Hobbs said that this plan had green belts outside of urbanizing areas as part of its global context.

In regard to Assisted Home Ownership, Mr. Hignett pointed out that the current program was based on a loose interpretation of the Act. This activity would now have a formal basis.

Mr. Goyette said that it seemed that the program would reach down only to \$7900. It would reach few in Toronto or Ottawa. Or was it a remote area program?

Mr. Hignett said that depending on provincial aids, the program could reach quite low. It applied to existing housing as well as new.

Mr. Burkis wondered about the client group. Mr. Goyette did not see it as an alternative to public housing, though it might reduce public housing funds.

Mr. Hignett said that different income ranges for different areas were contemplated. A 22% G.D.S. was proposed because it was felt that families in this range could not afford to pay more. Sweat equity and down payments in kind as well as cash down payments were to be acceptable for the 5%.

Mr. Goyette said it seemed to be harder for lower income people to get into home ownership. Why not easier?

Mr. Hignett said that 20% was selected as the threshold. The object was to write the other mortgage elements down to this.

Mr. Goyette asked whether the program wouldn't encourage two-bedroom accommodation.

Mr. Hignett pointed out that there were minimum family size limits.

Mr. Burkis said that the proposals had arrived with little accompanying material and with little time to prepare adequate response. OHC had a small research budget. The provincial partners seemed at a disadvantage in responding to Federal proposals which could have significant impacts on provincial policies. Federal research results were difficult to get.

Mr. Goyette said that duplication of effort seemed to be taking place.

Mr. Hignett replied that what was published and what not published was not the decision of CMHC. The low income housing study was being published in a condensed version.

Mr. Brown said that the raw data was needed for provincial people to make proposals to their Ministers. He asked whether the Urban Assistance report would be made available.

Mr. Hignett said not likely.

Mr. Burkis pointed out that social policy was a sensitive issue. Many studies were going ahead which impinged on it. The provinces had no objection to building in means to give the Federal Government data on the operation of programs. Reciprocity was desired.

Mr. Hignett said that there was no reluctance to make Part V results available. In any case, the legislation would be silent on the figures involved in the programs.

Mr. Hobbs asked if a written reply to the proposals was acceptable.

Mr. Hignett said yes, although time was short. The amendments could be introduced within the next week.

Mr. Burkis said that in his view this did not allow time for their Minister to respond and was not consultation.

Mr. Hobbs mentioned the possibility of a meeting between the province and the municipal associations to which Dr. Oberlander responded that a tri-level meeting had been hoped for.

Mr. Hignett said that in any event the legislation could be changed after first reading. Dr. Oberlander added that neither the Parliament nor the caucus had seen the proposals.

Mr. Stow said he felt the provinces had important points to make. Mr. Hobbs added that it was recognized, however, that it was Federal legislation.

This ended the morning session.

Following lunch, Mr. Goyette began by saying that the principle of home ownership assistance was close to what the province was already doing. But the new program didn't really seem to cover low income people.

Mr. Hignett pointed out that the Federal Government was very concerned about a runaway program. A very tough screen had been established. He said it would be up to the province if it went into Assisted Home Ownership or public housing. He added that the tables would be made available to the province for its work.

Mr. Riggs wondered if the subsidy allocation process was carried out the same as that for capital.

Mr. Hignett said that agreement to the capital meant agreement to its subsidy costs.

Mr. Riggs thought the program would then accelerate the subsidy problem. Mr. Hignett said this would be the case if Public Housing were used as it is now. Mr. Riggs said the new program would be a deduction from the Ontario total.

Mr. Fleming wondered what effects the program would have in encouraging growth in centres outside of Toronto.

Mr. Goyette said this depended on the priorities for where the program would be used. It would be more helpful if the province went along with it. Public housing had peaked and would level off in a year or two. Some municipalities would not take public housing.

Ms. Joiner asked if Ontario property tax credits would be matchable under the program, to which Mr. Hignett replied that they had just disappeared in his view. There was room for negotiation on this.

In connection with the non-profit housing proposals Mr. Goyette asked if a second mortgage would be equivalent to a provincial capital grant. Mr. Hignett said it wouldn't.

Regarding the residential rehabilitation program, Mr. Hignett stressed that this was linked to the Neighbourhood Improvement Program. A comprehensive approach was desired. Maintenance and occupancy standards were a prerequisite although CMHC was prepared to discuss whether these needed to be community-wide.

Mr. Taylor raised the problem of municipal competence to administer these. Mr. Hignett said municipal administration costs might have to be met.

Mr. Taylor asked about direct relationships between the municipal and Federal Governments.

Mr. Hignett said that the provinces would decide in which communities N.I.P. activity would take place. Priorities would be decided together.

Mr. Taylor recalled that Mr. McKeough's submission had proposed Federal development of broad criteria and provision of funds. A tri-level operation was costly and cumbersome. Mr. Hignett affirmed that Federal guidelines for applications and criteria for areas would be set.

Mr. Fleming said that the rehabilitation measure proposed had expensive means test operation with which few municipalities have experience.

Mr. Hignett noted that a fifteen-year rental agreement with landlords was envisaged. Mr. Fleming suggested that the L.D. program was a different thing in that people who wanted to do this sort of thing were involved. Ms. Joiner added that policing could be "an administrative nightmare". Mr. Fleming asked if it could be simplified.

Mr. Taylor asked whether the N.I.P. and rehabilitation programs could apply to unorganized settlements if the province acted as "municipality" too. These could then be brought into the framework of an organized local government more readily since upgrading costs would not be added.

Mr. Hignett said that the program was not solely an urban one, that CMHC did not have the capacity to do much in rural areas.

Mr. Burkis asked what numbers of units were contemplated for rehabilitation. Mr. Hignett responded that a budget order of \$30 M was set rather than a number of units.

Mr. Fleming pointed out that the inclusion of funds for community centres, etc., in N.I.P. would generate operating cost requirements. Mr. Hignett replied that capital costs seemed to be the main problem for most places.

Mr. Hignett pointed out that the program could be used to bring together other departmental programs at the Federal level, e.g., those of Health and Welfare. Dr. Oberlander said work on this aspect was advancing. The money to do proper planning and programming was being made available.

Mr. Taylor stated that the rehabilitation provisions were extremely helpful. The absence of funds for this distorted activity under urban renewal. He asked whether the province could determine the maximum outlay on rehabilitation within N.I.P. areas. Mr. Hignett said yes.

Ms. Joiner asked if there were to be annual agreements. Mr. Hignett said these would cover selection of areas. There was a five-year termination date for review purposes.

Mr. Fleming and Mr. Taylor felt that there was a case for retaining urban renewal for certain kinds of areas, where remedial actions would not cover the situations. Mr. Taylor felt that a policy statement could be made to keep activity out of C.B.D.'s...Mr. Fleming felt that conditions in the core might be aggravated.

Mr. Hignett asked whether it would have been better to improve south of St. James Town or see it block-busted.

Mr. Taylor suggested that we look at the projects on the shelf and ask whether they could be done under the new provisions. There were areas where rehabilitation would not work.

Ms. Joiner asked about the income eligibility criteria for rehabilitation assistance. Mr. Hignett said these were suggestions. Asked where additional resources would come from if required, he said if it would take more than \$4000 it might not be worth it. Basic improvements only were entailed although Quebec had pointed out that some provision for work visible to the street was important to the program's success.

Mr. Fleming asked if different scales would be used for different parts of the country. Mr. Hignett replied that costs were surprisingly uniform.

Mr. Taylor asked about self-help rehabilitation activity. Mr. Hignett said this was an area for joint experimentation.

Ms. Joiner asked if the rental agreement went to the new owner on sale. Mr. Hignett affirmed this.

Mr. Taylor asked if a list of municipalities would have to be a legal part of the master agreement under N.I.P. Mr. Hignett replied that the timing could allow for this. Substitutions would also be possible.

In reference to unorganized municipalities being included, he said CMHC would be prepared to look at this.

Mr. Taylor asked if any research had been done on the economic impact of land assembly. Mr. Hignett said some case study work, e.g., Regina compared with Saskatoon, had been done. There were few places where public ownership was a significant factor. Mr. Goyette wondered whether land profits could be used for needed community facilities. Mr. Taylor said he felt not enough was known about land banking. Mr. Locke agreed to make available a case study on London.

Mr. Goyette summed up the Ontario reaction to the proposals by noting that they needed to get the materials needed to do their homework for a response. The land assembly provisions were acceptable. The Assisted Home Ownership and rehab grants issues would need to be taken before the Ministry's priority and policy board. He then asked Mr. Hignett if he could review what responses had been received across Canada.

Mr. Hignett said that the Atlantic provinces had supported all five programs although they felt they could have been more generous. In Quebec, where the meetings had included the responsible Minister as well, agreement was expressed although there was concern that the need for enabling legislation might lead to a lag in program participation. In B.C., Assisted Home Ownership was considered most important. Alberta was interested in all programs. A report from the Prairies was not yet available.

Mr. Goyette asked if there had been any municipal reaction in Ontario. Mr. Hignett said that since the proposals were not officially public, there had been none.

Reference was made to the Wednesday meeting of Mr. Basford with Messrs. McKeough and Grossman.

Mr. Goyette asked if a single provincial point of contact on NHA matters would be preferable to the present three.

Accountable advance procedures were mentioned as a topic for joint discussion.

Mr. Riggs raised the question of control over subsidy costs.

Mr. Goyette said that if more programs were taken on additional funds would not be available overnight.

Mr. Hignett pointed out over time, the subsidy composition may change whatever route the province chooses. The problem of using subsidy costs may indicate that the program should be wound down.

Mr. Riggs said that there was a gap between public housing and L.D.

Mr. Burkis said the coop program has not got off the ground. Mr. Hignett said that Nova Scotia had made this work well.

Mr. Goyette said that the total budget available would have a bearing on the province's response.

Mr. Hignett said that it could be anticipated that this would be in the order of \$200M - not likely less, but not much more, for Ontario. In addition there would be L.D. and direct lending funds. CMHC provided funds where private lenders were not active - outside Ontario, Alberta, and B.C.

Mr. Goyette asked if changes in the public housing rental scale were being contemplated.

Mr. Hignett replied that they were not, though some have asked for a review.

Mr. Goyette said that the Senior citizens rents could be higher and asked if there was a future for L.D.

Mr. Hignett replied that there was not in Ontario for senior citizens.

Mr. Goyette raised the problem that 50% of public housing tenants are on welfare in some centres. Presenting them as average citizens was becoming increasingly tough. Senior citizen housing was on the other hand, prestige housing. There is a real problem of continually maintaining public housing.

Mr. Hignett asked what Ontario's reaction to the residents involvement provisions of the N.I.P. program were.

Mr. Taylor said that it was absolutely necessary in their view to have resident involvement. Ontario had declared under the previous urban renewal program that it was not interested unless there was evidence of citizen participation.

Mr. Fleming said that of course only 10%-10% would actually be involved but this was in the nature of participation everywhere.

Mr. Taylor stressed that the kind of participation depends on the community and could vary widely. He was concerned about the signature mechanisms proposed in the blue document.

Mr. Hignett said that Trefann and Strathcona were examples of what was desired.

Mr. Crenna said that the particular forms were not as important as that there be some formal means of showing that involvement had taken place. The planning process under the new program was a more flexible one than that under urban Renewal.

Mr. Goyette suggested that the administration of present day programs had to be adjusted to the new local realities of citizen involvement. Local power and particular issues were also involved.

Mr. Brown said there was a great deal of skills in the area of resident involvement in planning.

C.D. Crenna,
Policy Planning Division,
Centreal Mortgage and
Housing Corporation.

May 21, 1972.

Mr. Robert Adamson, Executive Director,
Head Office.

May 12, 1972

MINUTES OF MEETING

NHA CONSULTATIONS - CREC / URBAN AFFAIRS - BRITISH COLUMBIA

DATE: May 8, 9

TIME: May 8 - 1:55 P.M.

PLACE: Boardroom, Dept. of Municipal Affairs,
B.C. Hydro Building,
Victoria

PARTICIPANTS:

Provincial Representatives

Honourable Ben Campbell,	Minister of Municipal Affairs (opening of meeting only)
G. L. Chatterton,	Chairman, B. C. Housing Management Commission Provincial Administrator, Home Owner Assistance
J. Everett Brown,	Special Advisor on Housing
J. T. Williams,	Administrative Officer for Housing, Department of Municipal Affairs

Municipal Representatives

R. C. Andrews,	Mayer, District of North Vancouver
	Chairman, Greater Vancouver Regional District
(Mrs.) Edith Gunning,	Alderman, District of Saanich

CREC Representatives

Robert Adamson,	Executive Director
S. A. Towns,	Advisor, Policy Planning Division
R. G. Clausen,	Supervisor, B.C. Region
K. B. Canong,	Manager, Vancouver Branch
M. B. Young	Assistant Manager, Victoria Office (Secretary to meeting)

Urban Affairs Representatives

Dr. H. P. Oberlander	Deputy Minister (Chairman for meeting)
Cyril Rosenberg	Coordination Division
Aryeh Cooperstock	Planning and Evaluation Division

Entry Council Office Representative

Gaétan Pélée	Deck Head (Urban Affairs, Environment and Transport)
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Dr. Oberlander called the meeting to order at 1:55 P.M. and noted the discussions would take place over a two-day period based upon the proposed amendments and additions to the National Housing Act as set forth in the 'Blue Book'. On Monday the topics of Land Assembly, Housing Sponsored by Non-Profit Corporations, and Subsidized Home Ownership for Low Income Families would be discussed in that order, with the Residential Rehabilitation Assistance Program and the Neighbourhood Improvement Program dealt with at the Tuesday morning session. Dr. Oberlander stressed these were merely proposals and that the Minister of State for Urban Affairs wished for a frank discussion and free exchange of ideas between all levels of government in each of the ten provinces and two territories. Dr. Oberlander then introduced the Honourable Don Campbell, Minister for Municipal Affairs, who in turn welcomed all the participants.

In his remarks, Mr. Campbell made particular reference to the following items:

1. Land Assembly and Land Banks -- the province was most interested in having these items precisely defined with clear-cut objectives. Although he was in agreement that Land Assembly was a good idea, he did not feel present legislation defined clearly enough the objectives of land assembly.
2. Senior Citizens' Housing Programs -- he thought the only improvement which could be made to the existing situation in British Columbia would be to increase the capital grant. He also stressed he would not want to see the present 10 per cent equity requirement (as it presently exists in British Columbia) reduced for non-profit housing association projects. He felt the 10 per cent cash equity helped to maintain responsible local involvement in a project.

The Minister mentioned in passing that he had a personal preference for simple programs and legislation with a minimum of administrative detail or 'red tape'.

He also noted the positive affects the Provincial Home Acquisition Grant System had on the number of houses built in the Province of British Columbia.

Finally, the Minister observed that what may prove to be a practical program for British Columbia might not necessarily be applicable in other parts of Canada. He was not necessarily against stereotyped legislation, but he doubted its practical application under all circumstances.

At the closing of the Minister's address, Alderman Gunning expressed her appreciation and gratitude to both Federal and Provincial Officials for including her as a municipal delegate in the discussions.

Dr. Oberlander then turned the floor over to Messrs. Adamson and Bourns with the request that they give an introduction and overview to the proposed amendments and additions to the Act. Mr. Adamson quickly outlined the increasing Federal involvement in assistance given to housing low-income groups in our society. He also noted that even upon acceptance of the new legislation, the program would nevertheless be restricted by existing and projected budgetary constraints.

Mr. Bourns then gave a brief resume of the 'Blue Book' proposals in each of the given areas to be discussed.

Dr. Oberlander now opened a discussion period on the Amendments to the Land Assembly Program.

(N.B. - Unless otherwise noted all questions fielded were answered for CMHC by either Messrs. Adamson or Bourns.)

- Campbell - questioned whether an F.P. agreement would be required in each of the five areas.
- CMHC - this would not be the case, although there would be the usual agreements made in shared programs such as NIP.
- Campbell - noted a precise budgetary allocation would be required in order to determine the scope of the program.
- Brown - wished to know what course of action CMHC would take in cases of default.
- CMHC - stated in both instances (whether the loan was secured by way of mortgage or debenture) the Corporation would take back the land.
- where a Section 42 loan was secured by debenture and a default occurred, probably the debenture would be converted to a mortgage. Normal foreclosure proceedings would then take place.
- it would not be likely that a municipality would be placed into receivership in the event of non-payment where a debenture was offered as security.
- Brown - made clear the point that if under a land assembly program the demand for land diminished placing financial hardship on a municipality, CMHC would be prepared to take back the land.
- Gunning - wished clarification on what encompassed general urban purposes.

INHA CONSULTATIONS -- BRITISH COLUMBIA - 4

- CMHC - it included all types of housing and incidental uses (schools, service centres, etc.).
- a full discussion centred on this topic.
- Williams - noted we were not discussing potential C.B.D. redevelopment.
- Chatterton - asked whether a roll-over period could be considered for interest rate adjustment purposes (i.e. every 5 years).
- he felt this could prove beneficial to the municipalities.
- Brown - suggested that rather than having the interest rate continually determined by market conditions, why not set a rate for land assembly over a longer period of time.
- he suggested everything would tend to equalize itself through the theory of 'win a little, lose a little'.
- Chatterton - asked whether the Federal Government had considered the establishment of a revolving fund for any of the various programs being discussed.
- 3:10 P.M. - 3:20 P.M. Coffee.
- Williams - wished to have a clearer definition of the land assembly program and its purpose.
- CMHC - a definitive discussion followed this question.

Discussion on Housing Sponsored by Non-Profit Corporations:

- Gunning - expressed reservation about permitting Section 15 loans to non-profit organizations without having a minimum equity requirement.
- Liked the idea of the Federal Government matching up to 10% of a provincial capital grant. She felt the resultant smaller mortgage and lower rents would appreciably assist many senior citizen housing societies.
- conversely, a no-equity position would tend to mean a larger mortgage and higher rents.
- Brown - emphasized the wish of the Minister of Municipal Affairs to see the 10% equity requirement maintained in projects in which the province was involved financially.

- Chatterton - noted that under specific circumstances in the province Cooperative Housing qualified for the Home Acquisition Grant. However, because the members of such an association became tenants of themselves, he asked whether the Federal Government would consider the project as being rental and therefore eligible for Section 15 assistance.
- CMHC - stated that Cooperative Housing was not necessarily low income and that this topic should be brought up at the time assisted home ownership was discussed.
- Chatterton - noted that a Registered Life Estate is classified for provincial purposes as a home owner and as such is eligible for home owner grants.
- he wished to know if these estates would be considered for matching federal grants.
- CMHC - said this would also be a topic for the assisted home ownership program discussion.

Discussion on Subsidized Home-Ownership for Low Income Families:

- Brown - wished to know to which income group this program would be directed.
- CMHC - this would depend upon the acquisition price of the house in question.
- Chatterton - noted for the Province of British Columbia the 22% GDS ceiling should be increased to 25% where applicants were eligible for the \$500 acquisition grant for existing housing.
- Gunning - noted Saanich would not be able to cater to the type of project aimed at families earning less than \$6000 per annum.
- Saanich did not want to see their housing standards lowered (i.e. density cannot be less than 12 units per acre).
- in defense, Mrs. Gunning stated she felt that by reducing standards below the Saanich minimum, families would be housed under inadequate living conditions (i.e. not enough living space).
- suggested an additional rental subsidy be given to those families earning less than \$6000 per annum.
- suggested consideration be given to legislation enabling the establishment of Building Societies (Savings and Loan Associations).

- Brown - noted that because the cost of housing in British Columbia would tend to restrict the assisted home ownership program to those earning approximately \$6000 per annum or more, consideration should be given to somehow giving assistance to that group of society earning less than \$6000.
- Williams - said he was disturbed that a home ownership situation was being urged upon people he felt should not necessarily become home owners.
- he noted recent statistics tended to show a dollar advantage in terms of inflation favoured tenancy, not home ownership.
- Ganong - disputed this statement.
- noted CMHC was merely providing another option for low income families which was generally available to other Canadians.
- Chatterton - asked what would be the maximum income to be established for eligibility purposes.
- CMHC - this would be determined locally as it would in large measure be governed by local housing market conditions.
- Adamson - in response to a general remark noted CMHC had not yet considered how second time applicants under the program would be treated.
- Brown - suggested that rather than having CMHC review family income every two years, people should re-apply each year for whatever benefits they feel they may be eligible.
- Williams - suggested assistance should be based upon interest rate subsidization of the mortgage (the larger the mortgage, the greater the interest subsidy).
- Chatterton - requested the Federal Government give consideration to reducing the eligibility requirement from a family of three to a family of two (or even one).
- noted that re-financing would not be eligible for assistance under the subsidized home ownership program.
- Gunning - expressed the feeling that the subsidized home ownership program was a very good step.

- Ganong - stressed the budgetary constraints placed upon CMHC.
- we would not necessarily increase existing financial commitments.

Note: The above remark was confirmed by the Deputy Minister.

Chatterton - asked if CMHC would finance a builder's proposal for a development under the subsidized home ownership program.

CMHC - the answer is yes.

The Chairman adjourned the Monday afternoon session at 5:00 P.M. and extended an invitation for all participants to attend a 5:30 reception in the Duke of Kent Room at the Empress Hotel.

TIME: May 9 - 9:00 A.M.

PLACE: Boardroom, Empress Hotel

PARTICIPANTS:

Note: Mr. Gaëtan Bélec of the Privy Council Office did not attend this session.

The Chairman re-convened the meeting at 9:00 A.M. noting the topics of discussion for the morning session would be the Residential Rehabilitation Assistance Program and the Neighbourhood Improvement Program.

Mr. S. A. Bourns gave a brief summary of the two topics to be discussed and then the general discussion ensued.

Discussion on Residential Rehabilitation Assistance Program.

- Brown
- noted the existing urban renewal program had not achieved the desired results either economically or socially.
 - as an alternative, he felt the Rehabilitation Program and NIP were good ideas. However, he perceived a problem in defining the area of operation for rehabilitation (i.e. two-thirds of Vancouver has at one time or another been designated by planners for rehabilitation) and there would have to be a clear understanding of what constituted a neighbourhood area (criteria for boundary definition would have to be given a great deal of thought).
 - possibly there would have to be a gradient area for determining consideration of a grant for an individual.

- Brown
(cont'd)
- he foresaw a problem where a family on one side of a street was eligible for a grant whilst a family on the opposite side was not eligible.
 - he expressed reservation about a \$4000 grant as he noted the existing grant for the Strathcona project in Vancouver was only \$3000 which he considered to be most generous.
- Andrews
- noted the \$8000 annual income restriction would in itself assist in providing a definitive area.
- Adamson
- stressed that in order to be eligible for consideration under the Rehabilitation Program, the house must be defined as being sub-standard according to a municipal maintenance code.
- Williams
- noted that few municipalities have either a municipal maintenance by-law or code.
 - he foresaw problems in being able to effectively police such a code.
 - he again brought up the idea of a loan with an interest rate subsidy as being preferable to an outright grant.
 - he noted the provision for rent control for landlords who received grants under the proposed scheme and suggested this type of spot rent control was not really fair.
- Brown
- thought there would be a problem in having the municipality determine who would be eligible for a grant or determining which houses were sub-standard.
 - suggested it might be better if the senior governments assumed this role as they were further removed from the citizens and therefore would be better able to deal with possible friction.
- Andrews
- affirmed from a municipal point-of-view that the determining of which houses were sub-standard could prove to be a problem.
 - he also suggested that a maintenance code could be extremely difficult to enforce.
- Adamson
- noted that municipal maintenance codes were being successfully administered in both Ottawa and Montreal.
 - he also mentioned that although the rehabilitation of older buildings may not be economical as pointed out by several participants, it still could prove cheaper than the alternative of public housing.

- Adamson (cont'd) -- he also stressed it was the view of CMHC that a municipality is the organization best equipped to enforce a maintenance code. He noted in the Montreal situation that its code was only enforced in selected areas.
- Brown -- noted the example of the provincial health code which was extremely difficult to enforce because the onus was placed upon the Medical Officer of Health to prove that a specific situation could bring about a specific health hazard. He stated this was almost an impossibility.
- he suggested in view of the health code experience the only way a maintenance code could be enforced would be to state in the code a sub-standard dwelling could be designated by the appropriate official.
- a proposed municipal by-law setting out a maintenance code should be arbitrary to simplify the administrative procedure. The code must be specific and not couched in vague terms where differing interpretations could become involved.
- Gunning -- if a maintenance by-law and code were instituted, she thought it could prove expensive for a municipality in that staff would have to be increased.
- suggested it would be advantageous to establish a landlord-tenant advisory committee in areas where landlords could take advantage of facilities offered by a Rehabilitation Program.
- Adamson -- noted in the Montreal example its maintenance code was both precise and arbitrary and that to date they had experienced no major problems in its administration and enforcement.
- Chatterton -- noted it was uneconomical for the private sector to rehabilitate on its own initiative, and that it was only profitable for the public sector to do so when compared with the alternatives.
- Gunning
Andrews -- re-affirmed Mr. Brown's earlier contention that municipalities would find the system of grant giving difficult to administer and justify amongst various sections of a city.
- why for example, should there be two houses in an equivalent state of disrepair in two different parts of a city only one of which was in a designated neighbourhood improvement district? In this instance only the house in the NIP area would be eligible for the grant assuming the homeowner and the house qualified.

- Gunning - At this stage in the discussion Mrs. Gunning emphasized she was not negative in her outlook to the Rehabilitation Program. However she was concerned about the lack of staff the municipalities had at present for this type of program.
- if the municipalities had to bear the major portion of cost in training and increasing staff, she doubted the feasibility of the program.
- Brown - as he saw it, the Rehabilitation Program has three objectives:
1. to improve the municipal infrastructure;
 2. to encourage the rehabilitation of individual homes;
 3. to make older, sub-standard and deficient buildings habitable again as an alternative to building anew.
- Adamson - stated that CMHC had one basic idea: to improve and make habitable sub-standard buildings.
- Brown - suggested it might well be administratively easier to separate the three functions.
- Oberlander - as a summation: said there appeared to be considerable doubt about the establishment of a municipal maintenance code and its enforcement.
- that there was a feeling by the Province the three objectives defined earlier may not be compatible within one program.
- Gunning - stated great care must be exercised in determining which areas of a municipality may need rehabilitation.
- noted we did not want to repeat any errors we had made under the former urban renewal program.
- Andrews - felt that both financially and practically the rehabilitation program was not very feasible.
- he stated the experience in his municipality tended to illustrate most people were content in the way in which they lived.
- he noted people take exception to having City Hall tell them how they ought to live and what repairs needed to be done to improve their houses.
- Brown - noted municipalities must be careful not to push people around thereby alienating them.

- Andrews - suggested the onus should be placed upon the citizen to find out what he was eligible for under a rehabilitation program.
- decisions should not be taken by a public official and then forced upon the homeowner.

Discussion on Neighbourhood Improvement Program.

- Oberlander - stated the NIP proposal was a replacement for the old urban renewal program, but emphasized it would be rehabilitation and not clearance.
- Bourne - noted urban renewal as it presently existed was being phased out, although urban renewal plans not fully completed would continue to be funded.
- Chatterton - asked what would happen if in improving a neighbourhood area it necessitated the improvement of existing trunk sewers and outfalls which lay outside the NIP area.
- CMHC - the NIP Program would interface with existing NHA programs including existing sewer legislation.
- 10:15 A.M. - 10:25 A.M. Coffee.
- N.B. Mr. Brown took leave from the meeting during coffee break and re-joined the discussion at 11:55 A.M.
- Clauson - again emphasized there was not a budget commitment, but rather the program would see the initiation and development of a long term program.
- Gunning - asked what constituted community involvement.
- Adamson - difficult to define precisely but suggested CMHC would be prepared to accept any variation in which people participated in a scheme providing they did participate.
- Oberlander - municipality should reveal its own plans for involving residents.
- the Federal Government is very flexible as long as the residents are involved.
- Gunning - noted the real challenge belongs at the municipal level.
- questioned who, if anybody, could be against such a good concept.

- Bourne - in answer to a general question advised that all costs which could be directly attributable to a NIP would be eligible for cost sharing.
- Williams - emphasized the varieties of planning costs which could occur, i.e. consultants, regional district planning on behalf of a specific municipality, and a municipality's own planning for a particular scheme.
- Cooperstock - noted the U.S. experience in neighbourhood improvement; both successful and unsuccessful.
- Adamson - noted that where a municipality already had a by-law, the \$4,000 grant would provide incentive for its utilization.
- Williams - reiterated the contention that a low cost (subsidized) home improvement loan would alleviate the problem of who should get a grant.
- Adamson - noted in many instances people whose homes required rehabilitation would not be in a financial position to repay a loan.
- Gunning - stated it was time for people to realize that it is necessary to discriminate in favour of the poor.
- to help soften the discrimination (i.e. grants) a low cost loan program could be made available to others not qualifying for a grant.

10:50 A.M.

As the five major topics had at this point all been discussed, Dr. Oberlander suggested in the time remaining discussion on any topic could be re-opened.

A. There were no further questions or points on Land Assembly.

B. Housing Sponsored by Non-Profit Corporations.

- Gunning - specifically requested that property tax relief be sought for N-P projects in order to obtain lower rents.
- Andrews - emphasized 10% equity as a good stimulus toward having responsible people backing an association.
- Williams - noted the municipality could put up the 10% equity requirement if it wished.

Chatterton - questioned whether the \$50.00 tenancy grant payable to senior citizens would be eligible for federal matching.

CMHC - thought it could be acceptable on a capitalized basis.

Gunning - disturbed about simply adding the 10% federal grant to a provincial grant as it would merely widen the gap between those in B.C. who were already eligible for senior citizens housing and those who were not eligible.

C. Subsidized Home-Ownership for Low Income Families.

Chatterton - wished it made clear that the annual provincial home owner grant (tax rebate presently \$185.00 per annum) would be eligible for the \$150.00 federal matching grant.

CMHC - the answer is yes, providing the house and home owner qualified under assisted home ownership.

Gunning - noted the program was an exciting concept providing it was not taken as a panacea for those in public housing.

Chatterton - specifically requested the Federal Government reconsider its family of three as a requirement for eligibility.

- specifically requested the Federal Government consider a 5-year roll-over in the interest rate.

D. Residential Rehabilitation Assistance Program and Neighbourhood Improvement Program.

Williams - requested consideration be given to low cost loans for those in the 'grey border' areas who would not qualify for a rehabilitation grant.

- he wished to know how large our proposed budget would be in the first year.

CMHC - very tentative.

Chatterton - based upon quick calculation he suggested under the subsidized home-ownership for low income families, British Columbia could use immediately approximately \$45 M.

Chatterton - he based his calculation on his department processing in excess of 30,000 grants and loans per year. If 10% of these qualified under subsidized home ownership for a \$15,000 loan each, it would require \$45 M.

Oberlander - noted this appeared to be an area where major provincial incentive could be expected.

Gunning - expressed a reservation about British Columbia being able to effectively use the proposed Rehabilitation legislation in the immediate future because there are no municipal maintenance by-laws in use.

- it would take time to establish a code and set the necessary municipal machinery in motion.

Chatterton - mentioned he hoped that notwithstanding the present proposals discussed at the meeting, the Corporation would still consider experimental programs as the need may arise.

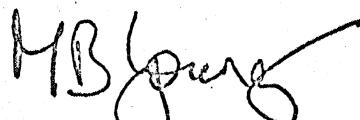
CMHC - it was assured we would.

11:55 A.M.

At this point Mr. Everett Brown returned to the meeting and stated it was his feeling the session had in fact seen frank discussion with a free exchange of ideas. He noted the beneficial affects of having representatives from the three levels of government present and on behalf of the Provincial Government representatives, expressed gratitude for being included in the discussions.

Dr. Oberlander responded to Mr. Brown's remarks, noted the exercise had been very useful and that he was sure everyone had learned a great deal. Mr. Adenson expressed his pleasure on behalf of Central Mortgage and Housing Corporation and Mayor Andrews registered a municipal vote of approval on the meetings.

At 12:00 noon Dr. Oberlander adjourned the meeting with the invitation that everyone gather at 12:30 P.M. for a luncheon at which time the participants would be joined by the Honourable Dan Campbell.


Secretary.

Memorandum / Mémoire

CENTRAL MORTGAGE AND HOUSING CORPORATION
SOCIÉTÉ CENTRALE D'HYPOTHÈQUES ET DE LOGEMENT

HEAD OFFICE, OTTAWA 7, CANADA/SIÈGE SOCIAL, OTTAWA 7, CANADA

To/A: Mr. Osborne,
Mr. Garrod,
Dr. Hornsby,
Mr. Laperriere,
Mr. Powadiuk.

Date: May 16, 1972.

File Number/numéro de dossier:

Re:/Sujet:

WHITEHORSE

The territory was represented by Commissioner Smith, Messrs. Fleming and Chamberlist and Mrs. Watson.

CMHC representation included Messrs. Adamson, Bourns, Clauson, Hadden, Schneider, Anderson.

After a review of the legislative proposals it became readily apparent that the Yukon members had little interest in them as such but wished to use the occasion to voice their need for more mortgage money in any form and their particular feelings towards our septic tank policy.

Specific points arising from the discussion included:

- 1). Need for speculative loans.
- 2). Need to borrow someone from CMHC to assist in setting up their Housing Corporation.
- 3). Need to obtain a planner from CMHC to produce master plans for smaller communities along line of our similar service 12 years ago.

There was no evidence that they had read the material sent out ahead.

The Home-owner Assistance Program can work if we prescribe incomes and prices compatible to the community. However, the Yukon people put more stress on the total volume of housing rather than assistance for poor people.

S.A. Bourns,
Client Operations Group,
Policy Planning Division.

SAB/dfd.

Encl:

Summary of Provincial Reactions

		NEWFOUNDLAND	NOVA SCOTIA	PRINCE EDWARD ISLAND	NEW BRUNSWICK	QUEBEC	ONTARIO
NATURE OF 'CONSULTATION'		Exploratory with Officials	Exploratory with N.S. Housing Corporation	Exploratory with Officials	Explored and Negotiated with Officials	Negotiated Min. & Official Acceptance in Principle	Exploratory with Officials
FURTHER NEGOTIATIONS?		Position Paper Probable	Position Paper Probable	Uncertain About Position Paper	Uncertain About Position Paper	Position Paper Coming	Position Paper Coming
LAND ASSEMBLY	PRINCIPLE	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted
	RESERVATIONS		Too Limited			None will Introduce Complement Legis	Too Limited Want Greenbelting Want Early Prov. Screen of Munic. Application
ASSISTED HOME OWNERSHIP	PRINCIPLE	Excellent	Excellent	Excellent	Excellent	Accepted	Reservation
	VIEWS ON ASSISTANCE	Does Not Go Deep Enough	Does Not Go Deep Enough	Does Not Go Deep Enough	Does Not Go Deep Enough	Not High Enough or Deep Enough	Too Limited ∴ Will Be Marginal Program Puts Pressure on P.H. Funds
	RESERVATIONS ON PROGRAM	Criteria Too Restrictive Income Rev. Amor'zn GDS Subsidy Recovery	The Criteria Defn of Family Defn of Income Recovery Amort'zn GDS	Criteria Too Restrictive	Criteria Too Restrictive GDS Income Review Amort'zn	Criteria Too Restrictive GDS Max Income Income Defn Income Rev Recoveries	Does Not Fit Gap Between PH & LD
NON PROFIT	PRINCIPLE	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
	RESERVATIONS	Not Fully Explored	Not Yet Explored	Not Yet Explored	Not Yet Explored	Intend to Administer Program	Fed. Flexibility in Matching Diverse Provincial Aids
	START-UP FUNDS	OK But Keep Us Informed	OK But Keep Us Informed	OK But Keep Us Informed	OK But Keep Us Informed		
REHABILITATION	PRINCIPLE	Acceptable	Acceptable	Acceptable	Acceptable	Agree	Agree
	NIP AREA RESTRICTION	Want F/P Agreement To Link With DREE Program	Would Like F/P Agree'nt To Extend To Rural Areas	Want F/P Agreement To Link With DREE Program	Want to Extend And Link With DREE Program	Will Use F/P Agreement	Agree If NIP Can Be Used In Smaller Communities
	FUNDING STRUCTURE	Lower Income Ceiling On Grant	Question Grants To Landlords	Lower Income Ceiling On Grant	Lower Income Ceiling On Grant	Grants And Loans Too Small Prog. Favours Landlords	Grant And Loan Too Small Debt Loan On Individual
	PROG. ADMIN. RESERVATIONS	Tech. Resources Admin. Cost Code Problems	Tech Resources Admin Cost Code Problems		Tech Resources Admin Cost Code Problems	Prog Should Go Beyond Min. Standards Want To Recover Admin Costs	Tech Resources And Org'zn At Munic. Want Prov Role In Allocation Defined
NIP	PRINCIPLE	Acceptable	Acceptable	Acceptable	Acceptable	Accepted	Accepted. Hope To Use NIP To Support Reorg'zn Of Smaller Communities
	REACTION TO U/R PHASEOUT	NIP Not Adequate Replacement			Non-Committal	NIP Not Adequate Replacement	NIP Not Adequate Replacement
	PROG. STRUCT. RESERVATIONS	Tech Resources Code Problems Burden On Prov To Do It In Smaller Communities	Not Fully Appreciated Want Assistance In Drafting Complementary Legislation	Hope To Relate It To DREE Assistance	Tech Resources Want Help To Develop Model Bylaw	Small Munic Will Not Benefit Implementation Problems. Prov Will Decide Citizen-Part. Make Close End Funding More Flexible	Method Chosen For Cit. Part. Extent of Fed. Criteria. Munic. Selection As Part Of Master Agree't
DOMINANT THEMES		Scale of Aid Insufficient Therefore Ltd Prov Take Up More Assistance Required For Rural Areas Want Greater Flexibility Among Prov Alloc'd Funds	Scale Of Aid Insufficient Therefore Ltd Prov Take Up More Assistance Required for Rural Areas No Direct Fed Relation With Munic Like To Have Voice In All Fed Funds To Prov.	Scale of Aid Insufficient Therefore Ltd Prov Take Up More Assistance Required For Rural Areas Expect To Use Dree Support To Participate In Programs	Scale Of Aid Insufficient Therefore Limited Prov Take Up Capability More Assistance Required For Rural Areas	Fed Set Criteria & Provide Funds Prov Sets Priorit. And Makes Decisions Want Ongoing Flexibility Within Total Prov Funds Fed Deal Only With Prov Not with Munic	Voice In All Fed Funds to Prov Want 5 y ^r Fwd Plan of Budget And Programs Want Joint Analysis Of Public Land Intervention

to Proposed Amendments.

MANITOBA	SASKATCHEWAN	ALBERTA	NORTHWEST TERRITORIES	BRITISH COLUMBIA	YUKON	SUMMARY ASSESSMENT
Informed Officials only, No Commitments	Exploratory Min. & Officials Reserved Acceptance	Exploratory Officials Acceptance in Principle	Exploratory Officials Acceptance in Principle	Exploratory Min. & Officials Acceptance in Principle	Informed	EXPLORATORY ONLY -- RESPONSE MAINLY OFFICIAL NOT GOVERNMENTAL
Position Paper Coming	Position Paper Coming	Position Paper Coming	Position Paper Coming	Paper Not Expected	Paper Not Expected	PAPERS ON DETAILED RESERVATIONS EXPECTED
Acceptable	Acceptable	Accepted	Accepted	Non-Committal		ACCEPTABLE
Non-Committal	Muni. Debt Structure	Want Trunk Sevcing Assistance	Hi-cost Servicing Problem	Objectives Not Spelt Out Clearly Enough		SPECIFIC TO PROV. NO OVERALL ISSUE EXCEPT LOW POTENTIAL FOR REDEV.
Reserved	Accepted	Accepted	Accepted	Very Acceptable	Acceptable	ACCEPTABLE LIKE HOME-OWNER SUBS.
Non-Committal	Max Income Too Low	Max Income Too Low	Non-Committal	Acceptable	Acceptable	INCOME GROUP AFFECTED TOO NARROW
Criteria Too Restrictive Family Size Unit Size Recoveries	Criteria Too Restrictive Family Size Unit Size Max Income	Criteria Too Restrictive Max Income Income Review Recoveries Unit Size	Criteria Too Restrictive GDS Unit Size Family Size Amort'zn	Criteria Too Restrictive Unit Size Family Size Income Review		CRITERIA TOO RESTRICTIVE ESP. UNIT SIZE & FAMILY SIZE. QUESTION RECOVERIES
Acceptable	Acceptable	Acceptable	Acceptable	Acceptable		ACCEPTABLE
Grant Not Enough Unless Sponsors Equity Retained	Grant Not Big Enough	Want Involvement in Program Admin.	Want To Build in Sale Potential	Want To Retain Equity Requirement		PROBLEM IN FINANCING PROGRAM. DESIRE TO BE IN ON ADMIN.
OK But Keep Us Informed	OK But Keep Us Informed	No Commitment Without Consultation				ACCEPTABLE BUT WANT TO BE KEPT INFORMED
Accept	Accept	Accept	Accept	Skeptical		ACCEPTABLE
Want F/P Agreement To Extend To Rural	Want F/P Agreement To Extend To Rural	Want Wider Application		Acceptable		PRESSURES FOR EXT'N BEYOND NIP AREAS
Question Grants To Landlords	Hard To Match	15 Yr Rent Control Seen As Deterent To Landlords	Max Grant And Income Limits Not High Enough	Program Too Generous		MIXED REACTION: FOCUS ON INCOME CEILING, GRANT/LOAN SIZE
Tech. Resources Admin Cost Code Problems	Tech Resources Admin Cost Code Problems		Code Problems	Code Problems		TECH. RESOURCES ADMIN. COST CODE PROBLEMS
Non-Committal	Favourable	Acceptable	Reserved	Accepted	Reserved	ACCEPTABLE BUT POORLY UNDERSTOOD
Non-Committal	Non-Committal			No Objection		NIP NOT ADEQUATE U/R REPLACEMENT (VIZ. REDEVELOPMENT)
Want Forward Commitment of Funds. Want To Expand To Rural Areas	Want Forward Commitm Of Funds. Want To Expand To Rural Areas	How To Estimate Cost In Advance. Tech Resources. Expand To Smaller Communities	Entire Communities Seen As Potential NIP Areas	Expect Will Be Difficult To Implement Due To Code Enforcement	Wish To Define Entire Comm. As NIP. Object To Sewer & Water Provision Of NHA	MIXED REACTION DUE TO POOR UNDERSTANDING OF SPECIFIC CRITERIA
Fwd Fund Comm To Allow Fwd Plan Flexibility Within Total Funds Flexibility To Expand To Rural Areas	Fwd Fund Comm To Allow Fwd Plan Better Subsidy Sharing Flexibility To Expand To Rural Areas	Consult For Fwd Plan And Prog Implementation Flexibility To Expand To Rural Areas	Exceptional Hi-Cost Problems	Consult For Forward Planning And Program Implementation	Separate Yukon Budget Ignore Septic Tank Use Hi-Cost Construction Problem	

Memorandum / Mémoire

CENTRAL MORTGAGE AND HOUSING CORPORATION
SOCIÉTÉ CENTRALE D'HYPOTHÈQUES ET DE LOGEMENT

HEAD OFFICE, OTTAWA 7, CANADA/SIÈGE SOCIAL, OTTAWA 7, CANADA

To/A:

Mr. H. W. Hignett,
President.

Date: May 16, 1972

File Number / numéro de dossier:
Re: / Sujet:

Consultation on Proposed NHA Amendments,
British Columbia and Yukon Territory

I British Columbia:

a) In attendance:

- from the Province: Hon. Dan Campbell, Minister of Municipal Affairs (for one hour, first day only); G. L. Chatterton, Chairman, B. C. Housing Management Commission; J. Everett Brown, Special Adviser on Housing; J. T. Williams, Department of Municipal Affairs;
- from municipal government: R. C. Andrews, Mayor of the District of North Vancouver and Chairman of the Greater Vancouver Regional District; Edith Gunning, Alderman, District of Saanich;
- from CMHC: Clauson, Adamson, Bourns, Ganong, and Young;
- from Urban Affairs: Oberlander, Rosenberg, and Cooperstock;
- from Privy Council: Gaetan Belec, Desk Head, Urban Affairs, Environment, and Transport.

b) Land Assembly:

- wanted to know if a municipality, having borrowed on debenture, went belly up, would we take the land back? I said we would.
- raised the question of the interest rate being fixed over a long time period; we could offer them no way out on this one, and in any case they disagreed with one another on it.

c) Non Profit Companies

- it seems unlikely, from what we heard, that province will go for "no equity" companies; one of the municipal representatives, Mrs. Gunning, urged the provincial people however, to consider 5% equity rather than 10%.
- only projects intended for the lowest income elderly people get the 33 1/3% provincial capital grant; the federal offer of a 10% matching grant is hardly needed for these projects and will not apply to projects for higher income people and for families, unless the province also puts up a 10% grant. The federal proposal therefore will put the province under heavy pressure, from within, to do precisely that.
- it was necessary to point out that Section 15 is for rental housing, and that so far we do not regard the occupants of co-op housing as tenants.

d) Assisted Home Ownership

- strong plea to change the income review period from two years to five years.
- plea on the part of Chatterton to consider families of two members.
- I told them that their annual tax concession to home owners would qualify for Federal matching, despite what was said in the blue book. Since this goes to the owner, its availability means that we can permit the GDS ratio, where necessary, to rise well above 22%.
- in general, the program should go well in B. C., possibly too well, since the province has to put up nothing in addition to what is already available; the demand is potentially high and we will have to be careful about the eligible price limits in order to contain the effective demand.

- Chatterton had a good idea about the income review, suggesting that, whatever the period adopted, the owner should be obliged to apply for continued subsidy or concessionary treatment at the end of this period. His income evidence of course would be the main part of such application.

e) Rehabilitation Grants

- there was considerable emphasis on the point that maintenance by-laws will be difficult, if not impossible, to enforce in B. C.
- confinement of rehabilitation grants to NIP areas, on the assumption that B. C. takes the steps to make either available, will create an unnaturally high demand for NIP designation.
- the size of the maximum rehabilitation grant, \$4,000, which Everett Brown for one thinks is much too high, will greatly increase the pressure for NIP designation and will render it all the more unfair to withhold it.

f) Neighbourhood Improvement Program

- the principal problem raised here concerns maintenance by-laws and their alleged inapplicability to B. C.

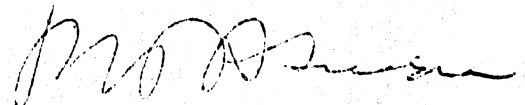
II Yukon Territory

Commissioner Smith attended the meeting for part of the time. The Assistant Commissioner, Reg Fleming was there all the time together with two of the members of the Territorial Council who have achieved executive, or paid, status. These are Linda Hurst from Watson Lake and Norman Chamberlist of Whitehorse. Bob Clauson, Stu Bourns, Jack Hadden and his Assistant Manager, together

with the local Whitehorse CMHC man and myself were there for CMHC. Rosenberg was there for the Ministry.

After listening to our truncated description of the proposed legislation, with a few interruptions from Chamberlist allegedly for purposes of clarification, Smith and Chamberlist made clear what was really on their mind. More money, not more laws; a budget for the Yukon, not something buried in the B. C. aggregate; spec loans so that an honest competent builder can be attracted to the area; a little bit of intelligent blindness in administering our septic tank policy; some help, in the form of CMHC planners to update plans done some time ago by CMHC for the Territorial Government in Whitehorse, Watson Lake and Haines; similar help to do plans for some of the other settlements in the Territory; and someone loaned by CMHC to help get a Housing Corporation organized for the Territory.

To this I can only add Jack Hadden's earnest plea for a loan increase on the "Y" project at Whitehorse, which will be under discussion at the next Executive Committee meeting.



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Executive Director

RTA/ma

CONSULTATION PROCESSNHA AMENDMENTS

PROVINCE	REPRESENTATION							GENERAL REACTION TO THE PROPOSED AMENDMENTS	DEGREE OF SATISFACTION WITH THE CONSULTATION PROCESS. RECOMMENDATIONS.
	PEOPLE			AGENCIES					
	MINISTER	DM	OTHER	CENTRAL AGENCIES	HOUSING CORP	OTHER	MUNICIPAL		
Newfoundland	X			X	X	X	X	Would prefer that benefits reach a greater proportion of the population. Official response to be submitted.	Satisfied with discussion. A general comment is that nearly all provinces felt they had not been given enough time to study the material.
Prince Edward Island		X		X	X	X	NO	Main concern is that programs be province-wide.	Satisfied with discussions.
Nova Scotia				X	X	X	X	Official response to be submitted. Generally favourable reaction.	Consider discussions so far as a source of information. May request further discussions.
New Brunswick				X	X		X	Generally well received. Would like programs to apply to a broader range of recipients.	Generally satisfied. Would have liked more time.

CONSULTATION PROCESS

NHA AMENDMENTS

PROVINCE	REPRESENTATION							GENERAL REACTION TO THE PROPOSED AMENDMENTS	DEGREE OF SATISFACTION WITH THE CONSULTATION PROCESS. RECOMMENDATIONS.
	PEOPLE			AGENCIES					
	MINISTER	DM	OTHER	CENTRAL AGENCIES	HOUSING CORP	OTHER	MUNICIPAL		
Quebec	X	X	X	X	X	X	NO	Accept proposals in principle. Would like to adjust programs to their priorities (including transferability of funds between programs). Official comments to be submitted.	Pleased that discussions held prior to tabling of legislation. Hope that their recommendations will lead to some changes.
Ontario		X	X	X	X		No		
Manitoba		X	X	X	X	X	NO	official response to be submitted. Unofficially - concern that Public Housing effort to be protected.	Consider meetings as <u>information sessions</u> only. Want more time and more discussion.
Saskatchewan	X	X	X	X	-	X	X	Concern that benefits also apply to small towns. Official response to be submitted.	Want consultation process to continue.

CONSULTATION PROCESS

3.

NHA AMENDMENTS

PROVINCE	REPRESENTATION							GENERAL REACTION TO THE PROPOSED AMENDMENTS	DEGREE OF SATISFACTION WITH THE CONSULTATION PROCESS. RECOMMENDATIONS.
	PEOPLE			AGENCIES					
	MINISTER	DM	OTHER	CENTRAL AGENCIES	HOUSING CORP	OTHER	MUNICIPAL		
Alberta		X	X	X	X	X	X	Official response to be submitted. Representatives were generally in agreement.	Consider further discussions essential.
British Columbia		X	X		X	X	X	Acceptable - with reservations about detailed application.	Appeared to be happy that they were consulted.
Y.T.	X	X	X	X		X		Generally acceptable.	Appreciated the visit of officials from <u>OTTAWA</u> .

FEDERAL PROVINCIAL CONSULTATION

ON PROPOSED N.H.A. AMENDMENTS

CHARLOTTETOWN, P.E.I.

MEETING MAY 8, 1972

In attendance:

Provincial

Mr. J. Comeau, General Manager, The PEI Housing Authority

Mr. Clive Stewart, Deputy Minister, Department of Community Services
Mr. Stan Bishop, Provincial Planner, Department of Community Services

Mr. Mike Lane, Provincial Treasury Department

Mr. Richard Higgins, Department of Development
Mr. R. Lightbown, Department of Development

Federal

Central Mortgage and Housing Corporation

Mr. Ian MacLennan, Vice-President (Chairman)
Mr. R.L. Mersey, Regional Supervisor
Mr. P.J. Osborne, Policy Planning Division, Head Office
Mr. T. Hall-Jones, Manager, Halifax Branch Office
Mr. J.A. McKay, Manager, Charlottetown Office

Ministry of State for Urban Affairs

Mr. Roger August

Department of Regional Economic Expansion

Mr. W. McFarlane (local representative)

The meeting, which lasted one full day, was very friendly throughout and the discussion provided a thorough review of the proposals. Central Mortgage and Housing Corporation provided a luncheon and cocktail party and the Province a dinner.

All proposals were generally well received. The Province's financial capability and their success in negotiations with DREE will ultimately determine the priorities and the degree of Provincial participation in the proposed programs.

It was suggested that our proposals were primarily urban oriented except for the Assisted Home-Ownership programs, which would not reach the bulk of their low income families.

The provincial officials in attendance are in the process of preparing proposals for a 5-year housing program. The proposed NHA amendments will be considered for inclusion into this report to government which is expected to be completed within the next few weeks.

A summary of the main points raised during the discussion of each proposal follows.

NON-PROFIT HOUSING

In the past the Province has been the only user of Section 15 funds to construct accommodation for senior citizens. The proposed amendments will be considered in the light of recent interest in housing displayed by church organizations, particularly in small communities.

ASSISTED HOME OWNERSHIP

This program generated the most enthusiasm amongst the Provincial officials. Consideration will be given as to how best to integrate this program with their own. The Province presently makes \$4,000.00 grants available to gainfully employed persons whose income is less than \$4,000.00 per annum. The amount of the grant is reduced by \$2.00 for every dollar of income over \$4,000.00 to a minimum grant of \$500.00 for those earning a maximum of \$6,000.00 per annum.

It was suggested that since many Islanders are in effect self-employed as farmers and/or fishermen, a more appropriate income definition be developed.

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

The proposal will be studied with the view of integrating it with their Home Improvement Assistance Program. It provides a grant of half the cost of labour and materials to a maximum of \$1,000.00 to repair sub-standard owner occupied homes.

Provincial officials felt that the qualifying income range for grants should perhaps be reduced to, say, the range of from \$3,000 - \$6,000 to make it more relevant to PEI income levels.

They persisted in their view that there is a need for a special F/P agreement for rehabilitation to cover the Island. This agreement would be integrated with the DREE program.

NEIGHBOURHOOD IMPROVEMENT PROGRAM

Provincial officials expressed genuine interest in this program and suggested that they would find it useful, particularly if they could integrate with DREE assistance.

LAND ASSEMBLY PROPOSALS

The extension and added proposals will be beneficial. The Province will be trying to interest Municipalities in land assembly and having them apply for loan funds on their own account.

FEDERAL PROVINCIAL CONSULTATION

ON PROPOSED N.H.A. AMENDMENTS

HALIFAX, NOVA SCOTIA

MEETING MAY 4 - 5, 1972

In attendance:

Provincial

Mr. G.W. Austin, Executive Director, Nova Scotia Housing Commission
Mr. G. Hubley, Director of Field Services, NSHC
Mr. B. Smith, Assistant to the Executive Director, NSHC
Mr. U. Sorra, Director of Finance, NSHC
Mr. Ian MacConnachie, Legal Adviser, NSHC
Mr. D. Mason, Acting Director - Planning, NSHC

Mr. Ron Johnson, Nova Scotia Treasury Board

Mr. Chris Burke, Nova Scotia Department of Development
Mr. Terry Ball, Nova Scotia Department of Development

Mr. L. Keddy, Department of Municipal Affairs, Community Planning

Municipal

Mayor Fred J. Emin, President, Union of Nova Scotia Municipalities

Federal

Central Mortgage and Housing Corporation

Mr. Ian MacLennan, Vice-President (Chairman)
Mr. R. L. Mersey, Regional Supervisor
Mr. P. J. Osborne, Policy Planning Division, Head Office
Mr. T. Hall-Jones, Branch Manager, Halifax Branch
Mr. J. D. Walker, Assistant Manager, Halifax Branch

Ministry of State for Urban Affairs

Mr. Roger August

The meeting proceeded over two full days with a luncheon and a cocktail party provided by Central Mortgage and Housing Corporation. The discussions were warm and friendly throughout.

Early in discussions Mr. Austin said that the Nova Scotia Housing Commission was given the sole mandate to represent the Province, and officials of other departments were there at his invitation. The representatives from other departments were not provided with a copy of the booklet containing our proposals prior to the meeting. All except one representative from Municipal Affairs were absent after the luncheon the first day. The discussions therefore focused on points raised and opinions expressed principally by Mr. R. Austin.

Mr. Austin Advised us that insufficient lead time was provided for this consultation meeting and they could not therefore provide fully considered opinions on the usefulness of the proposals to Nova Scotia. In principle, however, they favoured the objectives of the programs.

The limiting factor to the Province participating financially will be its financial resources. These are presently strained and unconventionally the Government is operating on a deficit budget.

As was the case in Newfoundland, the proposed amendments would have received a much more enthusiastic reception if the proposed federal grants and subsidies were greater in proportion, met the needs of many more of their low income families, and served the rural areas where about half of their population is located.

The Provincial legal advisers may seek out assistance in developing required complimentary legislation.

A summary of the main points brought out during discussion of each proposed program follows.

NON-PROFIT HOUSING

Mr. Austin was not familiar with the present non-profit program operation with the Nova Scotia Department of Welfare to assist in the construction of nursing home accommodation for elderly citizens. He agreed that this could be a useful program which would need to be integrated within the overall Nova Scotia Housing strategy.

ASSISTED HOME-OWNERSHIP

The proposal of a Federal subsidy to assist low income

families to acquire home ownership was thought to be excellent. Mr. Austin was reasonably certain that the Province would provide a full matching grant. They would probably not look to the recovery of the subsidy as this is considered to be administratively costly and an unfair penalty to a low income family.

In view of the excellent results obtained from the special organizational, educational and counselling service provided to co-operative groups, it was hoped that this program would not wipe out the subsidized Nova Scotia Housing Commission Co-op program under Section 40. It was suggested that this matter would be reviewed at CMHC Head Office as there may be a question as to whether two programs under different sections of the Act should be maintained to assist home ownership.

Mr. Austin suggested a five-year income review followed by a two-year review. Expressed reservations about insistence on minimum family of three people. Preferred the extension of 25 year amortization after subsidy, and taken only to 35 years.

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

There was general agreement with the objectives of this program and the need of a grant-loan technique particularly in Nova Scotia. The Province is presently operating on a deficit budget and the NSHC officials could not be optimistic that the Province would offer the full matching grant.

There appeared to be an inclination on the part of the NSHC officials to discuss this program as being separate and apart from the NIP. It was made clear that the Rehabilitation Assistance Program was meant for NIP areas and neither program would work without the other and could not be offered otherwise.

Mr. Austin had some reservations about:

- a) grants to landlords particularly without a means test;

- b) rehabilitation assistance confined to NIP areas which might promote a double standard of by-law enforcement within the community which might create problems;
- c) municipal capability, as they lack technical competence to control such a program.

Mr. Austin expressed the fears of his Minister concerning the possibility of a direct Federal/Municipal relationship. These views were not shared by the Municipal Affairs representative.

NEIGHBOURHOOD IMPROVEMENT PROGRAM

The objectives were supported and the grant as well as the loan provisions were thought to be reasonable. A need was seen for the Province to co-ordinate this program with DREE activities to obtain maximum benefits.

Due to lack of municipal competence, the need for uniformity and control, the Province may wish to administer this program. The Nova Scotia Housing Commission may be seeking Part V funds to assist in the identification of priority areas within the Province.

LAND ASSEMBLY PROPOSALS

The extension and added provisions are welcomed. The Province strongly recommends a modest amendment permitting repayment of principal and interest over a 15-year period. This would permit municipalities to take advantage of the Provincial Municipal Services Act which provides for absorption by the Province of a portion of the interest charges on an annual basis. These savings are passed on to the lot purchaser.

FEDERAL PROVINCIAL CONSULTATION

ON PROPOSED N.H.A. AMENDMENTS

FREDERICTON, N.B.

MEETING MAY 10 - 11, 1972

In attendance:

Provincial

Mr. K.C.Scott, President, New Brunswick Housing Corporation

Mr. A.R.Hughes, Director, New Brunswick Housing Corporation

Mr. E.G.Allen, Deputy Minister, Department of Municipal Affairs

Mr. H. Irwin, Director of Administrative Services, Municipal Affairs

Mr. B.Toole, Director of Intergovernmental Affairs

Mr. P.Leger, Social Development Co-ordinator, Development
Policy Secretariat, Executive Council Office

Municipal

Mr. J.Porter, Councillor, Town of Oromocto,
Representative of Towns of New Brunswick Association

Mr. H.L.McFee, Representative of the Six Cities' Association
(May 10th only)

Mr. J.Robinson, Administrator, City of Fredericton
Representative of the Six Cities' Association
(May 11th only)

Federal

Central Mortgage and Housing Corporation

Mr. Ian MacIennan, Vice-President (Chairman)

Mr. R.L.Mersey, Regional Supervisor

Mr. P.J.Osborne, Policy Planning Division, Head Office

Mr. K.S.Fraser, Manager, Fredericton Branch Office

Mr. P.J.Landry, Assistant Manager, Fredericton Branch Office

Ministry of State for Urban Affairs

Mr. Roger August

The meeting which lasted for a day and a half was friendly and thorough. Central Mortgage and Housing Corporation provided the luncheon and a cocktail party.

The proposals were understood and well received by all attending Provincial officials. Consideration will be given to adopting all proposed programs. The degree of financial participation will be governed by available provincial resources. Their present Assisted Home-ownership Program and their proposed Home-Improvement Program, both providing for mortgage

funds, interest free to low income families, will probably be amended to take full advantage of the proposed federal assistance.

Provincial officials were particularly articulate in expressing their need for a greater federal percentage subsidy and/or grant so that more of their needy low income families could be reached and the need for federally-assisted housing programs aimed at rural areas where half of their population is located.

A summary of the major reactions to each proposed program follows:

NON-PROFIT HOUSING

The proposals were found interesting and attractive. They will be considered for adoption by the New Brunswick Housing Corporation with the recognition that closer liaison will have to take place with their Department of Health, which provides a grant of \$2,000 per nursing home bed to non-profit organizations.

ASSISTED HOME-OWNERSHIP

There was considerable praise for the objectives of this program even though it will not reach down into the low income levels most prevalent in the province. A matching program will probably be adopted in place of their present program which provides for interest free second mortgage funds to a maximum of \$5,000 to allow families of incomes less than \$5,500 to acquire a newly constructed home.

On the basis that CMHC will administer the program, there was no real objection to the restrictive elements of the program. It was, however, recommended that the maximum amortization period be shortened to 35 years.

To permit planning and to facilitate emphasis on reaching a particular income group, it was recommended that consideration be given to the retention of a constant interest rate throughout any given year.

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

The proposed federal aids to rehabilitation are needed and welcomed in New Brunswick. The major concern is that the program is married to Neighbourhood Improvement Program areas. Attempts will be made to negotiate a special Federal/Provincial agreement, which would include DREE, for the Northeastern area and, if possible, a provincial-wide program.

The New Brunswick Government will be introducing legislation soon, providing for loans with interest geared to incomes to families of low income who own and occupy a sub-standard home. This legislation, if passed, will probably be amended in 1973 to take full advantage of available Federal assistance.

In view of the relatively low incomes found in the Province, it was suggested that the income range which would qualify for a grant be negotiated to a lower range.

Due to the lack of technical resources at the municipal level the program will probably have to be administered by the New Brunswick Housing Corporation, outside of the three major centres.

NEIGHBOURHOOD IMPROVEMENT PROGRAM

Provincial officials are favourably disposed towards the overall program. The degree of financial participation will be established after further study. Detailed negotiations to establish the responsibility, function and expected behaviour of each of the parties involved, including resident participation, will be important to the process and, therefore, ultimate success of this program. It was felt that some direct CMHC participation, as in the past, might be required.

Although the need for evaluation was recognized, it was hoped that the requirement for Consultants would be kept to a minimum.

The Province may be requesting CMHC assistance to develop a model by-law which could be adopted and applied uniformly across the province. Administrative control may have to be retained by the Province due to the lack of municipal technical resources.

LAND ASSEMBLY PROPOSALS

The extension and new provisions for land assembly were appreciated and will be fully utilized after enactment.

FEDERAL/PROVINCIAL CONSULTATION

ON PROPOSED N.H.A. AMENDMENTS

WINNIPEG: MAY 8 and 9, 1972

In attendance:

Provincial

Neil Osler, Chairman and Manager, Manitoba Housing
Stan Swiderski, Vice-Chairman, MHRC and Lawyer Attorney General's
Department

Herb Dubowits, Secretary to the Board, MHRC

Bob Clarkson, Comptroller, MHRC

Edith Nickel, Economic Analyst, MHRC

Andrew Currie, Department Minister, Urban Affairs

Mario Perrault, Urban Affairs

Avrum Regenstreif, Planning & Priorities Committee of Cabinet

Frank Fedorick, Planning & Priorities Committee of Cabinet

Paul Barber, Department of Finance (Federal/Provincial Relations)

Alf Kitchen, Provincial Grants for Care, Hostel and Elderly
Persons Facilities

R.A. Bristow, Provincial Grants for Care, Hostel and Elderly
Persons Facilities

Federal

Messrs. Houston, Garrod, Extence, Sneyd & MacDonald CMHC

Mr. N. Carter - Urban Secretariat

No municipal representatives were present

General

Mr. Osler opened the meeting with a firm statement that the provincial representatives were attending the meeting to listen and ask questions to further their own understanding of the federal proposals so as to prepare position papers for their respective ministers. He commented that, in the provincial view, there had not been sufficient time for analysis. Consequently, he would be unable to indicate any provincial opinion, either officially or unofficially.

This atmosphere conditioned the meeting throughout. The suspicion was voiced that the meeting was for window dressing purposes and that the amendments would be put forward regardless of provincial views. It was also stated that the province would be upset if federal officials claimed that time consultation had actually taken place.

A plea was also made for the actual legislation to be sufficiently flexible to allow for local priorities and expression of local concerns. Manitoba is very anxious to develop regional approaches to housing and community problems to meet its developing regional objectives. In this connection issues were also raised concerning Budget forecasting and cash flow problems relating to program implementation. It was pointed out that different accounting years did not help the situation. The desirability of having perhaps a 2-year program period was emphasized so as to relate to construction cycles and employment impact periods.

Provincial officials also requested that they be provided with copies of background research studies that supported the program proposals in order that they may better exercise judgment on them, as well as assessing program impacts in their own province. It was apparent that they felt they had fully cooperated with various study groups and wished to know the results.

LAND ASSEMBLY

The reinstatement and extension of this program appeared to meet with approval and it was felt that the new techniques would be useful.

ASSISTED HOME OWNERSHIP

A major concern of provincial officials was the potential impact on the province's present public housing thrust. They desire to carry on this thrust at present levels, at least for the time being, and fear that any announcement of this program would create expectations and political pressures which would interfere with current objectives. Consequently they would deplore any extravagant claims regarding program expectations. Concern was also expressed about the degree of provincial input

into program control both from the point of view of budgetary impacts and priority locations to meet provincial objectives. Current thrusts in Manitoba envisage an opportunity for people to remain in present regional locations rather than encouraging inter-regional migration. Consequently housing policies are required to be compatible with such a "stay option".

A further concern was that quality standards might be lowered in order to meet cost limits and that the program would siphon off higher income groups from public housing, leading to further concentration of the very poor.

It was also suggested that 800 square feet was too small a maximum size for a three-person family unit and did not allow sufficient expansion potential for a young family. Questions were also raised about the proposed 3-person family limit, particularly in relation to a single-parent family unit as well as the needs of young couples. It was suggested that consideration could be given to varying aid by family size if it was intended to give priority to larger families.

It was generally felt that the recovery of subsidies from capital increments would give rise to serious problems of administration.

It was finally conceded, perhaps reluctantly, that the program might be needed, if only to satisfy criticism that it is not there as a housing alternative.

REHABILITATION

The opinion was expressed that rehabilitation could be an effective program in smaller rural communities where public housing could not be easily provided. This would be in line with the province's desire to avoid any emphasis on migration to larger metropolitan centres. Consequently provincial officials were not happy with the emphasis on Neighbourhood Improvement Program areas as a prime focus.

This could lead to some distortion of the N.I.P. program itself. It was suggested that the introduction of the program would soon lead to political pressures for its application to all areas where dwellings were run-down and inhabited by lower income families.

In practical terms the passing and enforcement of suitable by-laws and the provision of trained staff might create problems, especially as no assistance was proposed to support the necessary administrative mechanism except in N.I.P. areas.

There appeared to be some reluctance to support the proposal to make grants to landlords, although, in further discussion, this seemed to focus on absentee landlords of single family dwellings, rather than on apartment owners. The underlying thought appeared to be that there should be pressures on such landlords to sell to occupants who would then receive aids to carry out required repairs.

In a separate discussion with Mr. Regenstreif, questions were raised about the possibility of adjusting assistance according to family size as well as adjusting grants to take into account location/cost ratios, so as to acknowledge exceptional costs which might arise in more remote areas.

It was indicated that Manitoba would like to take a closer look at the implications of this program with particular reference to budgetary impacts.

NON-PROFIT

The proposals seemed to fit reasonably well with provincial programs although the province may wish to retain a sponsor's equity feature as a condition of their own grants. While consideration may be given to the application of a federal grant to the present equity requirements, it was felt that it was still difficult to get rents down to a level where occupants could afford to pay the resultant rent.

Although it was appreciated that "start-up" funds would only be made available on a restricted basis, the province would want to be advised and consulted about such grants because of later demands that might arise from such self-help groups.

NEIGHBOURHOOD IMPROVEMENT PROGRAM

Manitoba requires further time to review the implications of this new program. Officials seemed to be particularly concerned about the selection of municipalities and the possibility of including smaller communities. There was concern about the ability to conduct forward planning in the use of funds otherwise a breakdown in confidence might occur. It was suggested that there was a need for a working formula which would give some sort of guarantee to the province that they would get a minimum proportion of total available funds.

It was considered that the existence of local Community Committees in the new uni-city structure with their associated citizen advisory groups would likely be a good basis for the requirements for resident involvement.

FEDERAL/PROVINCIAL CONSULTATION
ON PROPOSED N.H.A. AMENDMENTS
SASKATOON: MAY 11 & 12/72

Provincial Representatives

Hon. Everett Wood, Minister of Municipal Affairs
Mr. Ted Walters, Deputy Minister of Municipal Affairs
Mr. Ed Whelan, MLA, Legislative Secretary to Minister of Municipal Affairs

Mr. Hubert Prefontaine, Chief Planning Officer, Planning and Research, Executive Council
Dr. Gerry Gartner, Director, Policy Analysis and Research, Planning and Research
Mr. Ken Mackie, Director, Research and Planning Branch
Mr. Bill Sturbie, Director, Housing and Urban Renewal Branch
Mr. Malcolm MacNeil, Cooperative Management Advisor
Mr. Ken MacDonald, Assistant to Associate Deputy Minister of Public Health
Mr. Alf Limmerman, Director, Special Care Homes Division
Mrs. Helen Smith, Acting Director, Programs Division, Department of Welfare
Mr. Craig Francis, Administration Analyst, Budget Bureau

Municipal Representatives

Mr. Walter Mysak, President, S.U.M.A.
Mr. Vince Matthews, 1st Vice-President, S.U.M.A.
Mr. Lorne Wilkinson, Secretary-Manager, S.A.R.M.

Federal Representatives

Messrs. Houston, Garrod, Extence, Hart, Stacey and Willox, CMHC
Messrs. Carter and Cooperstock, Urban Secretariat

General

For the benefit of federal representatives it was explained that Saskatchewan was in the process of setting up a Cabinet Committee on Planning and Priorities and was developing an expertise to deal with longer range objectives. It was expected that these objectives would evolve in the next few months and it was hoped that housing and community strategies could be further discussed in this context at a later date. Consequently Saskatchewan was concerned at the present timing of the proposed amendments although officials would endeavour to provide a short term response as soon as they had an opportunity to understand and analyze the proposals in greater detail.

It was pointed out that the provincial Legislature had just finished its current session and that there had as yet been insufficient opportunity to study the federal suggestions.

The opportunity for consultation was welcomed and appeared to be a positive step. It was hoped that it was genuine and that decisions to proceed had not already been made - the province would be looking for some adjustment in the original proposals to evidence a commitment to the consultation process.

A general concern was expressed at the tendency of the NHA to equate housing and urban problems, whereas Saskatchewan had a broader housing requirement than that just associated with larger urban centres. The need for adaptation of programs to rural needs was continually expressed throughout the ensuing discussions.

The provincial Minister, the Honourable Everett Woods, joined the meeting for the final afternoon and expressed the view that the general program intents appealed to him providing that they could be adapted to total provincial needs and could be made compatible with provincial programs, although he foresaw that the latter may require some adjustment to be more effective. He expressed a willingness to respond with a provincial position paper as soon as possible.

A common theme in all program discussions was the financial ability of the province to respond, coupled with suggestions that the federal input be higher than the 50 - 50% cost-sharing proposals. Continual reference was made to the current 75 - 25% partnership cost-sharing arrangements of current programs.

LAND ASSEMBLY

The only concern expressed about this program was the impact it might have on municipal financing and the ability to capitalize annual interest charges into market price.

The province would wish to be involved in all loan approvals to ensure adequate control.

NON-PROFIT

Provincial officials expressed interest in this program but require assurance that it would extend to non-profit companies set up by a municipality or group of municipalities so as to ensure continuation of its present thrust to house elderly citizens, including the provision of care facilities.

It was also strongly represented that shared grants of 20% would not be sufficient to bring rents down to an acceptable level. A 20% federal input matched by the province was suggested. It was felt that a comparison of relative costs between this program and public housing would support this.

ASSISTED HOME OWNERSHIP

Considerable emphasis was given in the discussion to the requirement that an eligible family contain three persons or more. It was considered that a two-person family, particularly where a single parent was involved, is likely to have equal needs.

An appeal was also made for an increase in the 800 square feet maximum for small families, as no considerable increase in cost would likely be required.

Concern was also expressed about the ability of this program to provide dwellings on farms, particularly in relation to the provinces land banking program, which would be encouraged if the farmer giving up his land holdings could be given the opportunity to remain in the same area.

The province requested that the present provincial grant of \$800 be matched by an equivalent federal input on a 5-year basis. When it was pointed out that this might give rise to an abrupt cut-off at the end of such a period, the province agreed to consider an assurance of continuing provincial support in those cases where it was necessary.

There was some discussion of the fact that the present provincial grant was applied at the "front end" of house purchases and may exceed actual down payment. The level of income penetration was accordingly limited, as well as giving rise to a need to restrict the federal input to that part of the grant which actually went into the house. Provincial officials agreed to consider these implications.

The provincial view was that the target area of \$7,000 maximum income should be increased, at least to recognize annual cost increments and perhaps adjusted for regional differentials. The province is also anxious to avoid abrupt cut-offs in grant support and would likely apply their own grants on a sliding scale up to perhaps \$9,000.

REHABILITATION

Rehabilitation was seen by provincial officials as a vital element in rural communities - they would want to see it extended beyond the range of N.I.P. areas or the application of N.I.P to rural communities. They feel the program thrust has possibilities if it can be applied in smaller towns. It was pointed out that the Assisted Home Ownership program included the purchase of existing dwellings, so that purchase and repair could be contemplated in one rehabilitation measure.

There was general concern about the high maximum level of the federal proposals and the implications this might have for the provincial capacity to respond. As in other programs a higher federal ratio of grant support was sought.

Although the need for a province-wide program was presented and the present provincial program (10% if costs exceed \$2,000 up to a maximum grant of \$800) may remain universal, the province might give thought to a more selective program associated with the federal thrust.

Concerns about the application of by-laws and administrative support staff were also voiced.

A spokesman for the municipalities voiced the opinion that there was a basic need to give more support for the upgrading of municipal services which, in turn, would more likely promote private rehabilitation rather than the provision of massive grants. The provincial minister indicated that increased provincial support for servicing is under review.

The province desires to give further study to the rehabilitation program and the adjustments that could be made in order to make it effective in Saskatchewan.

NEIGHBOURHOOD IMPROVEMENT PROGRAM

Although the general concept appeared to be welcomed, the provincial officials had not yet reviewed and weighed the program details. Fears were expressed about the political difficulties in selecting municipalities and neighbourhoods. The need for some understanding about the level of financing over a period of time to allow for adequate planning was also emphasized.

It was felt that the definition of eligible neighbourhoods would need to be carefully worked out in order to provide adequate criteria to aid selection, etc. The general need in the province may be at the level of small pockets, perhaps of only one or two blocks, rather than on any larger scale.

Again, the province requires an opportunity to give further study to this program.