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# **Canadian Social Housing History**

*With emphasis on Ontario & Toronto*

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How did our  
social housing system  
come to be?

How did it change?

# Overview of periods

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Six periods (a decade or so each),  
five turning points

□ Early postwar prelude	1949-63
□ Public housing heyday	1964-73
□ Non-profit era – federally led	1974-85
□ Non-profit era – provincially led	1986-95
□ Devolution	1996-2001
□ Recent period	2002-2010

The most fundamental changes  
were in 1964 and 1993/95

# Approach (1)

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What factors influenced turning points?

1. Political environment
2. Dominant ideas
3. Housing market conditions
4. Reaction to tensions in prior period
5. Interest groups, policy actors, events

Examine these for each period

## Approach (2)

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How did each period differ in:

1. Sponsor agencies
2. Targeting
3. Funding
4. Production volumes

Not covering: management, access, locations, incomes, etc.

# Early postwar prelude

(1949-63)

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## Sponsor agencies

- ❑ Mostly municipalities

## Targeting

- ❑ Mix of RGI and break-even low rent
- ❑ “Deserving poor” families and elderly

## Funding

- ❑ Pub Hsg: 75% federal, 25% prov-munic [*7½ % munic*]
- ❑ Limited Dividend: Federal loans, no operating subsidy

## Annual production volumes

- ❑ Canada ~1,500; Ontario ~600; GTA ~300

# 1964 turning point

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Political environm't	<ul style="list-style-type: none"><li>❑ Strong economic and fiscal expansion</li><li>❑ Pearson Liberal minority government 1963-68</li></ul>
Dominant ideas	<ul style="list-style-type: none"><li>❑ Welfare state expansion, managerial state</li><li>❑ Mixed-income urban dev't, managed growth</li><li>❑ "Province-building" (Ontario)</li></ul>
Market conditions	<ul style="list-style-type: none"><li>❑ Apartment development boom (priv. sector)</li><li>❑ Small subsidy requirements (initially)</li><li>❑ Established fed role in ~ ¼ of housing finance</li></ul>
Reaction to prior	<ul style="list-style-type: none"><li>❑ Prod'n vols adequate to meet low-inc needs</li><li>❑ More integrated development (!)</li></ul>
Interests, actors, etc	<ul style="list-style-type: none"><li>❑ Tight network of policy-makers &amp; advocates</li><li>❑ The likes of T. Kent, W. Gordon, H. Carver</li></ul>

# Public housing heyday (1964-73)

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## Sponsor agencies

- ❑ Ontario Housing Corporation; other provs followed suit
- ❑ Municipal and some charitable Limited Dividend

## Targeting

- ❑ 100% RGI in public housing
- ❑ Break-even low rents in Limited Dividend

## Funding

- ❑ Capital: 90% federal mortgage loan
- ❑ Operating: 50/50 federal/provincial

## Annual production volumes [ '65-75, incl. NP]

- ❑ Canada 16,300; Ontario ~8,000; GTA 3,800
- ❑ Virtually half of today's RGI built in this period (GTA)
- ❑ Approximately 10% of total housing production



# 1968-73 turning point

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Political environm't	<ul style="list-style-type: none"><li>❑ Volatile/Challenge "system"/High expectations</li><li>❑ Consciousness of Canada as an urban nation</li><li>❑ Big concerns over home-owner affordability</li></ul>
Dominant Ideas	<ul style="list-style-type: none"><li>❑ Preserve neigh'hoods. Avoid ghettoization</li><li>❑ Managed growth, mixed-income urban dev't</li><li>❑ Progs also assisting ownership + private rental</li></ul>
Market	<ul style="list-style-type: none"><li>❑ Ongoing apartment production boom</li><li>❑ Massive net rental demand (baby boomers)</li></ul>
Reaction to prior period	<ul style="list-style-type: none"><li>❑ Concern over rising fed subsidy requirements</li><li>❑ Community-based, not top-down</li><li>❑ More equitable allocation among provinces</li></ul>
Interests, actors, etc	<ul style="list-style-type: none"><li>❑ Community activists. Hellyer. Dennis &amp; Fish.</li><li>❑ Housing politics in Toronto and Montreal</li></ul>

# Non-profit era – federally led ('74-85)

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## Sponsor agencies

- ❑ Non-profit: Community-based (PNP) + municipal + co-op
- ❑ Provincial public housing, until 1978

## Targeting

- ❑ Non-profit & co-op: 1/3 RGI typically
- ❑ Provincial public housing: 100% RGI

## Funding

- ❑ Until '78: NP – Fed mortgages (+grants), rent supp 50/50  
: Public housing – same as 1964-73
- ❑ NP after 1978: Private mortgages; mostly fed subsidy to achieve market rent; rent supp mostly 50/50 fed-prov

## Annual production volumes

- ❑ Canada 19,000; Ontario ~7,000 ; GTA 3,700
- ❑ Vols. like 1964-73 but lower per capita & far fewer RGI

# 1985 turning point

Political environm't	<ul style="list-style-type: none"> <li><input type="checkbox"/> Era of fed ► prov devolution in social policy</li> <li><input type="checkbox"/> 1984-93 Mulroney conservative government</li> </ul>
Dominant ideas	<ul style="list-style-type: none"> <li><input type="checkbox"/> Targeted social benefits, start of neoliberalism</li> <li><input type="checkbox"/> Prov control but with fed support &amp; conditions</li> <li><input type="checkbox"/> Rental affordability, homelessness (Tor, Ont)</li> <li><input type="checkbox"/> Debates: e.g. demand-side; state-vs.-market</li> <li><input type="checkbox"/> End of progs assisting ownership &amp; priv rental</li> </ul>
Market conditions	<ul style="list-style-type: none"> <li><input type="checkbox"/> Market-rent prod'n not viable (high int rates)</li> <li><input type="checkbox"/> Ongoing strong rental demand (high int rates)</li> </ul>
Reaction to prior	<ul style="list-style-type: none"> <li><input type="checkbox"/> Concern over rising fed subsidy requirements</li> <li><input type="checkbox"/> Better targeting to needy, more cost-efficient</li> </ul>
Interests, actors, etc	<ul style="list-style-type: none"> <li><input type="checkbox"/> Provincial and housing-sector voices</li> <li><input type="checkbox"/> Neoliberal voices. Finance depts.</li> </ul>

# Non-profit era – prov led (1986-95)

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## Sponsor agencies

- ❑ Non-profit/co-op: same as '78-85. More special-needs.

## Targeting

- ❑ More targeted: Average >70% RGI. More special-needs.
- ❑ Universal eligibility for RGI in Ontario

## Funding

- ❑ 60/40 fed-prov on Core Need units (50/50 overall?)
- ❑ Ontario unilateral 1987-95: larger volume than fed-prov
- ❑ High subsidy (Ont annual \$150M ► \$1000M in a decade)

## Annual production volumes

- ❑ Canada 17,800; Ontario ~8,000; GTA 3,900
- ❑ Volumes similar to 1964-85

# 1993-95 turning point

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Political environm't	<ul style="list-style-type: none"><li>❑ Charlottetown 1992, six spheres to devolve</li><li>❑ Liberal gov't 1993, more neoliberal than Cons</li><li>❑ Ontario neoliberal Conservative gov't 1995</li><li>❑ Fiscal crisis, worst recession in 60 years</li><li>❑ Massive fed retrenchment in social spending</li></ul>
Dominant ideas	<ul style="list-style-type: none"><li>❑ Devolution of social policy</li><li>❑ Fiscal cuts (pragmatism + neoliberalism)</li><li>❑ Market supply, affordability as "income issue"</li><li>❑ Get Ontario "out of the housing business"</li></ul>
Market conditions	<ul style="list-style-type: none"><li>❑ Dramatically better home-owner affordability</li><li>❑ Less net rental demand (incomes, ownership)</li></ul>
Reaction to prior	<ul style="list-style-type: none"><li>❑ Concern over rising fed+prov subsidy req'ts</li><li>❑ End escalating govt role that served only poor</li></ul>
Actors, etc	<ul style="list-style-type: none"><li>❑ Dev't/landlord industry (Ont). Finance Depts.<sup>13</sup></li></ul>

# Devolution period

(1996-2001)

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## Sponsor agencies

- NP/co-op (Quebec & BC): similar to 1974-95

## Targeting

- Strong emphasis on special needs and elderly

## Funding

- Mostly Que & BC unilateral + fed on-reserve

## Production volumes

- Canada ~2,000 (mostly Quebec & BC)

# 2001-03 turning point

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Political environm't	<ul style="list-style-type: none"><li>❑ Rapid economic growth, "fiscal dividend"</li><li>❑ Centrist phase of fed Lib gov't + Ont Lib govt</li></ul>
Dominant ideas	<ul style="list-style-type: none"><li>❑ Respond to social advocacy voices</li><li>❑ "Urban agenda", quality of life, "place-based"</li><li>❑ Meet needs of homeless, special needs</li></ul>
Market conditions	<ul style="list-style-type: none"><li>❑ Severe rental affordability issue since mid-90s</li><li>❑ Low int rates: Rental production more viable</li></ul>
Reaction to prior	<ul style="list-style-type: none"><li>❑ Soften neoliberalism but without undoing the fundamental structural changes in policy</li></ul>
Interests, actors, events	<ul style="list-style-type: none"><li>❑ Municipal sector re urban quality of life</li><li>❑ Social policy / homeless advocates</li><li>❑ Caucus voices at odds with neoliberal Min.Fin.</li></ul>

# Recent period

(2002-2010)

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## Sponsor agencies

- ❑ Non-profit; municipal; priv sector (like LD); [few co-ops]

## Targeting

- ❑ Low-end mkt rents; or fixed rents at 1/3-1/2 of avg.mkt
- ❑ Strong emphasis on special-needs clients

## Funding

- ❑ Large capital grants: \$50-\$120K/unit (no Op. subsidies)
- ❑ Municipal “incentives”
- ❑ Overall about 60% fed, 20% prov, 20% municipal (Tor)

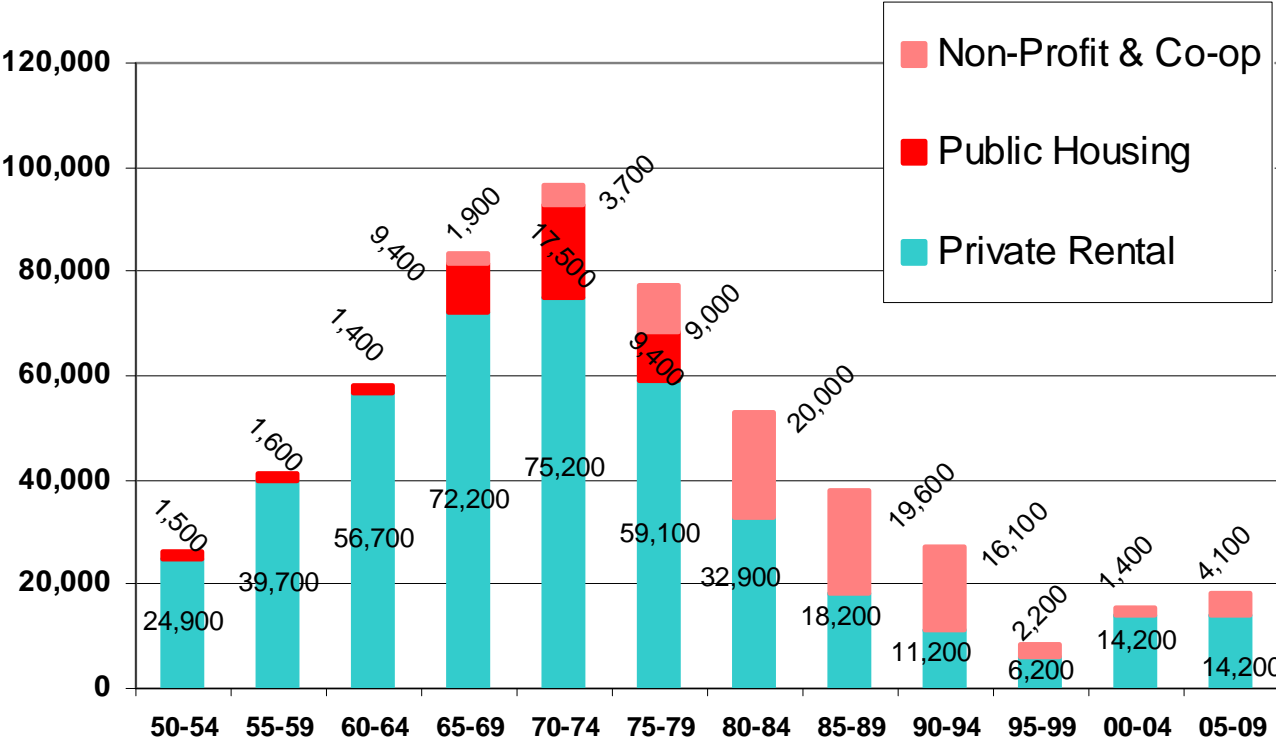
## Annual production volumes

- ❑ Canada 4,000 (?); Ontario ~1500; GTA ~700
- ❑ Volumes similar per capita to 1950s (Canada, Ontario)
- ❑ GTA vols. ~½ 1950s level per capita; ¼ re net low-inc.



# Rental Housing Production

## Rental Production in Canada: Annual Average by 5-year Period



Source: Canadian Housing Statistics; ONPHA; AHI data.

# Concluding observations (1)

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- Fundamental turning points
  - 1964: Shift to more-than-trivial social housing policy
  - 1993-95: End of that 30-year regime
- Other turning points were significant within social housing, but not re overall role of social housing
- Significant continuity in production volumes and broad targeting through all three periods from 1965-95 (GTA)
- GTA social housing absorbed ~ half of net low-income rental demand in most of 1965-90 ► Implications for:
  - Reduced demand for slum-quality housing
  - Disposable income for poor, results in quality of life
  - More neigh'd/spatial income mix than via market

# Concluding observations (2)

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- ❑ Concern over middle-class affordability helped maintain government role in housing from mid-60s through 1980s
- ❑ Idea-shift from mixed economy, managed growth, expanding social programs ► to market-based housing
- ❑ Shift from idea of mixed-income urban development, ► to social housing as targeted thing for the most needy
- ❑ Increasing stigmatization of social housing by 1980s
- ❑ Mainstream notion that social housing was expensive but failed to “solve” the low-income housing problem
- ❑ Little “analysis” of urban land costs vis-à-vis poverty
- ❑ Social housing sector as a legacy of postwar urban development norms + postwar/1970s welfare state

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# **Canadian Social Housing History**

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