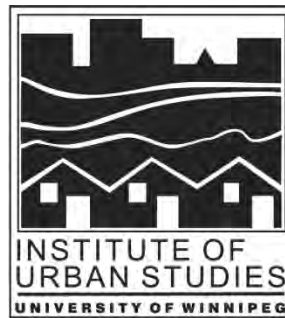


Housing: Inner City Type Older Areas

by Christine McKee, Stewart Clatworthy, & Sybil Frenette
1979

The Institute of Urban Studies





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HOUSING: INNER CITY TYPE OLDER AREAS

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HOUSING: INNER CITY TYPE OLDER AREAS

by

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SECTION I

A DESCRIPTION OF HOUSING RELATED CONDITIONS, NEIGHBOURHOOD TYPES AND HOUSING ISSUES AND PROBLEMS IN THE INNER CITY

The purpose of Section I is to develop a definition of inner city type areas, describe present housing market conditions and trends and to identify need groups and housing problem issues in the inner city. This provides background information to the discussion of the processes and actors shaping inner city housing markets discussed in Section II and the policy development analysis undertaken in Section III. Chapter 1 first discusses factors in defining the inner city and inner city type areas, identifies the study area boundary and provides a profile of the total inner city in terms of its population characteristics and housing stock. Comparisons are drawn between the inner and outer city and with other Canadian inner city areas. The implications of a continuation of existing trends are indicated. The heterogeneity of different inner city neighbourhoods is discussed in Chapter 2, and different types of areas are identified according to particular characteristics, as a base for program and policy development, and so that the internal patterns of the inner city can be better understood. An examination of special need groups and problem issues follows in Chapter 3. Analysis of the issue of housing affordability focuses on those persons and household types experiencing the greatest hardship in meeting shelter costs. Special problems of native households and the issue of housing quality are also examined.

CHAPTER 1
A DESCRIPTION OF HOUSING RELATED CONDITIONS IN
THE INNER CITY AND INNER CITY TYPE AREAS

Definitions

There is no single definition of the inner city or inner city type areas which is universally applicable. Whatever definition is used, it must reflect the processes which are operating to produce the specific attributes we assign to the inner city and inner city type areas. Such areas are subjected to and dominated by three parallel processes:

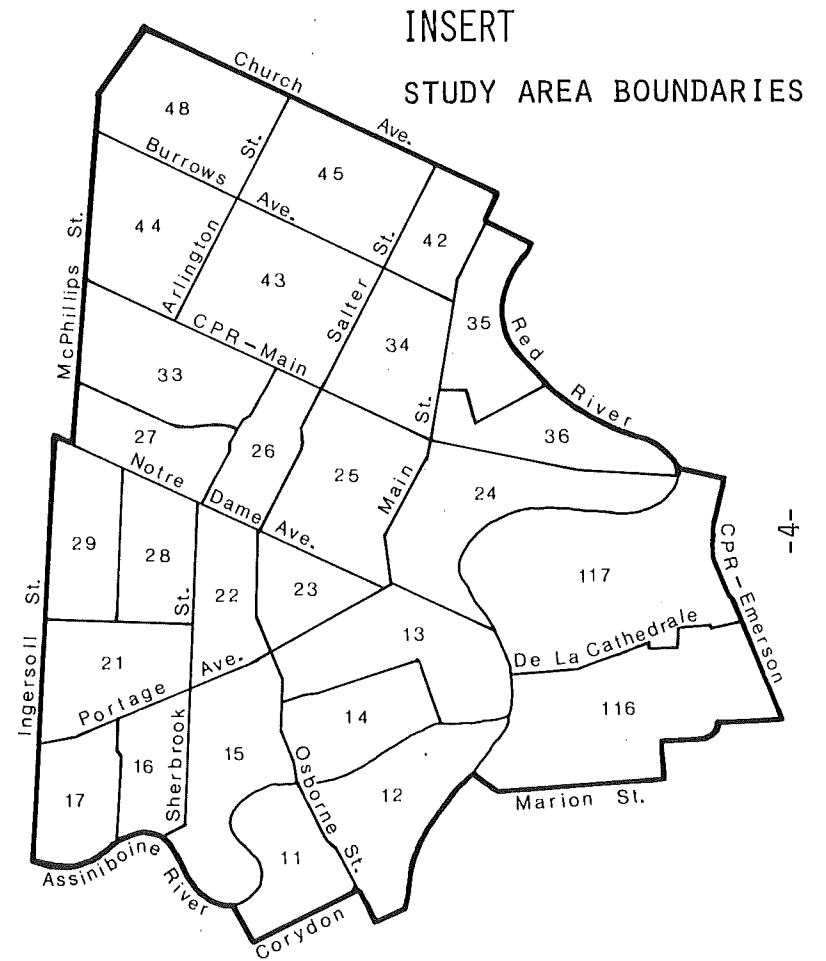
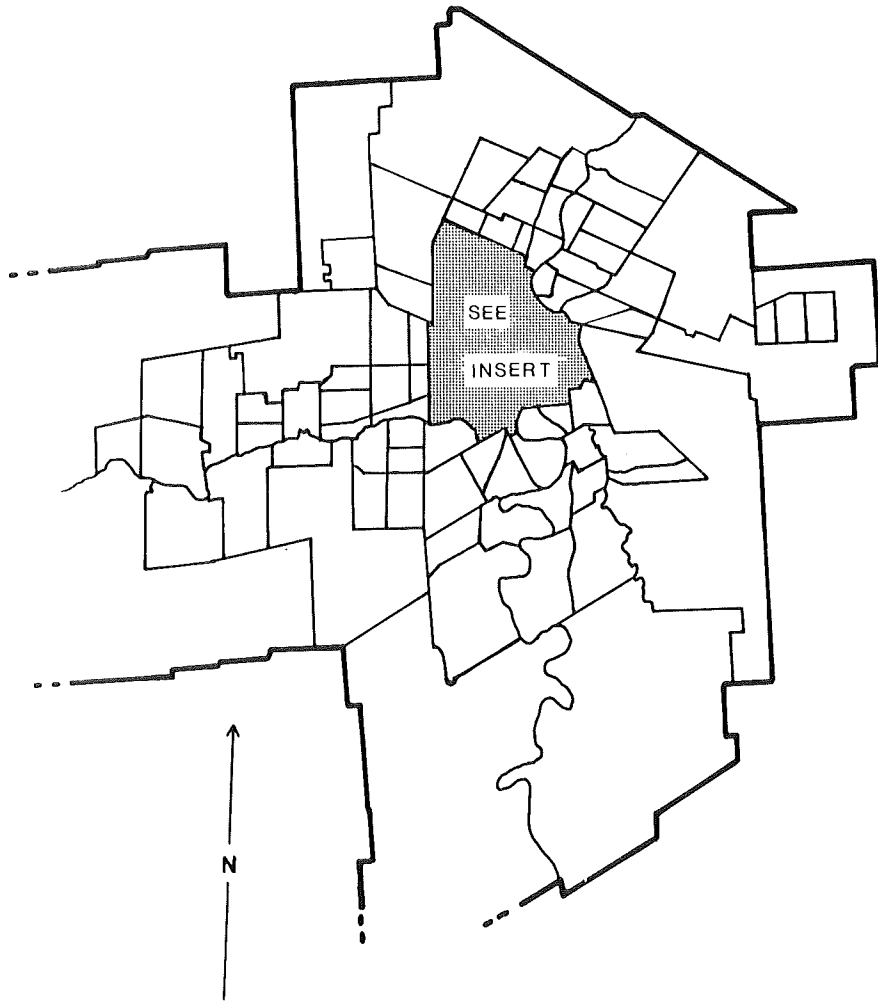
- * the aging and obsolescence of its housing, social services, infrastructure and industrial base,
- * demographic transition, notably the aging of the population and the loss of family households,
- * land use competition through the expansion of central area commercial functions, highways and institutional uses.

Although areas with these attributes are mainly clustered in an area surrounding the Central Business District, commonly known as the inner city, they are not confined to the inner city.

Many of the demographic, socio-economic and housing stock area characteristics and recommendations discussed throughout this report apply both to the inner city and inner city type areas. However, for practical purposes related to constraints of time and resources, analysis has been confined to inner city type areas within the spatial inner city boundary defined by I.U.S. This boundary is illustrated in Figure 1.

FIGURE 1

LOCATION OF INNER CITY STUDY AREA IN RELATION TO WINNIPEG CENSUS METROPOLITAN AREA



Numbers refer to census tract identifiers

It should be noted however, that the study area, has certain special characteristics not necessarily shared by inner city type areas separate from the inner city. These include severe pressures related to mixed and changing land use patterns, wide disparities in land prices, redevelopment pressures; and transportation, congestion, noise, and pollution problems.

Inner City/Outer City Area Comparisons

Inner city and inner city type areas possess features which make them different from most outer ring and suburban areas of Winnipeg. The following discussion provides a statistical base to contrast the inner city and outer city. Historical data has been included where possible to show changes in particular features over time and to illustrate how certain disparities are growing in magnitude.

Demographic Characteristics of the Inner City

Population Change

The inner city has been steadily losing population since 1941 and this loss has accelerated dramatically since 1971. Loss from 1966 to 1971 was -2.5%, but from 1971 to 1976 population loss equalled -15%. For the period from 1941 to 1976 the overall loss was -29%. In contrast, the outer areas of Winnipeg have been showing a steady increase in population. Movement, recently encouraged by new construction in the suburbs, has resulted in a population increase of greater than 200% over the time period between 1941 and 1976. The net effects of this inner city loss and outer city gain show a modest incremental population growth for the city as a whole. The city is growing, but at a declining rate.

Household and Family Formation

A more effective variable than population in analyzing housing need and housing demand is the household. Households in the inner city

increased by 11% from 41,800 in 1966 to 46,500 in 1971. This trend appears to have "peaked out", with 1971 to 1976 showing a loss of 2.5% in households. This situation can be explained by two factors, a decrease in household size (particularly an increase in single person households) and an exodus of families from the inner city. The average household size in the inner city decreased from 2.9% in 1966 to 2.3% in 1976.

The inner city's share of the total number of Winnipeg families has declined from 27,900 families in 1971 to 23,300 families in 1976, a loss of 16.5%. During the same time the outer city family population grew from 105,000 in 1971 to 119,100 in 1976 for an increase of 13.4%.

Age Structure of the Population

The inner city has a much smaller proportion of children under 15 years of age (17%) compared to the outer city (25%), and a significantly larger proportion of elderly, 17% compared to 9% of the outer city population.

Single Parent Families

In 1976 approximately 18% (4,190 families) of all inner city families were single parent families. This is an increase of 3% over the last five years. It should be noted that this increase in a particular family type is quite significant when there is an overall family loss in the inner city. Furthermore, the number of single parent families represents a much higher proportion of inner city families than the comparable outer city proportion of 10%. Since single parent families are often synonymous with low income, this is an important finding with regard to framing appropriate housing policies.

Migration

There is a higher proportion of immigrants in the inner city (28% of population in 1971) compared to 17% in the outer city, and greater ethnic heterogeneity in the inner city. Sixty-four per cent of all migrants located in the inner city are either from rural Manitoba or from outside Canada. A very small proportion, 6%, are from within Winnipeg itself. The outer city is quite different with 19% of its migrants from within Winnipeg. The numbers suggest a pattern of rural Manitobans and new Canadians first locating in the inner city.

Employment

Unemployment rates were higher in the inner city than the outer city with the greatest spread showing in the male labour force. Male unemployment in 1976 was 7.7% in the inner city compared to 4.0% in the outer city.

Income

1971 income data shows a high incidence of poverty in the inner city. More than 18% of inner city families were below the statistics Canada 1971 poverty line compared to 4% in the total city.

Income trends since 1951 analysed in the Institute of Urban Studies Core Area Report show a trend towards increasing income disparities between the inner city and outer city areas.

Characteristics of the Housing Stock

Existing Housing Stock

There are approximately 44,360 dwelling units within the inner city study area. Apartment blocks including privately-owned apartment buildings, public housing and non-profit buildings comprise 23,653 units or 53.3% of this total housing stock. Single detached, single

attached, row dwellings and duplex dwellings make up the remaining 20,280 inner city units.

Sixty-nine per cent of the housing stock was constructed before 1946 and only 14% of the existing stock was constructed after 1960. Partly due to the age of the housing stock, there exists a significant number of deteriorated dwellings with 23% of the total inner city housing stock in poor condition.

Tenure

A much greater proportion of the housing stock is tenant occupied in the inner city, 70.3% compared to 32.8% in the outer city.

The percentage of tenant-occupied dwellings has steadily increased in the inner city from 65% in 1966 to 70.3% in 1976. The trend towards rental accomodation is not exclusive to the inner city as the outer city has also shown an increase of 7.8% in tenant-occupied dwellings. However, in terms of owner-occupied dwellings, the number of owner-occupied dwellings has decreased in the inner city by slightly less than 1,000 units. The situation in the outer city shows a continuing increase in owner-occupied units from 76,595 in 1966 to 99,390 in 1976.

New Construction

There were 4,953 new housing unit starts in the inner city between 1972 and mid-1978. New construction in the inner city during this time was predominantly apartment construction (91%). Private sector housing composed only 19% of the total inner city housing constructed since 1972. Much of this private residential housing construction has been smaller apartment units which do not provide housing opportunities for families.

Subsidized housing has made up the greatest quantity of new construction in the inner city, 60% being public housing and 24% non-profit housing. Between 1970 and 1977, 431 family public housing units and 2,620 elderly public housing units were built in the

inner city comprising 22% of all family public housing and 57% of all elderly public housing built in the city.

Demolitions

Between 1972 and mid 1978, 2,002 inner city housing units were lost through demolition. It is likely that these demolitions significantly affected inner city family housing stock; for example 603 single family dwellings and 523 attached units were demolished. In addition, 876 apartment units were lost. During the same period, MHRC, the chief builder of inner city housing, provided 431 units of family public housing. This made up for less than one-half the total number of family units lost.

Vacancy Rates

Vacancy surveys conducted in mid 1978 indicated that vacancies in apartment buildings in the inner city are critically low for those buildings constructed before 1970. The inner city vacancy rate is a low 0.7% compared to an overall rate for the city of 1.8%. The only inner city housing for which substantial vacancy rates existed were in recently constructed units. The vacancy rate for units constructed between 1971 and 1975 was 5.7%. These newer, non-subsidized units are not affordable to persons on a low or moderate income.

Winnipeg In Relation To Other Canadian Inner City Areas

The previous section has provided a summary profile of the inner city and drawn some inner city/outer city comparisons. Winnipeg is not unique in that its inner city is significantly different from the metropolitan area as a whole. Substantial research indicates that Canadian inner city areas share several commonalities with Winnipeg.

- * Inner city populations comprise a smaller percentage of young adults and a larger percentage of the elderly.
- * Inner city households tend to be of smaller size.
- * Inner cities exhibit much higher rates of unemployment.
- * Inner city households exhibit lower average incomes.
- * Housing stock in inner cities is primarily composed of apartment units and tenant occupied dwellings.

Unique Characteristics of Winnipeg's Inner City

Although Winnipeg shares certain inner city characteristics with other Canadian inner city areas, there exists some special factors about Winnipeg. Winnipeg, in 1976, had the highest percentage of elderly living in the inner city area. Winnipeg's inner city unemployment was the second highest after Vancouver and in 1971 Winnipeg had the third lowest annual income.

In addition, the housing stock in inner city Winnipeg ranked second highest among Canadian cities in terms of percentage of units in poor condition.

Possible Future Population Trends in Inner City

The preceding work has distinguished Winnipeg's inner city as having a diversified and multi-faceted housing environment. Problems which must be given greater attention include the population exodus from the inner city, the decline in family households and the growing concentrations of elderly people and single parent families, each having a limited housing choice. The

situation is being aggravated by the considerable reduction in low cost family housing and rental accommodation through demolition and other causes including commercial conversions, closures, land clearance and general deterioration of the older housing stock. An examination of possible future demographic trends up to 1981 assuming a continuation of present trends indicates the following:

- * Average annual population loss for the 15 year period 1961 to 1976 was 1.75%. Assuming a continuation of the 15 year trend, population in the inner city is expected to decline by more than 9,500 people to 100,000 by the year 1981.
- * If current trends continue, by 1981, there will be proportionately larger concentrations of young adults and the elderly comprising the inner city population. At the same time, a sizeable decline can be expected in the size of the family formation age cohort. (i.e. 25 to 44 years).
- * The proportion of non-family households is likely to grow to exceed the proportion of families by 18% in 1981. (Non-family households are expected to comprise 59.5% of total inner city households in 1981).
- * The proportion of single parent to all inner city families will increase 2% by 1981. Single parent families will then represent one-fifth of all inner city families.

This chapter has attempted to characterize inner city type areas. It has provided a working definition of the inner city for the purposes of this study and has illustrated the many variables which make an inner city type area a special case for the development of housing policy. Although there are many negative features, they are not uniformly spread. The next chapter identifies different types of inner city areas and develops a classification of neighbourhood types which can be related to policy development.

CHAPTER 2
DIFFERENTIATION OF INNER CITY AREA TYPES

Because an examination of the whole of the inner city does not reflect the special character of particular neighbourhoods, an attempt is made in this section to identify different types of areas according to particular characteristics as a base for program and policy development and so that the internal patterns of the inner city can be better understood.

The necessity for this kind of micro-analysis has been stressed by many authors who argue that trends and relationships at the aggregate level tend to be distorted. They stress "the need to look at many individual neighbourhoods in considerable detail to untangle the complex process of neighbourhood change."

A good deal of existing neighbourhood research is based on the notion that each neighbourhood goes through a life cycle from the time it is built to the time it is demolished or falls apart. The life-cycle of a neighbourhood can be divided into stages: health and growth, relative stability, transition and decline which in extreme cases can lead to abandonment. Most forms of area classification reflect this process of neighbourhood change.

Although neighbourhoods move through a predictable cycle, they have the power of regeneration. Trends towards decline can be reversed and neighbourhoods revitalized if appropriate policy and program interventions are made to save them.

The City of Winnipeg Neighbourhood Characterization Study provides for the city as a whole a necessary link between the characteristics of particular neighbourhoods and appropriate housing and planning strategies. It has identified six area types: emerging, stable, conservation, rehabilitation, major improvement and redevelopment.

The Institute of Urban Studies also developed a typology of inner city areas which helped I.U.S. better understand differences between inner city areas. A cluster analysis technique employing 1966, 1971 and 1976 census information related to inner city census tracts, allowed the following broad area types to be differentiated: stable, transitory, declining and redeveloping. Table 1 below links the Neighbourhood Characterization and I.U.S. typologies to the process of neighbourhood change. Figures 2 and 3 illustrate area types identified by I.U.S. and the Neighbourhood Characterization Work.

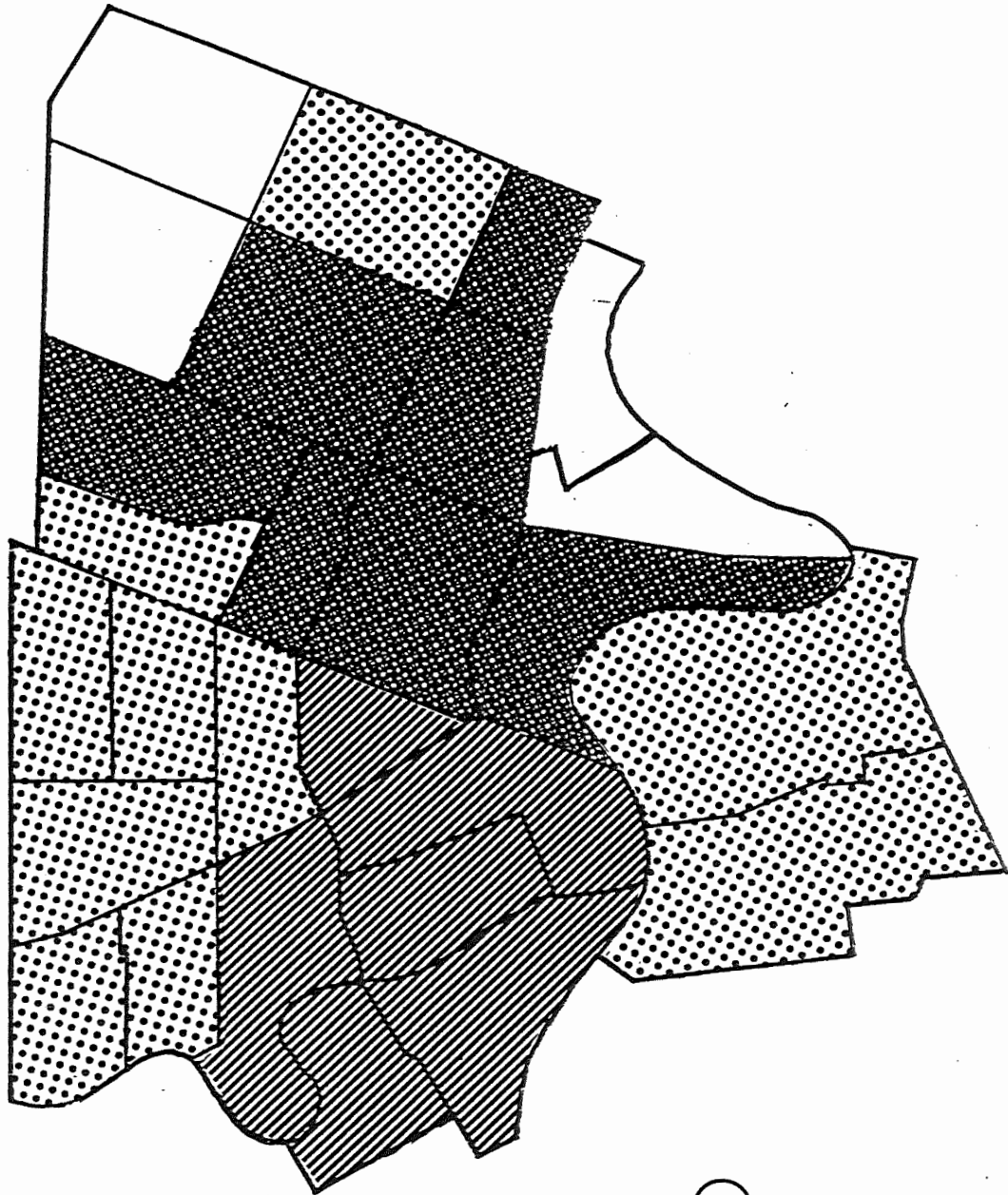
Table 1
Linkage Between Neighbourhood Change
and Area Classification

Stage of Cycle Of Urban Development And Neighbourhood Change	Neighbourhood Characterization Area Types	I.U.S. Area Types
Growth	Emerging Area	Redeveloping (later stages)
Stability	Stable Area Conservation Area Rehabilitation Area	Stable
Decline	Major Improvement Area Redevelopment Area	Transitory Declining Redeveloping (early stages)

The above discussion emphasizes the importance of identifying the characteristics of particular neighbourhoods in understanding how and why communities function and change. The I.U.S. work on area classification was undertaken mainly for this purpose. Appropriate housing and planning strategies can only be devised if the differences in inner city type areas are fully understood. The City Neighbourhood Characterization Study indicates that inner city type areas are not confined within the spatial boundary of the inner city. The I.U.S. endorses the work of the Neighbourhood Characterization study and recognizes the more comprehensive nature of the city study in linking neighbourhood types with appropriate strategies. Where strategies for neighbourhoods are recommended in this report, they should be implemented on the basis of the neighbourhood characterization work.

FIGURE 2

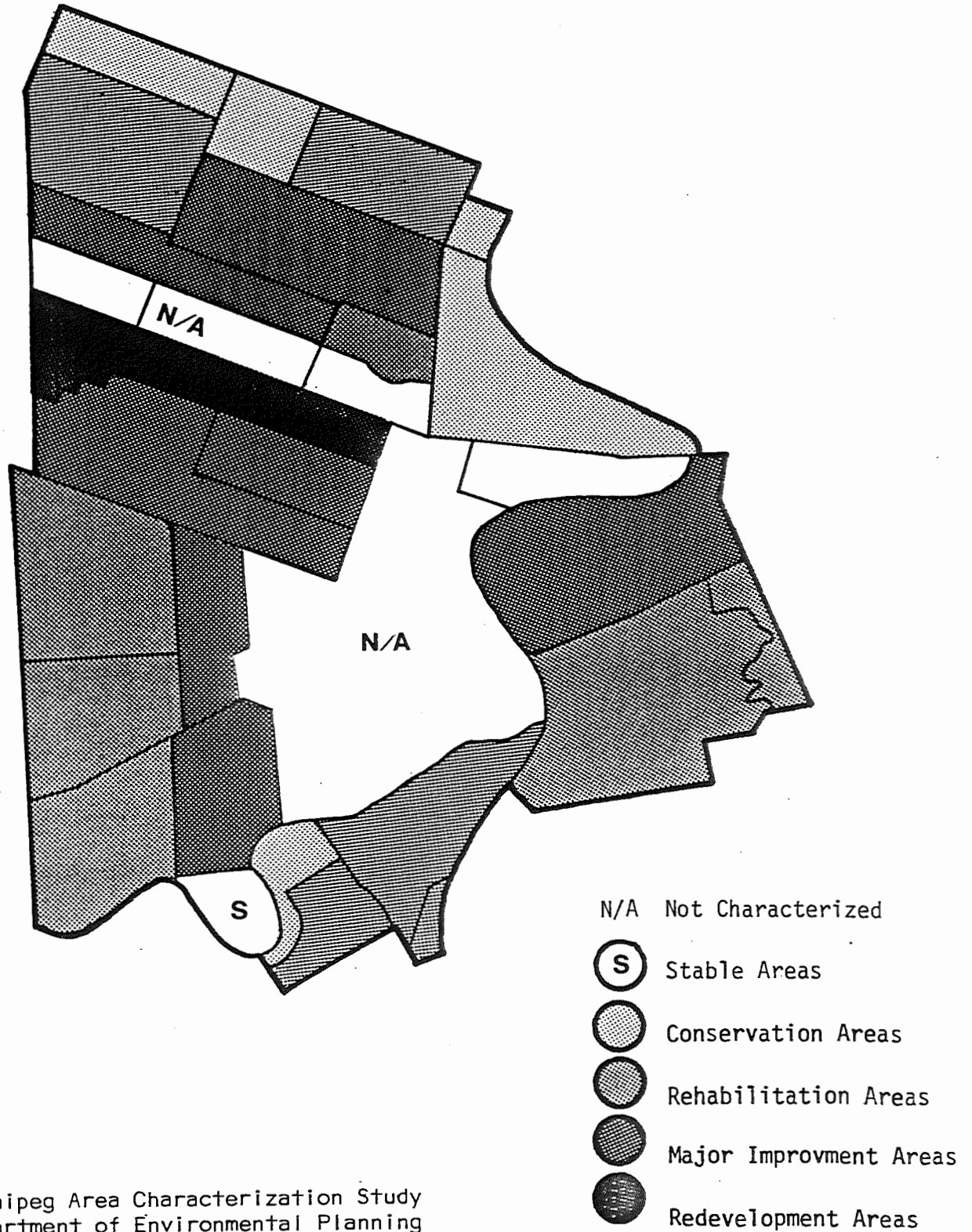
NEIGHBOURHOOD TYPES AS DEFINED BY THE INSTITUTE FOR URBAN STUDIES



- Stable
- Transitory
- ▨ High Density Redevelopment
- ⊗ Decline

FIGURE 3

NEIGHBOURHOOD TYPES AS DEFINED IN NEIGHBOURHOOD CHARACTERIZATION STUDY



CHAPTER 3
SPECIAL NEED GROUPS AND PROBLEM ISSUES

Affordability

The issue of housing affordability has clearly represented one of the principal themes of federal, provincial and, in many instances, municipal housing policy in this decade. Recently, it has been argued the problem of affordability has eased somewhat as incomes during the inflationary period 1974 - 1978 generally rose more quickly than prices and rents. Recent research in other cities, however, has revealed that although general improvement in affordability has occurred, the gains realized have been unequally distributed amongst different types of households and income groups with the result that the affordability problems experienced by some household groups have persisted and in some cases have become more acute.

Our analysis of affordability problems in Winnipeg tends to confirm the findings of research elsewhere. The major results of the study, which appear in Table 2 , support the following conclusions:

- * Affordability remains as a serious and widespread problem affecting a sizeable percentage of all household categories.
- * The problem is particularly acute among single parent families, young singles, and elderly singles.
- * Among all household groups affordability problems are more severe in the inner city.

Table 2
Estimated Number of Households Experiencing Affordability Problems, 1977*

Household Category	Total City		Inner City		Rental Market	
	Number	Percent**	Number	Percent**	Number	Percent**
Age of Head < 65 yr. Size						
1	7,295	22	3,585	30	6,920	26
2	8,815	17	2,310	30	6,525	26
3	3,940	12	660	19	3,055	27
4	3,310	10	545	20	2,490	39
5+	2,815	13	830	22	2,010	39
Single Parent	9,195	57	2,765	65	8,885	69
Age of Head ≥ 65 yr. Size						
1	5,705	37	3,915	62	4,700	50
2+	1,170	9	690	12	230	8
TOTAL	42,245	-	15,300	-	34,815	-

* Estimates derived from Social Planning Council survey data.

** Percentages refer to proportion of each household category.

* Affordability problems are much more acute in the rental submarket, especially for larger households.

Additional analysis, designed to estimate the size of subsidies required to eliminate affordability problems indicates that quite substantial subsidies are required. (Table 3). The magnitude of need is greatest for single parent families and elderly singles and is proportionately greater in the inner as opposed to outer city area.

Table 3

Estimated Subsidies Required to Eliminate Affordability Problem, 1977

Household Category	<u>\$ x 1 Million</u>		
	Total City	Inner City	Rental Market
Heads < 65 years			
Size			
1	7.9	3.9	6.5
2	12.9	4.9	11.3
3	7.2	1.2	5.4
4	4.5	1.6	4.0
5	5.3	2.5	3.6
Single parent	19.6	5.1	15.1
Heads ≥ 65 years			
Size			
1	7.7	4.8	5.2
2+	0.5	0.3	0.2
TOTAL	65.6	24.3	51.3

Although the total subsidy required to eliminate the affordability problem is great, subsidies required to eliminate the excessive shelter cost component of the problem are comparatively modest. (Table 4). Moreover, the problem of excessive shelter costs is severe only amongst single parent families and single person

households. For most household groups the affordability problem is not the result of excessive housing costs but rather the result of low incomes. In fact the total elimination of housing expenditures among some groups would still leave a large percentage of households with insufficient income to meet other, "non-housing related" necessities (food, clothing, etc.). Nevertheless, single parent families and single person households continue to incur housing expenditures well in excess of currently accepted rent-to-income standards and could benefit substantially from some form of shelter cost assistance.

Table 4

Estimated Subsidies Required to Eliminate
Excessive Housing Expenditures, 1977*

Household Category	<u>\$ x 1 Million</u>		
	Total City	Inner City	Rental Market
Heads < 65 years			
Size			
1	.82	.65	.76
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-
Single parent	5.14	1.44	2.26
Heads ≥ 65 years			
Size			
1	1.92	.85	1.61
2+	-	-	-
TOTAL	7.88	3.01	4.63

* Subsidy required in order to bring shelter costs to 25 percent of income.

The general problem of affordability in the inner city may well be more severe than our study suggests. In calculating subsidies our analysis implicitly assumes the continuation of current levels of consumption in terms of space and quality. Since many households incurring excessive shelter expenditures occupy sub-standard dwellings, additional subsidies would likely be needed to bring their consumption levels up to current public standards in terms of space (i.e. persons per room) and unit quality.

In addition to affordability problems evidence suggests that homeownership may be less accessible in the inner city (Table 5). Rates of homeownership in the core are lower among all eight households categories, even among middle and upper income groups. Although the inner/outer city differentials may reflect differing household tenure preferences, they may also reflect constraints operating in the inner city housing market. (See Section II). Chapter 4 for additional discussion regarding this issue).

Table 5

Ownership Rates By Household Size and Age of Household Head, Incomes Greater Than \$10,500/Year (1977)

Household Category	% Owning Dwelling	
	Inner City	Total (CMA)
Heads < 65 years		
Size		
1	9.7	26.7
2	46.0	58.8
3	60.8	72.1
4	75.6	80.8
5+	69.8	79.6
Single parents	33.3	50.0
Heads ≥ 65 years		
Size		
1	-	50.0
2+	62.5	84.4

Housing Needs, Affordability, and the Native Population

In contrast with most other Canadian urban centres, the city of Winnipeg contains a sizeable and rapidly growing native population.

Although population estimates vary, our analysis based on Manitoba Services Commission data indicates that approximately 36,000 status and non-status natives reside in the city. Of this total roughly 68 percent (24,000) live in what we have defined as the inner city. This population represents about 22 percent of the inner city total.

Analysis of recent native migration patterns, reserve living conditions, and urban housing conditions point to the following conclusions:

- * Push factors related to harsh living conditions and inadequate social services (health care) on reservations and pull factors related to native perceptions of better employment, educational, and housing opportunities in the city underlie the recent influx of natives to the City of Winnipeg.
- * Location within the city of Winnipeg appears to be dictated largely by the availability of inexpensive housing resulting in a large concentration of natives in the inner city.
- * Low income native households like other low income households are more likely to experience housing problems in the inner city, especially problems related to affordability, substandard housing unit conditions, and inadequate tenure security. These problems are compounded due to the cultural difference between the native population and broader urban society.

* Native households exhibit an unusually high rate of mobility (change of residence) within the inner city. This movement which is especially high for female, single parent families and large families appears to be linked to inadequate housing conditions, forced moves due to demolition; or dwelling closure and evictions. Such frequent moves appear to hamper the educational achievements of native children and the adjustment of native households to broader urban society.

Housing Quality

Approximately one in 4 inner city housing units is in poor condition. Winnipeg's inner city housing is reaching a critical threshold in terms of age and condition. When compared with other Canadian cities, Winnipeg has the highest percentage of dwellings built before 1940 and 69% of the housing stock in the inner city was built before 1946. With the exception of Montreal, Winnipeg has the highest percentage of poor quality older housing in Canada.

Spatially, the area north of Portage Avenue, particularly those census tracts bordering the CPR yards show the greatest number of buildings in poor condition. At the extreme northern boundary of the study area, both census tracts 42 and 45 show pockets of badly deteriorated housing with 49% and 42% of their stock in poor or very poor condition. (See Table 6 and Figure 4). The River/Osborne area (census tract 12) is the only southern tract with a high ratio (33%) of the housing stock rated in poor condition.

Table 6

INNER CITY HOUSING CONDITION 1978*

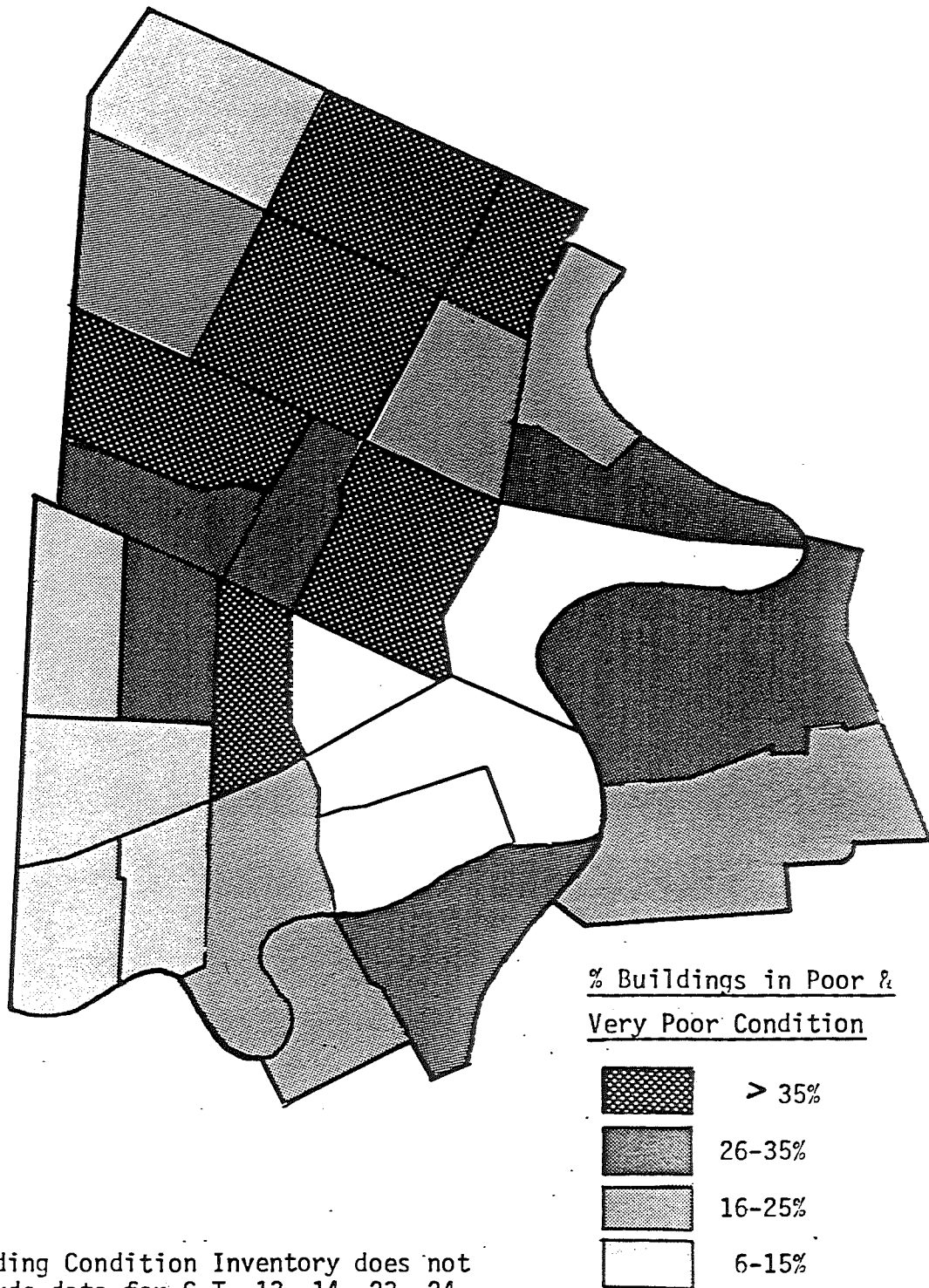
Census Tract	Good		Fair		Poor		Very Poor		Totals No.
	No.	%	No.	%	No.	%	No.	%	
11	126	29	219	50	89	20	2	.5	436
12	77	29	100	38	85	32	3	1	265
15	163	23	430	61	106	15	2	.3	701
16	135	24	395	70	33	6	0	0	563
17	263	27	633	66	69	7	1	.1	966
21	571	39	738	51	141	10	5	.3	1455
22	76	10	397	52	278	36	16	2	767
25	72	16	215	47	130	28	43	9	460
26	98	21	217	47	113	25	19	4	447
27	169	44	125	33	83	22	4	1	381
28	92	9	616	60	300	29	13	1	1021
29	351	27	748	58	173	13	11	.9	1283
33	46	16	126	43	105	36	13	5	290
34	62	50	43	35	17	14	2	2	124
35	215	42	217	42	64	12	22	4	518
36	73	32	81	36	37	16	34	15	225
42	173	25	181	26	338	48	7	1	699
43	211	17	487	38	504	40	64	5	1266
44	258	29	481	55	134	15	5	.6	878
45	256	21	678	55	484	40	24	2	1225
48	985	55	607	34	188	11	4	.2	1784
116	353	28	644	50	258	20	28	2	1283
117	224	38	232	40	107	18	24	4	587

* Census Tracts 13, 14, 23 and 24 are not included in this table as they form the downtown area, defined as a special study area by the District Planning Branch.

SOURCE: City of Winnipeg Neighbourhood Characterisation Field Maps, (1978).

FIGURE 4

DISTRIBUTION OF POOR QUALITY HOUSING IN THE INNER CITY



* Building Condition Inventory does not include data for C.T. 13, 14, 23, 24.

Source: District Planning Branch, City of Winnipeg Housing Condition Survey

A comparison of present and historical building condition information makes it possible to distinguish areas where housing maintenance appears to have curbed the process of deterioration and those areas where the housing stock continues to decline.

Census tracts which show evidence of increasing decline since the last housing condition inventory are tracts 17, 22, 28, 33, and 43. These areas show no obvious clustering pattern although they are all located on the edge of the central core area, perhaps an indication that decline in building condition is spreading away from the city centre as the housing stock succumbs to either the aging process or poor maintenance..

The census tracts which are central to the study area, north of Portage (tracts 36, 35, 34 and 25) have shown a slight improvement in terms of building condition possibly due to the activities of the NIP and RRAP programs as well as extensive Public Housing construction particularly in the Midlands area.

Within the inner city study area, there are five Neighbourhood Improvement Areas: Centennial, North Point Douglas, North St. Boniface, West Alexander and William Whyte. Of a potential 771 units in these NIP areas, 502 units have been rehabilitated using RRAP funding. As such, significant physical improvement has been realized within the designated neighbourhoods. When viewed from the total context of the inner city where approximately 4,200 units are in need of repair, the units rehabilitated utilizing RRAP funding represent only 8% of the total number of inner city structures in need of major repair.

It is evident that both single and multiple residential units require extensive maintenance and repair. The amount of publicly assisted rehabilitation to date has not substantially altered the overall housing deterioration problem although NIP areas have shown some improvement in market activity and neighbourhood stability. In light of existing housing conditions in the inner city and the noticeable improvements created through the now disbanded NIP program, it would appear that a well managed program of rehabilitation, conservation and selective redevelopment is needed to prevent further residential deterioration.



SECTION II

RECENT PRIVATE, PUBLIC AND THIRD SECTOR ACTIVITIES IN THE INNER CITY HOUSING MARKET

Among other things, the development of policy requires a sound understanding of the processes and activities which are currently reshaping the inner city. Most important in this regard are the processes underlying neighbourhood change. Most widely accepted theories of neighbourhood change emphasize the central roles played by housing and property market forces not only in initiating and sustaining neighbourhood decline but also in initiating and sponsoring neighbourhood revitalization and redevelopment. This section of the report summarizes and analyzes the past and current activities of the major actors involved in the process of inner city change. Chapter 4 highlights the recent activities of the private sector in the inner city housing market while Chapter 5 provides a similar appraisal of activities carried out by the public and third sectors. In addition this chapter critiques the current framework of housing programs which guide public sector involvement in the inner city. Opportunities for and barriers to private and public sector residential development are reviewed in Chapter 6. The section's final chapter provides a brief summary of major findings and conclusions of the study and identifies major issues of concern to the development of housing policy appropriate to the inner city and to inner city type areas.



CHAPTER 4
PRIVATE SECTOR ACTIVITY IN THE INNER CITY

The Role of Financial Institutions

Private financial institutions play a central role in shaping change in inner city neighbourhoods by regulating the flow of capital to the housing and property market. Access to, as well as, the cost of capital is closely linked to the level of confidence (risk) which the financial institution places in the borrower, property, and neighbourhood. A recent I.U.S. survey of more than 50 lending institutions, designed to ascertain current lending practices, capital availability, and lender perceptions of inner city investment opportunities identified a number of issues and difficulties related to financing in the inner city housing market. Major findings of the survey are highlighted below.

* As of August 1978, mortgage capital was in plentiful supply although rather costly. Most lenders contacted indicated an increase in funds available over previous years, a situation attributed to sluggish residential investment activity and high mortgage rates. Although the supply of capital increased substantially, criteria for lending on residential property has not been relaxed even by the most flexible lending institutions.

* Although lenders would not be specific there are indications that "redlining" (i.e. refusal to loan) is occurring in certain areas of the inner city. All major lenders (banks, insurance companies, and trust companies) and the majority of credit unions surveyed indicated a reluctance to finance housing market activities in the Elgin/Logan area, the downtown area, and

in the North End generally (census tracts 25, 26, 34, 35 and 43). In addition some agencies also expressed concern regarding lending in North Point Douglas (tract 36).

- * There is a major obstacle to providing financing for acquisition and/or rehabilitation of older apartment buildings and to a lesser extent improvements to older residential properties in general. Lenders expressed a general reluctance to provide capital to older apartment buildings except in situations where borrowers possessed an extremely good equity position. Lending restrictions imposed on older properties were attributed to unpredictable re-sale markets, the limited life expectancy of many older structures, and in the case of rental properties, changes in federal tax legislation, rent control, and municipal upgrading orders which combine to make investment in some older rental properties marginal or risky.
- * Some secondary financial institutions will lend on older property in higher risk neighbourhoods but interest rates tend to be up to 3 per cent higher than prime rates.
- * Of all types of lending institutions surveyed, credit unions exhibited the greatest level of flexibility in evaluating borrowers. However, credit unions tended to impose rigorous equity requirements and stressed the importance of neighbourhood stability.
- * The reaction of financial institutions to the new federal housing programs was mixed and their role remains uncertain. Arrangements such as the graduated mortgage

payment scheme do not seem to be favoured by lenders because the scheme involves a longer delay in the return on investments made and in the case of owner occupation would involve marginal borrowers. On the other hand, positive interest was expressed in co-operating with the new non-profit program aimed at new and existing buildings. Lenders, however, did stress the need for N.H.A. insurance provisions.

* Public sector support for neighbourhoods would greatly enhance the situation for mortgage and rehabilitation lending in older areas. In this regard, lenders mentioned the use of N.I.P. type strategies, the home ownership programs, home improvement programs with extended payment periods, and public sector encouragement and support for private sector activities.

Private Sector Residential Development and Redevelopment

Although there has been a considerable amount of residential construction activity since 1970 in the inner city, very little activity has been carried out by the private sector. During the 1972-1978 time period, less than 20 per cent of the housing starts in the inner city were sponsored by the private sector.

Moreover, the majority of private sector starts involved public subsidies of some form. Development under the A.R.P. program has accounted for the majority of recent private multi-family rental starts in the city of Winnipeg. In spite of the success of the A.R.P. program in generating rental starts in the city, only four A.R.P. projects were constructed in the inner city. These projects, however, accounted for nearly all of the new rental housing units sponsored by the private sector in the inner city.

Private sector development of homeownership units in the inner city has been very modest. During the 1975-1978 period, 42 row and semi-detached houses were built under the A.H.O.P. program.

Examination of development costs and consequent rent levels (Table 7) indicates clearly that the private sector is unable to produce housing units at rent or price levels affordable by the vast majority of current inner city residents.

The prospects for increased private sector development in the inner city in the near future appear limited. Recent federal housing program changes have led to substantial alteration of the A.R.P. program. The replacement program is not being viewed by the private development industry favourably. Under the new arrangement government subsidies decrease by 7½ per cent annually and developers fear that rents may have to be raised by an equivalent amount plus operating costs annually, thus resulting in project rents which are not competitive with similar quality older units.

Private Sector Rehabilitation Activity

There is some visible evidence that rehabilitation of the older housing stock is taking place through private initiatives in some inner city neighbourhoods. Exterior signs of renovation activity are characteristic of neighbourhoods in West Balmoral, River/Osborne, North Point Douglas (N.I.P.), Centennial (N.I.P.), Redwood/College (in the North End), Wolseley, and west of Sherbrook, north of the C.P.R. tracks.

Although there are visible signs of rehabilitation, municipal building permit data do not confirm a marked increase in rehabilitation activity for the inner city as a whole during the past five years. It should be noted however, that permit data fails to capture a sizable portion of minor renovation activity carried out by the individual property owner.

Table 7
Development and Rental Costs of ARP Multifamily Projects

	PROJECT A (started in 1976)				PROJECT B (started in 1977)			
<u>PROJECT FILE</u>	22 storey Hi-rise with elevator 246 interior parking stalls 250 total units 643 sq. ft. - average living floor area				17 storey Hi-rise with elevator 271 interior parking stalls 428 total units 633 sq. ft. - average living floor area			
<u>LAND COSTS:</u> TOTAL PER UNIT	\$450,000 1,800				\$1,773,752 4,144			
<u>BUILDING COSTS:</u> TOTAL PER UNIT	\$6,848,460 27,394				\$16,534,252 38,631			
<u>TOTAL COSTS</u>	\$7,298,460				\$18,308,004			
<u>PROJECTED AVERAGE</u>	Unit Type	Market \$	Full Recovery	Monthly Avg. assistance/unit	Unit Type	Market \$	Full Recovery	Monthly Avg. assistance/unit
<u>MONTHLY</u>	Bachelor	261.85	332.70		1 BR	311.76	378.68	
<u>RENT LEVELS</u>	1 BR	327.85	416.57		1 BR	341.76	415.12	
	2 BR	426.85	542.35	\$99.83	1 BR	336.76	409.05	\$73.77
	2 BR	458.85	583.01		1 BR	338.76	411.48	
	2 BR	428.85	544.90		2 BR	399.76	485.58	

Interviews conducted by I.U.S. with nine Winnipeg rehabilitation companies suggested that a modest increase in inner city rehabilitation activity has occurred. Moreover, representatives of the rehabilitation industry stressed that prospects for further activity were encouraging in that:

- * a growing proportion of older inner city housing will experience an increasing need for repairs as it ages, and
- * the inner city has a growing population of small households and small families which prefer accommodation in older, low cost, low density dwellings which are common to the inner city.

Barriers to rehabilitation financing noted earlier, however, could severely hamper private sector rehabilitation, especially in areas displaying visible signs of decline.

Housing Market and Real Estate Activity

Analysis of sales to listings ratios compiled from Winnipeg Real Estate Board data indicate that the resale housing market in the inner city is weak. In 1978, only 34 per cent of all inner city properties registered in the multiple listings service were sold. Considerable variations in levels of activity, however, did exist within the inner city.

- * Real estate markets in the Osborne/Corydon area and St. Boniface are generally healthy (in terms of marketability) and compare favourably with most outer city neighbourhoods.

- * General improvement in marketability has occurred in the North Point Douglas area reflecting, in part, the efforts of N.I.P. and R.R.A.P.
- * Levels of activity in both the Wolseley and West Inner City area markets have been stable over the past five years.
- * Significant declines in marketability have occurred in the North End and in residential areas paralleling the C.P.R. tracks, especially during the past three years.

In spite of the general trend toward reduced levels of marketability, average housing prices in the inner city have increased at a rate similar to outer city prices. When viewed as a whole, evidence indicates that the market for existing residential units in the inner city, although weak, has remained relatively stable during this decade.

CHAPTER 5
PUBLIC AND THIRD SECTOR ACTIVITY
IN THE INNER CITY

The Context of Past Public Sector Involvement

Traditionally, housing policy and program formulation has been dominated by the federal government. Provincial and municipal input has been marginal and the role of these lower levels of government has been directed primarily towards the implementation and administration of federally designed program alternatives. Past public sector activity in inner city Winnipeg must be regarded largely as a reflection of past federal funding and program opportunities, rather than as the result of a comprehensive provincial or municipal housing policy.

* A comprehensive housing policy was, and continues to be, poorly enunciated for Manitoba and the City of Winnipeg.

Nature of the Present Municipal Role

Although most housing policies and programs implemented in Winnipeg have been instituted by the higher levels of government, the City, through specific by-law legislation, has been involved in several housing related issues. However, housing responsibility for the City of Winnipeg has lacked comprehensiveness causing a situation where municipal housing objectives are formulated in an ad hoc manner and often conflict with programs undertaken by the federal and provincial governments.

A prime example of this situation is found in the Apartment Upgrading By-law. Initiated to upgrade older apartment blocks

posing a fire hazard and implemented during a time of rent control, the by-law has resulted in several building closures and demolitions. Landlords, faced with limited rental incomes and punitive federal tax arrangements, have been unable to meet the costly requirements of the orders. The negative repercussions on the inner city rental stock have caused many of the displaced, low income tenants to relocate in subsidized public housing.

The City, working without a comprehensive policy to guide the implementation of special purpose programs may create incongruities in the program objectives of other City departments and other levels of government. This has been a recurring finding of similar municipal housing studies and several cities have responded by creating an administrative body to coordinate publicly initiated activities.

Currently there is no direct locus of authority and accountability for housing in the City of Winnipeg at both the administrative and political levels.

Four municipal departments and thirteen branches of the Department of Environmental Planning, many of which operate autonomously, deal in housing related issues. Because there is considerable fragmentation within the administration there has been an emphasis on technical services and a de-emphasis on input into council policy formulations. The lack of an internally integrated housing administrative structure has served to compound the problems of co-ordination and ad hoc program implementation.

Public and Third Sector Development Activity

Publicly funded development in the inner city has been quite substantial during the 1970's and has resulted in the addition of more than 4,600 units to the housing stock.

The majority of activity has been carried out by MHRC under Section 43 of the N.H.A. (public housing). A significant number of new assisted housing units has also been provided through the activities of several private non-profit (third sector) corporations.

A review of the unit types produced by the public and third sector reveals a marked bias toward one need group, the elderly.
(See Table 8).

- * Of the 3,300 MHRC public housing units developed during this decade in the inner city more than 80 percent are targeted for occupancy by the elderly.
- * To date all third sector housing units in the inner city are targeted for the elderly.

Although great progress has been made toward alleviating the housing problems of the elderly in the inner city, the public and third sectors have been seriously lacking in addressing the affordability problems of low income families, particularly those which desire to live in (or are unable to leave) the inner city. Based on I.U.S. study of affordability as many as 2,500 low income inner city families may be incurring shelter costs in excess of existing public standards. Currently only 650 assisted family units are located in the inner city.

Table 8
 MHRC Development Activity Under Section 43
 of NHA, Winnipeg 1970 - 1977

Location	Type of Unit		
	Seniors	Family	Total
Inner City	2676 (57.1)	650 (22.0)	3326 (43.5)
Outer City	2007 (42.9)	2305 (78.0)	4312 (56.5)
TOTAL	4683 (100)	2955 (100)	7638 (100)

Number in parentheses refer to percentages of total units of that type.

Source: MHRC, CMHC

- * There is a need for the province and city to rethink the role of public and third sector development in the inner city and to consider seriously the provision of additional low cost family accommodation in the core.

There is evidence that some shift in priorities has occurred. Current and proposed MHRC Section 43 activity in the inner city reveals a much more balanced distribution amongst need groups. The recent removal of the Section 43 program, however, raises serious questions about the future ability of MHRC to improve the housing conditions of families in need through new development.

Rehabilitation and Renewal Activity

When compared with development activity the performance of public sector programs regarding renewal and rehabilitation has been much less impressive, in spite of the fact that more than \$50 million in public funds have been allocated to those tasks in the inner city. Since 1973 the major programs involved have been the Neighbourhood Improvement Program (N.I.P.) and the complementary Residential Rehabilitation Assistance Program (R.R.A.P.).

- * N.I.P. in Winnipeg has achieved some success in terms of improving physical infrastructure and community services in designated areas.
- * Housing unit rehabilitation via R.R.A.P. has been disappointingly slow. To date only 502 units have (or are in the process of being) "RRAP'ed" and 1979 funding to the program (\$1.3 million) remains small in comparison with the estimated size of inner city rehabilitation needs (about 4,200 units). In addition to limited funding allocations, homeowner and landlord interest in the

program has not been overwhelming. In fact, quite substantial blocks of funding allocated to Winnipeg under the RRAP program have been returned to the federal government in recent years.

Rehabilitation activity carried out directly by public and private non-profit corporations has also been modest. The majority of non-profit rehabilitation has been accomplished by Kinew Corporation which has acquired and renovated where necessary approximately 150 family housing units for occupancy by needy native families.

Although one should not understate the success of the city's N.I.P. effort or that of Kinew Corporation, the evidence is clear that past progress in the field of rehabilitation has been much too slow. Moreover, current and likely future funding allocations as well as recent alterations to the R.R.A.P. program are not likely to alter the situation. Assuming a continuation of recent levels of activity under R.R.A.P. it will take more than a quarter of a century to upgrade the inner city housing stock to sound condition, provided of course that no additional units fall into disrepair during that time period.

To date the municipality's Apartment (Residential) Upgrading Bylaw has not contributed significantly to upgrading the stock of older rental dwellings. Through a rigorous and ongoing program of inspection the bylaw has been an effective instrument for identifying non-complying residential structures. The record of compliance, however, is disappointing. Currently more than 53 percent of the properties for which orders have been issued remain legally in violation of the bylaw. Additional evidence, compiled by the city administration, also suggests that the bylaw has been instrumental in triggering the loss of many low cost rental units in the inner city.

- * More than 20 percent of the structures for which upgrading orders were issued prior to 1976 have been subsequently closed or demolished. Further loss of low cost units, which appears likely, can only add to the housing problems currently experienced by the inner city's low income population.

New Development Versus Rehabilitation Costs

A central issue in mapping a strategy for improving housing conditions in the inner city relates to the relative costs of new development and rehabilitation. Although direct comparison of costs is difficult due to the variability of rehabilitation costs, data compiled from a number of recent public and third sector projects involving more than 1,500 dwelling units permits a rough approximation of relative costs (see Table 9). Table 10 provides estimates of the costs to government incurred under alternative provision strategies.

- * Relative to new housing construction, which costs about \$30 - 35,000/unit, major renovations can be accomplished for approximately one-third of the cost.
- * Acquisition and renovation of structures from the existing stock can be accomplished for approximately two thirds of the cost of new development.

These cost differentials which are remarkably similar to those identified in recent studies in the U.S. and in Calgary, suggest that a major program of rehabilitation represents a more cost effective means of improving the supply of sound and affordable housing in the inner city particularly if the effort can be financed for the most part with private sector capital.

The substantially higher costs associated with new publicly assisted development suggest that this form of housing should

Table 9

Comparative Costs of Recent Inner
City Development and Rehabilitation Projects

Source	Costs (\$/unit)			
	# of Units	Major Renovation	Acquisition and Major Renovation	New Construction
1. Apartment Loss Study	172	8,810	—	—
2. Kinew	14 Detached	—	22,700	—
3. Apartment Loss Study	19 Apartments	—	14,472	—
4. CMHC (1977)	888 (Section 43)	—	—	25,000
5. CMHC	42 A.H.O.P. Units	—	—	35,720
6. CMHC	464 A.R.P. Units	—	—	29,100

Table 10

Estimated Cost to Government of Alternative
Strategies of Provision

Strategy	Net Present Value of Future Subsidy*
Private R.R.A.P.	4,436
Acquisition and Renovation by Non-Profit	3,511
Acquisition and Renovation by Government	8,092
Replacement by Non- Profit	13,499
Replacement by Public Housing	34,648

* Estimated for a 19 suite apartment constructed in 1909.

SOURCE: Apartment Loss Study, Department of Environmental
Planning, 1978

: Independent I.U.S. research.

not be employed as a major strategy for upgrading the inner city housing stock in the short run. New development, however, could play a major role in selected neighbourhood environments and in easing the affordability problems of specific target group populations, especially single parent families and the elderly.

Current Housing Program Options

The framework for public sector activity in housing has recently undergone a series of dramatic changes. These changes have created a great deal of uncertainty among the various agencies and actors involved in housing. As such the next year or two may be most appropriately viewed as a period of transition which will involve not only a shift in the technical and administrative details of housing programs but also a much broader reorganization of public sector responsibility.

- * The new non-profit program is intended to serve as the central element of the federal government's new social housing package.

Economic analysis comparing the cost effectiveness of development under the new non-profit format to that of the old non-profit and public housing programs indicates that,

- * the total government subsidy required under the new program may be substantially greater than under the old programs, although front end costs will be drastically reduced.
- * In spite of producing units with lower break even rents than previously possible, rents under the new program will not be low enough to reach groups most in need of shelter assistance.

* Although development under the new program does not appear to be as cost effective as it was under the old program format, our analysis indicates that a strategy of acquisition and rehabilitation by non-profit corporations is substantially more cost effective via the new framework. Under the new scheme the government can achieve the same rent levels obtainable under the old program at a much lower subsidy cost.

One additional point regarding our analysis should be made very clear. Comparison of the subsidy costs incurred in new development and rehabilitation reveals very clearly the superiority of the rehabilitation option under the new program. In our examples acquisition and complete renovation can be accomplished for about 25 percent of the costs to government of undertaking new construction. As a means of providing greater access to sound and affordable housing for low income households in the inner city, a broadly based strategy of non-profit rehabilitation is clearly superior to publicly assisted new development. Public savings would be greatest if rehabilitation could be facilitated through private non-profit activities.

The importance of encouraging rehabilitation via non-profit corporations is heightened by the recently announced changes in the federal R.R.A.P. program.

These changes which reduced the level of forgivable grants to landlords and require landlords to seek capital in the private market are not likely to increase (and may decrease) rehabilitation activity by private rental property owners. In addition, indications are that the federal government will continue to restrict funding to the program for some time into the future.

Under the new federal scheme, N.I.P., the Municipal Incentive Grant, and the Municipal Infrastructure Program will eventually be replaced by the Community Services Contribution Program. At this time, the program is "moth-balled" and little can be said with great precision apart from the fact that it will entail some form of block funding to the municipality.

It appears that the size of funding made available under the program will be very limited. Given the number of former programs which the new program is designed to replace and limited funding it seems unlikely that the new program will have a substantial impact on improving housing and neighbourhoods in inner city areas in the short run.

This also appears to be the case regarding the new federal strategies replacing A.R.P. and A.H.O.P.

- * Economic analysis comparing the old programs to the new framework indicates very clearly that the new programs are much less attractive to the developer.
- * In addition, both programs under the new format are based on the Graduated Payment Mortgage scheme. In spite of assurances that the federal government will insure private loans under the plan, many financial institutions remain reluctant to lend on GPM terms.

The difficulties surrounding the replacement programs for A.R.P. and A.H.O.P. should have little effect on the inner city housing market, for these programs played a relatively minor role in new inner city housing development prior to the recent changes. Our analysis of the new programs suggests that they are likely to

continue to play a minor role in future residential development in the inner city.

In summary, analysis of the current program options indicates very clearly the superior cost-effectiveness of rehabilitation, as opposed to new development, strategies, be they undertaken by the private, public, or third sector. In spite of this fact there is currently no federal, provincial, or municipal vehicle capable of facilitating a significant rehabilitation program for the inner city. Without alterations or additional program supports, the new package of federal programs is not likely to substantially alter the condition of the inner city housing stock or alleviate problems of housing affordability in the inner city.

The basic principle of the recent federal program changes is clearly one of federal disentanglement. In essence the federal government is shifting the responsibility for housing to lower levels of governments and to the private sector. Within this framework the city and province are likely to be required to undertake the tasks of coordinating publicly supported housing activities and of developing a locally based program (strategy) for rehabilitating the inner city housing stock. In light of the huge capital requirements of any broad rehabilitation scheme attempts should be made to utilize private capital to the fullest extent possible.

CHAPTER 6
CONSTRAINTS ON AND OPPORTUNITIES FOR
NEW INNER CITY RESIDENTIAL DEVELOPMENT

Introduction

Future housing policies for the inner city and Winnipeg as a whole, and the question of the distribution of residential development are inevitably interlinked and must recognize the effects of factors external to housing. The question of the relative roles of new development and conservation of existing stock must also be resolved. With these caveats stated, this chapter addresses the constraints on and opportunities for inner city residential development.

Constraints Which Inhibit New Inner City Development Identified By The Private Development Industry

Rent Levels

For multifamily developments, rent levels of at least \$300 to \$400 are required to cover the economic costs of land, building and operation for one and two bedroom units.

The market for new private inner city development has therefore become very specialized and is beyond the means of the average family.

Current Market Situation

The Assisted Rental Program which was terminated in September 1978 was very successful in generating rental starts, but has produced an over supply of rental units, particularly in the outer city, which will take up to two years to be absorbed by the market. Central Mortgage and Housing Corporation have recently placed a 6-month embargo on rental starts in the Winnipeg area. Also vacancy levels continue to rise for new rental units.

The incentive to develop, particularly in any location other than a

prime site will therefore be correspondingly weak for the next two to three years.

Marketing Problems

Private developers are unwilling to build in an area where there is a risk that suites will not be rented because of neighbourhood/environment factors. It is estimated that the present private inner city multifamily rental market in downtown locations will bear approximately 100 to 200 new units per annum. This market is aimed at middle/upper income professionals and provides small units for non-family households.

Problems of Infill Construction

The cost of land and building of infill with single family and attached housing is at least as great as outer city development. However, potential marketing problems, difficulty in supervision and maintaining security on scattered sites, deter new inner city construction of this type by the private sector.

In addition to these constraints described above, land costs and property tax costs were considered important components of the high costs of housing in the inner city, particularly the latter. Minimum standards required for new construction by local codes and C.M.H.C. were not considered too rigorous but the higher than necessary servicing standards in the suburbs were thought to be open to question. There was a consensus that most building code regulations are necessary to ensure safety.

One opportunity favoured by the private sector is co-operation with the city in creating 'micro-environments' in which residential development would be provided by the private sector.

This would involve the development of one or two city blocks, to create a virtually self-contained environment and provide a mix

of housing types and tenure. A further possibility for private sector development would be mixed use projects which combine commercial, residential, and possibly recreational uses and produce cost savings in relation to land use and generate revenue to offset project operation costs.

Public Sector Residential Development

The previous chapter has shown that until 1977, public sector housing activity was a major contributor to residential development in the inner city and between 1972 and 1978 contributed 56% of inner city housing starts. Its contribution to the provision of low income housing, particularly for seniors, was significant.

Changes in policy at both the federal and provincial level are likely to result in a diminished role for the public sector for the following reasons:

- * Section 43, the N.H.A. program, through which M.H.R.C. built most of its public housing, has been removed. Projects proposed for 1978-1979 will exhaust the remainder of provincial/federal cost shared loans under Section 43.

- * It is the declared policy of the present provincial government to control and reduce its capital spending on low income housing.

In the short term, however, there are indications that M.H.R.C. will concentrate on providing public housing in the areas and for the groups in greatest need, and that the inner city will be its major target area. This is reflected in its building program for 1978-1979 which will concentrate on providing low density infill housing projects in the inner city mainly for families (See Table 11).

Table 11
1978-1979 Public Housing Starts

Location	Number of Units	Tenant Type	Housing Type
*Dufferin & Parr	10	Family	Stacked Townhousing Apartment Block & Duplexes
*Tache & Notre Dame	14	Family	
Midlands A	56	Family	Detached & Attached Apartments
B	70	Elderly	
C	24	Family	
Furby Place	48	Family	Townhousing
Ellice/Langside/Furby	112	Elderly	Apartments
Scattered Infill	56	Family	Mostly Detached
TOTAL	390 - 182 Elderly Units - 208 Family Units		

* Previously approved under 1978 budget.

The long term future for public sector activity after the end of 1979 is uncertain. It is likely that a preferred option will be a provincial rent supplement program similar to the federal N.H.A. 44-1a. This could have the effect of providing a weak stimulus to private construction if it is applied to new rental units. However, a more cost effective approach would be to subsidize older rental units.

Another approach to stimulating low income housing construction would be for the province or the city to build under the new non-profit program and combine such a program with a provincial or city rent supplement program to serve low income households.

Third Sector Residential Development

Between 1972 and 1978, third sector residential development using a non-profit approach outpaced private sector starts in the inner city. In the past in the inner city it has been used to provide new housing for senior citizens. A recent change in the non-profit housing program will provide the opportunity for residential construction to be built at rent levels appropriate for low and moderate income households and much below the rent levels available in private construction. Details of the new program were outlined in the previous chapter.

This new housing program is likely to provide the most significant opportunity for inner city residential development over the next five years. Because of severe cost constraints and unwillingness of the private sector to contribute to development in anything but prime locations or within a specially created environment, it is likely to be a more important lever for inner city residential development than private sector activity.

The new non-profit program is a tool which can be used effectively by private sponsoring groups, joint private sector/non-profit partnerships or by the municipal or provincial non-profit housing corporation to develop inner city housing.

Availability of and Market for Vacant Land for New Inner City Residential Development

There are 141.8 acres of vacant land available for residential purposes in the inner city. This translates into land with a maximum potential for 26,922 family units or 27,836 bachelor units.

More than half the available lots for inner city residential construction are presently inappropriately zoned.

There has not been a significant turnover of vacant parcels of inner city land in the past 6 years. Since 1973 only 122 vacant properties have been sold.

It can be concluded that there is not a substantial amount of vacant land available for new residential construction in the inner city and that a significant proportion is presently inappropriately zoned.

Summary

Any strategy which involves inner city residential development must be set in the context of the costs and efficacy of new developments versus conservation and rehabilitation alternatives. The previous chapter shows that the most cost-effective mechanism for conserving the supply of inner city housing is a rehabilitation strategy combined with the new non-profit program. New inner city development will continue to serve special groups at the upper end of the housing market, could be used in conjunction with the micro-environment concept, and may be a useful tool for revitalizing target areas when combined with a non-profit approach or serving the needs of target groups such as single parent families and the elderly. Our findings suggest that it should be used strategically and selectively.

CHAPTER 7

A SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND POLICY ISSUES

The previous six chapters have served to outline the nature of current demographic and housing market forces reshaping Winnipeg's inner city neighbourhoods. During the course of our investigation several issues and problems areas have been identified. This Chapter summarizes the major findings and conclusions in this regard and outlines what we believe to be the major issues of concern for the development of housing policy appropriate to the inner city and to inner city type areas.

1. Population, Demographic, and Housing Market Changes

Major Findings:

- * rapid and sustained population losses in most inner city areas (Chapter 1)
- * rapid out-migration of family households (Chapter 1)
- * increasing concentrations of the poor and other disadvantaged household groups (Chapters 1 and 3)
- * housing market activities have been a primary cause of demographic and socio-economic polarization (Chapters 1, 4, and 5). The activities include:
 - promotion of extensive suburban development
 - concentrations of senior citizens housing in core area
 - barriers to private sector lending on older property and in certain spatial areas of the inner city

- paucity of private sector development and redevelopment in inner city.

Implications:

- * severe erosion of quality of life in some inner city neighbourhoods
- * increasing social problems linked to concentration of disadvantaged household groups
- * increasing locational restrictions on housing opportunities open to middle and upper income households.

Conclusions:

1. need to retard and reverse current trends toward polarization.
2. need to consider alternative strategies for distributing future housing supply and population growth.

2. Housing Condition and Neighbourhood Decline

Major Findings:

- * more than 20 percent of inner city housing stock in poor or very poor condition (4,200 units) (Chapter 3)
- * poor quality housing spread throughout much of inner city, although heavily concentrated in certain areas (Chapter 3)
- * evidence of accelerating decline of condition in areas adjacent to central business area (Chapter 3)
- * concentration of poor quality housing threatening viability of some neighbourhoods (Chapters 2 and 3)
- * past rehabilitation and neighbourhood improvement efforts only modestly successful (Chapter 5)
- * recent rate of rehabilitation quite slow in light of size of effort required (Chapters 3 and 5)
- * private sector activity constrained by barriers to lending and neighbourhood instability (Chapters 4 and 6)
- * public sector constrained by program deficiencies and limited federal funds (Chapters 5 and 6)

Implications:

- * declining condition of stock will contribute to additional neighbourhood erosion and loss of family households.

- * rate of improvement and rehabilitation is not likely to increase substantially within new federal program framework
- * alternatives to rehabilitation as a means of increasing access to sound and affordable housing are comparatively expensive

Conclusions:

1. need for a much expanded program of rehabilitation and neighbourhood improvement.
2. currently no public sector vehicle capable of achieving significant results in the short run.
3. need for much expanded involvement of private sector capital in rehabilitation and neighbourhood revitalization.

3. Affordability and the Supply of Low Cost Housing

Major Findings:

- * approximately one in three inner city households are currently receiving insufficient incomes to afford budget necessities (Chapter 3)
- * excessive shelter costs, however, affect a comparatively small number of households (4,000 - 5,000) (Chapter 3)

- * single parent families, native households and single person households represent those population sub-groups most in need of housing assistance (Chapter 3)
- * past public and third sector activity has achieved notable progress in terms of increasing the supply of assisted elderly housing units (Chapter 5)
- * currently exists a shortage of approximately 2,000 units of assisted family accommodation in the inner city (Chapter 3)
- * shortage of low cost family units has been compounded by the loss of more than 1,200 family units through demolition since 1972 (Chapter 5)
- * new units at prices affordable by the majority of inner city households cannot be provided by the private sector (Chapter 4)
- * new federal housing programs make it possible to provide assisted housing to some low income groups.
 - opportunities in this regard are most promising under the new non-profit program, especially if a strategy of acquisition and rehabilitation is employed (Chapter 5)
- * groups most in need cannot be reached within the context of the new federal programs unless additional subsidies are provided (Chapter 5)

Implications:

- * the problem of affordability for most households relates to low income rather than excessive shelter costs, and as such lies outside of the housing market context.
- * any housing assistance programs can only go part of the way toward solving the affordability problem
- * current rates of assisted housing supply to the elderly appear adequate to meet future requirements of this need group
- * continued loss of low cost family housing combined with inadequate rates of replacement are likely to increase the housing problems of low income families, especially single parent families, and native households

Conclusions:

1. need to increase substantially the rates of supply of assisted housing to low income family households.
2. need to curtail the loss of low cost family housing stock.
3. need for some form of shelter allowance to eliminate excessive housing expenditures incurred by the low income population.

4. Government Responsibility In Housing

Major Findings:

- * past housing policy and program development has been dominated by the federal government
- * municipal and provincial involvement in policy development has been minimal and poorly coordinated
- * role of lower levels of government has been primarily to administer and implement federal program alternatives
- * past programs which have been initiated by the municipality have tended to be formulated outside of the contexts of upper level policies and programs
- * there is currently no clearly stated and comprehensive housing policy at either the provincial or municipal level
- * the structure of public sector responsibility for policy and program development, as well as the nature of funding, is undergoing dramatic change. Elements of this change include:
 - federal disentanglement
 - greater reliance on private sector capital
 - movement toward block funding to local governments

Implications:

- * federal housing programs are not tailored to reflect local context

- * emphasis of upper level government does not correspond to local housing needs and problems
- * programs which have been initiated by three levels of government have conflicted producing undesirable results
- * there is no locally based policy to guide public and private sector housing activities

Conclusions:

1. there is a need to redefine and coordinate roles and responsibilities of various levels of government and the private sector.
2. there is a need for a comprehensive housing policy statement which reflects local priorities in terms of needs.
3. there is a need for a political body to establish local housing policy and for an administrative framework to implement and coordinate activities reflecting such policy.

SECTION III

FROM PROBLEMS TO POLICY: ALTERNATIVE MUNICIPAL ROLES IN HOUSING

The preceding sections of this report have provided a broad overview of the character of Winnipeg's inner city type areas and of the nature of demographic and housing market processes which have been instrumental in shaping change in these areas.

Chapter 7 summarized the study's major findings in this regard and served to consolidate these findings into four broad issues requiring policy attention. The first chapter included in this section of the report examines the need for and capabilities of the municipality to take action on these issues. The final chapter identifies and evaluates policy alternatives, implementation strategies, and specific program recommendations relating to each of the four issues.

CHAPTER 8
TOWARD DEFINING THE MUNICIPAL ROLE

The recently announced changes in federal housing programs entail not only technical alterations but also a major realignment in public and private sector responsibility for housing. In that the changes proposed relate most directly to rehabilitation and housing geared to low income households, the implications of these changes for the inner city could be substantial. Given the current, and what will most likely be the future, federal position, that is one of disentanglement, the private sector and lower levels of government are being asked to assume greater responsibility in meeting the housing needs of the low income population. From a variety of perspectives, this situation may be regarded as a healthy one. Our analysis in the previous chapters, however, raises some serious questions about the ability of the current framework to effectively deal with inner city problems and needs.

A common recommendation of several recent housing studies has been to shift a great deal of public responsibility concerning housing policy and program development to the local level. There exists some strong arguments to support this position.

- * The local government representing the level of government closest to the problems of its constituents, is best capable of identifying and relating to the housing needs and preferences of its citizens.

- * Policies and programs formulated for universal application, run a very high risk of not performing to expectations in any specific urban setting. Many housing programs need to be tailored to suit the specific character and needs of individual municipalities which will require greater local government involvement.

- * Greater local government involvement is required for the purpose of coordinating policy and program administration. It is the responsibility of the municipal government to ensure that housing objectives and the means of achieving those objectives do not conflict with other municipal goals and programs.

The ability of the municipality to act effectively in regard to the arguments set forth above are limited. The nature and format of municipal revenue generation is the greatest handicap. Furthermore, a system of federal and provincial conditional grants has tended to narrow the scope of local involvement in housing to those issues deemed important by those higher levels of government. If the federal or provincial governments do not recognize a specific need, or place a low priority on satisfying that need, it is very difficult for local government to take action since the costs of such action must normally be recovered through property taxation. The inflexibility in revenue generation for housing activity remains a major obstacle to local policy and program development.

However, the technical means are available for a municipality to affect change in the inner city.

- * Looking specifically at the Winnipeg case, through the enabling legislation of the City of Winnipeg Act, Council has been empowered with considerable control over the nature, quality and supply of housing in the city.

Through the City of Winnipeg Act the most progressive and innovative programs with regard to land use, funding, conservation, and the rehabilitation of housing are possible.

The enabling legislation presently permits:

- * the regulation of new development, redevelopment, alterations and improvements through zoning regulations, development control and enforcement procedures;
- * the implementation of neighbourhood oriented planning through Community Plans and Action Area Plans;
- * the issuance of grants and loans for improvements, additions and maintenance of buildings;
- * direct involvement in the acquisition, erection, sale or rental of dwellings as well as grants of money to non-profit housing corporations deemed in the interest of the City; and
- * the power to enact programs for the rehabilitation, improvement or renewal of urban areas.

Therefore, with regard to housing, the City of Winnipeg Act identifies a variety of roles that the City may assume depending on the degree of involvement the City chooses to take.

The City may maintain its 'business as usual' approach to housing using the zoning approval process, building permit, building code enforcement, various code enforcement by-laws, expropriation, action area plans, and the utilization of the Federal Government's dwindling NIP & RRAP programs. However, such a stance will merely result in the continuation of significant expenditures on housing and related programs in the absence of a comprehensive housing policy for the inner city.

The City may take an 'influential' role in housing where it adopts housing policies and objectives and through a co-ordinating service brings together the different levels of government to work in co-operation with the private sector in the provision of housing.

The City may take a more 'active' role in housing; utilize areas of the City of Winnipeg Act which have up until now not been put to use; request amendments to the Act to extend influence over housing (demolition control, changes in the property tax system, land value taxation for vacant lots); and become directly involved with the supply of housing in the City. Such a role would include policies guiding equitable distribution of the housing stock in the City to meet the needs in particular target groups (through the provision of special low cost housing). The City could join in initiatives of the federal and provincial governments in joint funding ventures, become involved in land banking, non-profit housing, and offer insurance for private sector loans for home maintenance and improvement.

Options Tried Elsewhere

A growing number of Canadian cities have chosen a municipal locus of authority and accountability for the success of federal and provincial housing programs. To facilitate the construction of public housing through federal and program requirements, twenty-three (23) Canadian cities have developed local housing authorities. Significantly, seventeen (17) of these cities have felt the urgency for further involvement and have instituted housing departments to develop policy, conduct housing research, formulate housing targets and review land development practices.

Of the ten largest cities in Canada, Winnipeg is the only city without a municipal housing department.

In order to illustrate the relationships and responsibilities of municipal housing departments in cities of comparable size to Winnipeg, the activities of the housing departments in Calgary, Edmonton, Vancouver, Montreal and Toronto are summarized below.

Calgary

Calgary has a Housing and Urban Renewal Department. Originally established to plan for public housing in areas of urban renewal, it is now more directly involved in the planning and design of public housing projects built by proposal call. In 1976 Calgary approved a social housing policy. At that time the city chose to become directly involved in housing through land assembly, the development of a non-profit housing corporation, the provision of technical assistance to non-profit organizations, and the initiation of a Minimum Maintenance By-Law.

Edmonton

Edmonton developed the Edmonton Community Housing Organization in 1969 to expediate the development of public housing which is devoted completely to community housing. It serves as the co-ordinative centre for the Edmonton Housing Authority and the City Planning Department.

Vancouver

Both the City of Vancouver and the Greater Vancouver Regional District have housing divisions. In Vancouver, the development of housing policies is through the Community Planning Division of the City of Vancouver Planning Department. The political arm

of the housing administration is a standing committee on housing which is responsible for the elaboration of the City's policy over housing. GVRD's Housing Department has been involved in the acquisition of housing, the funding of public housing, the acquisition of units in private developments for families requiring rent subsidies and the establishment of a non-profit housing corporation. The City of Vancouver through their local area planners has developed local area housing policies in conjunction with community groups. The City has incorporated a non-profit housing corporation and is developing 2,400 units. Also in the aid to local non-profits, the City provides grants to assist with the acquisition of City lands in the order of 1/3 the market value of the property. A land leasing arrangement is also available to non-profits.

Montreal.

The City of Montreal has a housing department which works with the Municipal Housing Bureau, a special purpose non-profit corporation established through provincial charter at the request of the municipality. A sophisticated staff of employees specializing in housing and housing-related matters has allowed Montreal relative freedom from the Provincial Housing Authority with regard to the planning and designing of public housing. Since 1968 Montreal's Housing Department has also been involved in the rehabilitation of housing in many neighbourhoods selected for improvement. Loans are made available to landlords for the upgrading of their properties to building code standards. Special programs offered by the City are: a rehousing bureau, a housing clinic to provide owners and tenants with technical information concerning the rehabilitation of their buildings, a construction program to develop large units for large families and special units for senior citizens and, a city owned non-profit housing corporation.

Toronto

The City of Toronto has by far the most progressive housing department of those discussed. The City of Toronto Housing Department established in 1973 has 4 divisions:

- 1) Program Planning and Land Development
- 2) Administration
- 3) Project Planning and Development
- 4) Property Appraisal and Negotiation

The City Housing Department is responsible for the planning and implementation of the land assembly, land banking program and the municipal non-profit housing corporation. It offers technical support to private and community non-profit groups to involve potential residents in the planning and management of their own housing. Through a variety of rehabilitation programs the City is directly involved in the rehabilitation of older housing in the inner city neighbourhoods. The Housing Department establishes annual housing targets, decides the optimum distribution for the targets, their producers, location, density, form, and cost. Lastly, the department ensures that Public housing and AHOP housing meet the criterion of the City.

The City of Toronto has experienced considerable pressure for redevelopment in its highly sensitive low density, inner city neighbourhoods. In response to this pressure, special housing programs and policies co-ordinated between the planning department and the housing department have been instituted to preserve a mix of affordable housing in the core area. To conserve low density housing the City has down zoned entire communities which had been earmarked for redevelopment during the era of urban renewal. A height by-law restricting new development to more compatible heights and densities in such neighbourhoods, the issuance of rehabilitation loans and the acquisition of housing close to downtown illustrate Toronto's commitment to neighbourhood planning. To retain a social mix, bonus zoning has

been recently adopted for development incentives in the downtown plan. Developers are permitted to build extra storeys within their mixed use developments if low income units are provided. Furthermore, municipal non-profit units have been integrated into moderate income areas and neighbourhood level planning has kept in touch with community housing needs.

Since the inception of its Housing Department, the City has acquired and assembled nearly 75 acres of inner city land (to yield 6,000 plus housing units), has started construction of some 1,400 units on said land, has a portfolio of 900 new City non-profit units presently occupied, and has acquired approximately 1,400 units of existing housing.

In reviewing the activities of other Canadian Cities, Winnipeg's response to its particular housing problems appears to be weak in comparison. The reasons for this do not relate to legislated restrictions of any kind as outlined earlier in this chapter.

Thus in terms of its own legislated authority and from the example of proven success in other jurisdictions, there is ample opportunity for the City to invest in a wide range of housing options.

CHAPTER 9

POLICY RECOMMENDATIONS

Context

The work of the Institute of Urban Studies and that of Peter Barnard and Associates has identified the following trends which affect inner city housing.

- * Although housing demand in the longer term will become stronger for family accommodation, demand in the short run will remain greatest for non-family housing types.
- * In the short-run, the City is strongly committed to suburban development through existing approvals and proposed public capital outlays.
- * Without intervention, established trends in housing demand and the behaviour of the development industry are unlikely to change.

Institute of Urban Studies research indicates that these forces have tended to operate to the disadvantage of the inner city leading to a highly polarized population structure and erosion of certain inner city type neighbourhoods.

Identification Of Issues And Problems

The following issues have been identified in earlier chapters as factors which must be addressed in policies and programs for inner city type area housing.

1. What can be done to affect housing market processes which are leading to a highly undesirable polarization and imbalance in the demographic and socio-economic structure of the inner city?
2. How can the city address the issues of housing quality and neighbourhood erosion?
3. What steps should be taken to address the problem of affordability and the loss of low income housing?
4. How can the issue of fragmentation of public sector responsibility for housing be resolved?

The above issues overlap and strategies and recommendations discussed below may relate to more than one issue. Also implied is a need for co-ordination in implementing strategies on the part of the municipality.

Discussion of Policy Options

Our research suggests that the city has three main policy options or choices.

* Business as usual.

* Active Municipal encouragement of activities by private and third sector and senior levels of government.

* Direct Municipal involvement in the provision of housing.

It is recognized that suggested policy options must be aware of the recent Housing Guidelines adopted by Council, which reflect

current political views on housing policy. These suggest a policy direction which would promote active encouragement by the City of activities by private and third sector and senior levels of government. Our recommendations are biased towards this policy direction. However, as this report has been prepared for the Greater Winnipeg Development Plan Review, which must plan for a much longer timespan than the life of a particular council, we have also taken several other factors into account in evaluating strategies and making recommendations.

Business As Usual Options

The consequences of pursuing a "Business as Usual" policy on behalf of the City will be a continuation of dis-equilibrium; i.e. undesirable population polarization and a continuation of or deterioration in the problems of affordability, housing quality and neighbourhood decline. It is unlikely that these problems will be significantly addressed by either of the senior levels of government or the private sector. The business as usual option would involve little short-term financial cost to the City and is likely to be politically feasible. However, the short and long term social costs of failing to deal with the problems identified above suggest that

"BUSINESS AS USUAL" SHOULD BE ELIMINATED
AS A VIABLE POLICY OPTION.

The remainder of this Chapter is therefore specifically concerned with examining possible strategies to deal with identified problems in terms of the two-remaining policy options.

Each strategy is evaluated in terms of its potential effectiveness, cost to the municipality, administrative requirements, political feasibility and legislative authority. For each issue or problem, a preferred option is selected, and program recommendations for its implementation are discussed and stated. The evaluation of strategies included in this report is of a preliminary nature. Further evaluation work by the administration is necessary before particular strategies are adopted.

ISSUE 1:

DISTRIBUTION OF FUTURE HOUSING SUPPLY AND POPULATION GROWTH

Our analyses have indicated that present housing market and demographic forces are sponsoring a highly polarized population structure both within the inner city and between inner and outer city areas. With few exceptions, inner city neighbourhoods have experienced rapid and sustained population losses over the past three decades. These losses, which have been greatest in terms of family households, reflect the process of out-migration and are directly related to extensive suburban residential development and to the erosion of inner city housing opportunities and neighbourhood environments. The population of the inner city now contains large and growing concentrations of the poor, the elderly, native households, and small non-family households. These same groups are currently experiencing greatest hardships in the inner city housing market.

A continuation of current trends poses problems for the inner city, as well as for the community at large. Not only is the inner city losing the element of diversity in its population, a situation

which most experts regard as socially unfavourable, but at the same time, housing opportunities available to middle and upper income families are becoming increasingly concentrated in suburban areas, thus restricting the range of locational choice open to these household groups. In addition, continued population loss combined with growing concentrations of disadvantaged households poses a serious threat to the viability of several inner city residential areas. Clearly municipal housing policy related to future growth and housing supply should reflect the need to retard and reverse the on-going processes of population and socio-economic polarization. Table 12 outlines and evaluates policy alternatives and strategies available to the municipality in this regard.

Evaluation of Preferred Strategies Related to Issue 1.

Housing policy in the long run should serve to achieve a more diversified mix of demographic and socio-economic groups throughout the urban area. The city has two main options: broadening housing opportunities for low income households in suburban areas; and redirecting a greater portion of expected future growth to the inner city while improving inner city neighbourhoods to make them more attractive to private investment and a wider range of population sub-groups.

The former option was considered and discarded by the I.U.S. because it would be a costly, complex and long-term solution to population distribution problems and would not necessarily have beneficial effects on inner city type areas.

The preferred option would be encouragement and support of rehabilitation, infill and redevelopment by the private sector and direct activity in neighbourhood planning.

Table 12

Evaluation of Options and Strategies Relating To
The Distribution of Future Housing Supply and Population Growth

POLICY OPTION	STRATEGY	CRITERIA FOR EVALUATION				
		POTENTIAL EFFECTIVENESS	COST TO MUNICIPALITY	ADMINISTRATIVE REQUIREMENTS	POLITICAL ACCEPTABILITY	LEGISLATIVE AUTHORITY
I. DIRECT MUNICIPAL ACTIVITY TO AFFECT POPULATION DISTRIBUTION AND HOUSING SUPPLY.	1. Infill	<ul style="list-style-type: none"> - Limited measure due to limited supply of vacant land ... will not have major effect on population trends - Provides maximum planning control over use of Infill sites and can be used as a lever to stabilize inner city type areas - Useful in dispersing assisted housing units throughout inner city 	<ul style="list-style-type: none"> - Likely to be costly. Most cost-effective if carried out by municipal non-profit corporation 	<ul style="list-style-type: none"> - Divert existing staff resources - Some additional staff likely to be required 	<ul style="list-style-type: none"> - Limited Council support 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act
	2. Rehabilitation	<ul style="list-style-type: none"> - Effective vehicle for curbing out-migration - Vehicle for encouraging movement of middle-class households back into inner city type areas 	<ul style="list-style-type: none"> - More cost effective than Infill particularly if units are offered for resale or rehabilitated under auspices of a municipal non-profit housing corporation - Majority of cost borne by upper levels of government 	<ul style="list-style-type: none"> - Use of existing staff - Redefine role of existing NIP staff 	<ul style="list-style-type: none"> - Some current support from council - Supported by both senior levels of government 	<ul style="list-style-type: none"> - Authorized under City of Winnipeg Act
	3. Redevelopment	<ul style="list-style-type: none"> - Effective strategy for bringing about a rapid change in population distribution in a particular neighbourhood but could create a problem of displacement and need for expropriation 	<ul style="list-style-type: none"> - Most costly strategy - More cost effective if redevelopment undertaken under federal programs 	<ul style="list-style-type: none"> - Similar to those required in Infill and rehabilitation 	<ul style="list-style-type: none"> - Council support unlikely in short term 	<ul style="list-style-type: none"> - Authorized under City of Winnipeg Act
II. ENCOURAGEMENT OF PRIVATE AND THIRD SECTOR ACTIVITY.	1. Infill	<ul style="list-style-type: none"> - Not effective unless combined with neighbourhood planning and stabilization strategies - Effectiveness limited by availability of vacant lots 	<ul style="list-style-type: none"> - Likely to be modest level dependent on support services provided 	<ul style="list-style-type: none"> - No additional staff required 	<ul style="list-style-type: none"> - Consistent with Council housing policy guidelines 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act
	2. Rehabilitation	<ul style="list-style-type: none"> - Most promising strategy of indirect options in curbing out-migration and encouraging more diversified population structures - Effectiveness increase if municipal support services regulations highly visible - Effectiveness could be constrained by 1) current structure of RRAP program and 2) availability of RRAP federal funds to be allocated in Winnipeg 	<ul style="list-style-type: none"> - Modest; dependent on nature and level of municipal support services offered 	<ul style="list-style-type: none"> - Re-direct staff resources 	<ul style="list-style-type: none"> - Consistent with Council housing policy guidelines 	<ul style="list-style-type: none"> - Not required
	3. Redevelopment	<ul style="list-style-type: none"> - Attractive to private sector if supportive planning and neighbourhood stabilization strategies are utilized - Effective in bringing about significant short-run improvement in inner city type areas - Nature and scale of projects likely to be an important factor in effectiveness also 	<ul style="list-style-type: none"> - Modest and related to fulfilling co-ordination and management role 	<ul style="list-style-type: none"> - As above 	<ul style="list-style-type: none"> - As above 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act

Within this option, the following strategies are preferred:

TO ENCOURAGE A BROADLY BASED STRATEGY OF REHABILITATION

The strategy most likely to be effective in terms of cost and other factors is a broadly based rehabilitation strategy. It would have the potential to curb population outflow and if applied in a broad spatial context could encourage middle income groups and family households back into the inner city and encourage a more diversified population structure.

TO PROVIDE INCENTIVES TO ENCOURAGE PRIVATE SECTOR
DEVELOPMENT IN THE INNER CITY

Although infill and redevelopment are attractive strategies, the opportunities for infill are constrained by the limited availability of vacant land. On the other hand redevelopment would have limited effectiveness in achieving population distribution objectives. Redevelopment, however, can and should be used as a stabilizing tool in particular neighbourhoods. In this connection, the risk of displacement and the need for appropriate relocation strategies should be recognized. Because of the need to encourage private sector investment, the use of redevelopment strategies should be combined with the designation of micro-environments.

TO DEVELOP A NEIGHBOURHOOD APPROACH TO PLANNING
FOR DIFFERENT NEIGHBOURHOOD TYPES WHICH REFLECT
THEIR DIFFERENT NEEDS AND CHARACTERISTICS.

None of the above strategies is appropriate for all inner city type areas. Whatever strategy is used, there is a need for implementation on a neighbourhood basis. Funding restrictions

and the nature of particular neighbourhoods are likely to require that some activities be limited to particular selected areas. In addition, area based restrictions will ensure the visibility of the strategy and encourage private investment. The more direct role the municipality has in managing a neighbourhood based approach, the more effective the strategy is likely to be. The following specific recommendations to implement these strategies are set out below.

Specific Recommendations

1. REHABILITATION LOANS SHOULD BE MADE AVAILABLE TO HOMEOWNERS LOCATED AND WILLING TO LOCATE IN INNER CITY TYPE AREAS. INITIALLY THE PROGRAM SHOULD BE STRATEGICALLY IMPLEMENTED IN SELECTED NEIGHBOURHOODS. A THREE TO FIVE YEAR TAX DEFERRAL OR TAX EMBARGO ON IMPROVEMENTS SHOULD BE CONSIDERED AS AN INCENTIVE TO ENCOURAGE PEOPLE TO REMAIN IN OR MOVE TO SUCH AREAS.

* * * * *

2. THE CITY SHOULD UNDERTAKE A PLANNED PROGRAM OF INTERVENTION TO FACILITATE NEIGHBOURHOOD IMPROVEMENT AND TO ENCOURAGE PRIVATE AND THIRD SECTOR ACTIVITY AND ENSURE THAT A SIGNIFICANT NUMBER OF NEW UNITS ARE ALLOCATED TO INNER CITY TYPE AREAS OVER THE NEXT FIVE YEARS.

* * * * *

3. THE CITY SHOULD DESIGNATE LARGER PARCELS OF VACANT LAND FOR THE CREATION OF 'MICRO-ENVIRONMENTS' IN THE INNER CITY, WHERE NECESSARY USING POWERS OF EXPROPRIATION TO FACILITATE ASSEMBLY OF APPROPRIATELY SIZED PARCELS.

* * * * *

4. THE CITY OF WINNIPEG SHOULD EMBARK ON A NEIGHBOURHOOD STABILIZATION PROGRAM IN SELECTED TARGET AREAS WHICH WOULD BUILD ON THE WORK OF THE NEIGHBOURHOOD IMPROVEMENT PROGRAM AND ATTEMPT TO STABILIZE PARTICULAR INNER CITY TYPE AREAS. STABILIZATION WOULD MAKE THEM MORE ATTRACTIVE TO PRIVATE SECTOR INVESTMENT.

* * * * *

5. TO ENSURE THAT PRIVATE SECTOR CAPITAL IS AVAILABLE FOR FINANCING INNER CITY HOUSING, REPRESENTATIVES OF THE CITY OF WINNIPEG SHOULD ENTER INTO NEGOTIATIONS WITH MAJOR BANKS, TRUST COMPANIES, CREDIT UNIONS AND REPRESENTATIVES OF THE MORTGAGE LOANS ASSOCIATION TO DISCUSS THE QUESTION OF LENDING IN OLDER AREAS ON OLDER PROPERTY.

* * * * *

6. THE CITY SHOULD CONSIDER ENTERING INTO ARRANGEMENTS SUCH AS GUARANTEEING HIGH RISK LOANS WITH ONE OR SEVERAL FINANCIAL INSTITUTIONS UP TO AN AGREED LINE OF CREDIT. THIS KIND OF ARRANGEMENT HAS BEEN SUCCESSFULLY TRIED IN MANY AMERICAN CITIES TO RESTORE CONFIDENCE IN PARTICULAR OLDER INNER CITY AREAS.

* * * * *

7. WHERE PRIVATE SECTOR CAPITAL IS UNAVAILABLE, THE CITY COULD EXPLORE EVERY POSSIBLE SOURCE OF AVAILABLE PUBLIC SECTOR CAPITAL OFFERED UNDER PROGRAMS SUCH AS THE RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM, THE NEW COMMUNITY SERVICES GRANT AND THE NEW NON-PROFIT HOUSING PROGRAM TO ENSURE THAT THE MUNICIPALITY RECEIVES ALL AVAILABLE FUNDING WHICH CAN BE APPLIED TO SOLVING INNER CITY HOUSING PROBLEMS.

* * * * *

8. TO DEAL WITH SPECIAL CASES FOR WHICH ALTERNATIVE FUNDING IS NOT AVAILABLE, THE CITY SHOULD ESTABLISH A REVOLVING FUND TO PROVIDE LOANS AND GRANTS TO ENCOURAGE UPGRADING OF PROPERTY BY OWNERS AND LANDLORDS.

ISSUE 2:

HOUSING CONDITION AND NEIGHBOURHOOD DECLINE

The problem of poor housing condition and the related problem of neighbourhood decline also represent high priority concerns for housing policy. Currently more than 20 percent (approximately 4,200 units) of the inner city housing stock is in need of repair. Particularly large concentrations of poor housing occur in those areas bordering the C.P.R. yards and in areas adjacent to the central business areas. In some of these neighbourhoods more than 50 percent of the housing stock is in need of repairs. The effects of such large concentrations of deteriorated housing on the quality of life in and the viability of these neighbourhoods are apparent.

The success of past rehabilitation and neighbourhood improvement efforts has been mixed. Recent private sector rehabilitation activity has led to some improvements in overall stock quality, however these improvements have been concentrated in a few neighbourhoods. Although publicly sponsored programs (N.I.P. and R.R.A.P.) have also brought about significant improvements, the progress achieved has been disappointingly slow in light of the size of the rehabilitation effort required.

Within the present context the prospects for more widespread structure rehabilitation and neighbourhood revitalization do not appear great. Recent federal program changes combined with limited funding levels to R.R.A.P. are not likely to facilitate significantly greater rates of publicly assisted activity. At the same time, barriers to private sector activity, most notably

restrictions to rehabilitation lending, operate against an expanded role by the private sector.

Our analysis points clearly to the need for a much expanded program of rehabilitation and neighbourhood improvement in the inner city. In spite of this need there is currently no public sector vehicle capable of achieving widespread improvements in the quality of the inner city stock. Moreover, the contribution of the private sector to rehabilitation within the current institutional environment will likely remain modest and concentrated in a few redeveloping or stable neighbourhoods.

Policy options and associated strategies available to deal with the issue of declining housing stock and neighbourhood conditions are summarized below in Table 13 .

Evaluation of Preferred Strategies Related to Issue 2.

Because of the multifaceted nature of the above issue, no one strategy will be effective in addressing the problem. The option preferred by I.U.S. is a package emphasizing indirect activity but with the possibility of more direct municipal involvement to encourage non-profits; to eliminate barriers to take-up of existing rehabilitation programs; to expand the availability of rehabilitation programs and to encourage private sector investment.

Preferred strategies include the following:

TO ENCOURAGE PRIVATE NON-PROFIT CORPORATIONS AND GROUPS TO ACQUIRE AND REHABILITATE UNITS FROM THE EXISTING STOCK
--

Table 13

Evaluation of Options and Strategies Relating To
Housing Condition and Neighbourhood Decline

POLICY OPTION	STRATEGY	CRITERIA FOR EVALUATION				
		POTENTIAL EFFECTIVENESS	COST TO MUNICIPALITY	ADMINISTRATIVE REQUIREMENTS	POLITICAL ACCEPTABILITY	LEGISLATIVE AUTHORITY
I. DIRECT INVOLVEMENT IN REHABILITATION AND NEIGHBOURHOOD IMPROVEMENT.	1. Use of municipal non-profit housing corporation to acquire and rehabilitate	<ul style="list-style-type: none"> - Highly effective strategy demonstrated elsewhere - Provides effective control for municipality in creating viable neighbourhood environment - Demonstration of municipal leadership - Restores private sector confidence in neighbourhoods 	<ul style="list-style-type: none"> - Will incur significant front end expenses, therefore comparatively expensive in short term - Possibility for upper level governmental support - Relative to new construction is cost effective - Costs can be recovered through resale of units 	<ul style="list-style-type: none"> - Would require additional staff to co-ordinate rehabilitation work and select units 	<ul style="list-style-type: none"> - Presently unacceptable to municipal government - Favoured and supported by Province 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act
	2. Direct provision of loans	<ul style="list-style-type: none"> - Could reduce current barriers to rehabilitation lending - Would give municipality a vehicle for organizing and co-ordinating rehabilitation activity - Serious constraints on take-up unless interest write down provisions 	<ul style="list-style-type: none"> - Expensive in terms of front end capital - Less cost effective than using private sector funds - Possibility of defaults - Could add to municipal debt service - Interest write down would be expensive and require deep subsidy 	<ul style="list-style-type: none"> - Additional staff required to review applications and monitor program 	<ul style="list-style-type: none"> - Currently little commitment by municipality 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act
	3. Use of City administration to re-plan neighbourhoods	<ul style="list-style-type: none"> - Allows municipality control over improving neighbourhood viability - Eliminates obsolete neighbourhood design and would allow planning of micro-environments - Catalyst to encourage private sector involvement and investment 	<ul style="list-style-type: none"> - Minimal compared with other strategies because depends on reallocation of staff resources 	<ul style="list-style-type: none"> - Diversion of existing planning staff resources - Use of NIP staff 	<ul style="list-style-type: none"> - Consistent with current activities and responsibilities of Planning Department 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act
II. ENCOURAGEMENT OF REHABILITATION AND NEIGHBOURHOOD IMPROVEMENT.	1. Tax deferrals	<ul style="list-style-type: none"> - Relax tax penalties to homeowners wishing to make improvements - Would allow landlord to spread rent increases over longer period of time 	<ul style="list-style-type: none"> - Foregoing current revenue recoverable over 5 - 6 year period - Utilization of existing finance and assessment department staff 	<ul style="list-style-type: none"> - No additional staff requirements likely 	<ul style="list-style-type: none"> - Divided support 	<ul style="list-style-type: none"> - Would require amendment to City of Winnipeg Act.
	2. Encouragement of rehabilitation by non-profit corporations	<ul style="list-style-type: none"> - Most cost effective of new federal program options in terms of providing sound and affordable housing to low income groups 	<ul style="list-style-type: none"> - Negligible additional costs - May result in foregone revenue 	<ul style="list-style-type: none"> - Negligible - Few additional resources provided 	<ul style="list-style-type: none"> - Favoured in municipal housing guidelines - Would require close liaison with CMHC 	<ul style="list-style-type: none"> - Not applicable
	3. Encourages private sector to fund rehabilitation	<ul style="list-style-type: none"> - Increase the supply of rehabilitation capital especially to landlord component of RRAP 	<ul style="list-style-type: none"> - None 	<ul style="list-style-type: none"> - None 	<ul style="list-style-type: none"> - Consistent with Council guidelines 	<ul style="list-style-type: none"> - Not required
	4. Municipal expertise to provide support services and information to homeowners wishing to rehabilitate	<ul style="list-style-type: none"> - Provide information required in the rehabilitation process - Display municipalities commitment to rehabilitate 	<ul style="list-style-type: none"> - Small 	<ul style="list-style-type: none"> - Utilize existing inspection staff 	<ul style="list-style-type: none"> - Consistent with guidelines 	<ul style="list-style-type: none"> - Not required
	5. Lobby for funding and alternatives to present programs	<ul style="list-style-type: none"> - Programs and levels of funding more directly related to municipal rehabilitation needs 	<ul style="list-style-type: none"> - Negligible 	<ul style="list-style-type: none"> - None 	<ul style="list-style-type: none"> - Consistent with new objectives - Unlikely with regard to upper level government objectives 	<ul style="list-style-type: none"> - Not applicable

The encouragement of private non-profit corporations appears to be the most promising and cost effective strategy. In the past, activity by these groups has been biased towards new construction for senior citizens. The city should therefore encourage provision for all identified need groups. A more costly but more effective strategy which should not be abandoned, despite its unfeasibility in the present political climate, would be the creation of a municipal non-profit housing corporation. Rehabilitation using this strategy would be less costly than public redevelopment and could provide the municipality with a direct lever to improve particular neighbourhoods.

TO OFFER TAX INCENTIVES TO ENCOURAGE PRIVATELY
INITIATED REHABILITATION

Tax embargoes or deferral could be an effective vehicle for encouraging privately initiated rehabilitation activity and could be designed in such a way that the cost to the municipality is minimized in the short-term. In the long term, this strategy has great potential to improve the tax base.

TO LOBBY SENIOR LEVELS OF GOVERNMENT TO ENSURE THAT
LOCAL RESOURCES ARE AVAILABLE FOR REHABILITATION,
AND PROGRAM DETAILS ARE APPROPRIATE TO THE LOCAL CONTEXT

The city has a lobbying function with senior levels of government to ensure adequate local resources are available for rehabilitation and in seeking changes in program details. It is essential that a proper share of resources is sought for Winnipeg under new programs such as the Community Services Grant. Also, take-up of the R.R.A.P. program particularly with the elimination of area restrictions, could be enhanced if the program was made more attractive. This

could be done by seeking changes in program details or by municipal supplementation of the program.

TO CO-ORDINATE MUNICIPAL SERVICES AND UNDERTAKE A
NEIGHBOURHOOD BASED PLANNING APPROACH TO RESTORE
CONFIDENCE IN PARTICULAR AREAS

Co-ordination of municipal services and a neighbourhood based planning approach is essential to restore confidence in particular selected areas, to demonstrate municipal leadership, to encourage private sector investment and to eliminate barriers to private sector lending.

Specific Recommendations

9. THE CITY ENCOURAGE PRIVATE NON-PROFIT CORPORATIONS TO ACQUIRE AND REHABILITATE HOUSING, AND TO ASSIST SUCH GROUPS IN DEALING WITH PROBLEMS ASSOCIATED WITH THIS ACTIVITY. SUCH ASSISTANCE MAY BE IN THE FORM OF PROPERTY TAX CONCESSIONS, TECHNICAL ADVICE, AND ZONING CHANGE ASSISTANCE.

* * * * *

10. THE CITY UNDERTAKE TO PLAY A LEADERSHIP ROLE IN REHABILITATION BY ACQUIRING AND REHABILITATING INNER CITY HOUSING UNITS.

* * * * *

11. THE CITY SHOULD CONSIDER WAYS AND MEANS, SUCH AS TAX DEFERRALS AND TAX EMBARGOES, OF DEFERRING ASSESSMENT INCREASES LEVIED ON RENOVATED OR IMPROVED OLDER PROPERTIES.

* * * * *

12. THE CITY LIASE WITH UPPER LEVELS OF GOVERNMENT TO ALTER CURRENT LENDING AND GRANT PROVISIONS UNDER R.R.A.P. AND TO INCREASE SUBSTANTIALLY THE QUANTITY FO UPPER LEVEL FUNDS DEVOTED TO REHABILITATION.

* * * * *

13. THE CITY DESIGN A COMPREHENSIVE NEIGHBOURHOOD SPECIFIC STRATEGY FOR REHABILITATION SUCH THAT THE IMPACT OF LIMITED FUNDING CAN BE MAXIMIZED IN WELL DEFINED INNER CITY AREAS.

* * * * *

14. THE CITY PERFORM AN INTEGRATIVE AND SUPPORTIVE ROLE BY LINKING STRATEGICALLY PUBLIC, PRIVATE, AND THIRD SECTOR REHABILITATION EFFORTS WITH OTHER PROGRAMS AND ACTIVITIES WHICH FACILITATE NEIGHBOURHOOD STABILITY AND IMPROVEMENT. THE USE OF COMMUNITY SERVICES CONTRIBUTION PROGRAM IN THIS REGARD IS ONE POSSIBILITY.

* * * * *

15. THE CITY EMBARK ON AN AMBITIOUS PROGRAM TO ASSIST PROPERTY OWNERS DESIRING TO REHABILITATE BY OFFERING THE TECHNICAL EXPERTISE WHICH CURRENTLY RESIDES IN THE MUNICIPAL ADMINISTRATION (E.G. BUILDING INSPECTORS).

* * * * *

16. THE CITY TAKE ACTION TO ELIMINATE BARRIERS TO REHABILITATION LENDING WHICH ARE CURRENTLY IMPOSED BY PRIVATE LENDING INSTITUTIONS.

* * * * *

The affordability problem of low income families and single person households has been heightened recently by the loss of more than 2,000 low cost housing units through demolition.

Additional units have also been removed from the stock through closures. Accelerated demolitions and closure activity is partially attributable to the enforcement of the city's Residential Upgrading By-law. Public sector and third sector construction activity has only partially offset losses to the low cost stock, especially the stock of low-cost units suitable for family accommodation.

In the long run, the public sector should pursue a policy of income redistribution either directly through more progressive taxation, or indirectly through improving the educational and employment opportunities of low income households. In the short run, public sector policy should concentrate on easing the affordability problem by eliminating excessive shelter expenditures. Some options available to the municipality in this regard are provided below in Table 14 .

Evaluation of Preferred Strategies Related to Issue 3.

The financial restraints imposed on the municipality limit the extent to which the city can play an active role in easing the affordability problems experienced by inner city households. Clearly the bulk of funding necessary to eliminate excessive housing expenditures will have to be obtained from upper levels of government. Also, to a great degree, solutions to the problem of affordability lie outside the housing sector. However, the city has a lobbying function to ensure that available senior level funds are properly directed towards alleviating the problem.

Table 14

Evaluation of Options and Strategies Relating To
Affordability and the Loss of Low Cost Housing Units

POLICY OPTION	STRATEGY	CRITERIA FOR EVALUATION				
		POTENTIAL EFFECTIVENESS	COST TO MUNICIPALITY	ADMINISTRATIVE REQUIREMENTS	POLITICAL ACCEPTABILITY	LEGISLATIVE AUTHORITY
I. DIRECT MUNICIPAL INVOLVEMENT IN PROVISION OF HOUSING FOR LOW INCOME PEOPLE.	1. Direct Provision of housing by the municipality	- Effective Instrument for increasing the supply of housing for all groups in need	- Expensive in terms of new development - Less expensive if units acquired from existing stock	- Would require additional staff	- Limited Council support	- Authorized by City of Winnipeg Act
	2. Municipal rent supplement program	- Very effective if rent levels are monitored	- Costly especially if tied to new units - Somewhat more cost effective if applied to units of existing stock	- Would require additional staff	- Limited Council support	- Authorized by City of Winnipeg Act
	3. Municipal loans to landlords facing Apartment Upgrading orders	- Effective in preventing closure or demolition of older apartment buildings - Building will continue to provide accommodation - Provides financing where financing cannot be privately obtained	- Cost of foregone interest - City assumes limited risk	- Would require additional staff	- Limited Council support	- Authorized by City of Winnipeg Act
	4. Demolition controls to discourage loss of apartment units	- Delay loss of units until alternative housing found	- None	- No additional staff required	- Limited Council support	- Would require amendment to City of Winnipeg Act - Would require alteration in federal taxation policies favouring demolition
II. INDIRECT INVOLVEMENT IN PROVISION OF HOUSING FOR LOW INCOME PEOPLE.	1. Encourage additional assisted units by provincial non-profit housing corporations	- Provision of units via new construction likely to be an ineffective strategy in the short run due to high costs - More effective alternative would be acquisition/rehabilitation possible under new federal program - Without additional subsidies units provided will not be affordable by groups most in need	- No cost to the city - Expensive relative to non-profit rehabilitation approach	- No additional staff required	- Consistent with municipal housing guidelines - Possibilities of expanded provincial role are not likely	- Not required
	2. Encouragement of additional assisted units by private non-profits	- Same as above	- No cost to the city - More cost effective in terms of government expenditures particularly if units are acquired from existing stock	- No additional staff required - Existing staff could be employed to provide support services	- Consistent with municipal housing guidelines	- Not required
	3. Lobby upper levels of government for rent supplement	- Likely to be most effective strategy in the short run - Very effective if applied to existing stock	- None	- None	- Consistent with municipal housing guidelines - Appears to be direction provincial policy is moving	- Provincial legislation required
	4. Establish formal target for number of assisted units by need group	- Necessary to ensure equitable provision according to need group	- None	- Modest staff requirements	- Consistent with municipal housing guidelines	- Not applicable
	5. Lobby the provincial government for modifications to the property tax credit system	- Could be an effective instrument in redistributing income to households incurring excessive shelter expenses - no guarantee that units occupied will be of acceptable quality	- None to the city - None to the province simply involves redistribution	- None	- Consistent with municipal housing guidelines	- Provincial legislation required

Our research has identified certain need groups, particularly single parent families and native households which are not being adequately served by existing programs. Perhaps the best short-run strategy for solving the affordability problem would be a shelter allowance program. The cost effectiveness of rehabilitation versus development strategies must also be weighed. Development is a costly alternative which should only be used very strategically to increase the supply of sound and affordable units for specific target groups.

Our preferred option would be indirect involvement in the provision of housing for low income people by the municipality.

Within this option, four strategies are preferred:

TO LOBBY THE PROVINCIAL GOVERNMENT TO INSTITUTE
A RENT SUPPLEMENT PROGRAM

Although this is an attractive strategy involving little or no cost to the municipality, it should be pointed out that it would not guarantee an adequate supply of units of appropriate quality. Also, it would be most cost effective if applied to existing units in the rental sub-market.

TO ENCOURAGE BOTH PROVINCIAL AND PRIVATE
NON-PROFIT HOUSING CORPORATIONS

This approach would need to be combined with some guarantees by the corporations encouraged or supported that the allocation of completed or rehabilitated units would address the affordability issue and reflect needs. Also, the superior cost effectiveness of a rehabilitation strategy combined with a non-profit approach

should be recognized as the most economical use of public dollars.

TO CONTROL THE LOSS OF LOW INCOME UNITS

Another factor related to the affordability problem is the loss of older low income housing units, particularly family accommodation, through demolition. The acceleration of demolition activity, can be partially attributed to the City's Residential Upgrading By-Law. Both direct and indirect strategies, such as more sensitive application of the By-Law and demolition controls on low income housing could be applied by the municipality to address this problem.

TO UNDERTAKE A STRATEGIC PLAN TO IMPROVE THE HOUSING SITUATION OF NATIVE PEOPLE EXPERIENCING AFFORDABILITY PROBLEMS

The native population in Winnipeg has long been recognized as a special needs group in relation to the delivery of social, health and housing programs. One of the reasons for the inflow on native urban migrants is poor housing and employment opportunities in rural areas. Natives are likely to experience affordability problems and live in substandard housing situations including over-crowded conditions, poor quality structures and declining neighbourhood environments. The choice of location for native migrants is dictated by the availability of low cost housing. Natives are an identifiable need group for whom special strategies may have to be devised. Also, the municipality has a lobbying function to ensure that senior levels of government are fulfilling their responsibilities in terms of improving conditions and employment opportunities on reserves and providing appropriate income support for urban migrants.

Based on the above evaluation of strategies, it is recommended that the city undertake the following activities:

Specific Recommendations

17. LIAISE WITH UPPER LEVELS OF GOVERNMENT AND IN PARTICULAR THE PROVINCE TO DESIGN AND IMPLEMENT A BROAD PROGRAM OF SHELTER ALLOWANCES.

* * * * *

18. REQUEST THE PROVINCE TO EXAMINE THE FEASIBILITY OF ALTERING THE CURRENT PROPERTY TAX CREDIT AND RENTAL REBATE CREDIT TO FACILITATE INCOME TRANSFERS TO HOUSEHOLDS INCURRING EXCESSIVE SHELTER COSTS.

* * * * *

19. ENCOURAGE AND ASSIST IN THE PROVISION OF FAMILY AND ELDERLY HOUSING IN THE INNER CITY BY PRIVATE NON-PROFIT CORPORATIONS.

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20. REQUEST M.H.R.C. TO UNDERTAKE THE PROVISION OF ADDITIONAL ASSISTED HOUSING MADE POSSIBLE UNDER THE NEW NON-PROFIT PROGRAM.

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21. SENSITIVELY APPLY THE APARTMENT UPGRADING BY-LAW SO THAT UPGRADING REQUIREMENTS PROTECT LIFE AND SAFETY BUT AT THE SAME TIME ALLOW THE ECONOMIC VIABILITY OF A BUILDING TO BE MAINTAINED.

* * * * *

22. PETITION FOR AMENDMENTS TO THE CITY OF WINNIPEG ACT TO EXTEND THE POWERS OF THE CITY'S DEMOLITION CONTROL BY-LAW, NOW USED TO CONTROL DEMOLITION OF 'HISTORIC' BUILDINGS, TO APPLY TO OLDER PROPERTIES WHICH PROVIDE LOW COST HOUSING UNITS. THE

MODIFICATION WOULD ALLOW A DELAY IN DEMOLITION UNTIL THE QUESTIONS OF ECONOMIC VIABILITY OF THE BUILDING AND TENANT RELOCATION ARE RESOLVED.

* * * * *

23. THE CITY SHOULD UNDERTAKE NEGOTIATIONS WITH LOCAL REPRESENTATIVES OF THE FEDERAL DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT AND THE PROVINCIAL DEPARTMENT OF NORTHERN AFFAIRS TO ENSURE THAT MOVEMENT OF STATUS INDIANS FROM THE RESERVES TO THE CITY IS CAREFULLY MONITORED AND THAT SENIOR LEVELS OF GOVERNMENT ARE FULFILLING THEIR RESPONSIBILITIES IN TERMS OF INCOME SUPPORT PAYMENTS.

* * * * *

24. THE CITY SHOULD ALSO LOBBY THE APPROPRIATE DEPARTMENTS MENTIONED ABOVE TO ENCOURAGE THEM TO PROVIDE EMPLOYMENT PROGRAMS AND IMPROVE HOUSING CONDITIONS ON THE RESERVES AND RURAL AREAS.

* * * * *

25. THE CITY SHOULD NEGOTIATE WITH LOCAL NATIVE GROUPS AND M.H.R.C. TO IDENTIFY NATIVE HOUSING PROBLEMS AND TO DEVELOP A STRATEGIC HOUSING PLAN FOR THIS GROUP. STRATEGIES WOULD INCLUDE:

- * THE ENCOURAGEMENT OF EXISTING SELF-HELP INITIATIVES SUCH AS KINEW.
- * PROVIDING INFORMATION AND RESOURCE ASSISTANCE IN CO-OPERATION WITH C.M.H.C. TO HELP NEW NON-PROFIT HOUSING GROUPS GET STARTED.
- * TO EXAMINE WITH THE NEW ECONOMIC DEVELOPMENT BOARD AND L.E.A.P., POSSIBLE JOINT EMPLOYMENT/HOUSING PROGRAMS WHICH COULD TRAIN AND USE NATIVE LABOUR TO PROVIDE NEW AND REHABILITATE HOUSING FOR THE NATIVE COMMUNITY.

HOUSING STRATEGIES USED SHOULD ATTEMPT TO INTEGRATE RATHER THAN GHETOIZE THE NATIVE POPULATION.

FRAGMENTATION OF GOVERNMENT RESPONSIBILITY

The issue of fragmented housing responsibility is internal to the City of Winnipeg administration and is further aggravated by limited local input into tri-level housing negotiations. The result of past institutional frameworks has been a de-emphasis on participation in Council policy formulations and the implementation of poorly coordinated housing programs lacking a comprehensive policy basis.

The current, and what will most likely be the future federal position, that being one of disentanglement, implies a need for greater responsibility at the local level concerning housing policy. Therefore it appears necessary that the City clearly define its responsibilities concerning housing and establish an appropriate institutional framework for coordinating and administering these responsibilities. Although there are constraints against an expanded municipal role in housing, it should be noted that most large Canadian cities have recognized the importance of greater municipal involvement and have instituted appropriate administrative and political authorities.

The possible roles and institutional frameworks available to the City are summarized on Table 15 .

Table 15

Evaluation of Options and Strategies Relating To
Fragmentation of Government Responsibility

POLICY OPTION	STRATEGY	CRITERIA FOR EVALUATION				
		POTENTIAL EFFECTIVENESS	COST TO MUNICIPALITY	ADMINISTRATIVE REQUIREMENTS	POLITICAL ACCEPTABILITY	LEGISLATIVE AUTHORITY
I. GREATER MUNICIPAL ROLE IN HOUSING	1. Development of municipal housing department	<ul style="list-style-type: none"> - Co-ordination of municipal departments dealing in housing related issues - Creation of locus of authority for liaison with and lobbying higher levels of government and the private sector - Management function for municipal non-profit housing corporation - Provision of technical assistance to private non-profit housing corporations and community organizations 	<ul style="list-style-type: none"> - Dependent on degree of involvement and precise nature of framework 	<ul style="list-style-type: none"> - Additional staff required 	<ul style="list-style-type: none"> - Limited Council support 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act - Additional amendments may be required dependent on function assumed
II. GREATER ROLE WITHIN CURRENT FRAMEWORK.	1. Standing committee on housing	<ul style="list-style-type: none"> - Nucleus for municipal housing policy formulation 	<ul style="list-style-type: none"> - None 	<ul style="list-style-type: none"> - None 	<ul style="list-style-type: none"> - Limited Council support 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act
	2. Create housing information system and establish monitoring system	<ul style="list-style-type: none"> - Provide information to both administration and political arena - Monitor effectiveness of ongoing programs and identify housing needs 	<ul style="list-style-type: none"> - Dependent on structure of system - System could be established by linking existing public data systems at modest cost particularly if system could also support current administrative needs, i.e. build upon existing assessment file 	<ul style="list-style-type: none"> - Reorganization of existing staff responsibilities 	<ul style="list-style-type: none"> - Partly Implemented 	<ul style="list-style-type: none"> - Not required
III. MODIFIED MUNICIPAL ROLE WITHIN CURRENT FRAMEWORK.	1. Revised mandate for neighbourhood planning	<ul style="list-style-type: none"> - Would allow for consolidation for housing related matters at neighbourhood level - Would facilitate the development of policies and programs related to particular neighbourhood requirements 	<ul style="list-style-type: none"> - Transition costs - Could be born through community services grant * 	<ul style="list-style-type: none"> - Reorganization of existing staff responsibilities - Retention of NIP staff 	<ul style="list-style-type: none"> - Uncertain 	<ul style="list-style-type: none"> - Authorized by City of Winnipeg Act
	2. Participate in tri-level structure	<ul style="list-style-type: none"> - Co-ordinate activities amongst levels of government - Eliminate potential program conflict at local level - Clearly define role and responsibilities of various levels 	<ul style="list-style-type: none"> - Minimal 	<ul style="list-style-type: none"> - Utilize existing staff 	<ul style="list-style-type: none"> - Consistent with municipal housing guidelines 	<ul style="list-style-type: none"> - Not applicable

*the title of the Community Services Grant Program has been changed to
Community Services Contribution Program

Evaluation of Preferred Strategies Related to Issue 4.

The preferred option involves greater municipal involvement in local housing policy formulation and co-ordination of local housing activity.

Preferred strategies include the following:

TO CREATE A FORMAL POLITICAL ENTITY RESPONSIBLE FOR THE
FORMULATION OF A MUNICIPAL HOUSING POLICY

One opportunity in this regard would be the creation of a standing committee on housing. This committee should be empowered with the authority and responsibility for creating a clear and comprehensive housing policy which recognizes local housing needs and problems and available program opportunities.

TO ESTABLISH GREATER INTRA- AND INTER-DEPARTMENTAL
CO-ORDINATION OVER HOUSING RELATED ISSUES

The administrative structure must be modified to allow the implementation of housing policy objectives established by council and to achieve greater co-ordination. Much of our earlier work has argued that solutions to the problems must be approached on a neighbourhood basis. The administrative structure, in order to be consistent with this approach must utilize a neighbourhood strategy. In this regard a variety of administrative frameworks are possible ranging from a highly decentralized neighbourhood based organization, similar to N.I.P., to a centralized structure. The city administration is best equipped to determine the optimum means of operationalizing its housing responsibility. The city

should therefore initiate research to evaluate possible administrative structures and to implement that structure best suited to carrying out the responsibilities outlined above.

THE CREATION OF A FORMAL HOUSING INFORMATION SYSTEM

Whatever structure evolves, there is a great need for the establishment of an information base to support policy formulations and the administration of housing activities.

THE CREATION OF A TRI-GOVERNMENTAL BODY
RESPONSIBLE FOR HOUSING MATTERS

To co-ordinate and liase with provincial and federal housing authorities, a tri-governmental body should be established to monitor changes in C.M.H.C. and M.H.R.C. housing policies and programs and report the nature and likely impact of these changes to council.

Specific Recommendations

26. THE CREATION OF A STANDING COMMITTEE ON HOUSING WHICH IS RESPONSIBLE FOR THE CREATION OF A CLEAR AND COMPREHENSIVE HOUSING POLICY.

* * * * *

27. THE CURRENT ADMINISTRATION BE MODIFIED TO AN APPROPRIATE FRAMEWORK FOR THE CO-ORDINATION OF ACTIVITIES CARRIED OUT WITHIN THE CONTEXT OF ESTABLISHED POLICY.

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28. THE CITY CREATE A HOUSING INFORMATION SYSTEM TO SUPPORT POLICY FORMULATIONS AND THE ADMINISTRATION OF HOUSING ACTIVITIES.

* * * * *

29. THE CITY INITIATE ACTION LEADING TO THE ESTABLISHMENT OF A FORMAL TRI-LEVEL GOVERNMENT BODY RESPONSIBLE FOR INTEGRATING PUBLIC SECTOR HOUSING ACTIVITIES. MUNICIPAL RESPONSIBILITIES WITHIN THIS FRAMEWORK WOULD BE:

- * IDENTIFY AND ASSIGN PRIORITIES TO LOCAL NEEDS
- * ASSIST UPPER LEVELS OF GOVERNMENT IN THE DESIGN OF COMPREHENSIVE STRATEGIES TO MEET NEEDS
- * ORGANIZE LOCAL HOUSING ACTORS TO FACILITATE THEIR INPUT INTO PROGRAM FORMULATION

Epilogue

In light of the federal policy of disentanglement, the posture of the provincial government concerning involvement in housing, and constraints on private sector activity, unless the municipal government undertakes a leadership role in housing, particularly in relation to the inner city, it is unlikely that any other level of government will take the initiative. Although this seems to be a somewhat unpalatable municipal role in the present political climate, it is essential that the municipal role in housing be re-assessed, and be given urgent priority, if housing issues and problems in the inner city are to be resolved. The options and recommendations outlined above offer a choice in connection with the level of involvement and range from a somewhat indirect and co-ordinative role to a more direct involvement. However, embodied in all our recommendations are the following themes:

1. THE NEED FOR A CLEAR HOUSING POLICY STATEMENT.
2. THE NEED FOR TRI-LEVEL INVOLVEMENT AND RESOURCES IN RESOLVING INNER CITY HOUSING ISSUES AND PROBLEMS.
3. THE NEED FOR NEIGHBOURHOOD SPECIFIC STRATEGIES.
4. THE NEED FOR CO-ORDINATION AND INTEGRATION OF CITY BASED RESOURCES.