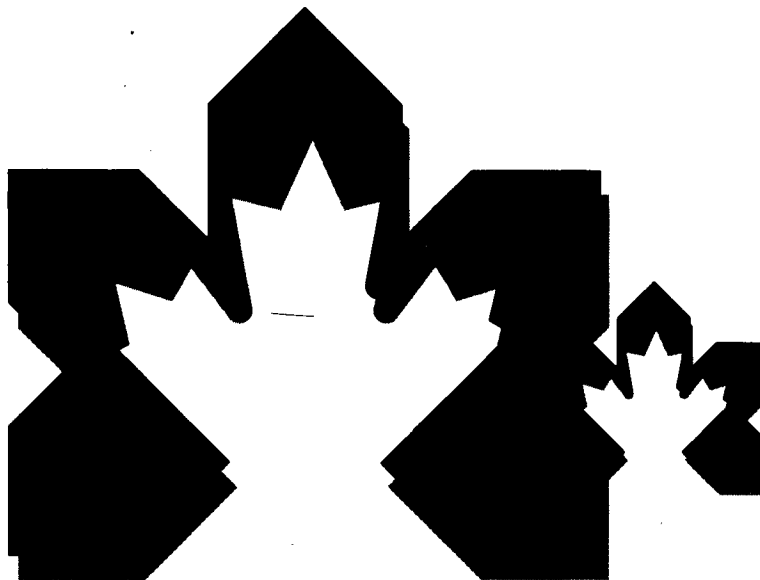


**Program
Evaluation
Division**

**Division de
l'évaluation
de programme**



RURAL AND NATIVE HOUSING PROGRAMS
EVALUATION ASSESSMENT REPORT

This national evaluation will be conducted with the participation of New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and the Northwest Territories in accordance with the joint evaluation arrangements of the Federal/Provincial Global and Operating Agreements.

Program Evaluation Division
Canada Mortgage and Housing Corporation

August, 1988

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1. INTRODUCTION

Canada Mortgage and Housing Corporation undertakes evaluation studies of federal housing programs on a cyclical basis. Prior to undertaking an evaluation, a detailed plan for conducting the study is developed and submitted to senior management for approval. The plan or assessment report describes the programs, identifies a range of issues that can be addressed and presents options for conducting the evaluation. Each option is described in terms of the issues to be addressed and the information and time required.

This evaluation assessment report presents options for an evaluation of CMHC rural and native housing programs. The programs include the Rural and Native Housing (RNH) Program, the RNH Demonstration Program and the Emergency Repair Program (ERP). These programs comprise the main initiatives on the part of Federal and Provincial Governments to address off-reserve rural housing problems. Rural RRAP is not to be included in this study since an evaluation of RRAP was completed in 1986 and a process of consultation is currently underway to develop revisions to the program.

1.1 Reasons for the Evaluation

It is well known that housing conditions tend to be worse in rural areas than in cities and towns. In terms of housing adequacy, the incidence of need for major repair is twice as high and crowding occurs with twice the frequency in rural areas as in urban areas. In northern and remote areas, dwellings can deteriorate rapidly and housing conditions are often much worse than those found in southern rural areas. The extent and persistence of rural housing problems suggests that an assessment of Federal initiatives is needed.

Since the RNH program was introduced in 1974, some 22,000 units have been built or acquired, mostly homeownership, single-detached units. However, this substantial portfolio is not without problems. Arrears exceed 30 per cent of the stock in some provinces and requirements for remedial repairs are high reflecting the rapid deterioration of many units. Problems of foreclosures and poor physical condition have prompted requests from both provincial and federal program administrators for a re-assessment of the programs.

When the Federal government introduced the new social housing programs in 1986, few changes were made to the existing rural housing programs. However, a new, self-help program was announced on a demonstration basis. The RNH Demonstration program is now in its third year of operation and an evaluation of this program vis-à-vis the regular RNH program is needed.

Although the rural programs were not scheduled to be evaluated until 1989, there is a need to accelerate the work if the evaluation results are to be available for policy development and consultation. It is intended that this evaluation of the rural programs will provide a basis for a consultation process and policy development in 1989.

1.2 Uses of the Evaluation

The evaluation will assess the continuing need for the rural and native housing programs, the extent to which the programs have achieved their objectives and other impacts and effects they have had. The evaluation results provide one input to decision makers concerned with increased effectiveness, efficiency and economy in the operation of the programs. The evaluation can be used to:

- o re-assess program objectives in response to changing conditions and needs in rural areas.
- o suggest program design changes which will promote flexibility in program operation and improve the achievement of objectives.
- o identify ways to encourage (discourage) desirable (undesirable) impacts and effects of the programs.
- o provide evidence on the cost-effectiveness of program alternatives.

The evaluation results will feed into a process of consultation with interested parties for the purpose of developing new and/or improved rural and native housing programs. In effect, the evaluation provides essential information on current program performance as a basis for considering alternatives.

1.3 Scope and Timing

The evaluation will include the RNH Homeowner, Rental and Lease Purchase Program, the RNH Demonstration Program, the Emergency Repair Program and the RNH Training Programs. In addition, New Brunswick's Basic Shelter Program and the Northwest Territories' Homeownership Assistance Program will be examined. These programs are operated by the province/territory but are cost-shared by the Federal government under the terms of the 1986 Global and Operating Agreements. As regards the RNH program and ERP, both the pre-1986 and post-1986 programs will be included in the evaluation. This means that opportunities for conducting joint evaluations with provincial/territorial

partners who are cost-sharing these programs under the terms of the 1986 social housing agreements must be explored.

Although individual provinces/territories are encouraged to participate in the study, the evaluation will be national in scope with consistent data collection activities across the country. Provincial/territorial differences will be highlighted in the evaluation report but separate evaluations for each province/territory will not be conducted. Provincial unilateral programs and their likely impact on the rural programs will be taken into account, but these programs will not be evaluated as part of this study.

The final evaluation report is targetted for completion in the second quarter of 1989. Evaluation data and results would be available somewhat earlier, however, in order to feed into the consultation process and policy development exercise planned for 1989. The introduction of new or modified programs would occur once the consultation process is completed. In order to meet these targets, the evaluation plan contained in this assessment report is to be submitted to Management Committee for approval in August, 1988 with data collection to be carried out in the late summer and autumn. Data analysis and report writing would then occur in the winter months.

2. THE RURAL AND NATIVE HOUSING PROGRAMS

A brief history of the development of CMHC's rural and native housing programs is provided below. This is followed by a series of individual profiles which provide a more detailed description of the programs concerned.

2.1 The Early Programs

Between 1965 and 1973, housing units were constructed in the remote areas of Alberta, Saskatchewan and Manitoba under federal/provincial agreements with each province. Through this Remote Housing Program, 16 units were provided in Alberta, 925 in Saskatchewan and 452 in Manitoba. The province was the partner responsible for administration of the program in each case.

Modest, low cost (approximately \$10,000 per unit) units were constructed for sale to persons of Indian and Metis extraction. The purchaser paid a monthly payment based on income. The federal/provincial partnership provided assistance equal to the difference between the household's payment and the cost of amortizing the mortgage over fifteen years. The purchaser was expected to remain in occupancy and to make regular payments in order to continue to receive the assistance.

In the early 1970s, representatives of Métis and Non-Status Indians began to lobby intensely to focus federal attention on the very poor housing conditions among these groups and the need to provide more homeownership housing. Native Canadians (Status and Non-Status Indians, Métis and Inuits) were widely recognized as being the most poorly housed of all low-income people. It was estimated that between 15,000-50,000 units were needed to eliminate substandard housing conditions among all Native people in Canada, on- and off-reserves.

After internal study and consultation with Native groups and federal and provincial agencies, CMHC formally committed itself to the provision of housing for Natives and other residents of rural areas in 1974. The new policy on rural and native housing had an explicit quantitative objective: a target of 50,000 units was to be constructed, acquired and/or rehabilitated over the five-year period 1974-1978. There was to be an equal number of new and rehabilitated units. A second objective of the new policy was qualitative in nature: to ensure that maximum client involvement took place in all aspects of the development of housing projects. Client involvement was viewed as an important factor not only for the successful delivery of suitable housing projects but also to ensure that the provision of housing furthered the achievement of broader social and economic development goals. A variety of program vehicles were adopted to implement the new policy. The full complement of rural programs is outlined in Table 2.1.

TABLE 2.1
Components of Original RNH Program

FEDERAL ENABLING LEGISLATION	PROGRAM COMPONENT	PROGRAM DESCRIPTION
Section 40 (NHA)	Homeownership/Rental	Construction, acquisition and/or rehabilitation of homeownership or rental dwellings and subsidy assistance for low-income households in rural areas.
Section 34.15 (NHA)	Assisted Home Ownership Program ((AHOP) ¹	Loans and grants to assist low-income families purchase modest-priced housing.
Section 34.1 (NHA)	Residential Rehabilitation Assistance Program (RRAP)	Loans and subsidy assistance to finance the rehabilitation of substandard dwellings.
Section 36(g) (NHA Part V)	Emergency Repair Program (ERP)	One-time grants to finance emergency repairs to dwellings occupied by households waiting to be allocated better housing under Section 40.
Section 37.1 (NHA Part V)	Project Funds (Start-Up Capital)	Loans to client representative groups to assist in the development of housing proposals.
Section 36(g) (NHA Part V)	Sustaining Grants (Core Funding)	Grants to client representative groups to assist in the development of organizational capacity for program delivery.
Section 36(g) (NHA Part V)	Native Cadre Training, RNH Secondment	Educational assistance for Native individuals and organizations involved in the delivery of RNH programs.
Parag. 37(1) (e) (NHA Part V)	Client Training and Training Materials	

¹ AHOP was available between 1974 and 1977 only. Direct Loans are also available to rural households under Section 58.

The principal vehicle for implementing the new rural and native housing policy, the Rural and Native Housing program, was announced on March 7, 1974. Its two broad purposes were:¹

- (1) "To ensure adequate housing for low-income persons in rural areas and small communities with a population of 2,500 or less"; and
- (2) "To motivate and help the program's clients to solve their housing problems through their own organization and efforts by providing the opportunity for optimum client involvement in the planning and building of the units."

The RNH homeownership program was authorized under Section 40 of the NHA. Section 40 housing development funding was made available to low-income people in designated rural areas.² In those cases where homeownership was not feasible or manageable (as with elderly or handicapped clients), Section 40 funding was used to secure rental units, to be managed by whichever agency was the "active partner" in the administration of the program.

Shelter payments are determined on a payment-to-income scale. The difference between what the client can pay (up to a maximum of 25% of adjusted annual family income, or AAFI) and the amount necessary to cover 25-year amortization of the principal amount, interest, taxes and legal costs are subsidized by the federal and provincial governments in ratios of 75% and 25%, respectively. Client equity, chiefly in the form of labour (sweat equity), was to be encouraged, and could be applied up to a value of 10% of unit cost.

With the creation of the RNH Program, the Residential Rehabilitation Assistance Program (RRAP) was also extended to rural areas. RRAP provided loans of up to \$5,000 per unit for repairs or rehabilitation to bring dwellings up to local housing standards. The rehabilitation had to increase the economic life of the unit by at least 15 years, and had to be comprehensive. Depending on the income of the client, part of the loan could be forgiven. Priority for RRAP loans would be given to large families and those whose units had a "demonstrable threat to safety."

¹ Guidelines and Procedures Manual, 1975.

² Further assistance for prospective home owners was provided under the Assisted Home Ownership Program (AHOP). AHOP provided direct federal loans to low and moderate income households who could not secure mortgage financing through the private sector. The loans were amortized over a 35-year period, and in some cases CMHC offered these loans at a preferred rate of interest. The Corporation could also provide a subsidy to further reduce mortgage payments. Families whose incomes were too low to be eligible for the AHOP program were eligible for Section 40 assistance.

In cases where Section 40 units were not available, and RRAP was inappropriate because the economic life of the unit could not be extended for 15 years (at least not within the RRAP loan maximum), clients had access to grants under the Emergency Repair Program (ERP). ERP replaced the Winter Warmth Program and provided grants of up to \$1,500 on a one-time basis for emergency repairs to alleviate serious health and safety hazards. ERP was intended to serve as an interim solution to serious housing inadequacies in cases where Section 40 units could not be made available immediately. ERP was administered by and for Métis and non-Status Indians only.

In order to address the second objective of the RNH program, funds were also made available to strengthen the organizational capacity and develop the human resources necessary for effective delivery by Native groups. Assistance to delivery organizations consisted of operating grants and partially forgivable loans for project development.

Further grants were made available to fund activities related to enhancing the skills of Natives involved in housing delivery and administration. Through the Native Cadre Training Program, individuals from Métis and non-Status Indian organizations could be sponsored at branch, provincial and national CMHC offices to learn about housing program delivery and project management. CMHC professional and technical personnel could also be seconded to Métis and non-Status Indian organizations to provide training and guidance in organization, management, construction, inspections, and financial management. In addition, grants were made available for seminars and workshops for Native organizations and rural clients as well as for the development of training materials (e.g. videos, manuals, information packages and other promotional materials).

CMHC was to work closely with each provincial government to determine how RNH would be administered. The two parties signed agreements designating which party would have administrative responsibility for the program; that party was referred to as the "active partner". Native organizations were to be actively involved in the planning process, program delivery and, where possible, construction of units. Native representatives would also serve as equal partners with CMHC and provincial representatives on a Tripartite Management Committee responsible for planning and monitoring program delivery.

Housing assistance provided under the Rural and Native Housing program was viewed as but one element within a more comprehensive social and economic development context. Accordingly, several committees were established in order to promote a more co-ordinated response on the part of federal and provincial government departments and agencies to the problems of rural and native clients. CMHC was to chair a National Interdepartmental Committee comprised of representatives of a

variety of federal government departments (i.e. Manpower and Immigration, Indian and Northern Affairs, National Health and Welfare, Regional Economic Expansion, Secretary of State, Finance, Treasury Board, and the Privy Council Office). In addition, Federal/Provincial Co-ordinating Committees were to be established in each province with representation from CMHC and other interested federal and provincial departments providing services in rural areas. The central purpose of the committees was to mobilize resources and co-ordinate the provision of housing with other non-housing programs.

2.2 Evolution of the Program

The RNH program did not get off to an auspicious start. Just two years into the planning period, in 1976, it was evident that the target of 50,000 units would not be met by the 1978 deadline. In view of the slow start in RNH delivery, the target year for the achievement of the 50,000 unit goal was extended to 1981.

In reponse to numerous complaints about the program, the President of CMHC appointed a Special Task Force on Rural and Native Housing in December 1976. During the course of its meetings with provincial housing agencies and Native groups, the Task Force was made aware of a host of concerns pertaining to the selection of RNH clients, the capability of very low-income households to sustain the financial demands of homeownership, the quality and suitability of unit construction, the difficult and costly nature of housing delivery and administration in rural and remote areas, inter-regional variations in the availability of the program and in the interpretation of various aspects of the policy (e.g. income limits, utility subsidies), and the sometimes conflicting requirements of producing quality units while encouraging client participation.¹

The Task Force made recommendations concerning 45 specific issues. The principal program changes made as a result of the Task Force's recommendations were increased assistance levels available under Rural RRAP and ERP. More efforts were also to be made to bring Native groups into the planning process. In addition, provisions were made to allow the Tripartite Management Committee (CMHC, provincial housing agency, client group) to interface with other housing committees.

¹ Report of the Special Task Force on Rural and Native Housing, CMHC, April 1977.

Ongoing difficulties with the Section 40 program were again brought to light in a report released in 1978.¹ The report noted high levels of arrears and defaults, problems of unit construction and siting, cost-overruns, and significant client dissatisfaction over the lack of native involvement in client selection and program administration.

In order to further prepare RNH clients for the demands of homeownership, a more formalized counseling program was implemented in December 1978. It was hoped that pre-and post-occupancy counseling would reduce the rate of default and payment arrears. It was also expected that counseling would familiarize new homeowners with the maintenance and upkeep necessary to prevent premature deterioration of units.

The achievements and problems of the RNH program were reviewed once more in 1980.² The Rural and Native Housing Review reported that the RNH Program had for the most part met or exceeded its unit targets: during the period 1974-1980 a total of 10,833 Section 40 units had been constructed, and 55,235 units had been rehabilitated. Despite these achievements, however, data from the Secretary of State and DIAND indicated that a further 83,903 new and rehabilitated units were needed among rural people, of which 26,625 (31.7%) were needed for Native groups off-reserves.

Despite the changes instituted after the 1977 Task Force, it was apparent that old problems persisted in the RNH Program, and new problems had surfaced. The 1980 review concluded that there continued to be significant differences in the administration of the program inter-provincially with respect to the determination of utility subsidies, adjusted annual family income, and the amount of downpayment required. Furthermore, some potential clients could not be reached because there was no provincial participation: Québec, for example, had never contracted an agreement for Section 40 housing and in 1978 Prince Edward Island had withdrawn from its agreement. Native clients were not seen as a priority group in most provinces. Due to extremely high heating and maintenance costs, certain families with very low incomes were effectively prohibited from participating in the program; it was frequently the case that heating payments were larger than mortgage payments.

¹ A Discussion of the Section 40 NHA component of the Rural and Native Housing Program and Associated Issues, J. Leong, Program Evaluation Division, CMHC, September 1978.

² Rural and Native Housing Review, Program Evaluation Unit, Policy Evaluation Division, Evaluation and Market Analysis Directorate, CMHC, June 1980.

The 1980 Review also noted the lack of success of the committees established to co-ordinate the provision of housing with assistance provided by other federal and provincial agencies. The National Interdepartmental Committee met twice a year up until 1976, after which activity declined considerably (meeting only once more in 1978 and again in 1979). The lack of authority to effect changes in departmental priorities limited the committee's activity to the exchange of information. Only two Federal/Provincial Co-ordinating Committees were functioning as of 1977 (in Ontario and Manitoba), due in part to the negative influence of federal/provincial relations at the time.

Responding to the findings of the Review, the Corporation initiated a Consultation Process on Rural and Native Housing in August of 1980. Meetings were held throughout the nation in which representatives from CMHC, provincial housing agencies, and Native housing groups discussed the RNH Program's continuing difficulties. As a result of the consultation several major changes to the RNH Program were proposed and discussed in 1981. In January 1982, CMHC made a formal request to Cabinet for a more comprehensive program to replace the existing RNH program. The purpose of the changes was to ensure that Native people had full access to suitable and adequate housing.

The proposed comprehensive program incorporated a variety of changes to Section 40 assistance, including: unilateral funding, the provision of greater utility subsidies for energy efficient homes, and an increase in maximum mortgage payments from 25% to 30% of adjusted family incomes. RRAP assistance was to be increased and an operating subsidy provided. Proposed changes to ERP included the elimination of the requirement that clients subsequently apply for Section 40 units, the extension of the program to non-Native clients, and a shift in the program's focus toward serving elderly rural clients who do not desire to leave their homes. Administrative changes included the replacement of the Sustaining Grants program with a fee-for-service arrangement. Targets for the proportion of program benefits received by Native clients were also to be introduced.

CMHC stressed that every province would still be able to offer its own housing program with its own objectives and method of administration, but the federal program would also be available, with provinces able to "stack" their housing initiatives on the basic federal program.

CMHC's proposals were accepted by the federal government with the exception of the endorsement of full unilateral funding. Instead, the federal Minister Responsible for Housing was to negotiate with his provincial counterparts for the purpose of obtaining firm commitment and detailed agreement with respect to client and priority community selection criteria, Native targets,¹ delivery mechanisms, role of management committees, and fee-for-service arrangements. Where agreements on cost-sharing could not be reached without modifications which would intrude on federal objectives, arrangements would be made to offer the program unilaterally. The comprehensive program was adopted "in principle" by the federal Cabinet early in 1982. However, introduction of the new policies without new funding commitments effectively prevented their implementation.

The negotiations held under the 1982 Cabinet directive were not successful in establishing suitable cost-sharing agreements with the provinces. Four provinces remained unwilling to share the cost of units (British Columbia, New Brunswick, Prince Edward Island and Québec). The other provinces would accept the cost but not the priority of Native groups. Obtaining adequate federal financing for the approved changes was also slow in coming. The heating subsidy, for example, was not available until 1986, and the provision of operating subsidies to RRAP clients has never been implemented because of concern about serving fewer clients with the same level of funding.

Early in 1984, CMHC's new Minister obtained Cabinet approval of changes in the RNH Program along with a budget increase. The government accepted that full federal subsidization of the homeowner units was essential in some provinces if there was to be improvement in Native housing conditions. Since unilateral funding could not be administered under Section 40 of the NHA, which specifically covers cost-shared housing programs, other provisions of the NHA were used for this purpose. Sections 55 (Development Funding and Subsidy Assistance), 34.15 (Uninsured Direct Loans) and 56.1 (Non-Profit Assistance) served as the legal authority for homeowner/rental units. Section 40 continued to be applied in those provinces willing to cost-share.

¹ Native targets were to be negotiated with individual Provinces and Territories, but "overall, at least 50 per cent of the benefits under the program were to be allocated to native households living off-reserve." This was to be achieved by 1988.

The impetus for further changes to the RNH program came in late 1984, with the release of the federal Minister of Finance's November 8 Economic Statement. The Minister's call for the streamlining of government expenditures prompted another consultation process on housing. An extensive process of policy review resulted which included consultations with client representative groups, provinces/territories, and other interested parties. The consultation process, as well as the recommendations of the Ministerial Task Force on Program Review Relating to Housing Programs, established the foundation for the National Direction for Housing Solutions announced by the Minister responsible for Canada Mortgage and Housing Corporation in December 1985. The major social housing objective of this policy was to more responsively target federal housing resources to provide fair and effective national housing solutions for Canadians in need.

During 1986, the federal government entered into Global and Operating Agreements on Social Housing with each provincial/territorial government, with the exception of Prince Edward Island. These Agreements outlined the roles and responsibilities of each party in the planning, delivery and financing of joint social housing programs. The parties agreed to undertake a joint planning process involving three components: problem identification (assessment of housing needs, income, priority groups, and geographic targeting); selection of appropriate program instruments; and budget forecasting. As part of the joint planning process, three-year plans are prepared and updated annually. A Joint Planning and Monitoring Committee (PMC) was established in each province/territory with an Agreement in place. The PMC is responsible for conducting the joint planning process and for monitoring the implementation and achievements of the approved three-year plan.

Aside from the new administrative arrangements, the principal substantive changes to the RNH program incorporated within the new agreements were the introduction of "core housing need"¹ as the principal client eligibility criterion and the establishment of a five-year RNH Demonstration program designed to evaluate the feasibility of "self-help" approaches to the delivery of RNH

¹ Households in "core housing need" are those households who cannot afford or cannot obtain adequate and suitable accommodation without paying more than 30 per cent of their total household income or who have a need for special purpose accommodation.

homeownership units. The agreements also provided for increased emphasis on the rental and lease-purchase components of RNH. Native targets, which had been introduced in 1985, were also implemented in the 1986 Agreements. Overall, the Native target for the Rural and Native Programs (RNH, ERP, Rural RRAP and Urban Native) is set at 50 per cent of commitments.

The nature of the individual RNH programs is described in greater detail in the next section.

3. PROGRAM PROFILES

This section contains a profile of each of the rural housing programs. Each profile presents a brief description of the program, its objectives and delivery procedures. This is followed by an examination of program activity levels during the 1974-1987 period.

3.1 RNH (Homeownership/Rental/Lease-Purchase) Program

The RNH Regular program consists of homeownership, rental and lease purchase options and is the principal component of the rural housing program. In provinces which have signed cost-sharing agreements with the federal government, the program is authorized under Sections 40, 34.15 and 55 of the National Housing Act. In provinces where CMHC funds the program unilaterally, authorization falls under Sections 34.15 and 55. Section 56.1 of the NHA is also utilized for the provision of rental projects in Quebec. Sections 34.16 and 34.161 are used for the provision of annual contributions to clients. Section 37.1 provides authorization for the provision of loans to non-profit housing groups to investigate the feasibility of RNH projects.

3.1.1 RNH Program Objectives

The objectives of the RNH program are twofold: to increase the supply of housing for rural households in need and to promote client involvement in the delivery process. The objective, as formally stated in the Program Guidelines and Procedure Manual, is as follows:¹

- o "To assist Native and Non-Native households in Core Housing Need in rural areas to obtain new or existing affordable, adequate and suitable homeownership or rental housing."

The objectives of the pre-1986 program make reference to low income rather than core housing need in determining client eligibility and also include a statement concerning the promotion of client involvement. The pre-1986 objectives are listed below:²

- o "To ensure adequate housing for low income persons living in rural areas and small communities with a population of 2,500 or less; and

¹ Guidelines and Procedures Manual, Vol. 8, Mod. 11, 1987.

² Guidelines and Procedures Manual, Vol. 8, Mod. 1, 1981.

- o "To motivate and help the programs' clients to solve their housing problems through their own organization and efforts by providing them opportunity for optimum client involvement in the planning and building of the units."

In common with other social housing programs, the RNH regular program has a further objective of providing modest housing.

3.1.2 RNH Program Description

Loans to eligible RNH clients may be made under Section 34.15 of the National Housing Act to build or acquire homeownership units. Annual contributions are made through Section 34.161 to assist these clients in repaying their loans. The construction or acquisition of homeownership and rental projects by Public or Private Non-Profit Corporations and their sale or rental to eligible RNH clients may be financed under Sections 40 or 55.

Shelter payments of RNH clients are determined according to a Payments-to-Income scale.¹ For homeowner projects, the difference between the client's payments and the amortization of principal, interest, taxes and utility costs is subsidized. For rental projects, the difference between the rental revenue and the economic rent is subsidized. The amount of subsidy assistance required is adjusted annually on the basis of regular income reviews. Subsidy assistance is terminated when the household's income enables the full payment of all eligible shelter and heating costs.

Under the 1986 program, lease-to-purchase clients pay on a rental basis until full homeownership responsibilities can be assumed. Prior to 1986, a lease-to-purchase option was not available. The purchase option may be exercised any time after the first year of occupancy, providing that the client is not in arrears on rent payments, has received counselling and both understands and is willing to accept the responsibilities of homeownership, and can provide the required downpayment. The purchase option must be exercised within five years, although extensions of up to four years in total may be approved by the Active Party. Rental payments are not credited toward the new mortgage or the down payment.

¹ Under the Federal scale, RNH homeowner clients pay 25 per cent of their adjusted household income towards the monthly mortgage payments and taxes, less an allowance for eligible heating costs. Rental clients pay 25 per cent of their adjusted income towards the fully serviced rental unit. Provinces may adopt their own payment-to-income scale as long as clients do not remain in core need.

The program is delivered to residents of rural areas (with populations of less than 2,500) who are in core housing need. Since 1984, a portion of the homeowner and rental units delivered in each province or territory have been targeted to eligible Native households living off-reserve. The overall native target was set at 50%. Province specific targets are adjusted to reflect the local demographic composition of the rural client group. Native targets range from 6% in New Brunswick and Quebec to 99% in the Yukon.

RNH projects can be developed through new construction, the purchase and, if required, rehabilitation of existing housing, or the conversion of existing buildings. The requirement for modest housing is made operational through the use of Maximum Unit Prices (MUPs) which place a ceiling on eligible expenses.

In order to promote client involvement in the delivery of RNH housing, funds are provided to client representative groups to strengthen their organizational capacity for delivery. Up to 1983, this funding took the form of sustaining grants (authorized under Section 36(g)) to cover expenses for staffing, offices, travel and accommodation and the development of proposals for housing projects (up to the application stage). The sustaining grant program was replaced by a fee-for-service arrangement which was implemented in 1986 (described in the next section dealing with program operations).

To assist local client groups in the development of specific housing projects, interest free forgivable loans of up to \$10,000 per project may be extended to Private Non-Profit Corporations and local housing groups under Section 37.1 of the NHA. Eligible expenses include staffing, fees for incorporation, office and administration expenses, research and feasibility studies, options on land or property, purchase of technical skills, site selection, client selection and negotiations with other governments. Funds expended for project development are added to the total loan commitment when projects advance to the construction/acquisition phase.

3.1.3. RNH Program Operation

(a) Program Delivery

Where federal/provincial agreements are in place, either CMHC or the Provincial Housing Agency assumes the role of "Responsible" or "Active" Party and takes principal responsibility for program delivery and administration. During program delivery, the Active partner is responsible for establishing mutually acceptable program guidelines, processing applications, acquiring land, tendering construction and rehabilitation contracts, and supervising the construction of units where clients provide sweat equity.

In order to promote client involvement in program delivery, Active Parties may enter into fee-for-service agreements with client representative groups which act as official delivery agents. Delivery under the fee-for-service schedule is organized into three stages: (1) preliminary application (client application and eligibility analysis), (2) final application (pre-occupancy counseling and project implementation), and (3) post-completion (during first year of occupancy). The responsibilities and involvement of delivery agents can vary considerably, ranging from client selection only to the full range of delivery activities. The precise scope, terms, conditions, roles and responsibilities of the delivery agent are identified in the Agency Agreement. The Active Party is responsible for training, provision of information and explaining program guidelines to delivery agents and the monitoring of their performance.

RNH program funds are allocated within the geographic areas specified in the Operating Agreement and to the priority groups in accordance with the approved three-year plan. A percentage of RNH units are targeted towards Native clients.

In order to provide a forum for planning and monitoring the achievement of the native component of the RNH program, Tripartite Management Committees (TMC) have been established in each province. The Committees are comprised of senior representatives of the provincial housing agency, the provincial native organization and the provincial director/general manager of CMHC. Funds are available to provincial native organizations to enable them to participate at Tripartite Management Committees and to maintain housing expertise.

Considerable provincial variation exists in the delivery arrangements for the RNH Homeownership/Rental/Lease-to-Purchase program. These are summarized in Table 3.1.

(b) Project Administration

The responsibilities of the "Active" Party also include the ongoing administration of existing projects. Project administration responsibilities include ongoing client counseling, annual income reviews and subsidy adjustments, arrears and default counselling, and post-occupancy repairs to the units. As administrative processes for homeownership, rental and lease-to-purchase projects differ somewhat, they are discussed separately below.

(i) Homeownership

The Active Party is responsible for counseling clients concerning a variety of matters, including unit maintenance, household repairs, budgeting, mortgage/rent payment responsibilities and fire/contents/liability insurance. Clients

TABLE 3.1
PROVINCIAL VARIATIONS IN RNH DELIVERY ARRANGEMENTS.

PROVINCE	PROGRAM COMPONENT	COST SHARE (FED/PROV)	ACTIVE PARTY	NATIVE GROUP INVOLVEMENT ON TMC	NATIVE TARGET
NEWFOUNDLAND	Homeowner Rental L-T-P(5)	75/25%	Province: (Newfoundland & Labrador Housing Corp. (NLHC))	Federation of Newfoundland Indians (FNI) Labrador Inuit Assoc. (LIA)(1) Naskapi Montagnais Indian Assoc. (NMIA)(1)	22%
PRINCE EDWARD ISLAND	Homeowner Rental L-T-P	100/0%	CMHC	Native Council of P.E.I.	13%
NOVA SCOTIA	Homeowner Rental L-T-P	100/0%	CMHC	Native Council of Nova Scotia (Rural & Native Housing Corporation of Nova Scotia)	14%
NEW BRUNSWICK	Homeowner Rental L-T-P	75/25%(2)	Province: (New Brunswick Housing Corp. (NBHC))	New Brunswick Aboriginal Peoples Council (NBAPC)	6%
QUEBEC	Homeowner	75/25%	Province: (Société d'habitation du Québec (SHQ))	Alliance Autochone de Québec (Waskahegen)	100%
	Rental L-T-P	62/38%(3) 75/25%			30%
ONTARIO	Homeowner Rental L-T-P	75/25%(6)	CMHC	Ontario Métis & Aboriginal Assoc. (OMAA)	38%
MANITOBA	Homeowner	75/25%	CMHC: (North)	Manitoba Métis Federation (MMF)(1)	79%
	Rental L-T-P	75/25%	Province: (South) Manitoba Housing & Renewal Corp. (MHRC)	No Native Delivery Agent	
SASKATCHEWAN	Homeowner Rental L-T-P	100/0%	CMHC	Assoc. of Métis & Non-Status Indians of Saskatchewan (AMNSIS) through Provincial Métis Housing Inc. (PMHI)(1)	65%
		75/25% (1986 only)	SHC (1986 only)		
ALBERTA	Homeowner Rental L-T-P	75/25%(7)	Province: (Alberta Mortgage & Housing Corp. (AMHC); Alberta Municipal Affairs	Métis Assoc. of Alberta (1)	70%
BRITISH COLUMBIA	Homeowner Rental L-T-P	100/0%	CMHC	United Native Nations (BC Native Housing Corp.)	82%
YUKON	Homeowner Rental L-T-P	100/0%	CMHC	Council of Yukon Indians	99%
NORTHWEST TERRITORIES	Homeowner	75/25% 50/50%(4)	Territory: (Northwest Territories Housing Corp. (NWTMC))	No TMC	90%
	Rental	75/25%			

(1) Not affiliated with the Native Council of Canada.

(2) New Brunswick's 25% share is accounted for by the Basic Shelter Program (BSP).

(3) Québec uses several programs to deliver the rental component, with varying cost-sharing ratios: 62/38% for Public Non-Profit Housing for non-Natives and 75/25% for Public and Private Non-Profit Housing for Natives.

(4) Northwest Territories cost-shares its Housing Assistance program (HAP) on a 50/50% basis.

(5) Lease-To-Purchase.

(6) Program delivered under 1979 RNH Enabling Agreement.

(7) Subsidy only. 100% capital provided by province.

are initially counseled prior to occupancy. Follow-up visits to homeowner clients occur upon occupancy, after six months has elapsed and, once again, after one year (in conjunction with an inspection for the home warranty). Additional counseling is provided to all clients as deemed necessary, on an individual basis. For example, when a homeownership client is in the early stages of default, they are counselled on the implications of continued arrears leading to the loss of their property. Emphasis is placed on helping households to meet their monthly mortgage payment obligation. Loans are declared due and payable when arrears are equal to three monthly payments.

When a homeownership unit is voluntarily vacated or is repossessed (due to ongoing arrears), the unit may be recycled to accomodate another eligible client. In the event that the unit is recycled, necessary repairs may be undertaken to bring the unit up to program standards. Where a suitable client cannot be located, the unit may be sold on the open market.

Although homeownership clients are responsible for the ongoing maintenance and repair of their units, post-occupancy repairs of up to \$10,000 per unit are authorized under the program where they are required to correct defects in workmanship or materials and are not covered by a home warranty program. Post-occupancy repairs are generally intended to be completed within five years of the initial sale of the unit although repairs after five years are permitted where justified. In 1988, remedial repairs may also be done where needed and justified.

(ii) Rental

In addition to the administrative responsibilities common to both homeownership and rental projects (i.e. client counseling, annual income and subsidy reviews, post-occupancy repairs), Active Parties managing rental projects have a number of further responsibilities. Active Parties are responsible for entering into lease agreements with eligible clients and for the collection of rents. They are also responsible for ensuring that rental projects are maintained in a good state of repair and for conducting regular on-site physical inspections (at least once a year). Where required, expenditures on modernization and improvement are included under eligible project operating expenses for cost-sharing purposes.

The ongoing operation of rental projects may be undertaken by a management group other than the Active Party. Such management groups may include Local Housing Authorities, Local Housing Groups, property management firms or other such bodies, subject to criteria established by the Planning and Monitoring Committee. The precise responsibilities of the management group (e.g. rent collection, client selection, execution of leases, annual income verification, post-occupancy counseling,

maintenance and repairs) are determined through negotiations with the Active party. Any project administration responsibilities not explicitly delegated to the management group will be undertaken by the Active Party. The Active Party also remains responsible for ongoing supervision of the rental operation by the management group.

(iii) Lease-To-Purchase

As with the rental component, active parties enter into lease agreements with occupants for periods not exceeding 12 months. Leases include provisions for income verification, rent charges and payment adjustments. In the case of lease-purchase occupants, leases also include the terms of the lease-purchase option and client responsibilities for regular unit maintenance.

Lease-purchase clients are required to assume responsibilities for regular maintenance of their units (e.g. yard/lawn maintenance, snow removal, minor plumbing repairs etc.) within the first year of occupancy. Maintenance may be undertaken by the Active Party during the first year if clients do not possess the resources or equipment to fulfill these responsibilities immediately upon occupancy. The ability of lease-purchase clients to properly maintain their units is one of the factors considered in permitting them to exercise the purchase option.

3.2 RNH Demonstration Program

The RNH Demonstration Program was initiated in 1986, as an experimental approach to self-help housing in rural areas. The program is authorized under Section 37(1)(i) of Part V of the National Housing Act which permits the Corporation to undertake projects which are experimental in nature in the formulation and implementation of housing policy. It is intended to evaluate the effectiveness of the delivery of rural and Native ownership housing through client "self-help". The program is scheduled to deliver a total of 500 housing units to qualified applicants in rural areas over a five year period, beginning in 1986.

3.2.1 RNH Demonstration Program Objectives

The purpose of the RNH Demonstration Program is to determine whether a house construction program in rural areas, based on self-help volunteer labour, is a feasible means of providing sound housing for low-income households. The objectives of the RNH Demonstration Program, as formally stated in the operational guidelines, are listed below.¹

¹ Rural and Native Demonstration Program Operational Guidelines, 1987.

- o To evaluate the effectiveness of the delivery of rural and native ownership housing through client self-help with regard to:
 - using local volunteer labour to construct the units;
 - providing supervision and training through on-site construction management;
 - providing an up-front forgivable loan for materials, services and land (where required);
 - motivating households to solve their housing problems through their own organization and efforts; and
 - reducing long term dependency on government subsidized housing.
- o To research and develop "building kits" and other systems which lend themselves to simplified erection procedures and self-help labour. For the purposes of the Demonstration Program, "building kits" are defined as packaged building systems which include pre-cut, partially pre-assembled components, complete with laymen's instructions.

3.2.2 RNH Demonstration Program Description

The RNH Demonstration Program provides building materials and construction supervision to homeowners in core need in rural areas so that they may construct their own homes. Housing kits are supplied which lend themselves to simple erection and the use of unskilled labour. Construction is undertaken using volunteer labour provided by the client, including relatives, friends and other community members. Supervision for this task is provided by the program through a construction manager. Skilled subtrades may be used where required for health and safety reasons.

Project costs are financed by the Corporation and are acknowledged by the homeowner in the form of a signed promissory note or forgivable mortgage. Where projects are developed on land which the client does not own outright or on Crown land, indebtedness is forgiven at a rate of 20 per cent annually, allowing outright ownership of the dwelling by the homeowner in five years. Where projects are located on owned land, the indebtedness period is extended to 25 years. In order to qualify for the annual forgiveness, the homeowner must occupy the dwelling and demonstrate that it is being adequately maintained. Otherwise the homeowner has all the usual rights of ownership.

Eligible communities must be off-reserve and remote or isolated, having populations of no more than 2,500 people with preference given to communities with no existing CMHC homeownership or rental programs. Communities situated away from housing markets are preferred for the program. Clients must be in core housing need, however income limitations are applied to exclude families too poor to maintain a dwelling without an ongoing subsidy. Clients must build their house through their own efforts and with the help of volunteers (friends, family).

The program is funded solely by CMHC except for projects in Alberta where the provincial government takes the lead role in the development of projects. Alberta delivers its unit allocations through its existing Rural Home Assistance Program (RHAP). Alberta provides 25% of the funding required; CMHC provides the remaining 75%. The Yukon government also cost-shared Demonstration units with CMHC on a 75/25 basis in 1986, but not in 1987 or 1988. The Demonstration Program is not delivered in the Northwest Territories, since CMHC co-funds a similar program with the territorial government (the Homeownership Assistance Program (HAP)) under the RNH Program. Several HAP units were included in the 1986 monitoring process, undertaken as part of the Demonstration Program, to compare delivery procedures.

3.2.3 RNH Demonstration Program Operations

The program is delivered by CMHC. The Corporation informs the provincial housing corporations and other Rural and Native Delivery Agents of Demonstration Program activity. Prior to the delivery of Demonstration units, consultations are undertaken with a variety of interested parties in the communities under consideration. Groups consulted in this manner include: Métis, Inuit and Non-Status Indian Associations; Provincial and Territorial housing authorities; Municipal Councils and concerned groups in the communities involved; and local offices of federal MPs.

Once suitable communities have been identified, clients are selected on the basis of the established eligibility criteria. Prior to selection and signing of agreements, clients are counselled to ensure that they are fully aware of their responsibilities under the program and to aid them in making wise decisions with respect to house design, construction materials and siting. Once selected, clients are encouraged to participate in locating a site for their homes and are given the responsibility for clearing and landscaping the building site. A variety of standard house plans are provided, to which the client may propose modifications. The client is responsible for providing the labour and basic construction tools required. The program provides a construction manager to manage the project and provide the basic training necessary for the completion of

the project. Where required for skilled work involving health and safety, subtrades are also provided. After completion of construction, the homeowner is fully responsible for the maintenance and operation of the house. Post-occupancy counselling is provided to the homeowner as required.

Annual monitoring of the delivery of Demonstration units is an integral part of the program. The monitoring process involves conducting visits to project sites across the country and the preparation of case studies which document the delivery approach taken, client characteristics, project costs, quality of construction, client ability to afford operating and maintenance costs and community attitudes/acceptance of the program.

3.3 Emergency Repair Program (ERP)

Prior to 1985, the Emergency Repair Program was authorized under Section 36 (g) of the National Housing Act. Amendments to the NHA in 1984 created a new section 34.121 as authorization for the program.

3.3.1 Emergency Repair Program Objectives

The Emergency Repair Program was originally designed to respond to urgent repair requirements on a short term basis, pending the implementation of more extensive rehabilitation or supply of replacement housing under the RNH program. The current objective of ERP makes no reference to the linkage to other program components. Specifically, the objective of ERP is:¹

- o to assist households in core housing need in rural areas by providing assistance for the urgent repair of existing housing that is a threat to occupants' health or safety.

3.3.2 Emergency Repair Program Description

ERP provides one-time grants to rural households for the completion of emergency repairs which are required for the continued safe occupancy of their units. The program is available for principal dwellings which cannot qualify under the Residential Rehabilitation Assistance Program, either because of excessive repairs or prohibitive costs beyond RRAP limits or standards. Repairs are intended to be limited to items urgently required to render the units fit for human habitation, rather than to restore housing to minimum property standards. Maximum contributions are \$1,500 in southern areas, \$2,500 in northern areas, and \$3,800 in remote northern areas.

¹ Federal/Provincial Operating Agreements on Social Housing, Schedule A, Emergency Repair Program.

The Emergency Repair Program is funded wholly by CMHC, with the exception of Quebec, Newfoundland and the Northwest Territories. The Quebec government provides 25% of the funds for Native recipients of ERP grants and 50% of the funds for non-Native clients. The governments of Newfoundland and the Northwest Territories provide 25% of the ERP funding in their jurisdictions.

As with the RNH housing supply programs, eligibility for ERP assistance is restricted to households living in off-reserve rural areas. Eligible clients must also be homeowners or occupiers who are disadvantaged¹ and are in Core Housing Need.

3.3.3 Emergency Repair Program Operation

Delivery agents, including provincial Native organizations acceptable to CMHC and the province concerned, if applicable, are involved in the planning and delivery of ERP assistance. Program delivery is conducted in two phases. In the first phase, delivery agents counsel potential clients, receive and review client applications, conduct initial inspections to determine repair requirements, estimate the costs of required repairs and forward their recommendations concerning applications to the Active Party.

Once applications are approved by the Active party, the second phase of program delivery commences. Because of the urgent nature of the repairs, the work is to commence within 60 days following commitment and be completed within 90 days of the commitment date. During this phase, the delivery agent assists the client in obtaining materials and labour estimates from contractors and building materials suppliers, recommends disbursements of funds for repairs and conducts final inspections to ensure that the work has been satisfactorily completed.

As is the case for the RNH program, Emergency Repair Program funds are allocated within the geographic areas specified in the 1986 F/P Operating Agreements and to the priority groups in accordance with the approved three-year plans. A minimum percentage of the initial federal ERP budget allocation is targeted towards Native clients. The achievement of native targets is monitored by the Tripartite Management Committee.

¹ Disadvantaged persons are defined as those persons who have housing needs as a result of age, infirmity, other disability or insufficient household income that do not permit or enable them to acquire housing accommodation adequate for their household needs on the current housing market.

3.4 RNH Training Programs

In association with the objective of producing housing, the RNH programs train Native people in RNH programs administration, and in the provision and maintenance of dwelling units for Native clients. There are three training programs which are to ensure that Natives have sufficient technical and administrative knowledge about the planning, development and on-going management of housing to ensure their full participation in the RNH programs. They include:

- o the RNH Native Cadre Program,
- o the RNH Secondment Program, and
- o the RNH Client Training Program.

Since the RNH Training Programs were introduced in 1974, their objectives and operation have remained substantially unchanged until the signing of the Federal/Provincial Social Housing Agreements in 1986. The features which were changed as a result of the new policy are highlighted as part of the following descriptive profiles.

3.4.1 Native Cadre Program

(a) Native Cadre Program Objectives¹

The Native Cadre Program assists selected Native persons to receive housing-related professional training through work experience and to obtain permanent employment in the housing field in order to:

- o enable them to gain the necessary knowledge and skills to assist their Native communities and organizations to develop and conduct their own housing programs and to achieve their housing goals;
- o provide Natives with employment and career opportunities within CMHC, Provincial Housing Agencies, other government agencies, non-profit organizations, or the private sector; and
- o increase the number of trained Native personnel in the Canadian work force.

¹ Objectives for all of the RNH Training Programs are contained in Guidelines and Procedures Manuals, Vo.1. 8, Mod. 11.

The only major change to the Native Cadre Program objectives since 1974 has been the replacement of 'representation' with 'number' of trained Native personnel in the work force.

(b) Native Cadre Program Description

In operation since the beginning of the RNH Programs in 1974, the Native Cadre Program is funded under Part V of the National Housing Act. Under Section 36 of the Act, CMHC undertakes activities to augment information and understanding related to improving housing conditions.

Native trainees are hired on a short-term, contract basis to work with the Active Party and/or the delivery agent to learn about the administrative as well as technical aspects of housing delivery. Recruits become familiar with the operation of one or more of the RNH programs (RRAP/ERP/RNH), the On-Reserve programs and the Urban Native program plus the procedures and techniques related to housing production and maintenance including: general field work (e.g. housing needs assessment, etc.), home/client counselling, general inspections, delivery agent administrative responsibilities and housing project administration, land acquisition and inspection, and Housing Development Officer (field worker) training (e.g. communication and analytical skills).

(c) Native Cadre Program Operation

The Native Cadre Program employs people of Native origin (Inuit, Metis, Status, Non-Status) for up to one year in the office of the Active Party and/or the Native delivery agent undertaking a high volume of RNH activity. In addition to meeting the ethnicity requirement, trainees are to have a good knowledge of the Native clients they represent and possess an aptitude for acquiring technical as well as social skills.

Together, the delivery agent and Active Party specify training and related budget requirements each year for the Native Cadre Program. Input is also sought from the RNH Tripartite Management Committee. Budget approval and the overall administration of the program is the responsibility of the RNH Group at CMHC's National Office.

The delivery agent identifies needs and provides the name(s) of candidates. A training plan is developed by the Active Party, although in instances where the delivery agent provides work experience, the agent also contributes to the development of the training plan. Recruitment may be undertaken by the Active Party where that group sees a special training need. Regardless of how potential participants are nominated, final selections

are a joint delivery agent/Active Party effort, based on mutually agreed upon criteria and are approved by the Tripartite Management Committee. The costs of the Native Cadre Program are shared by CMHC and the Provincial Housing Agency except where the Cadres work on unilaterally funded federal programs such as CMHC's On-Reserve housing programs.

Cadre employees are not simply to supplement the work of others. Training consists of on-the-job experience to learn about and contribute to the delivery and administration of the RNH Programs, including attending local/provincial housing seminars and workshops.

The work of Cadre participants is monitored by the training office and evaluated by the Active Party with input from the delivery agent at the end of each contract period. In turn, the Cadre trainees provide an assessment of their work experience to the Active Party.

Where trainees have been recommended by the delivery agent, it is the agent's responsibility to permanently employ the Cadre. The Active Party assists Cadre graduates whom they have recruited to find work in either one of their own offices, with the delivery agent, other government agency or in a housing-related area in the private sector. If employment cannot be found in one of these agencies, the Active party helps Cadre graduates to apply for a job through the local Canada Employment and Immigration Centre office.

3.4.2 RNH Secondment Program

(a) RNH Secondment Program Objectives

In addition to educating Native people through contract employment, RNH training funds may be used to loan Native or non-Native professionals to Native housing groups for completing specific tasks. The objectives of the RNH Secondment Program are:

- o to provide professional assistance to RNH delivery agents/groups to enable them to develop their capability to deliver housing which meets the housing needs and aspirations of the client they represent; and
- o to provide RNH delivery agents/groups with the maximum possible opportunity to identify and satisfy client's housing needs through their own organization and efforts.

(b) RNH Secondment Program Description

Under the RNH Secondment Program, Native delivery agents/groups which lack management or technical expertise may receive short-term professional assistance. Regular or contract employees of the Active Party or independent consultant specialists work with the groups to complete specific jobs, usually within six months.

Management assistance includes advising on RNH program delivery/administration including: goal setting, Annual Delivery Plan preparation, personnel and financial duties; making organizational improvements; and helping in housing project delivery. Specialist support may be obtained for housing design or construction work, the inspection of newly built or renovated housing, housing-related financial management and pre and post-occupancy counselling.

(c) RNH Secondment Program Operation

Assistance is available in those Provinces/Territories where a delivery agent/group is involved, or about to become involved, in the delivery of the RNH Programs. Agents/groups second professionals by first identifying the type of assistance they require and the terms and conditions of the employment (e.g. purpose, duration, job description). Once endorsed by the RNH Tripartite Management Committee, the secondment request is reviewed by the Active Party which has the responsibilities of final approval, selection and hiring, and contract extensions. The costs of the RNH Secondment Program are shared by CMHC and the Provincial Housing Agency where included under the Operating Agreement.

The assessment of requests for secondment assistance is based on the type of delivery responsibilities of the group and the volume of RNH activity they undertake, as well as the nature and availability of the expertise they require compared to their current level of knowledge or skills.

There are three types of employee secondments under the RNH Secondment Program: CMHC regular employees, CMHC contract employees and consultants. The secondment of CMHC professionals is a regular part of the Corporation's staffing policy. When external consultants are hired, the Corporation pays for salaries on a per diem basis under Part V of the NHA.

In contrast to the design of the program when first introduced, there is now no requirement for a follow-up evaluation of secondment personnel by CMHC or Native housing group staff.

3.4.3 RNH Client Training Program

(a) RNH Client Training Program Objectives

RNH Client Training funding is provided to local housing groups/RNH clients so that they may develop the knowledge or skills to:

- o develop and conduct their housing initiatives within the RNH programs parameters;
- o produce/administer housing efficiently, at costs acceptable to the governments involved; and
- o prepare priority client groups to assume the benefits and responsibilities of RNH programs housing assistance.

With the change in emphasis to rental and lease-purchase assistance in 1986, one of the objectives of providing RNH Client Training funding was broadened from supporting the responsibilities of homeownership such as counseling occupants about mortgage payment responsibilities to providing more general housing assistance which would also be of benefit to renters.

(b) RNH Client Training Program Description

Whereas the Native Cadre and RNH Secondment programs pay the salaries of trainees or professional advisors, RNH Client Training funds are used primarily for meetings and course-related expenses incurred by members of local housing groups. Training activities which help resolve a work performance problem or otherwise improve the operation of the group are eligible. For example, training in skills or program knowledge required as a result of CMHC-initiated program delivery or administration changes would qualify for assistance.

Types of expenses include: meeting costs (travel, room/equipment rental, materials/supplies); the costs for developing, preparing and distributing special RNH program material and information aids; and the purchase of the services of educational institutions for curriculum development for RNH training and for other special courses.

(c) RNH Client Training Program Operation

With the concurrence of the RNH Tripartite Management Committee, local housing groups submit their RNH Client Training budget and material requirements to the Active Party for approval as part of the Provincial/Territorial Annual and Three Year Plans. The

costs of the RNH Client Training Program are shared by CMHC and the Provincial Housing Agency where included under the Operating Agreement.

RNH Client Training requests are evaluated in terms of the housing group's requirement and ability to pay for the additional knowledge or skills compared to their existing resources. Also considered are the group's ability to participate in the training and its likely impact on their delivery of the RNH programs or the operation of RNH projects, based on their involvement in these programs.

3.5 RNH Programs Activity Levels

Tables 3.2 to 3.7 document activity levels achieved under the rural housing programs currently under review.

Table 3.2 presents information regarding the RNH Program and the Emergency Repair Program. After experiencing a slow start in 1974, activity under Section 40 grew substantially during the 1975-78 period. The highest annual activity levels were achieved in 1977, with 2308 units being committed. Activity slowed somewhat between 1978-85, rising once again in 1986 and 1987. Overall, between 1974 and 1987, 21779 RNH units were committed. Commitments between 1974 and 1987 amounted to roughly \$822M.

The highest annual activity recorded under the Emergency Repair Program was in 1975, with 2093 grants being delivered involving just over \$3M. The lowest levels of activity were recorded in 1977, 1981, 1985 and 1986. Overall, between 1974 and 1987, 18637 units were repaired under ERP, involving an expenditure of roughly \$27M.

Table 3.3 provides a provincial breakdown on RNH and ERP units committed between 1974 and 1987. The greatest number of RNH units are located in Newfoundland (3878 units or 18.4% of the total). Large portfolios of RNH units are also found in Saskatchewan and Ontario, accounting for 17% and 14% of the total, respectively. ERP activity has been greatest in the prairie provinces, which collectively account for 44% of the units repaired under this program.

TABLE 3.2
RURAL AND NATIVE HOUSING PROGRAM
UNITS COMMITTED, 1974-1987

SEC 40/55/34.15/56.1 (1)			ERP	
YEAR	UNITS	\$000(2)	UNITS	\$000
1974	12	288	1961	2763
1975	1732	31791	2093	3113
1976	1696	42937	1526	2018
1977	2308	62606	874	775
1978	1935	57257	1350	1864
1979	1560	48793	1266	1455
1980	1545	50482	1281	1499
1981	1347	42757	866	1152
1982	1422	49831	1280	1753
1983	1162	41518	1386	1791
1984	1474	53268	1961	3248
1985	1384	78033	830	1699
1986	2267	122166	844(3)	1688
1987	1935	140480	1119(3)	2237
1974-1987	21779	822207	18637	27055

NOTE: (1) Included in these figures are 1350 S.40 AHOP units in Newfoundland, 396 HAP units in the Northwest Territories, 166 BSP units in New Brunswick and 100 S.56.1 units in Quebec.

(2) Does not include dollars for BSP units.

(3) Estimates only for number of ERP units in 1986 and 1987.

SOURCE: Rural and Native Housing Group

TABLE 3.3
RURAL AND NATIVE HOUSING PROGRAM
UNITS COMMITTED, 1974-1987

PROVINCE	SEC 40/55/34.15/56.1(1)		ERP (2)	
	UNITS	(%)	UNITS	(%)
NEWFOUNDLAND	3878	17.8	1363	7.3
PRINCE EDWARD ISLAND	111	0.5	101	0.5
NOVA SCOTIA	1972	9.1	1945	10.4
NEW BRUNSWICK	1765	8.1	306	1.6
QUEBEC	854	3.9	1334	7.2
ONTARIO	3036	13.9	1973	10.6
MANITOBA	2646	12.1	2383	12.8
SASKATCHEWAN	3636	16.7	3492	18.7
ALBERTA	1634	7.5	2252	12.1
BRITISH COLUMBIA	1366	6.3	1682	9.0
YUKON	25	0.1	805	4.3
NORTHWEST TERRITORIES	856	3.9	1003	5.4
CANADA	21779	100.0	18637	100.0

NOTES: (1) Included in these figures are 1350 S.40 AHOP units in Newfoundland, 396 HAP units in the Northwest Territories, 166 BSP units in New Brunswick and 100 S.56.1 units in Quebec.

(2) Estimates only for number of ERP units in 1986 and 1987.

SOURCE: Rural and Native Housing Group

TABLE 3.4
HOUSING TENURE OF RNH COMMITMENTS, 1974-87

PROVINCE	PERIOD	OWNED (%)	RENTAL (%)	L-T-P (%)	# OF UNITS
NEWFOUNDLAND	1974-79	100.0	0.0	N/A	2085
	1980-85	100.0	0.0	N/A	1573
	1986-87	41.4	58.6	0.0	220
PRINCE EDWARD ISLAND	1974-79	65.8	34.2	N/A	38
	1980-85	100.0	0.0	N/A	17
	1986-87	26.8	62.5	10.7	56
NOVA SCOTIA	1974-79	100.0	0.0	N/A	729
	1980-85	100.0	0.0	N/A	979
	1986-87	78.8	2.7	18.6	264
NEW BRUNSWICK	1974-79	100.0	0.0	N/A	674
	1980-85	100.0	0.0	N/A	645
	1986-87	67.7	14.1	18.2	446
QUEBEC	1974-79	--	--	N/A	0
	1980-85	0.0	100.0	N/A	100
	1986-87	17.8	82.2	0.0	754
ONTARIO	1974-79	95.7	4.3	N/A	1013
	1980-85	85.6	14.4	N/A	1443
	1986-87	95.5	0.0	4.5	580
MANITOBA	1974-79	76.7	23.3	N/A	1230
	1980-85	70.4	29.6	N/A	1113
	1986-87	6.9	86.5	6.6	303
SASKATCHEWAN	1974-79	100.0	0.0	N/A	1940
	1980-85	99.4	0.6	N/A	1298
	1986-87	10.6	89.4	0.0	398
ALBERTA	1974-79	100.0	0.0	N/A	569
	1980-85	100.0	0.0	N/A	907
	1986-87	100.0	0.0	0.0	158
BRITISH COLUMBIA	1974-79	100.0	0.0	N/A	926
	1980-85	100.0	0.0	N/A	176
	1986-87	54.9	4.5	40.5	264
YUKON	1974-79	0.0	100.0	N/A	4
	1980-85	100.0	0.0	N/A	7
	1986-87	100.0	0.0	0.0	14
NORTHWEST TERRITORIES	1974-79	100.0	0.0	N/A	35
	1980-85	100.0	0.0	N/A	76
	1986-87	53.2	46.8	0.0	745
CANADA	1974-79	96.3	3.7	N/A	9243
	1980-85	92.3	7.7	N/A	8334
	1986-87	49.5	43.6	6.9	4202

SOURCE: Rural and Native Housing Group

NOTE: Housing tenure data pertain to the time of original commitment and may not accurately represent the current tenure profile of the RNH portfolio. Estimates only for tenure of 1985 Commitments.

TABLE 3.5
CHARACTERISTICS OF RNH UNITS COMMITTED, 1980-87

PROVINCE	PERIOD	NEW (%)	EXISTING (%)	# OF UNITS
NEWFOUNDLAND	1980-85	47.3	52.7	1356
	1986-87	77.0	23.0	61
PRINCE EDWARD ISLAND	1980-85	57.1	42.9	14
	1986-87	100.0	0.0	1
NOVA SCOTIA	1980-85	84.1	15.9	753
	1986-87	82.5	17.5	143
NEW BRUNSWICK	1980-85	86.5	13.5	489
	1986-87	98.2	1.8	114
QUEBEC	1980-85	100.0	0.0	1
	1986-87	--	--	0
ONTARIO	1980-85	73.4	26.6	1215
	1986-87	77.1	22.9	328
MANITOBA	1980-85	91.7	8.3	822
	1986-87	75.0	25.0	13
SASKATCHEWAN	1980-85	99.6	0.4	777
	1986-87	100.0	0.0	1
ALBERTA	1980-85	85.1	14.9	905
	1986-87	85.2	14.8	108
BRITISH COLUMBIA	1980-85	66.2	33.8	160
	1986-87	37.4	62.6	92
YUKON	1980-85	66.6	33.3	9
	1986-87	71.4	28.6	21
NORTHWEST TERRITORIES	1980-85	28.1	71.9	32
	1986-87	0.0	100.0	1
CANADA	1980-85	76.8	23.2	6533
	1986-87	77.0	22.5	883

SOURCE: DPD Files. The number of observations available for P.E.I, the Yukon and Northwest Territories is very small and may not provide reliable proportions of the new/existing stock.

Table 3.4 illustrates the tenure characteristics of the RNH stock. The data provided illustrate the dominance of homeownership units within the overall RNH stock. However, the percentage of units committed as rental has increased over the 1974-85 period. New emphasis on rental and the initiation of the lease-to-purchase option was brought about coincident with the 1986 Agreements.

The data contained in Table 3.5 indicate that the majority of RNH units were created through construction (as opposed to acquisition). Acquisition of existing housing under the RNH Program appears to have been most prevalent in the Northwest Territories, British Columbia, Newfoundland and Prince Edward Island.

The RNH Demonstration Program is scheduled to deliver a total of 500 housing units to rural areas over five years, beginning in 1986. Table 3.6 illustrates the units delivered in 1986 and 1987 and allocated in 1988 by region.

TABLE 3.6
RNH DEMONSTRATION UNITS BY REGION

REGION	1986 ACTUAL	1987 ACTUAL	1988 PROPOSED
ATLANTIC	28	28	25
QUEBEC	16	15	15
ONTARIO	8	10	15
PRAIRIES	26	35	30
B.C.	18	10	15
CANADA	96	98	100

SOURCE: Project Implementation Division, CMHC

Table 3.7 records annual expenditures under the RNH Training Programs during the 1974-87 period. The Native Cadre Program accounted for the majority of funds expended, followed by the Secondment program. Activity under the Secondment Program has fallen over the course of the 1980-87 period.

TABLE 3.7
RNH TRAINING PROGRAMS
ANNUAL EXPENDITURES OF PART V GRANTS, 1974-1987

YEAR	PROGRAM		
	NATIVE CADRE	SECONDMENT	CLIENT TRAINING & MATERIALS
1974	\$ 151 669	\$ 61 225	\$ 43 809
1975	98 854	79 630	538 463
1976	243 920	209 134	160 357
1977	287 004	104 916	164 416
1978	452 593	180 524	100 778
1979	493 522	251 389	111 670
1980	347 697	302 081	83 320
1981	662 217	264 652	136 918
1982	603 752	223 200	180 748
1983	856 688	166 266	153 814
1984	894 075	267 486	124 756
1985	235 478	174 008	89 746
1986	353 218	97 324	13 098
1987	917 976	99 295	128 780

SOURCE: Financial Services Division, 1988.
Rural and Native Housing Review, Program Evaluation
Unit, 1980.

3.6 Other Rural Housing Programs

Some provinces/territories operate rural housing programs which are distinct from the programs described above. Alberta, for example, operates its Rural Housing Assistance Program and Rural Emergency Home Program on a unilateral basis, without cost-sharing. In Nova Scotia, the province operates a variety of unilateral housing programs which have no geographic restrictions and, hence, serve rural residents. Such programs contribute to meeting housing needs in rural areas. While these programs are not included as part of this evaluation study, their contribution to meeting the housing needs of rural and Native Canadians will be taken into account.

It must also be recognized that other housing programs, not normally considered to be rural in nature, have made contributions to meeting housing needs in rural areas. Perhaps the best example is the Public Housing Program under which approximately 18,000 units (9 per cent of the total) have been delivered in communities of 2,500 population or less. Another example is in the Province of Québec where non-profit housing units were provided in rural communities of 2,500 or less under the same program that provided units in urban areas. The contribution of such programs to meeting housing needs in rural areas will be taken into account in the evaluation.

4. EVALUATION ISSUES

In this section of the assessment report, issues are identified for inclusion in the evaluation study of the rural housing programs. The evaluation issues have been grouped into five broad categories:

- o The first group of issues, Program Rationale, examine the continuing need for the programs.
- o Objectives Achievement issues assess whether the programs have achieved their objectives.
- o The third group examines Program Impacts and Effects which are the other intended and unintended results of the programs.
- o Issues of Program Design and Delivery examine the affect of specific features of the programs as they relate to the achievement of the objectives.
- o Program Alternatives issues examine whether there are other ways of achieving the objectives of the programs.

For each issue, a discussion of the reasons for examining the issue and potential analysis methods is presented.

This section identifies a large number of issues covering a wide range of subject matter. It should be understood that not all issues will receive the same amount of attention in the evaluation study. The evaluation will focus on two key areas. First, much of the evaluation effort in terms of data collection and analysis will deal with the RNH Homeowner, Rental and Lease-to-Purchase programs. Second, the performance of the RNH Demonstration Program is of primary importance since it constitutes a potential alternative to the regular RNH program.

The various issues identified may be more relevant in some provinces/territories than in others. Although the evaluation is national in scope, analysis of these issues will be conducted so as to illustrate and account for regional differences in program performance.

PROGRAM RATIONALE ISSUES

Program rationale issues address fundamental questions concerning the basis for the programs. The most basic issue to be addressed is whether the need which gave rise to the programs still exists and whether there exists a continuing need for the programs. This would include an examination of changes or differences in the magnitude and nature of the need for the programs currently and at the inception of the programs. The rationale review also examines the relationship between the design of the programs and the program objectives. Specifically, the existence of logical links between the major design features of the programs and the achievement of the program objectives are examined.

1. What is the magnitude and nature of housing problems in rural areas? Is there still a need for housing assistance for rural households?

The Rural and Native Housing programs were introduced in 1974 in recognition of the poor housing conditions experienced by households in rural Canada and the lack of available means for low-income rural households to improve their housing conditions. Regardless of the effectiveness of the programs, there are still likely to be rural households living in poor housing conditions which they are unable to improve.

The nature and magnitude of housing problems in rural areas can be determined using a number of indicators of housing affordability, adequacy and suitability. The core need concept, as the definition of need used for the 1986 F/P Social Housing Programs, would be examined, both in terms of the identified need and in relation to other measures of need. These indicators could also be examined to determine if and how the housing problems in rural areas differ from those in urban Canada and the extent to which rural households continue to be unable to access solutions to their housing problems. Distinctions among remote, northern and southern rural areas in the types of housing problems experienced can also be examined.

2. Is there a continuing need for programs to assist Native organizations and individuals to be involved in the delivery and management of housing programs and units?

RNH training programs (Native Cadre, RNH Training and RNH Secondment) were put in place in 1974 when the RNH programs were initiated. These training programs responded to the lack of expertise and experience with housing, housing programs and government among Native groups and individuals. Despite the progress made since 1974, there may still be a requirement for

Native training. The evaluation will determine the current availability of expertise and experience among Native groups and Native individuals.

3. Are the concepts and responsibilities of homeownership, lease-to-purchase and rental tenure (maintenance, mortgage or rent payment) appropriate to the social, economic and cultural situation of households in need in rural and remote areas?

The basis of the assistance provided under the rural programs is a concept of shelter and a set of roles and responsibilities which is based on a southern, urban model. This model has been adapted over time through program design modifications. However, it has been suggested by program delivery staff, clients and others working with rural and Native households in need, that these basic concepts may be inconsistent with the social, economic and cultural realities of the clients and their communities.

One source of inconsistency frequently cited is the virtual non-existence of an economic base and housing market in many rural and remote communities. Much of the population receives most of their income through social assistance, supplemented where possible by seasonal labour, hunting, trapping and fishing, mostly on a cash or trade basis. For these households, making regular payments for shelter, even if financially possible, may not be consistent with local economic practice. The absence of an active housing market may reduce the market value of the dwelling, often to the point where there is no incentive for homeowners to continue to make payments.

4. Is the minimum level of housing services provided under the RNH and Demonstration programs consistent with the expectations and needs of rural and remote households?

A potential inconsistency is the design and construction of the house itself, which may not be compatible with a rural or remote concept of shelter and the actual requirements of the clients. While most people involved with the programs point to dramatic improvements in the appropriateness of design and construction of rural and native units during the past five to ten years, many examples of poor or inappropriate design and construction have been suggested by program staff and clients.

This issue investigates the appropriateness of the standards of design, construction and facilities specified by the programs. For example, the designs often utilize mechanical equipment and building techniques with which clients, and local tradespeople, are unfamiliar and not capable of operating or maintaining. The dwellings often lack suitable storage and preparation facilities for hunting, trapping and fishing or simply for the additional

food and clothing storage required by winter conditions. Many clients have indicated a preference for unserviced or unfinished dwellings (either for lifestyle or financial reasons) or other requirements for servicing and facilities which are incompatible with the minimum standards defined for the programs.

5. Does the design of the RNH programs reflect their intent and logically lead to the achievement of their objectives?

This issue examines the logical links between program design features and the achievement of program objectives. For example, logical links to the provision of adequate and suitable housing under the RNH program are evident in the application of design guidelines and NHA standards. However, use of the payment to-income scale may not ensure the provision of affordable housing in remote areas where living costs are high and incomes are generally low. With regard to ERP, there is a question of whether current assistance levels are adequate to remove immediate threats to health and safety.

OBJECTIVES ACHIEVEMENT ISSUES

In this section, evaluation issues related to the achievement of the objectives of the programs are identified. The current program objectives will be used to evaluate post-1985 activity under the programs. For pre-1986 commitments and for the administration of the existing portfolio of units, where appropriate, both the current and previous objectives will be assessed. While it will not be appropriate in all cases to measure past program performance against current program objectives, most of the program changes were revisions and modifications to existing program design features or elements and not fundamental changes in program objectives.

The RNH Programs have a number of explicit and implicit objectives which have been described in the program profiles section of this report. These can be summarized as: providing assistance to households in need; providing adequate, affordable and suitable housing; and increasing client involvement and skills. Some of the specific objectives apply to most or all of the programs, for example, targeting to households in need, cost effectiveness, community involvement. Others are specific to one program only: for example, client participation in dwelling construction (RNH Demo) or removal of immediate threats to health and safety (ERP).

The RNH Demonstration Program was introduced as an experiment to evaluate the effectiveness of delivering rural and native ownership housing through a "self-help" approach. In addition to the objectives of RNH homeownership, the demonstration program has three other objectives. These are to motivate households to solve their housing problems through their own organization and efforts (an original objective of the 1974 RNH Program); to reduce long-term dependency on government subsidized housing; and to research and develop "building kits".

6. Are households assisted under the programs households in need?

The RNH Programs, as part of the 1986 Federal/Provincial Agreements on Social Housing, are targetted to households in core need. These are households who cannot afford or cannot obtain adequate, suitable accommodation without paying 30 per cent or more of their income for shelter and who experience either an affordability, adequacy or suitability problem. Prior to 1986, RNH and ERP were targetted to low-income persons living in rural areas; there was no RNH Demonstration program.

It is important to determine the effectiveness of the overall targeting approach for the programs because a number of eligibility criteria can be used. Generally, to be eligible for assistance, the household's income must fall below the core need income threshold for its size and geographic location. However, a limited number of clients with incomes above the thresholds can be selected provided that they are in core housing need. In addition, the active partners or delivery agents may utilize additional criteria when selecting clients to reach priority groups within core need. The core need approach can also be compared to the pre-1986 approach which targetted on the basis of income as well as other factors such as the condition of the present dwelling and family size. A range of definitions of "need" will therefore be employed.

7. Do the RNH and Demonstration programs result in the provision of affordable housing?

Affordable housing is defined under the 1986 Federal/Provincial Agreements on Social Housing as housing for which basic shelter costs consume less than 30 per cent of a household's gross income. Basic shelter costs are defined separately for homeowners and renters. For homeowners, costs include mortgage payments, property taxes, utilities and regular maintenance and repair costs. For renters, basic shelter costs include rent, utilities, and related costs. To determine benefits under RNH an adjusted income and payment-to-income scale is used. In addition, homeownership clients under the RNH and Demonstration programs are responsible for the actual costs of operating and maintaining their home although they receive the benefit of a heating allowance.

This issue will examine the actual affordability of the units. The shelter costs of the households will be ascertained to determine the proportion of income which is allocated to housing. Where all expenditures are not being made (ie. arrears, no maintenance or repairs), these will be estimated to determine whether the units would be affordable. The actual suitability of the rental scale, and any adjustments to income or living costs related to the rural or remote nature of the units/communities, will be examined under Program Design and Delivery issue #35.

8. Do the RNH and Demonstration programs provide housing that is adequate and does not require major repairs or lack basic facilities where available?

Adequate housing is defined in the 1986 Federal/Provincial Agreements on Social Housing as housing which does not require major repairs or lack basic facilities. Major repairs include, but are not limited to defective plumbing, defective electrical wiring, structural repairs to walls, floors or ceilings. Basic facilities are defined as hot and cold running water, an indoor toilet and a bathtub or shower. For the RNH programs, basic facilities are determined by the availability of services and by community norms.

The achievement of the housing adequacy objective must be assessed at the time of completion, for both homeowner and rental units. The maintenance of the rental portfolio is the responsibility of the party administering the program and thus a program design issue. On-going maintenance of homeowner units, which is the responsibility of the homeowner client, under both the RNH and the Demonstration programs, is a desired result of participation in the programs and will be assessed as an impacts and effects issue.

9. Does ERP result in the repair of immediate threats to health and safety?

The housing quality objective of ERP is to repair immediate threats to health and safety. Thus, an indication of the presence/absence of threats to health and safety immediately after ERP can be used to assess the achievement of this objective. There is no adequacy or overall housing quality objective for dwellings repaired under ERP.

10. Do the RNH and Demonstration programs result in the provision of suitable accommodation for client households?

The 1986 Federal/Provincial Agreements on Social Housing contain a definition of suitable housing which is based on the relationship between household size and composition and number of bedrooms. The definition takes into account the relationship of adult household members and the age and sex of children. These National Occupancy Standards represent criteria for client eligibility purposes. For placing households in program units, both the RNH and Demonstration programs take into account the client's preferences and financial capabilities in determining the appropriate unit size. In addition to the suitability criteria, the programs are intended to provide housing which, while modest in nature, responds to the needs and requirements of the occupants.

The achievement of the suitability objectives must be assessed at the time of initial occupancy for new units. However, due to changes in household composition over time and where the original occupants have been replaced, the extent to which the programs continue to provide suitable housing must also be assessed. This will be considered as an impacts and effects issue.

11. Have Native Cadre trainees increased their knowledge of the RNH programs and their housing technology skills through participation in the program?

The Native Cadre program is intended to increase the level of knowledge and skills of the trainees. It may not be successful if the experience provided to the trainee is limited by the particular office or job assigned, by exposure to only a narrow range of RNH program activities, by the use of the cadre as merely an additional pair of hands for clerical or other duties or if the training period is too short to realize any significant gains. The improvement in the level of skills and knowledge of the cadres must be determined.

12. Has the Native Cadre program increased the number of trained Natives within Native communities and housing groups? To what extent have Cadres found employment in housing-related organizations or in non housing-related fields outside of Native communities and groups?

Following the training period, cadres may return to their communities or to their sponsoring group to take up employment positions delivering the RNH programs. Alternatively, cadres may find employment outside of the Native delivery organizations and, in many cases, outside of the housing field altogether. Native Cadre trainees who obtain permanent employment outside the housing field may not be providing benefits to Native communities or Native housing organizations. This issue will investigate the extent to which this occurs.

13. Has the RNH Secondment program improved the ability of Native housing groups to deliver the RNH programs and more effectively address the housing problems of Native households?

The very low level of RNH secondment activity may have limited the effectiveness of the program. However, where secondments have occurred, it must be determined if the Native group has benefited from the presence of the professional. Additionally, for the program to have an impact beyond the short duration of the secondment, some transference of skills or knowledge to permanent staff must occur.

14. Has the RNH Client Training program helped to train local housing groups and clients and to provide knowledge and skills to contribute to solving their housing problems?

RNH Client Training events are intended to impart knowledge of RNH programs or skills in housing technology to program delivery personnel, program clients and potential clients. This issue will assess the quality of the training events, from the point of view of the participants, the trainers and other program actors.

15. Have clients of the RNH Demonstration program been motivated to address their housing problems through their own organization and effort?

The delivery of a quality housing unit at no monetary cost to the household is a key feature of the demonstration program. The objective of this approach is to provide sufficient incentive to motivate the household to contribute to the solution of their housing problem in non-monetary ways. The program requires the client to do this in a number of ways. These include providing land where possible, organizing family and community volunteer labour, becoming trained in building construction and operation and performing continuing maintenance, repair and improvement activities when required. Evidence of the achievement of this objective will be available from the Demonstration Monitoring information. It may also be possible to observe indications of likely long-term effects. In this regard, evidence from similar provincial programs in Alberta and the Northwest Territories may provide indications of potential longer term effects.

16. Has the removal of on-going mortgage payments through the provision of an up-front forgivable loan under the RNH Demonstration program, eliminated dependency on government subsidized housing?

The demonstration program is intended to remove the long-term dependence on government subsidies by providing an up-front forgivable loan to cover the capital costs of the unit. The elimination of mortgage payments leaves the household with more disposable income for other shelter costs such as taxes, utilities, maintenance and repairs. This should eliminate the need for future government housing subsidies for the household. However, where incomes are still insufficient to cover these costs or other costs of living or where the household chooses to allocate their income to other items, a future requirement for action and assistance may result. This may occur during the 25 year forgiveness earning period under the program. Short-term indicators of the likely achievement of this objective can be assessed through an analysis of client affordability and operating practices and comparison to RNH homeowner clients.

17. Did the RNH Demonstration program provide opportunities to develop a "building kit" approach to obtaining materials and constructing demonstration units?

Part of the demonstration objectives of the program was to conduct research into the development and use of building kits. While there was little use of pre-fabricated or modular construction approaches, the materials package which arrives for the client at the site of most demonstration units is essentially a complete kit including all lumber, fittings and fixtures. Under the supervision of the construction manager, and often with the assistance of the CMHC program delivery officer and inspector, the household is responsible for the construction of their unit. Contractors are used for some activities where health or safety is involved. The variety of building designs, materials acquisition methods, delivery methods and local conditions, including the skills of the participants and the availability of local suppliers and trades, utilized across the country means that a comparative analysis can be undertaken. The local provision of materials may lead to better acceptance of the program and more community involvement. This issue will examine the way materials have been provided for Demonstration units and identify any impacts on dwelling quality, cost, client involvement or other aspects of the program.

PROGRAM IMPACTS AND EFFECTS ISSUES

The achievement of explicit objectives constitutes a set of desired/expected impacts of the programs. In addition to these, there exist other impacts and effects associated with a program. These may be desirable or undesirable and expected or unexpected. Broadly speaking, the effects of the rural programs fall into several areas. At the community level, the perceptions and attitudes of the community towards the RNH and demonstration programs and clients may be positive or negative. These community attitudes, in turn, may have an impact on the effectiveness of the programs. The effectiveness of the programs may also be affected by intended and unintended impacts on the clients themselves. These include impacts on client attitudes towards and assumption of the responsibilities of homeownership or rental status and their demonstrated operating and maintenance practices. These may have long term impacts on the adequacy and suitability of the dwellings.

18. To what extent have the programs affected community attitudes towards and acceptance of rural and native housing?

Community attitudes towards the programs are reflections of the integration of RNH units and clients into their communities and the acceptance of the programs by the communities. There are a number of design features of the programs which are intended to encourage community acceptance including the use of Native delivery agents, community consultation and RNH training programs. In fact, community participation in the planning and delivery of the programs has been a component since their inception. Yet, negative attitudes towards the programs and clients still exist in many communities. The extent and nature of community attitudes towards the programs must be ascertained. Evidence can be gathered from community leaders, RNH delivery personnel and RNH clients themselves. The reasons why negative attitudes persist can be identified. Equally important is to examine where positive community impacts have occurred and to identify the ways in which these experiences can be transferred to other communities. Community attitudes towards and acceptance of the Homeowner, Rental, Lease-to-Purchase and Demonstration components can be compared.

19. Have some rural communities reached a level at which the majority of units or households are already receiving housing assistance or have already been served?

It has been suggested that in some rural and remote areas the majority of units in a community are subsidized under one program or another or the majority of homeowners receive or have received some form of government housing assistance. The remaining households or units either do not have a housing problem, are otherwise not eligible for current programs or have been removed from current programs due to arrears or other factors. The extent to which this situation occurs will be examined.

20. Do clients of the RNH and Demonstration programs possess knowledge and understanding of the responsibilities of homeownership or rental tenure?

Through the involvement of delivery agent and housing agency staff, pre- and post-occupancy counselling and RNH Training events, RNH homeownership and rental clients are expected to become more aware of their responsibilities as owners or tenants. Many of these responsibilities, such as making mortgage or rent payments, proper operation of the dwelling systems, undertaking regular maintenance and, for homeowners, carrying out needed repairs, are not associated with the previous housing situation of most RNH clients. The level of awareness of clients can be analysed across program and tenure types by asking clients what they are responsible for, by examining client occupancy practices and through the perceptions of other program actors.

21. Are on-going maintenance and repair activities carried out by clients so that the units continue to meet minimum standards of adequacy?

Dwelling condition is not static. Dwelling condition deterioration and need for repairs are correlated with increased dwelling age. Dwellings which may have met minimum standards of adequacy when constructed will deteriorate over time. Factors such as climate, type of services (water, sewage, heat, power) and occupant operating practices may lead to more rapid deterioration of rural and native housing. For RNH homeowner units, the client is expected to maintain the units and to undertake repairs as necessary. Rental clients are responsible for maintenance of their units while major repairs and improvements are the responsibility of the party administering the program. Lease-to-purchase clients must demonstrate the ability to operate and maintain their unit before the purchase option can be exercised. This issue will assess the current physical condition of units and the extent to which maintenance and repairs have been carried out. The reasons why some households maintain their dwellings while others do not will be ascertained. In addition, the effects of occupant maintenance practices on post-occupancy repairs and portfolio regeneration costs will be examined. Comparisons between the Homeowner, Rental and Lease-to-Purchase portfolios will be made.

22. Do RNH homeownership clients continue to make regular mortgage payments?

It is the intention under the program that the awareness of ownership responsibilities is reflected in actual client behaviour. Arrears in the RNH homeownership portfolio is an indication that the desired impacts are not always occurring. The extent of this problem and the clients' reasons for not making payments must be determined. The ability of post-occupancy counselling activities to resolve arrears problems should be examined. Equally important is the identification of characteristics associated with households that continue to make payments. These may identify methods of decreasing the overall arrears level throughout the program.

23. Are RNH homeowner arrears rates in a community influenced by the presence of payment-free housing produced in the community or nearby under the RNH Demonstration program, provincial programs or DIAND programs on reserves?

When not all households receive the same level of benefits, this can create envy or resentment among clients. This is especially likely where some households are perceived to be receiving more than their fair share of government support. It has been suggested that the incentive for RNH clients to continue making mortgage payments is influenced by the presence of alternative

mortgage-free programs. Even though RNH Demonstration clients are expected to provide labour for the construction of their home, this can be perceived to be a greater benefit. Even if the presence of mortgage-free options does not affect arrears, it may be causing other impacts on the practices, attitudes and satisfaction of RNH clients and the community.

24. Does the market value of the units reflect the mortgage payments made by homeowner clients and thus provide an incentive to continue timely and complete payment?

In many northern, remote areas and in some southern rural areas the market value of an RNH unit will never approach the capital costs of its construction. Therefore, payments towards the mortgage amount may not represent an accumulation of equity. In many areas, no market exists should the owner wish to sell. It has been suggested that these factors contribute to the problem of RNH arrears and to the lack of maintenance and repair efforts. The extent of these market problems and their impact on client behaviour has not been fully determined. This issue will relate the mortgage value to the estimated market value for the units and compare this to the actual payments made by the clients. This relationship will be examined for different market and arrears conditions.

25. Has the heating allowance made it possible for more households to take advantage of the program?

The impact of the heating allowance on targeting can be determined by examining the number of new clients who would have been unable to participate without the additional subsidy. The impact on the portfolio can be determined by changes in the number of clients in arrears who may be allocating their income to heating rather than to mortgage or rent payments.

26. Does ERP enable households to remain in their dwelling until they can be assisted through the RNH or Demonstration programs?

Although no longer an explicit objective of ERP, the program was originally intended to enable the household to remain in their current dwelling until they could be assisted under the RNH program.

PROGRAM DESIGN AND DELIVERY ISSUES

These issues are related to design and delivery features of the programs and cover aspects such as planning, client selection, unit selection, construction or acquisition, mortgage administration, portfolio administration and others. The effectiveness of the features will be evaluated in terms of their impacts on the achievement of the objectives of the programs.

27. Is there a need to provide further assistance to households who have already received assistance under one of the programs? Are previously assisted households in need, as defined for the programs, even though they are not eligible for further assistance?

Clients receiving on-going social housing assistance (RNH) or who have received one-time assistance for rehabilitation (RRAP) or homeownership (RNH Demo) are not eligible for further assistance. For example, RNH homeownership clients are not eligible for rehabilitation assistance under RRAP or ERP. Units which have previously been rehabilitated under RRAP are not eligible for further assistance except to accommodate the disabled. Yet, many assisted households may well be experiencing problems of housing affordability, adequacy or suitability. The extent to which assisted households remain in need will be estimated. Also, former RNH clients who have left the program for one reason or another may still be in need. The extent of such need and their reasons for leaving the program can be explored.

28. To what extent do native targets reflect the housing needs of natives across Canada?

The difficulty in meeting native targets in some provinces suggests that the underlying database and approach to establishing the targets should be re-examined. Under this issue, the databases and methods used to establish the targets will be examined in order to identify limitations and suggest improved measures.

29. Have established targets for other priority groups and planning areas been met?

Targets for tenure groups and by planning area are established as part of the three-year plans developed by the Tripartite Management Committees. This issue will examine the extent to which these targets have been achieved.

30. Have the rental and lease-purchase options made it possible for more households, such as those with very low incomes, single parent families and senior citizens, to benefit from the RNH programs?

The evaluation can examine whether clients participating in rental or lease-purchase would have remained in need because they would have been unable to qualify for homeownership. The factors, whether income, assets, age or ability to maintain the home, which make the homeownership option impossible can be identified.

31. Have the criteria and process for selecting clients resulted in households in need being excluded from assistance under the programs?

The selection of clients for the programs is a major factor influencing the achievement of the program objectives. With the availability of a number of program options including homeowner, rental and lease-to-purchase, selecting the right household for the right program becomes even more important. This issue will examine the eligibility and selection criteria to determine if households are treated in a fair and equitable manner. In addition, the treatment of the very low income, chronically hard-to-house rural poor will be assessed.

32. Does the client selection process or the method of determining benefits under the RNH program create a disincentive to work among client households.?

It has been suggested that the RNH programs may be contributing to undesired changes in household behaviour. For example, a disincentive to work would be created if the client selection process or benefits formula favours welfare households over the working poor. The selection process and impacts on clients can be assessed and compared for the Demonstration and Homeownership programs.

33. Does the community size criteria for the rural programs restrict the achievement of the targeting objectives?

Rural housing programs are only available in rural areas of 2500 or less people or in rural municipal jurisdictions having a population of greater than 2500 persons but where the population is dispersed and there is no population core or centre of more than 2500 persons. Flexibility has been provided in some provinces to increase the rural population limit to 5000 persons. The impact of these criteria on the achievement of the program objectives would be assessed.

34. Does the availability of land (subdivided and services, where required) limit the extent to which the RNH and Demonstration programs can be delivered in some communities with a need for additional housing?

In many parts of the country the land development process in rural areas is long and cumbersome and may involve many government levels and agencies. It can take several years to obtain the necessary approvals for new residential lots, longer if municipal services also need to be provided. Lack of coordination on the part of local communities and housing groups may result in an inability to take up available units. This issue examines the availability of land and the interaction between the RNH programs and those of other government agencies.

35. Does the rent-to-income scale used (federal or provincial) take into account the circumstances and needs of rural and remote households and housing?

Consistent with the other social housing programs covered by the 1986 Federal/Provincial Agreements on Social Housing, shelter payments for RNH clients are determined using a rental scale. Under the federal scale, payments may be up to 25 per cent of the household's adjusted income. A provincial scale may be used provided that the households do not remain in core housing need. It has been argued that the calculation of adjusted income and the determination of eligible shelter costs do not adequately take into account the generally lower incomes and higher costs of living and shelter in rural and remote areas. This issue will examine the calculation of income and adjustments included in the rental scales and their impact on rural and native clients. The actual expenditures of client households will be ascertained and compared to available information/studies of housing and living costs in rural and remote areas.

36. Does the RNH program provide equal treatment to households at different income levels and with different sources of income?

This issue examines whether working and non-working households are treated in an equitable manner in the calculation of adjusted income and the determination of shelter payment. The shelter payment (mortgage or rent) under RNH is calculated according to the federal rent-to-income scale. Where the province is responsible for delivery of the program, a provincial rent-to-income scale and income definition can be used in place of the federal scale. In each case, however, the application of the scale and income definition must not result in households under the program remaining in core housing need. The calculation of the household's payment uses a definition of adjusted household income. For welfare recipients, the payment is the greater of the shelter component of the welfare assistance, determined by the social service agency, or the payment determined using the rental scale. Examination of this issue will include analysis of the household's gross and net income and the actual shelter costs for the unit.

37. Does the heating allowance adequately account for the burden of heating costs in rural and remote areas?

The heating allowance may not be adequate to address the burden of high heating costs for rural and remote households as is the intention. The impact of a number of factors can be evaluated including the availability of the allowance, its size relative to actual heating costs and to household income. Other factors such as geographic location will influence the type, availability and cost of heating fuel and energy efficiency of the unit will affect the energy requirements.

38. Do the RNH Rental program administration procedures ensure that on-going maintenance and repairs are carried out and that rental units meet adequacy standards?

The administration of the rental portfolio is an on-going responsibility of CMHC or the provincial housing agency. It includes on-going maintenance activities, periodic repairs and improvements and recycling units when the tenants are replaced. The condition of the units in the rental portfolio is affected by the adequacy of these administrative procedures. The relationship between the physical condition of the units and portfolio administration can be investigated. The impact of responsible party, repair and improvement activities, training and other program elements on the condition of the units can be examined.

39. Are the maximum capital costs under the RNH and Demonstration programs sufficient to ensure the production of modest units of adequate quality?

Maximum unit prices determine the total capital costs for each type and size of unit which are eligible for inclusion under the program. The MUP system is the key cost control mechanism for RNH although the requirement for Best-Buy Analysis in cases where existing units are available also serves as a control on capital costs. MUPs are calculated for a model unit, taking into account unit type, size and geographic location. However, there may be other factors related to the provision of RNH units in rural and remote areas which are not adequately accounted for in the calculation of the MUPs. These could include special transportation and materials storage costs, higher land servicing costs and materials breakage and disappearance from storage or construction sites. This issue will examine whether the MUPs are adequate for the production of rural and native housing units.

40. Should clients be permitted to retain capital gains on the sale of RNH units?

It has been suggested that homeownership clients should be required to repay the subsidy they have received once their unit is sold for a profit. An opposing view suggests that clients would have very little incentive to own if this were the case. This issue will examine the extent to which capital gains are realized and the characteristics of units sold and vendors.

41. Does ERP provide sufficient assistance amounts to address the immediate threats to health and safety in the dwelling?

This issue examines whether the current assistance levels under ERP are adequate to undertake the repairs required to remove immediate health and safety threats.

42. Has the use of client labour for construction affected the adequacy of the demonstration units? What is the impact of the construction manager on housing quality?

Demonstration units are constructed by the clients themselves, with assistance from volunteers. Supervision and some training of clients is provided by the construction manager. Use of contracted trades is allowed where necessary for health or safety reasons. This approach is designed to ensure that construction quality is adequate and that the clients will have some of the skills necessary to adequately operate and maintain their homes. The Demonstration Monitoring data provides documentation of the development/construction process for each project and the proportion of work carried out by the clients, volunteers, the construction manager, trades and others.

Several questions regarding the effectiveness and impacts of the use of client labour can be investigated including the impacts on the capital cost and quality of the units and the degree to which the clients developed skills. The role of the construction manager can be investigated to discover which characteristics or approaches are associated with the highest quality product. CMHC demonstration units can be compared to units produced under similar provincial programs. The long-term impacts of client labour may not be readily apparent but the unit condition can be compared to contractor built housing of the same age. Indications, however, may be obtained from examining the maintenance, repair and improvement practices of the demonstration households and comparing them to RNH regular homeowner households. The clients increased knowledge and experience with housing construction may result in better maintenance of the initial dwelling quality.

43. Are the Tripartite Management Committees serving as effective program planning forums? Are TMC fees appropriate?

The role of the TMCs in program planning and in ensuring native involvement is crucial to the success of the RNH programs. The extent to which TMCs have met the terms of reference established for them will be examined. The question of whether TMC fees are adequate will also be examined.

44. Is delivery of the RNH program by agents effective?

The programs are delivered by agents on behalf of CMHC or the federal/provincial partnership. In most provinces, the provincial native organization is the primary delivery agent. The agent may be responsible for various aspects of planning, delivery and administration of the program. Delivery activities include program promotion, client qualification and selection. This issue examines the extent to which the delivery process is an effective means of providing RNH assistance and units.

45. Are delivery agents able to sustain a level of activity which enables them to remain viable? Are delivery agents paid fees which are appropriate and adequate for the activities and skills which are required?

If delivery agents cannot sustain a level of activity and generate enough income to remain viable, it is likely that the level of service provided will suffer. Either fewer, less qualified staff will be employed or all delivery responsibilities may not be carried out fully in order to reduce expenses. This issue will investigate the level of activity and revenues received by delivery agents. Comparisons can be made between agents of different type, size and experience to identify the impact of these factors on the effectiveness of the programs.

46. Do delivery agents work with and respond to the needs and priorities of local community councils and housing groups in the delivery of units under the programs?

This issue examines the relationship between RNH delivery groups and local community councils and housing groups. Both the perceptions of local communities and the actual delivery pattern with respect to the needs present in the communities will be analysed to determine the level of service provided. The extent to which the community consultation process has diminished resistance to RNH programs will be examined. The impact of delivery group type, delivery organization and responsible party will also be assessed.

47. Is the selection of Native Cadre trainees and their training activities consistent with the requirements of the Native communities and housing groups to which they will return?

Cadre selection criteria and training activities may be more reflective of the needs of the office where they will be trained than of the needs of the Native group or agent to which they will return. The suggestion has been made that some cadres are used simply as extra hands for routine clerical or support functions in the office. In these cases, where there are no opportunities for trainees to acquire skills, they may be unable to help address the housing problems in their communities after the training period is finished.

48. Are the activities of other programs operating in rural and remote areas, such as economic development, employment, social service, health, etc., considered in the planning and delivery of the RNH Programs?

There exist a variety of programs, both federal and provincial, which operate in the same communities as the Rural and Native Housing programs. Some of these are directed towards social or economic problems which exist in these areas, such as community health, social service, unemployment. Others provide assistance

for the development or improvement of community services, recreation, water/sewage, transportation. It has been suggested that, in many parts of the country, the relationships between these programs are not integrated or even taken into account in their planning and delivery. It is argued that, unless the problems of rural and remote areas are considered in a comprehensive manner, the full potential of all of these programs cannot be realized. This issue will examine the extent to which the activities of other assistance programs are considered in the planning and delivery of the RNH programs.

49. To what extent are vacancies/reposessions of RNH units attributable to program design features?

Turnover of RNH units and the need for recycling contribute significantly to program administration costs. This issue would examine the extent to which turnovers occur and attempt to analyze the underlying causes particularly those which may be related to design features such as the payment-to-income scale.

50. Is the delivery and administration of the programs carried out in the most cost-effective manner?

The RNH programs involve substantial efforts and costs to deliver new units and to administer the portfolio (both property and mortgage administration). These involve costs for CMHC, for the provincial housing agency if Active Party and for delivery agents. This issue will compare the costs of delivery and administration for the different components of the RNH program as well as for different delivery and administrative arrangements. The cost-effectiveness of the various approaches will be determined. In addition, comparisons to the costs of other federal or federal/provincial housing programs can be made.

PROGRAM ALTERNATIVES

These issues examine the cost-effectiveness of the existing program components and design and delivery features. In addition, the applicability and effectiveness of alternatives to the current programs as well as the desirability of design changes will be examined. For the rural and native housing programs, the main issues are the comparison between the rental and homeownership options and the potential for the RNH Demonstration experiment to become a program vehicle for providing homeownership.

The RNH Rental component was introduced to provide an alternative to homeownership for households who are unable to afford or assume the costs and responsibilities of homeownership. It is possible to compare the cost-effectiveness of the two options and to identify circumstances (client, local, community, etc.) where one option is a more appropriate choice.

The RNH Demonstration program is an experiment to test the effectiveness of a self-help approach to the provision of homeownership assistance. The assistance is provided in the form of an up-front capital subsidy and construction support and supervision. This issue will examine whether this experiment is transferable on a program basis. The analysis will identify circumstances in which the Demonstration approach could replace the RNH homeownership component. This would include the examination of factors, such as location, client characteristics, program mix and program support, required for wide-scale use of the demonstration approach.

With regard to changes to the existing programs, the detailed analyses of the various issues outlined above will lead to suggestions for changes in program design and delivery to achieve improved efficiency and effectiveness. It must be recognized that the evaluation provides suggestions for changes which will be considered in a subsequent process of consultation with interested parties. In effect, the evaluation provides information on the performance of the current programs as well as suggestions for change as input to the subsequent consultation process. Consensus on actual changes to the programs will be generated through this consultation process.

5. EVALUATION OPTIONS

In this section of the Assessment Report, a number of options for conducting the actual evaluation study of the Rural and Native Housing Programs are presented. Each option represents a variation in the type or number of evaluation issues which can be addressed, in the breadth or depth of the analysis of the issues and in the type of information on program performance which the evaluation will provide. For each option, the issues which would be addressed are identified, the data collection activities are described and the timing, advantages and disadvantages are identified.

OPTION 1: Limited Evaluation

Description:

Under this option a minimal evaluation study would be conducted by relying on existing sources of data and the views and opinions of those involved in the programs. Most of the issues identified in the previews section could be addressed, but only in a limited, superficial manner. Resources required for such an evaluation would be minimal and the evaluation would provide a general summary assessment of the aggregate performance of the programs.

Data collection would be limited to requesting submissions and conducting a small number of interviews with key program actors and client groups concerning the performance of the programs. The evaluation would rely on existing sources of information concerning RNH clients, the condition of units and the operation of the programs.

Under this option only a small number of issues could be examined in a detailed manner. These include Issues 1, 15, 17, 28, 29, which would rely on available housing needs data, program administrative data, monitoring information for the RNH Demonstration Program or program documentation such as the three year plans and social housing annual reviews. Nine of the 50 issues would receive no treatment at all while the remaining 36 issues would be addressed in a superficial manner by relying on opinion - oriented information from program actors and client groups.

Timing:

- o A limited evaluation would require four months to complete.

Pros:

- o A limited evaluation could be completed quickly and at low cost.

Cons:

- o Comparable information on unit condition, client satisfaction or program performance would probably not be available across all provinces/territories or programs.
- o Most issues would be treated in an incomplete and uneven manner since data may be available (but not comparable) for some provinces and not for others.
- o Many issues would be addressed in a superficial way, relying less on hard evidence and more on opinions and preferences.
- o Reliance on invited submissions from program actors and client groups closely resembles the approach taken for consultation processes and may create confusion among interest groups.

OPTION 2: Focus on Physical Condition and Design and Delivery

Description:

Under this option, the evaluation would focus on issues related to the performance of the programs in providing adequate housing for rural households. Compared to Option 1, a larger number of issues would be addressed in a detailed manner (23 as opposed to 5) although most of these are program design and delivery issues which primarily impact on housing quality. Only three of the 12 Objectives Achievement issues (8, 15, 17) would receive full treatment. Moreover, 5 issues (7, 9, 20, 25, 30) would not be addressed at all in Option 2. The remaining 22 issues would be treated in a partial or superficial manner primarily because client data would not be available to complement the physical condition information.

Evidence on the physical condition of rural and native assisted housing would be gathered through detailed physical inspections of a sample of 4,000 units in the portfolio. This sample would permit analysis and reporting to be done at the provincial level by rural/remote location or tenure. The inspections would be carried out by CMHC inspectors using an inspection instrument specifically designed for evaluation purposes. The inspections would record current physical condition, repair requirements, occupant operating and maintenance practices and the quality of repairs and improvements. Recent and past units delivered under RNH homeowner and rental and RNH Demonstration in all provinces and territories would be included in the inspection sample. A management contract would be utilized to oversee and coordinate the physical inspection process and to produce computer-readable data tapes for use in the analysis.

This option would also include surveys of delivery agents, federal and provincial program officers and others responsible for RNH delivery and administration. An in-depth interview would solicit information on the activities and financial status of agents and an assessment of the program achievements and delivery procedures.

This option would examine housing quality issues and program design and delivery issues which impact on housing quality. The housing quality objective would be assessed using the information obtained through the physical inspections, supplemented with program administrative data on capital costs and construction methods and maintenance and improvement budgets and activity. The program design and delivery issues would analyse the link between the achievement of the housing quality objectives and the design of the programs. The results of the surveys of delivery agents and program officers will provide an assessment of the effectiveness and impact of delivery and administrative program elements.

Timing:

This option could be completed in 6-8 months and must be scheduled so that inspections take place in the fall.

Pros:

- o This option would provide a detailed assessment of the condition of the rural and native portfolio and its repair requirements.
- o The impact on housing quality of some program delivery and administration features would be assessed.
- o This option would provide additional information on program performance for a relatively low external cost to CMHC.

Cons:

- o No information on the current occupants of the units would be provided under this option. Client level information on the reasons for high arrears, little or no maintenance and dissatisfaction with the units would not be available.
- o No information would be available to assess the attitudes of local communities towards the programs and the impacts of community involvement on program performance.
- o Little new information would be available on native training programs.

OPTION 3: Full Evaluation of Program Performance and Impacts

Description:

Under this option, the full range of evaluation issues would be investigated in a comprehensive evaluation of the rural and native housing programs. The achievement of the program objectives, other impacts on clients and communities and the effectiveness of program designs for delivery and administration would also be determined.

The major advantage over Option 2 is that a detailed treatment of all evaluation issues can be conducted. In particular, all 12 Objectives Achievement issues would be examined in-depth. These issues can be examined because Option 3 provides for the acquisition of client data in addition to physical house condition information and also provides data on Native Training programs.

A sample survey of program clients would be undertaken to collect information concerning their household circumstances, operating practices and satisfaction with the programs and their units. Trained enumerators would visit client households to conduct a structured interview. The interview would cover household demographics, finances (income, shelter and non-shelter expenses), operating practices (maintenance, arrears), understanding of the program, satisfaction with the unit and the program and experiences with delivery agent and program personnel. A representative sample of 4200 client households, from RNH Homeownership, Rental and Lease-Purchase, RNH Demonstration and ERP would be selected for interviews. This sample would permit analysis and reporting at the provincial level by rural/remote location or tenure for RNH and RNH Demonstration clients and at the national level for ERP clients. This information would be used to identify and assess both the intended and unintended results of the programs.

Detailed physical inspections of the same sample of 4,000 RNH and RNH Demonstration units would be undertaken by CMHC inspectors. The inspections would provide individual component condition ratings, global condition ratings, repair cost estimates, an assessment of occupant operating practices including maintenance and repairs carried out, an assessment of the repairability of the unit and an estimate of the market value of the unit. This sample would permit analysis and reporting at the provincial level by rural/remote location or tenure. A management contract would be utilized to oversee and coordinate the physical inspection process and to produce computer-readable data tapes for use in the analysis. When

analysed with the client information, the physical condition data will permit the determination of factors associated with acceptable or unacceptable condition, occupant practices and the effectiveness of the programs.

Option 3 will also include the surveys of RNH delivery agents, federal and provincial program officers and other activities as described under Option 2. In addition, Option 3 would include a survey of community representatives and officials (ie. mayors, housing committees, etc.). The questionnaire would cover areas of community involvement, perceptions and attitudes towards the programs, experiences with delivery agents, program officers and client households. These data sources will permit a full examination of issues of delivery effectiveness, community acceptance and the factors influencing levels of achievement of program objectives.

Another initiative to be carried out under Option 3, is a mail-out survey of Native Cadre trainees. This would provide direct information, from participants, on their experiences with the program and since the program. When combined with indicators of the effectiveness of program delivery and administration from other data sources, the data will permit an assessment of the effectiveness of the cadre program and its impact on the provision of rural and native housing.

The full range of evaluation issues identified in the previous section of the assessment report would be addressed. This option would permit the effectiveness of the program to be related to client, unit and delivery characteristics. The detailed data collection activities will also enable analysis to be conducted and reported, where appropriate, at the provincial level, to assess the impact of variations in program delivery or administration or of provincial unilateral programs.

Timing:

This option would require 9-10 months to complete and must be scheduled so that field work for the inspections takes place in the fall.

Pros:

- o All of the evaluation issues identified in the assessment report would be addressed.
- o This option will provide complete and comparable dwelling condition and client data for units under the rural and native housing programs. This will permit the assessment of RNH program performance at the national, regional and provincial level. Information will also be provided on ERP clients at the national level.

- o The client level data provided under this option will permit the analysis of the underlying factors associated with high arrears rates, poor physical condition and rapid deterioration of the RNH portfolio.
- o This option will provide the most useful information on the effectiveness of the programs for use in the subsequent consultation process.

Cons:

- o The collection of consistent and comparable data makes this option more costly and time-consuming.

RECOMMENDATION

Option 3 is recommended for the conduct of the evaluation of the rural and native housing programs. This option would address all of the evaluation issues which were identified in this assessment report. All of these issues must be examined in order to provide an evaluation which responds to the wide range of concerns which have been expressed about the programs.

The client surveys and detailed housing condition assessments will provide direct measures for determining the achievement of the program objectives and the magnitude and nature of other impacts of the programs. The survey of delivery agents, CMHC/provincial program officers and community representatives will provide consistent data for addressing program design and delivery issues.

The sample for the client survey and detailed inspections will permit analysis and reporting at the national, regional and provincial level by rural/remote locations or tenure. This responds to considerations of the F/P Agreements on Social Housing and to the potential for conducting a joint evaluation with provincial partners.

6. ANALYSIS PLAN

This section contains an analysis plan which relates the evaluation issues and the data sources/collection methods identified in the evaluation options. The charts identify the methods to be used to address each issue, the information required and the sources of that information.

It should be noted that regional level analysis will be conducted on all issues for which provincial/territorial data are available. While the evaluation is national in scope, regional variation in program operations must be taken into account to fully understand and explain program performance at the national level.

Issues	Methods	Information Requirements	Data Sources
<u>Program Rationale</u>			
1. What is the magnitude and nature of housing problems in rural areas? Is there still a need for housing assistance for rural households?	Determine how many households do not currently occupy housing which is affordable, suitable and adequate. Compare magnitude and incidence of rural housing need to that in urban areas.	Household income; presence/absence of basic facilities; dwelling condition ratings; household size and composition (age/sex of household members); dwelling size (number of rooms); special requirements (physical handicaps).	<ul style="list-style-type: none"> • 1986 Census • 1987 HIFE • Administrative data • INAC data/studies • provincial/local housing needs studies
2. Is there a continuing need for programs to assist Native organizations and individuals to assume responsibility for the delivery and management of housing programs and units?	Determine the extent to which native organizations effectively deliver and manage the program/units. Assess the extent to which problems in RNH unit delivery and management are linked to inadequate financial or human resources.	Indicators of quality of program delivery and management; adequacy of financial resources; technical skills available to native organizations (personnel, training, education, experience, etc.)	<ul style="list-style-type: none"> • Delivery Agent survey • Program Officers survey • Administrative data
3. Are the concepts and responsibilities of homeownership/rental tenures (maintenance, mortgage or rent payment) appropriate to the social, economic, and cultural situation of households in need in rural and remote areas?	Analysis of client group attitudes towards government assistance programs in general, housing assistance in particular, market concepts (i.e. housing tenure) and legal responsibilities (i.e. contracts).	Indicators of client group attitudes, maintenance behaviour and dwelling repair requirements. Records of arrears and defaults.	<ul style="list-style-type: none"> • Client survey • Delivery Agent survey • Program Officers survey • Administrative data

Issues	Methods	Information Requirements	Data Sources
4. Is the level of housing services provided under the RNH and Demonstration programs consistent with the expectations and needs of rural and remote households.	Analysis of client groups' needs, preferences and expectations with respect to shelter. Evaluation of housing units delivered under the RNH programs with respect to these criteria.	Indicators of client groups' housing needs, expectations and preferences; attributes of housing delivered under the RNH programs (dwelling size, siting and design); indicators of client satisfaction with units delivered under RNH programs.	<ul style="list-style-type: none"> • Client survey • Delivery Agent survey • Program Officers survey • Administrative data
5. Does the design of the RNH programs reflect their intent and logically lead to the achievement of their objectives?	Conduct detailed review of program design (nature of assistance, program guidelines and procedures etc.). Evaluate the extent to which program design features are consistent with the programs' objectives.	Statements of program objectives; detailed information concerning program design and operation.	<ul style="list-style-type: none"> • Program Guidelines and Procedures Manuals • Program Officers survey
<u>Objectives Achievement</u>			
6. Are households assisted under the programs households in need?	Determine the extent to which program assistance has been delivered to households in need (according to eligibility requirements in place at the time of delivery). Examine the extent to which clients currently receiving assistance would be in core need in the absence of program benefits.	Household income; presence/absence of basic facilities; dwelling condition ratings; household size and composition (age/sex of household members); dwelling size (number of rooms); special requirements (e.g. physical handicaps.)	<ul style="list-style-type: none"> • Client survey • Administrative data • Physical condition survey

Issues	Methods	Information Requirements	Data Sources
7. Do the RNH and Demonstration programs result in the provision of affordable housing?	Calculate shelter-cost-to-income ratios for RNH clients. Identify RNH client households with shelter-cost-to-income ratios of greater than 30%. Determine incidence and magnitude of such affordability problems. Determine factors associated with continuing affordability problems. Assess validity of conventional affordability criteria through analysis of household budgets of RNH clients.	Household income; shelter payments; household budget requirements in rural and remote areas.	<ul style="list-style-type: none"> • Client survey • Administrative data • INAC data/studies
8. Do the RNH and Demonstration programs provide housing that is adequate and does not require major repairs or lack basic facilities where available?	Determine presence/absence of basic facilities and the need for major repairs in units delivered under RNH programs.	Indicators of dwelling conditions (need for repairs) and facilities (piped hot and cold water, bath facilities, flush toilets, etc.).	<ul style="list-style-type: none"> • Administrative data <ul style="list-style-type: none"> - final inspections - client complaints - warranty repairs - post-occupancy repairs • Client survey • Physical condition survey
9. Does ERP result in the repair of immediate threats to health and safety?	Comparison of physical condition of dwellings prior to and after completion of ERP-financed repairs.	Indicators of health and safety deficiencies.	<ul style="list-style-type: none"> • Administrative data <ul style="list-style-type: none"> - inspections records • Program officers survey • Delivery Agent survey

Issues	Methods	Information Requirements	Data Sources
10. Do the RNH and Demonstration programs result in the provision of suitable accommodation for client households?	Comparison of characteristics of RNH units against requirements of client households.	Attributes of RNH units (dwelling size; # of bedrooms, special facilities); size and composition of client households (number of persons, age/sex of members); special requirements (e.g. physical handicaps); extended family/temporary resident requirements.	<ul style="list-style-type: none"> • RNH Demo Monitoring studies • Administrative data • Client survey
11. Have the Native Cadre trainees increased their knowledge of the RNH programs and their housing technology skills through participating in the program?	Measure the skills/knowledge of Native Cadres and assess their improvement over the duration of the Cadre training period.	Measures of skills (secondary sources including self-assessment, assessment of program officers, inspectors, others)	<ul style="list-style-type: none"> • Native Cadre survey • Program Officers survey • Delivery Agent survey
12. Has the Native Cadre program increased the number of trained Natives within and outside of Native communities and housing groups?	Examine the representation of trained Natives in community/delivery groups and private agencies. Examine the employment history of Cadres.	Number of Native employees, Native Cadre activity, job placement records of Cadre trainees.	<ul style="list-style-type: none"> • Delivery Agent survey • Program Officers survey • Native Cadre administrative data • Native Cadre Survey

Issues	Methods	Information Requirements	Data Sources
13. Has the RNH Secondment program improved the ability of Native housing groups to deliver the RNH programs and more effectively address the housing problems of Native households?	Compare the technical skills/administrative ability of groups/agents which have had secondments with those of groups which have not.	Indicators of delivery ability (# of commitments, performance measures); Secondment activity and types of skills; delivery/program officers' perceptions.	<ul style="list-style-type: none"> • Delivery Agent survey • Program Officers survey • RNH Secondment administrative data • Native Cadre Survey
14. Has the RNH Client Training program helped to train local housing groups and clients and to provide knowledge and skills to contribute to solving their housing problems?	Compare technical skills/administrative ability of local housing groups and clients who have participated in training activities with that of those who have not.	Indicators of delivery ability; indicators of client operating practices (arrears, dwelling condition, maintenance); client satisfaction.	<ul style="list-style-type: none"> • Delivery Agent survey • Client survey • Administrative data • Physical condition survey
	Assess the quality of training events from participants, trainers.	Indicators of quality of training events (timeliness, cost, location, content)	<ul style="list-style-type: none"> • Delivery agent survey • Client survey • Survey of community representatives • Program Officers survey
15. Have clients of the RNH Demonstration program been motivated to address their housing problems through their own organization and effort?	Comparison of client involvement in delivery of RNH Demonstration units with that achieved under the RNH Regular program.	Indicators of client involvement (participation in choice of building site and materials, unit design and construction); perceptions of program officers and construction managers.	<ul style="list-style-type: none"> • RNH Demo Monitoring studies • Administrative data • Program Officers survey • Client survey

Issues	Methods	Information Requirements	Data Sources
16. Has the removal of on-going mortgage payments through the provision of an up-front forgivable loan under the RNH Demonstration program, eliminated dependency on government subsidized housing?	Determine the extent to which program clients have sufficient disposable income to pay for the non-capital costs associated with the operation of their dwelling (e.g. taxes, utilities, maintenance and repairs).	Client incomes; taxes; utility charges; maintenance and repair practices and requirements.	<ul style="list-style-type: none"> • Client survey • Administrative data • RNH Demo Monitoring studies
17. Did the RNH Demonstration program provide opportunities to develop a "building kit" approach to obtaining materials and constructing demonstration units?	Determine the extent of usage of "building kits". On the basis of program experience to date, identify any factors which may limit the usefulness of the building kit approach.	Information on characteristics and usage of building kits; indicators of program performance (capital costs, dwelling conditions); perceptions of RNH program officers and construction supervisors.	<ul style="list-style-type: none"> • RNH Demo Monitoring studies • Administrative data • Program Officers survey • Client survey
<u>Program Impacts and Effects Issues</u>			
18. To what extent have the programs affected community attitudes towards and acceptance of rural and native housing?	Examine community perceptions and acceptance of the RNH programs and compare by level of activity, length of involvement, community size, and other factors.	Attitudes of community leaders, community members, and RNH clients concerning RNH program benefits, patterns of community involvement (years, units, ect.)	<ul style="list-style-type: none"> • Survey of community representatives • Client survey • Program Officers survey • Administrative data

Issues	Methods	Information Requirements	Data Sources
19. Have some rural communities reached a level at which the majority of units or households are already receiving housing assistance or have already been served.	Examine the relative magnitude of the assisted and unassisted housing portfolio in rural and remote communities and the interrelationship of these two components of the local housing stock.	Community profile information including number of households, number of housing units, number of assisted units. Estimates of the proportion of units/households in need but ineligible due to previous assistance, arrears, etc.	<ul style="list-style-type: none"> • Local housing studies/community profiles • Survey of community representatives • Program officers survey • Delivery Agent survey
20. Do clients of the RNH and Demonstration programs possess knowledge and understanding of the responsibilities of homeownership or rental tenure?	Assess client awareness of responsibilities associated with owning or renting housing. Compare client, program officers and evaluation inspection indicators.	Dwelling operation practices. Client attitudes towards mortgage/rental payments, maintenance and repairs. Client knowledge of proper operation of dwelling (e.g. humidity control).	<ul style="list-style-type: none"> • Client survey • Delivery Agent survey • Program Officers survey • Physical condition survey
21. Are ongoing maintenance and repair activities carried out by homeowners so that the units continue to meet minimum standards of adequacy?	Examine current conditions of RNH units and repair and maintenance practices of clients. Isolate impact of client maintenance and repair activities on dwelling quality. Examine influence of client/unit characteristics.	Indicators of dwelling conditions; client maintenance and repair activity; client/unit characteristics.	<ul style="list-style-type: none"> • Physical condition survey • Client survey • Administrative data

Issues	Methods	Information Requirements	Data Sources
22. Do RNH homeownership clients continue to make regular mortgage payments?	Assess payment records of RNH clients, incidence and levels of mortgage payment arrears, and relationship to unit/client characteristics.	Client mortgage payment records. Unit/client characteristics.	<ul style="list-style-type: none"> • Administrative data • Client survey • Physical condition survey
23. Are RNH homeowner arrears rates in a community influenced by the presence of mortgage-free housing produced in the community or nearby under the RNH Demonstration program, provincial programs or DIAND programs on reserves?	Compare incidence of arrears among RNH clients in communities where mortgage-free housing is produced with those located in communities where mortgage-free housing is not provided. Examine client attitudes to mortgage payment responsibilities and arrears behaviour over time, as mortgage-free units become available.	Records of arrears; list of DIAND and provincial programs which provide mortgage-free housing and communities where delivered; attitudes of RNH clients towards mortgage payment responsibilities.	<ul style="list-style-type: none"> • Administrative data • DIAND/provincial housing agency information • Client survey
24. Does the market value of the units reflect the mortgage payments made by homeowner clients and thus provide an incentive to continue timely and complete payment.	Compare estimates of market values to mortgage loans outstanding for RNH units and actual client payments. Assess influence of market values on mortgage payment behaviour of RNH clients.	Estimates of market values, records of loan amounts and client payment records, client attitudes to mortgage payment responsibilities.	<ul style="list-style-type: none"> • Administrative data • Client survey • Survey of community representatives
25. Has the heating allowance made it possible for more households to take advantage of the program?	Determine extent to which heating allowance has reduced burden of mortgage/rent payments on RNH clients' household budgets and lowered the incidence of arrears.	Heating allowance benefits records; client household incomes and mortgage payments; records of arrears.	<ul style="list-style-type: none"> • Administrative data • Client survey

Issues	Methods	Information Requirements	Data Sources
26. Does ERP enable clients to remain in their dwelling until assistance becomes available under the RNH or Demonstration Program.	Examine the number of ERP clients which subsequently received RNH or Demonstration program units and the time period involved.	Records of ERP activity (size of grant, repairs undertaken etc.). Current housing conditions of ERP clients: household income; presence/absence of basic facilities; dwelling condition ratings; household size and composition (age/sex of household members); dwelling size (number of rooms); special requirements (physical handicaps).	<ul style="list-style-type: none"> • Administrative data • Client survey
<u>Program Design and Delivery Issues</u>			
27. Is there a need to provide further assistance to households who have already received assistance under one of the programs? Are previously assisted households in need, as defined for the programs, even though they are not eligible for further assistance?	Determine the magnitude and incidence of core housing need among households receiving or who previously received assistance under the programs but who are ineligible for further assistance.	Records of current and former RNH clients and current eligibility status. Housing conditions of RNH clients: household income; presence/absence of basic facilities; dwelling condition ratings; household size and composition (age/sex of household members); dwelling size (number of rooms); special requirements (physical handicaps).	<ul style="list-style-type: none"> • Administrative data • Program Guidelines and Procedures Manuals • Client survey • Physical condition survey

Issues	Methods	Information Requirements	Data Sources
28. To what extent do Native Targets reflect the housing needs of Natives across Canada?	Compare the incidence/distribution of Natives in the client population with that in the general rural population in need. Compare for new clients, existing portfolio and rural communities in general.	Native status of current clients and other eligible households. Core housing need: household income; presence/absence of basic facilities; dwelling condition ratings; household size and composition (age/sex of household members); dwelling size (number of rooms); special requirements (physical handicaps). Native Targets.	<ul style="list-style-type: none"> • Administrative data • Client survey • Physical condition survey • Survey of community representatives • Rural needs data
29. Have established targets for other priority groups and planning areas been met?	Examine targets established in three-year plans against the actual distribution of commitments achieved by planning area and interest group.	Three year planning targets and commitments.	<ul style="list-style-type: none"> • Three year plans • Administrative data
30. Have the rental and lease-purchase options made it possible for more households to benefit from the RNH program?	Examine the characteristics of rental and lease-purchase clients, compare with home-owner clients. Determine the extent to which rental and lease-purchase clients would not have been able to take advantage of the homeownership options.	Characteristics of rental lease-purchase clients (age, income, ability to maintain own home etc.).	<ul style="list-style-type: none"> • Client survey • Administrative data

Issues	Methods	Information Requirements	Data Sources
31. Have the criteria and process for selecting clients resulted in households in need being excluded from assistance under the program?	Compare the housing needs of clients served under the RNH programs with those rural and native households who are, by virtue of the client selection criteria and process, ineligible for program benefits.	Client selection criteria and process. Core housing need: household income; presence/absence of basic facilities; dwelling condition ratings; household size and composition (age/sex of household members); dwelling size (number of rooms); special requirements (physical handicaps).	<ul style="list-style-type: none"> • Program Guidelines and Procedures Manuals • Program Officers survey • Delivery Agent survey • Client survey • Survey of community representatives • Physical condition survey
32. Does the client selection process or the method of determining benefits under the RNH program create a disincentive to work among client households?	Compare rates of program participation and the amount of program benefits extended to RNH clients on welfare with those for clients who work but have low incomes.	Clients selection process benefits calculations, employment status of clients, client attitudes towards government assistance and employment.	<ul style="list-style-type: none"> • Program Guidelines and Procedures Manuals • Program Officers survey • Delivery Agent survey • Client survey
33. Does the community size criteria for the rural programs contribute to the achievement of the targeting objectives?	Compare the magnitude and incidence of housing needs in rural areas with less than 2,500 persons to those with populations between 2,500 and 5,000.	Core housing need: household income; presence/absence of basic facilities; dwelling condition ratings; household size and composition (age/sex of household members); dwelling size (number of rooms); special requirements (physical handicaps).	<ul style="list-style-type: none"> • Survey of community representatives • Physical condition survey • Rural needs data

Issues	Methods	Information Requirements	Data Sources
34. Does the availability of land (subdivided and services, where required) limit the extent to which the RNH and Demonstration programs can be delivered in some communities with a need for additional housing?	Examine the availability of residential lots in rural communities. Review the nature of provincial/local regulations/processes affecting the subdivision/servicing of residential land. Determine the nature of any impediments to the supply of residential lots suitable for RNH units. Estimate the extent to which the supply of residential lots has restricted the delivery of RNH units.	Indicators of supply of residential lots; provincial/local government regulations and practices re: subdivision approval/servicing.	<ul style="list-style-type: none"> • Program Officers survey • Delivery Agent survey • Provincial/local government data/studies • Survey of community representatives
35. Does the rent-to-income scale used (federal or provincial) take into account the circumstances and needs of rural and remote households and housing?	Review the nature of rent scales currently in use for the RNH program. Assess the appropriateness of existing rent scales in relation to the financial resources and requirements of rural and remote households.	Information on rent scales; household incomes and shelter payments of clients; household budget requirements in rural and remote areas.	<ul style="list-style-type: none"> • Program Officers survey • Administrative data • Client survey • INAC data/studies

Issues	Methods	Information Requirements	Data Sources
36. Does the RNH program provide equal treatment to households of different income levels and with different sources of income?	Review the nature of rent scales currently in use for the RNH program. Examine impact on adjusted income of type and source of gross income. Compare the magnitude of program benefits extended to clients with different levels and sources of income.	Information on rent scales; household incomes, mortgage payments and subsidy assistance of clients.	<ul style="list-style-type: none"> • Program Officers survey • Administrative data • Client survey • INAC data/studies
37. Does the heating allowance adequately account for the burden of heating costs in rural and remote areas?	Review the availability of heating allowance benefits. Compare the size of the heating allowance to the actual heating costs of RNH clients.	Magnitude of clients' heating allowance benefits and actual heating costs.	<ul style="list-style-type: none"> • Administrative data • Client survey
38. Do the RNH Rental program administration procedures ensure that on-going maintenance and repairs are carried out and that rental units meet adequacy standards?	Assess the quality of RNH rental units. Review the nature of portfolio management practices of Active/Responsible Parties and management groups. Analyze the relationship between portfolio management practices and housing quality.	Dwelling condition ratings; indicators of portfolio management practices (frequency of inspections, repairs, improvements).	<ul style="list-style-type: none"> • Physical condition survey • Program Officers survey • Administrative data

Issues	Methods	Information Requirements	Data Sources
39. Are the maximum capital costs under the RNH and Demonstration programs sufficient to ensure the production of modest units of adequate quality?	Estimate the costs of constructing modest housing units in rural and remote areas. Evaluate the adequacy of applicable Maximum Unit Prices against this profile of construction costs. Compare actual capital costs and dwelling quality/suitability measures.	RNH construction costs; Maximum Unit Prices; characteristics of RNH dwellings; dwelling condition ratings.	<ul style="list-style-type: none"> • Administrative data • Physical condition survey • Demo Monitoring data
40. Should clients be permitted to retain capital gains on the sale of RNH units?	Examine the extent to which capital gains are realized and the characteristics of units sold and vendors.	Records of sales out of and within the program. Client and unit characteristics.	<ul style="list-style-type: none"> • Administrative data
41. Does ERP provide sufficient assistance amounts to address immediate threats to health and safety in the dwelling?	Examine the extent to which ERP-financed repairs fully addressed all immediate health and safety hazards (for current or last year's activity). Determine whether ceilings on ERP assistance affected the achievement of this objective through analysis of amount of outstanding health and safety threats.	Records of ERP activity (size of grant, repairs undertaken etc.); dwelling condition ratings (indicators of health and safety hazards) for current and last year's activity.	<ul style="list-style-type: none"> • Administrative data • Client survey
42. Has the use of client labour for construction affected the adequacy of the demonstration units? What is the impact of the construction manager on housing quality?	Examine the characteristics of client and construction managers and the nature of their involvement in the construction of RNH Demonstration units. Assess the quality of Demonstration units, and analyze the degree to which this has been influenced by client/construction manager involvement.	Characteristics of clients and construction managers and their respective involvement in the construction process; dwelling condition ratings.	<ul style="list-style-type: none"> • Client survey • Physical condition survey • Demo Monitoring data

Issues	Methods	Information Requirements	Data Sources
43. Are the Tripartite Management Committees serving as effective program planning forums?	Examine the extent to which TMCs are meeting their terms of reference.	TMC Terms of Reference. Documentation of TMC activities.	<ul style="list-style-type: none"> • Schedules to Operating Agreements • TMC minutes • Three year plans
44. Is the delivery of the program by agents effective?	Compare indicators of program performance for different delivery agent types, sizes and responsibilities. Examine client, program officer, and community satisfaction with agent performance.	Indicators of program performance, delivery agent types, size and responsibilities, and client, program officer and community satisfaction.	<ul style="list-style-type: none"> • Administrative data • Delivery Agent survey • Agency agreements • Client survey • Program Officers survey • Survey of community representatives
45. Are delivery agents able to sustain a level of activity which enables them to remain viable? Are delivery agents paid fees which are appropriate and adequate for the activities and skills which are required?	Examine the characteristics of delivery agents (staffing levels, skills etc.) and agency agreements. Review the activity levels of delivery agents and assess their impact on economic viability. Evaluate the fee-for-service schedules against the costs of delivery activities.	Delivery agent characteristics, activity records, financial records; agency agreements.	<ul style="list-style-type: none"> • Delivery Agent survey • Administrative data • Program Officers survey

Issues	Methods	Information Requirements	Data Sources
46. Do delivery agents work with and respond to the needs and priorities of local community councils and housing groups in the delivery of units under the program?	Determine the nature of delivery agents involvement with local community councils and housing groups, and the level of satisfaction of local client groups with this involvement. Examine the relationship between local community council and housing group satisfaction and the characteristics of delivery agents, their consultation practices and the agency agreements which outline their roles and responsibilities.	Community consultation practices of delivery agents. Indicators of community satisfaction with delivery agents.	<ul style="list-style-type: none"> • Delivery Agent survey • Survey of community representatives • Administrative data • Program Officers survey
47. Is the selection of Native Cadre trainees and their training activities consistent with the requirements of the Native communities and housing groups to which they will return?	Compare the TMC Native Cadre selection criteria with the housing needs of the communities/delivery agents which the trainees are to serve.	Appropriateness of Cadre selection criteria: choice of criteria (familiarity with Native Communities/way of life, education, employment history); application of criteria (manner of nomination and review of candidates -- personal interviews, written tests, TMC closed-door discussions).	<ul style="list-style-type: none"> • Interviews with TM members • Delivery Agent survey • Interviews with Native community leaders • Survey of community representatives • Program Officer survey

Issues	Methods	Information Requirements	Data Sources
48. Are the activities of other programs operating in rural and remote areas considered in the planning and delivery of the RNH programs?	<p>Examine the activity of other programs operating in rural areas.</p> <p>Assess the degree of interaction in planning and delivery of these programs.</p>	<p>Inventory of other programs operating in rural areas including description, geographic extent, activity levels.</p> <p>Key actor perceptions.</p>	<ul style="list-style-type: none"> • Provincial housing agencies • Other federal departments • Program officers • Delivery Agent Survey • Survey of Community representatives • Public Housing Evaluation
49. To what extent are vacancies/repossessions of RNH units attributable to program design features.	Examine the extent and underlying causes of vacancies/repossessions.	Data on the frequency of repossessions and the length of vacancies. Information on the underlying causes of turnovers.	<ul style="list-style-type: none"> • Administrative data • Delivery Agent survey • Program Officer survey • Survey of community representatives
50. Is the delivery and administration of the programs carried out in the most cost-effective manner?	Determine the costs of delivery of new units and administration of the portfolio (property and mortgage administration). Compare costs by program and by delivery and administrative arrangements.	Delivery and administration costs for all offices/agencies involved in delivery and administration.	<ul style="list-style-type: none"> • CMHC data • Provincial Housing Agency data

APPENDIX A: LITERATURE REVIEW

A wide range of evaluation issues is addressed in Section 4 of the Assessment Report. These issues were derived from a number of sources including reviews of recent papers on rural and native housing. This appendix contains summaries of some of the papers which were reviewed.

HOMEOWNERSHIP ASSISTANCE PROGRAM EVALUATION

Ferguson Simek Clark Architects Ltd.
1988

This evaluation assesses how well the Homeownership Assistance Program (HAP) has met the goals and objectives of the sponsoring agency, the Northwest Territories Housing Corporation (NWTHC), identifies the operating strengths and weaknesses of HAP, and makes recommendations regarding the future of the program.

Both primary and secondary information sources were used for the analysis. A combination of field visits to nine of the NWT's 63 communities, and workshops held in the NWTHC District offices provided the evaluation team with first-hand information on the operation of the program.

Overall Corporate Goals

- o The HAP succeeds in serving those who cannot afford to buy a home on their own, but who have the financial and labour resources to assist in building their own dwelling. Most HAP clients interviewed were in need of assistance to buy a home and received the right kind of help for their purposes.
- o Most of the HAP clients surveyed obtained adequate, suitable and affordable shelter. But, the program, by design, regards home maintenance as the responsibility of the owner.
- o It was found that most HAP clients were well able to afford the cost of constructing their homes, either by supplying their own volunteer labour or by paying contractors. The budgetary cost was also assessed as reasonable. In comparison to Public Housing, less than half of the life-cycle cost of the average HAP unit is publicly subsidized.
- o In order to achieve a completely shared delivery of HAP with local groups, the recently-initiated "global allocation" approach whereby communities are asked to distribute their units between Public Housing and HAP, must be strengthened.
- o There is little community involvement in HAP, but there are signs that, in some areas, understanding as well as involvement among local areas is increasing.
- o The evaluation found that the key to assisting in the community development process is to involve the local Housing Association or authorities. Some development activity has already occurred in the form of organised labour groups.

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- o Increased local spending from HAP was minor as all of the construction material and most of the furniture and appliances were bought from outside the communities. To offset this, a greater proportion of building supplies could be purchased locally.

Goals of the NWT HC Homeownership Programs

- o It has been found that HAP is providing adequate, suitable and affordable shelter for the majority of its clients. Compared to their previous housing, most clients living below the treeline have acquired better housing. Above the treeline, because all HAP clients moved out of Public Housing, there has been an increase in the standard of shelter for the community as a whole.

House Design and Construction

- o House designs were found to have improved. There was still the need to vary foundations and sanitary systems according to local conditions.

Clients

- o To date, HAP clients have been chosen as a result of a process of self-selection among community leaders, those most aware of the program and those with good building skills. In the future, more information about HAP is required along with an improved distribution method including counselling to both attract new clients and improve their construction skills.

Program Design and Delivery

- o Regarding the development of the program, the demand for housing in the NWT and the appropriate role for HAP in that market must be assessed. An important consideration is the number of additional sustainable units. In order to allow the client adequate time for budget preparation and proper site development, a two year planning horizon is recommended.

Community Impacts

- o In order to increase citizen involvement in HAP and promote community development, local leaders suggest involving local governing agencies in unit allocations and encouraging communities to train a pool of skilled personnel by taking advantage of training through HAP.

NWTHC Impacts

- o Two alternatives for improving the delivery of HAP include: either restructuring the NWTHC district offices to strengthen project/program reporting relationships or decreasing district office involvement in HAP delivery and allowing community groups the lead role.

Relation with other Agencies

- o It is suggested that the NWTHC liase with CMHC on identifying client income thresholds, on issuing mortgages for construction financing and for improving house designs. The evaluation also proposes that the NWTHC look to other local agencies for additional labour financing, to develop local industry such as material suppliers, and to play a larger role in HAP delivery especially in land development.

1986 MONITORING OF CMHC'S RNH DEMONSTRATION PROGRAM

Larsson Consulting Ltd., March 1987

The RNH Demonstration Program is a test of an innovative housing delivery approach whereby low-income people living in rural and remote areas construct their own houses. Building materials, land where necessary, construction supervision and on-the-job supervision are provided by CMHC.

At the end of the first year of operation, monitoring of activity under the program was undertaken to allow CMHC to develop the program during the demonstration phase and to ensure that adequate data would be available for the evaluation of the program.

A sample of RNH Demonstration units was selected from across the country for the study. Comparisons were also made with housing built under two similar programs, the RHAP in Alberta and the HAP in the Northwest Territories. In addition to reviewing program administrative data, the monitoring involved personally interviewing CMHC delivery staff, construction managers and clients.

As a result of the monitoring, it was found that the number of positive aspects to the RNH Demonstration approach exceeded any problems detected with the program. First, the method was more appropriate when units in a project were built in a tightly clustered rather than scattered arrangement. Secondly, competent construction managers were found to be instrumental to the success of the program. Third, the design changes made for some units to add space appeared to be worth the extra expense, although the longer term impact on operating costs remained to be assessed.

Fourth, a comparison of the construction costs between RNH Demonstration units and other locally built housing showed that the former were about 43 per cent less expensive. Most of the saving was attributable to the volunteer labour contribution under the Demonstration program. This trend was even more evident under the HAP program which produced larger savings in capital costs and in operating subsidies. Overall, RNH Demonstration unit costs compared favourably to those under both the Alberta and NWT programs. Lastly, the RNH Demonstration Program has proved to be popular among CMHC delivery staff and the client homeowners.

Problems with the program mainly concerned public attitudes about the manner and amount of the subsidy and the choice of client. Local opposition was voiced by those who perceived the program as giving away housing to undeserving clients, many of whom were unemployed, partially employed or already receiving some type of income assistance.

RURAL AND NATIVE ISSUES PAPER

December 30, 1987

The governments of the Northwest Territories, Manitoba, Saskatchewan and Alberta submitted an issue paper to CMHC in December, 1987, concerning the Rural and Native Housing Program. The paper presented their assessment of the problems with the current program design and operation and suggested specific proposals for improvements. The emphasis is placed on possible solutions which reflect general principles as opposed to providing detailed guidelines and mechanics of how solutions might be implemented. None of the four jurisdictions suggested that the program be discontinued. Rather, they suggest that "changes must be made to more adequately match client needs as well as reduce the costly nature of the program".

The paper contains four sections: a brief description of some of the program problems; a summary of each province's position; areas of common concern; and some approaches to address the more difficult problems.

A number of problem areas for the program are identified including high arrears, high vacancies, a substantial number of turnovers, rapid deterioration of the unit, household dissatisfaction, high long-term subsidy costs and heavy, on-going administrative involvement. The provinces, however, feel that these problems are symptomatic of the inability of the program to provide an ownership alternative for low-income households. Many households either cannot afford, or refuse to pay, the associated costs of homeownership.

The major problem in the Northwest Territories is the conflict between the RNH program and the territorial Homeownership Assistance Program (HAP) which provides an up-front writeoff to eliminate on-going mortgage payments. This situation creates an equity problem between households. The NWT proposes writing off or writing down the mortgage amount to reflect the market value of the units. For new commitments, a program similar to HAP with an up-front subsidy, is proposed.

In Manitoba, the province recognizes that the program is very different in the northern and southern areas of the province. Thus, different solutions are proposed for these areas and, within them, different suggestions are made for the existing portfolio versus new delivery. In the north, a similar approach to the Northwest Territories is proposed: writedown or writeoff the mortgage for existing units and provide new units with an up-front subsidy. Manitoba would not provide clear title to

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clients in arrears, but would transfer ownership to a non-profit community organization. In the south, greater flexibility within the existing program is proposed. Mortgage amounts would be written down for homeownership clients and the rental portfolio would be turned over to Local Housing Authorities.

The Saskatchewan proposal is similar to that of Manitoba, as many of the problems with the program are the same. The province proposes a write-down approach rather than a write-off, even in non-market areas. For new units, the up-front subsidy could be combined with a reconsideration of design and building standards under a "shell housing" approach. Regeneration of existing units needing major repairs would be carried out in the North.

In Alberta, the provincial Rural Housing Assistance Program (RHAP) is used in non-market areas to provide up-front assistance. As a result, the province is not proposing extensive changes to the RNH program. Proposed is the elimination of core need income thresholds and the national occupancy standards and a new way of computing income. Alberta also proposes a move towards simplifying program administration through bringing the pre-86 and post-85 portfolio together under one administrative arrangement.

In common, all four jurisdictions advocate greater flexibility to accommodate regional differences, a new program option which eliminates the mortgage component and the long-term subsidy requirements in non-market areas and more responsibility shifted to the household and local community and equity between the new and existing portfolios.

NORTHERN HOUSING: NEEDS, POLICIES AND PROGRAMS

Edited by Tom Carter
Institute of Urban Studies, University of Winnipeg

This document consists of six papers delivered at the "Northern Housing Conference" hosted by the Institute of Urban Studies of the University of Winnipeg in Saskatoon in May of 1987, along with an introduction provided by the editor. The authors include academics, CMHC and provincial housing officials and one consultant. The papers examine various aspects of housing problems, policies and programs in the northern portions of the three prairie provinces, the Yukon, and the Northwest Territories. Four principal issues are addressed by the authors: the special challenges created by the northern context, the nature and magnitude of northern housing needs, the effectiveness of current housing programs, and the identification of alternative policy and program options.

The implementation of southern policies and program options in the North often fails to recognize the social and economic circumstances prevailing in northern areas. The contributors to this collection identify a number of factors which affect the success of delivering housing programs in the North. The resource-based economy on which northern households and communities are largely dependent is highly cyclical and provides neither a stable income base to support effective demand nor the encouragement of the long term investments necessary for development of a conventional housing market and construction industry. The absence of stable employment and functioning housing markets has created a situation where the population of many northern communities is dependent on welfare assistance and social housing programs constitute the principal source of accommodation.

The remoteness of many northern communities means that the cost of building materials, heating fuel and other living essentials is much greater than in southern Canada. This has implications for both the housing needs of northern households and the cost of delivering housing programs in the north. The migration of indigenous people from scattered hunting villages to larger centres has brought with it both increased housing demand as well as additional problems related to the cultural transition from a land-based existence to living in settlements. Cultural factors also influence Native peoples' attitudes toward shelter which, in turn, pose a barrier to the adaptation of housing program options developed within a southern Canadian context.

The authors draw attention to the considerable housing needs of northern residents. The incidence of housing problems is found to be greater in the North than in other parts of the country. A high proportion of dwellings lack basic facilities and/or require major repairs. Problems of overcrowded dwellings are also apparent. Because housing and living expenses are high and

incomes are generally low and unstable, affordability problems are common. While incomes are higher in resource-based communities, a local building industry is often lacking and mortgage financing can be difficult to obtain. The migration of indigenous people to larger communities and an above average rate of natural increase has created rapid growth in housing demand in some northern communities. The youthful age profile of the northern population suggests that housing requirements are likely to increase rapidly in the coming decades.

The principal programs aimed at addressing northern housing needs have been the Remote Housing Program (operating in the Prairie provinces between 1965-1973) and the Rural and Native Housing Programs. Over the years a variety of problems have been identified with the existing RNH programs. For example, the Residential Rehabilitation Assistance Program (RRAP) is unable to reach many needy households in Northern communities because the majority of existing housing is either government assisted and, hence, ineligible for RRAP, or cannot be brought up to standard under RRAP assistance levels. The Emergency Repair Program (ERP) is viewed as a useful stop-gap measure, but often effectively serves as a permanent measure as many clients are reluctant to relocate to new accommodation. Although the RNH program has succeeded in housing many low income households, the program has been costly and difficult to deliver and serious problems with arrears and inadequate maintenance have developed.

In response to emerging problems, housing assistance programs for rural and native households have undergone a variety of changes. These include making RRAP available on a universal basis with a separate Rural RRAP budget, the establishment of native delivery targets and Tripartite Management Committees to plan and monitor their achievement, the development of rental and lease-to-purchase options, the provision of heating allowances, and the replacement of sustaining grants for Native groups with fee-for-service agreements. Most recently, a demonstration is underway to evaluate a homeownership program which provides households with building materials and involves them in the construction of their own home.

In proposing improvements to existing housing assistance programs for northern households, the editor advocates the development of "...a uniquely northern housing policy...that addresses northern problems with appropriate programs designed with northern circumstances in mind". In this respect, many of the authors regard homeownership to be an inappropriate vehicle for responding to northern housing needs, both in terms of the costs to the client as well as to government (e.g. problems of arrears and inadequate maintenance). Homeownership programs which eliminate the burden of debt financing through the provision of an up-front grant or building materials (e.g. HAP

and the RNH Demonstration Program) are regarded as an improvement over the regular RNH program. By reducing the debt service burden it is anticipated that clients will be better able to cover ongoing operating and maintenance expenses without experiencing affordability problems. The extension of non-profit housing (co-ops and non-profits) and more decentralized housing delivery and management are regarded as ways in which more community input and participation can be generated. Conventional means of determining program eligibility and benefits are felt to require adjustment in order to account for the higher costs of living in the north which contribute to unmet housing needs among a broader strata of income groups than elsewhere in Canada.

Finally, the development of stronger linkages between housing, employment and economic development are regarded to be of fundamental importance to addressing the long term needs of northern households and communities. The success of such a linked development process is felt to be dependent on the collective efforts of government agencies, industries and communities.