

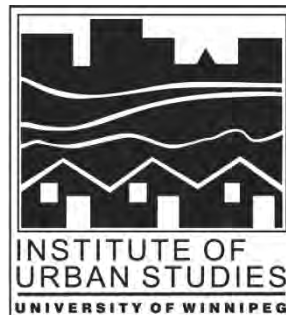
# Analysis and Assessment of Present Policies and Programs

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by Alan Whittle, Gene Milgram, & Josh Barber  
1977

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The Institute of Urban Studies





THE UNIVERSITY OF  
WINNIPEG

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**ANALYSIS AND ASSESSMENT OF PRESENT POLICIES AND PROGRAMS**

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ANALYSIS AND ASSESSMENT  
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BY:  
Alan Whittle  
Gene Milgram  
Josh Barber

April, 1977

INTRODUCTION

The previous paper has examined what processes are at work in our older neighbourhoods. Also, profiles of certain "types" of neighbourhoods were developed. In this paper we would like to assess various policies and programs of both the public and private sectors as to their impact on our older neighbourhoods. In particular, we will examine the roles of zoning, new building and existing housing codes, financing, repair and upgrading programs, and other urban planning processes.

Of course, one must remember the overall framework within which housing is produced, maintained, and occupied. It is a complex web of competing factors and interests involving the national economy, the social and cultural behavioural patterns of different population groups, and most of all, the willingness or unwillingness for individuals to take responsibility for understanding the consequences of their own actions or inactions. Regarding this larger context, we would like to discuss a few of these aspects before proceeding to our assessment.

Winnipeg city government, it is stated by some, is not - and should not be - in the housing business. Therefore, it is argued, the city does not need a carefully articulated and integrated housing policy. The implication of the issuance of a housing policy would be that government would have some responsibility to see that the goals are met. With responsibility goes power, both to improve and worsen situations, and with the wearing of the mantle of power and responsibility goes the potential to be held at fault and given blame if, for whatever reason, the goals are not met.

That the city is not involved in housing is a myth. It is involved in many of the factors which in turn determine the shape and feasibility of not only new development but also the economics, existing quality, and future viability of the present stock. It is involved not only in positive ways, but also in negative ways, for the choice by someone to allow the status quo to continue is just as much a decision as one to try to bring change about. Not only does the city regulate and set many of the rules of the game, it also directly pays the housing bills of low-income people on welfare. Furthermore, as the shortage of those types of housing which are appropriate in size, location, price and form of tenure for the low and moderate income persons (both families and individuals, the young and the elderly) gets worse, overcrowding and the cost of the city for hotel bills will only go up. And with the increase in dollar costs also goes the increase in family instability and social tension, as people are forced to increase their transiency with a corresponding loss of sense of security and stability, especially for the school age population.

Additionally, the management of gradual change over time of land use and housing requires a very different type of manipulation of details than the process of creating the new, for at any one point in time, people have to be able to have a viable living environment. Recycling the old requires a change of attitude of all the participants, a cultural recognition that to continually destroy or leave behind what exists as it gets old rather than remodeling, repairing, and reshaping is, in the long run, a waste of resources, both natural and human. As we ponder the future course of Winnipeg, perhaps the words of the well-known environmental planner Ian McHarg<sup>1</sup> are appropriate. He points out that cancer and blight are conditions where one living organism spreads

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1. Speech at Antioch College, 1968.

uncontrollably and overwhelms the living species in its path. He observed that man might be considered a planetary disease, as his growing population and ever spreading settlement areas and their by-products increasingly upset the ecological balance.

As modern cities go, Winnipeg is not large. Cities of 500,000 to 1,000,000 population generally are considered of medium size in the world. Most such cities, however, have suburbs that make the metropolitan area's population double or triple that base figure, thereby making the real demand for urban services and levels of economic and cultural activities much higher. Winnipeg, as an amalgamated city, lacks that extra component. Also, being in a much younger stage of historical development, it does not have the degree of obsolete land use patterns and deteriorating buildings physical infrastructure that other cities do. This means that the problems of aging buildings and declining neighbourhoods are more easily solvable. On the other hand the lack of necessity to face such problems in the past means that the management capability of the city can be lower, not sophisticated enough to prevent a crisis before it occurs. In the present context, management capability of understanding of urban policy issues by public officials and by a citizenry which is concerned enough to force the focus of discussion to be an issue rather than rhetoric.

As a good with long term durability that occupies a fixed location, housing requires the accumulation of considerable economic capital to set in motion the acquisition of land, materials, and labour to produce a physical produce. But as Roger Starr<sup>1</sup> so excellently describes in his book, Housing and the Money Market,

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1. Roger Starr, Housing and the Money Market, (Basic Books, Inc., New York, 1975).

it is the separation of the individuals present need for housing from the reasons why money is accumulated and invested in financial market for future return that creates a classic dilemma. Housing demand and need does not necessarily create supply, must as a pool of unemployed persons in a place where many tasks need to be done does not create jobs. The elements of risk, of future expectations, and of ability to afford in one's budget that which is desired all enter into this complex equation. Because housing creates employment we find housing policy sometimes tuned not toward housing needs but toward overall economic stability. It is because of the long term nature of the product and the investment required to build it initially and to keep it repaired that mortgage credit becomes so crucial to the future of any neighbourhood. An individual's ability to recover his investments, whether owner occupant or landlord, is essential if continued re-investment and upkeep is to take place. All of these items go back to the foundations of human behaviour - what makes a house desirable or undesirable, what are the social functions that take place within it, and how well do the building and its environs satisfy people's expectations.

Expectations is a key word here. Housing problems exist for all people, but in different degrees of seriousness, based on their expectations. As another paper mentioned the poor may have a different level of expectations about their housing because of either a different sense of what is possible or a different set of cultural values than the norm expected by the society at large. To say that all persons should have good housing does not bring it about, and to enforce policies that eliminate all substandard housing without replacing it will create

conflict with the goal that people be able to afford their housing and pay for the other needs of life. Indeed, the combination of traditional expectations, the issue of affordability of ownership, and the link with employment, has brought about such a high level of government funds for the Assisted Home Ownership Program, which subsidize the middle class and encourages new construction rather than re-investment and movement of young families back into existing older neighbourhoods where society has already invested financial capital and needs a re-investment of dynamic social capital - people.

From a housing program standpoint, it is essential that there be an understanding of how the translation between large scale patterns and individual cases works. In other words, persons involved with both policy and implementation must have an appreciation of the linkages between macro and micro scale events and must tailor their behavior accordingly. We must not be so focused on one small objective that we lose sight of what the implications are for the larger system. In a society that increasingly tends toward greater specialization, we need to remember the side effects of each specialized decision and ask: 1) Is this the result we really want, at whose benefit and whose cost, 2) Are there other ways of achieving the same goal with less anxiety, 3) Is the process chosen to achieve the product going to subvert the realization of the goal, no matter how desirable that goal may be?

Let us turn now, to our examination of some of the various public and private policies affecting our older neighborhoods.



## HOUSING CODE ENFORCEMENT

When creating housing code standards, it is important to make them as understandable as possible.

Enforcement procedures that minimize confusion and uncertainty on the part of owners and tenants are also important. In order for these two things to be accomplished, they must not be created in an ad hoc type way, brought about in an atmosphere of anxiety and emotionalism.

Fire safety is a motherhood type of political issue, but this initial emotion must be surmounted when designing and approving city programs and policies.

Also, the forest must be seen from the trees. Code enforcement and repair programs do not operate in isolation. They do need internal co-ordination, of course. But they must be coordinated within the other forces that also affect housing and neighborhoods if they are not to be counter-productive. We must not place the responsibility for resolving our housing condition and housing stock problems, for that is a task beyond their ability. Let us now see how Winnipeg is doing.

Housing inspection has been for many years the wall-flower of governmental programs, obscured by the brilliance of glamorous and promising adventures in urban renewal, housing finance, and model cities. No one has been satisfied with it. It is cluttered with tiresome little details; it is manned by dull, narrow minded civil servants and second class professionals, relegated to basements and drab corners of municipal office buildings. Property owners resent the assertion of jurisdiction over private property and what they consider a free-market enterprise; tenants, when they complain, are frustrated by delays and ineffectiveness; the general public has been unable to discern any appreciable improvement in the housing stock as a result of expenditure of tax money in housing inspection; and courts, the final arbiters of the matter, accord the lowest priority to adjudicating claims founded on interminable lists of trivia.

Much emphasis has been placed on various types of housing code enforcement in Winnipeg in the last two years, covering a myriad of health, fire, repair, and occupancy standards. As the above quote illustrates, the level of hope being attached to code enforcement itself by the public and the politicians is not really justified by the level of results that can be gained under the best conditions; and, as the testimony at the inquest proceedings of the last few weeks into the deaths from the 877 Preston Street fire starts to reveal, Winnipeg is far from operating a code enforcement program under ideal circumstances.

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Schuyler Jackson, "Housing Code Inspection Subjected to Some Critical Comments and Suggestions for the Future," Journal of Housing, November, 1970, as quoted in "Municipal Housing Code Enforcement and Low-Income Tenants," by Chester Hartman, et al., in Journal of the American Institute of Planners, March, 1970, p. 91.

How much can be reasonably expected from code enforcement, and what are the dangers in it? When will the consequences of a few "successes" be overwhelmed in the larger context by negative results which hurt the low income tenant?

Depending on the details of the code standards themselves and the manner of enforcement, housing code inspection can have a dynamic pattern of influence on real estate markets.

It can be creative or destructive. To see which is likely to happen requires a careful analysis of the housing markets and the economics of the neighbourhoods and buildings involved.

Winnipeg at the present time really has two very different policy objectives for which code enforcement is being used as the mechanism of implementation. Furthermore, these two objectives overlap between the various facets of life in housing. These facets would be standards of health and cleanliness as to how a building is lived in, including adequacy of heat and water; structural and physical adequacy, including conditions of walls and wiring, and cosmetic factors which we associate with reasonable housing, like non-peeling paint; and other considerations relating to safety, which include design characteristics of a preventative nature that only become important if a fire starts in the first place.

One policy objective - the traditional concept associated code enforcement - is the maintenance of conditions that originally existed

Interestingly, the fire department feels that it can only enforce the proper maintenance of existing physical conditions or those things which were initially required by some other city agency, i.e. If fire extinguishers are voluntarily present, they must be in working order; if they were never there, it will not order their installation. To the belief of some that the National Fire Code gives the fire department the right to issue orders that involve an upgrading of standards, the response is, as stated at the inquest, that it does not have this power. Moreover, it is clear to persons who have been involved in the system that high level fire department officials generally do not want such power bestowed on them if it is true that they do not have it already.

Since all these laws are recent, the same set of politicians and the same set of city officials have been involved in creating this total package. Each has been an ad hoc response to an individual situation. In other words, it is not an historical accident which has created this structure, but the intent and thought of the present personalities in the system.

To say this, however, is to try to get us to look at why people have taken these routes, and to try to show how code enforcement programs can be improved to produce fewer of the negative effects of housing stock loss and rent increases. It is to try to get us out of the cycle of looking for blame on the one hand leading to efforts at face saving on the other because no one wants to have responsibility for admitting a mistake. The fact of the matter is (as many of the city employees here know) that the prevalent phrase privately being used by many of the involved city employees is "cover your       ".

when a house was built. The second policy, <sup>objective</sup> represents a changing of standards and then applying them retroactively to existing buildings. The latter is the response that has been taken to deal with the potential of fire.

In the last couple of years four different by-laws have been passed specifically dealing with fire. One comprehensive by-law has been passed for occupancy standards, all in addition to the city health code, the building code, construction code, electrical standards, and assorted provincial codes.

As testimony at the 877 Preston Street inquest showed, <sup>codes and enforcement processes</sup> can be confusing, <sub>↑</sub>

Each by-law essentially has a different group of city inspectors for their respective enforcement. These varied groups have three categories of higher supervision within the administrative structure: fire and licensing departments report to the Finance Commissioner; all the subsections of the building department and the health department report to the Environment Commissioner; and one by-law is enforced by the semi-Independent and part time Building Commission (with staff from the Building Department). <sup>This body</sup> reports <sub>↑</sub> to the City Council Environment Committee.

The by-laws also take different legal approaches to the problem. The rooming house by-law uses the technique of requiring a license for the user to operate, with the improvement of a smoke detector in the hallway of each floor as a pre-condition to get the license. The administration of the maintenance and occupancy by-law operates on a complaint basis from citizens, and assumes compliance with the code should be the normal condition, as does the health code. The health code is administered partly on a total coverage basis in some parts of the city and on a complaint basis in others. The apartment upgrading by-law is one which changes the accepted standards of the past, as does the rooming house by-law; but because it takes more of a building structure modification approach to fire safety; it assumes no legal requirement to meet its standards until after a city inspector has been through the building and an order issued by the Building Commission. The most recent by-law requires all buildings, not just residential, to have a manual, local type, fire alarm system with automatic heat detectors in storage room areas within one year of the by-law's passage.

The only by-law enforced by the fire department inspectors is the recently adopted National Fire Code. They are not directly involved in the field enforcement of any other by-laws passed with a fire safety aspect, and, in most cases, are not involved indirectly either. (The most significant exception probably is the electrical code, enforced by a division of the buildings department.)

People are more afraid of being blamed for another fire death, for that is an immediate emotionally filled motherhood issue, than they are of creating personal hardships for many people with increased rent costs. Fear is a greater bureaucratic motivator than the pleasure of looking forward to the challenge of being part of an innovative effort improving the quality of housing while keeping the level of relocation and rent increases to a minimum. For, as mentioned earlier, the level of demolitions and closures is rapidly increasing, widening the demand/supply gap.

Major impediments to achieving better results from code enforcement are:

1. The narrow specialization of the program, without creative linkages to the rest of what motivates economic behaviour of owners and tenants in areas of poor housing;
2. The orientation toward refusing to creatively involve tenants <sup>and owners</sup> in the various inspectional processes because the building inspection-enforcement process is one of paternalistic, elitest indifference to the tenant's legitimate commitment to the future of his home. There is an unconscious presumption of the belief that no tenants might intelligently be capable of improving their homes. The bias of the system is understood in a "street-wise way" by the tenant, who, in adjusting his behaviour accordingly, conforms to the role model ascribed to him.
3. The refusal by both politicians and professionals to transcend the artificial gap that issues are either technical or policy, as if there were no interplay between the two. (This situation increases

the tendency for lack of individual initiative and by career officials.)

After Winnipeg's experience several years ago with the controversy over transportation plans for the city, it should have become clear that virtually all so-called technical urban issues have as their basis a broad set of assumptions about human values, activities, and choice. This is what policy is all about. Yet we still see a sequence of discussion on housing and fire issues where politicians assume a posture of saying "that's a technical issue and we follow the advice of our experts" while the so-called technical persons state that discussion of certain consequences of their technical requirements is not permitted because "that's a policy question."

That's exactly the position we are in with regard to what ways we try to improve overall fire safety. On the one hand the Building Commission, which always meets behind closed doors, states that consideration on housing availability and cost resulting from the apartment up grading by-law are beyond discussion with it. Yet, on the other hand, it recommends that the coverage of the law be extended to supercede the fire safety approach taken by the rooming house by-law. Yet both by-laws were passed in response to the same original question: how do we try to provide people with a "reasonable" chance that they will not die in a fire? These two by-laws came up with different approaches to the problem. This was because there was a different analysis of the parameters around the problem by a couple of people who at that time in the bureaucracy had a greater degree of influence over the rooming house approach than they did with the other.



Furthermore, to believe that the fire requirements of our upgrading laws represent a policy by council to achieve a defined level of protection is to ignore what everyone privately knows. City councilmen do not understand either 1) the details of the requirements, nor 2) the theories behind fire spread and life hazard, nor 3) the associated probabilities that the strategies proposed really will work well enough to suggest that there was a reasoned urban life policy for existing buildings. Council passed whatever administrators suggested because it was under pressure to act.

To place this in the long-term perspective of our age, urban anthropologist Lisa Peattie has observed:

"Our cities are more and more publicly managed environments. Private actions take place within a generally narrowing network of public intervention, public policy, and public planning.

"One way in which we have handled this transformation has been by recasting questions of public policy as problems for technical solution. 'Much of the history of social progress in the twentieth century,' says Harvey Brooks, 'can be described in terms of the transfer of wider and wider areas of public policy from politics to expertise. Often the problems of political choice have become buried in debates among experts over highly technical alternatives'...

In a rapidly changing world of pluralistic goals, the casting of policy into a technical framework makes possible an operating consensus that is necessary to keep our cities running even as well as they do.

But as a consequence, we have developed a set of bureaucratic management institutions which often seem impersonal and alien to human feelings. <sup>2</sup>

But what decisions are made should not be left to accident via behind the scenes power influence of administrative civil servants. In the court system we subscribe to the advisory process in the belief that an open presentation of opposing viewpoints will lead to the most informed and best decision. Yet in our process of city government we subscribe to the opposite viewpoint. For the most part we make items public only at the last minute, after there can be reasoned discussion in the formative

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(2) Lisa Peattie, "Reflections on Advocacy Planning", AIP Journal, March, 1968, p.80-88.

stages, and pass by-laws unanimously the same day they are placed on the agenda. It is that lack of 1) an insistence by council on a reasoned analysis of why one approach to a problem is favored over another and 2) the simultaneous unwillingness of enough of council to do the homework that is a prerequisite to know how to question administrators about the weak points in their analysis (an aspect ironically which leads to frustration on the part of administrators) and 3) the divergence between what council states in policy and what it does in its day to day decision process.

Several aspects of residential code enforcement in Winnipeg are notable:

1. Except for the small Neighborhood Improvement Program areas, the enforcement process operates on a building-by-building basis rather than on a co-ordinated small neighborhood or block-by-block basis in which all owners and residents are deliberately informed by the city that a concentrated program is underway. This maximizes the negative aspect of that classic quandry of the investment process in private property: if one building is improved while none of the surrounding ones are, then the investment is not reflected by a corresponding increase in the building's market value because the influence of the surrounding area predominates. Conversely, if an owner puts no money into his building while all his neighbors improve theirs, then his market value will increase.

2. Most code enforcement programs can be considered to be aimed at what - for lack of a better term - we shall call a "deviant" sector of the population - those who have not conformed to what society considers to be a normal condition. Winnipeg, by imposing standards for fire safety that virtually no building built more than five years ago will meet, and by allowing a vast backlog of deteriorating buildings to accumulate

over the years before the maintenance and occupancy code was passed, has on paper expanded the "deviant" sector to include a major portion of our housing stock.

By keeping the inspectional staff to a minimum, it has exacerbated the pressure on inspectors to move as quickly as they can from one building to the next. Personal contact with owners and tenants, and thus the ability to establish lines of communication, knowledge and personal trust, is minimized. This, combined with the lack of simultaneous inspection of the various codes, means the feelings of risk and uncertainty about the city's future actions are maximized in the minds of everyone concerned, both tenants and landlords and increases the likelihood that a building will be closed rather than funds being used for repairs. What is needed is a coordinated inspection program like that in the Neighborhood Improvement Program.

3. Because of the pressure on the city to "do something visible" regarding poor living conditions in buildings, there is beginning to appear to be a misuse of the emergency powers in the Health Code. Health emergencies are not vague. They refer directly to the possible spread of disease through accumulated rotting garbage, raw sewage, rat bites, etc. It was the immediate and overriding need to protect the public health from contagious conditions that health inspectors were historically given the power to order people out of a building with no notice. That is not the same as conditions which, however upsetting, are not a true health problem, and that includes the fact that a wood frame structure may burn quickly if it catches fire. There are degrees of hazards. A furnace in danger of exploding or padlocked exit doors are violations which inspectors have the power to order corrected on the spot. A

'potential' but non-imminent condition does not confer the same power on the government to displace the ordinary right of tenancy as quickly. Time must be given to correct the situation, not only for the owner's rights but also for the tenant's right not to be arbitrarily displaced.

"Traditionally, standards for the physical aspects of housing and the residential environment have been justified in terms of health, while in practice, standards applicable to housing of low-income families have been greatly influenced by middle class values held by the professional and public officials responsible for the setting of standards... Moreover, the definition of desirable housing quality - what constitutes a standard or a substandard house - is often determined less by science and knowledge and more by what society considers economically feasible, socially desirable, and politically acceptable at any time.<sup>3</sup>

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(3) Robert Novick, "The Physical and Mental Health Aspects of Code Enforcement," Urban Lawyer (1971, No.3), as quoted in "Municipal Housing Code Enforcement and Low-Income Tenants," op. cit.

## REPAIR PROGRAMS

Residential code enforcement is the government's stick. The availability of private or public repair programs is the carrot. The two are not necessarily linked. People involved in the promotion of repair programs recognize that voluntary efforts by consumers are more socially desirable, as well as by being more able to satisfy the other value, trade-offs, involved with housing decisions - budget levels, location, etc. However, whereas repair programs not linked to code enforcement do not produce negative side-effects on housing, code enforcement not linked to repair programs do.

Of the three publicly funded repair programs - the province's Critical Home Repair Program, the non-profit but provincially supported Winnipeg Home Improvement Program and the federal Residential Rehabilitation Assistance Program - only RRAP requires that a building getting aid must meet all applicable minimum standards after work is completed. Under present federal regulations, the RRAP program, which has by far the largest amount of dollars available per unit of housing, is applicable for owner-occupied and apartment building within the NIP area and for buildings not in the NIP area that are owned by non-profit groups.

One of the interesting dichotomy is that code enforcement is most strongly aimed at rental properties, whereas rehabilitation programs are most strongly directed toward owner-occupied single family houses. Only RRAP allows apartment owners to get aid, with the trade-off that the owner submits to supervision of his rent levels by the Central Mortgage and Housing Corporation. A serious drawback is that rooming houses are not eligible for RRAP funds, yet these are precisely the kinds of units that are prevalent in some low-income areas. So, whereas the old buildings most

likely to have tenants with social and economic problems are the ones that will be most focussed upon by code regulations, they are the ones which economic resources most ignore.

Apparently this stems from a belief 1) that public funds should not be used to defray a cost which a landlord should pay for out of his presumed profits or 2) that improved conditions will allow the landlord to raise rents, thereby hurting tenants. On the other hand, in a system which believes in private property, we are willing to give grants and loans to owners which increase the value of their property, and we also agree that there is a legitimate need for the rental roominghouse market.

As the data mentioned in an earlier presentation shows, it is important not to forget the importance of private savings and commercial home-improvement loans. In this regard, it is interesting to observe that the value of National Housing Act insured home improvement loans has declined significantly over the last 15 years. Of added significance is also the observation that a sense of neighborhood is an important factor behind one's motivation to do repairs.

With the reliance by municipal government on property taxes for educational and general city revenues, the long-term importance to a city between keeping a neighborhood <sup>in good condition</sup> ~~up~~ and renovation and maintenance <sup>of housing</sup> is clear. For a downward cycle of physical conditions not only causes social and physical problems which lead to greater demands for city services, it will also lead to a downward assessment of property values and loss of tax base.

In this context, it is clear that our concept of code enforcement

must change. Code enforcement, in the final analysis, should not be viewed as a punishment for poor conditions, either through imposing fines on owners for non-compliance or through the boarding up or demolition of buildings that could economically be repaired. Our emphasis must shift from looking at punishment to actually correcting the conditions by a variety of means.<sup>4</sup> This means we must change the way we look at the role of code inspector, from a person who is a mere physical inspector to one who promotes and encourages change. If a building must be demolished then steps should be set in motion to replace it with either a new one or to have another productive use of the land. To do otherwise should be viewed as a failure by an inspector, not a success. This, then, leads to our next major consideration: the process of urban change.

#### THE DYNAMICS OF THE CITY

"(S)ince cities rarely remain static, an understanding of the ways in which they change and the causes of these changes becomes vital if urban man is to shape his environment intelligently.

"Changes in the city proceed at an irregular rate. Particularly during periods of rapid growth, the structures created in the past and the needs of the present conflict."<sup>5</sup> To this, Mitchell and Popkin add,

"Change in land use is the reflection, sometimes delayed, of more fundamental changes in what people do on the land, in the manner of their doing it, and in the means and processes they employ."<sup>6</sup>

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(4) Frank P. Grad, Legal Remedies for Housing Code Violations, Research Report 14, The National Commission on Urban Problems (Washington D.C., 1968)

(5) Ernest Fisher in "Urban Traffic, A Function of Land Use" by Robert B. Mitchell and Chester Rapkin (New York, 1954)

(6) Robert B. Mitchell and Chester Rapkin, op. cit. p.x.

In this context, <sup>Grigsby</sup>~~Grigsby~~ and Rosenberg identify nine themes or images of the inner city housing problem at the macro level, as contrasted to their micro level analysis in which good management in housing was shown as a key variable to individual housing success.

"The nine themes are: the filtering process, inner-city obsolescence, spatial concentration of low-income families, low income itself, problem families, greedy investors, exploitative system, racial discrimination, and the deteriorating social fabric of inner-city neighborhoods... (T)he special case of housing abandonment (is also) analyzed" <sup>7</sup>

What becomes clear is that each theory or image contains some element of validity, the degree varying in each local case. Thus, if we are to have a code enforcement program that will try to convince present owners to repair their buildings or, failing that, will try to shift ownership to someone who either has the motivation or the resources, then one thing becomes clear. Code enforcement cannot take place in a vacuum. The inspector in the field must be knowledgeable in the other factors affecting the various motives of people - zoning, rent control, availability of loans, and yes, fear of the city bureaucracy itself as a motivating factor. (RRAP officials, for example cite the ethnic background of their particular clients as the reason the new CMHC requirement for mortgage rather than a personal note for a repair loan over \$5,000 is killing the program. They say you just have to understand the fear and suspicion of government which elderly former emigrants from totalitarial countries have. Those people just cannot believe that it will not eventually be a way for the government to take their house away from them.)

7 William Grigsby and Louis Rosenberg, Urban Housing Policy (New Brunswick, New Jersey, 1975) p. 195.



What does this mean in practical terms? It means that district planners must be involved in the code enforcement process. It means that the inspector must be able to work out with each owner what the budget alternatives are for his property, so as to try to show how repairs can be financed. If the inspector cannot perform this communication and counselling role well, then someone else should be available.

If a stumbling block becomes insurmountable, then someone in that neighborhood planning process must be the facilitator to try to bring about the ownership change or have the repairs done by the city itself.

In summation, we must bridge the gap between the specialized functions of our governmental and institutional systems if we are to achieve better housing. Everyone involved in new construction of housing knows the many variables that must all be coordinated if a new house is to go from the idea stage to brick and mortar and then to be successfully sold. That game has been mastered by many. We now must do the same for the even more complex web of considerations involved in improving older inner-city housing. Not to do so will entail huge social and real economic costs in the future.

## Private Financial Investment

A major force in the shaping of our older neighbourhoods is that of private financial institutions. These influential institutions include such varied groups as banks, credit unions, mortgage and loans companies, insurance companies, and trust companies. Although their activities are numerous, we will concern ourselves with only two: mortgage loans and home improvement loans. Not all of the groups above are involved in the latter activity, some are perhaps limited by legislation, but they all are involved in mortgage lending.

In this section, we will concern ourselves with an analysis of the policies these institutions have regarding the activities of mortgage and home improvement loans. We will not examine how these policies are affected by the workings of the national economy. For instance, the questions of how much money is allocated to Winnipeg for these activities, and by whom are beyond the scope of this paper. This is not to say that they are unimportant, we simply have not been able to collect information in these areas. Let us turn our attention then to home improvement loans.

### 1. Home Improvement Loans

The objective of financial institutions, as the creditor for home improvement loans, is to make the best possible return on the dollar. As home improvement loans are generally small, on average less than \$3,000 in 1974<sup>1</sup>, these loans are expensive to administer by the financial institutions.

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1. Based on confidential information supplied to I.U.S.

We would expect them to favour investing in other more profitable areas. Another factor at work is the ability of the home owner to finance himself, particularly if the amounts are small and carried out over a number of years.

In Winnipeg, the participation of the banks and other credit agencies in this market has waned considerably over the years. Whether this is a demand or supply problem, perhaps complicated by rising home improvement costs, is unknown to us. The facts<sup>1</sup> however are these:

- (1) Nearly 25,000 loans were made in 1955 in this city, on almost 27,000 dwelling units at a cost of slightly more than twenty-seven million dollars.
- (2) A peak of more than 37,000 loans on nearly 41,000 dwelling units was reached in 1958. The loan amounts were valued at nearly forty million dollars.
- (3) Loans have dropped off considerably since then. In 1973 a low was reached of about 5,500 loans for nearly 6,000 dwelling units. The loans were valued at more than \$14.5 million.

Needless to say, a drastic shift has taken place. Some banks for instance, tell us that demand is low. Could it be the cost of money? Or maybe it is the preference of banks not to deal with small loans - some credit unions report a good business in this area.

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1. Ibid.,

## 2. Mortgages

Mortgages, are the legal assignment of property, generally real estate, to a creditor as security for a loan. Purchasing a home, with the aid of a mortgage, is often the biggest investment a person will make in his lifetime.

The financial institutions mentioned play the role of creditor in this process. Their principal objective as creditors, as with home improvement loans, is to make money. However, to ensure that they do make money, these institutions will only lend on certain types of investments. The following is an analysis of these policies.

Most lenders,<sup>1</sup> will give mortgages on single family dwellings, new or existing commercial and industrial properties. Mortgage types include; Conventional, NHA, and High Ratio. Not all lenders, if any, will offer mortgages on all sectors of the industry or offer the full range of mortgage types. Very few for instance consider mobile homes or churches. Some lend on property outside of the perimeter, and some lend on properties with no or only partial basements. ~~Not all lenders~~ consider multiple dwellings and few are interested in absentee owner single family dwellings.

An important factor in evaluating a loan is the age of the dwelling. The majority of lenders will not lend on properties over fifty years of age. Obviously, mortgage shopping is much more difficult for those interested in buying dwellings in many of the older areas of this city.

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1. Most information for this section comes from a questionnaire undertaken by the Mortgage Loans Association of Manitoba, Feb. 26, 1976.

Other important factors include the minimum term available, amortization period, maximum loan amounts, interest rates and minimum equity needed. These can vary considerably from company to company.

Generally speaking, companies do not seem to divide by type, i.e., banks, credit unions, etc., in the type of loans they will consider, but rather individually. However, there are some interesting tendencies in the amount of interest they express in certain types of loans. Table 1 illustrates this point.

It can be seen that banks, credit unions and trust companies are generally more interested in single family dwellings than are the others. Within this group variations remain with individual companies differing over their involvement with new or existing dwellings, although, it should be noted, trust companies seem more likely to invest in existing dwellings than any other institutional type. Life insurance companies and mortgage firms seem to prefer apartments and commercial/industrial investments.

The impact of such policies could be significant. However, more importantly, in what parts of the city they are willing to invest in is crucial. Talks between IUS and various people associated with lending institutions, indicated the following factors.

Some of the lending institutions have almost their entire portfolio in the suburbs, while others prefer the North or West Ends. One bank indicated that they try to keep out of North Point Douglas, the city's first NIP area. This is in line with suggestions that North Point Douglas, and

TABLE #1

NORMAL INTEREST IN LOANS

Institution	New (SFD)	Existing (SFD)	Apt.	Commercial
Bank #1	75%	25%	-	-
Bank #2	30%	65%	2%	3%
Bank #3	90%	10%	-	-
Bank #4	20%	70%	5%	5%
Bank #5	50%	50%	-	-
Mortgage #1	-	20%	40%	40%
Mortgage #2	15%	20%	40%	25%
Mortgage #3	30%	20%	25%	25%
Mortgage #4	10%	75%	5%	10%
Credit Union #2	75%		15%	10%
Life #1	10%	-	30%	60%
#2	20%	20%	25%	35%
#3	2%	3%	20%	75%
#4	55%	25%	20%	-
#5	30%	-	-	-
#6	-	10%	40%	50%
#7	20%	20%	30%	30%
Trust #1	70%	15%	10%	5%
#2	30%	70%	-	-
#3	30%	50%	10%	10%
#4	5%	80%	10%	5%
#5	-	100%	-	-
#6	-	100%	-	-
#7	50%	50%	-	-
#8	10%	70%	15%	5%

other areas of the inner city are being "red-lined". In other words, the lending institutions generally refuse to lend any money to property owners in certain parts of the city or provide fire insurance. The direct impact of such policies will only lead to the gradual or increased rate of decline and deterioration in these areas.

## THE SUBURBAN DEVELOPMENT PROCESS

### Implications for Older Neighbourhoods

Almost all new housing units in Winnipeg are being built in suburban areas and this pattern is likely to continue into the foreseeable future. The suburban development process is unlikely to change greatly over the next decade due to the long period of time now required to develop new housing. A 1975 study found the total process to take from 43 to 59 months in Winnipeg<sup>1</sup>. Of the many steps involved in development from the initial design process, through the subdivision approval stage and land servicing, to actual housing construction and marketing, the most time consuming is the complicated plan approval process. This alone can commonly take from 18 to 24 months<sup>2</sup>. Apart from the inspections and approvals required from each of the many departments and government agencies with an interest in housing development, the proposal must receive the approval of the local community committee, City Council, and the Provincial Minister of Urban Affairs. Frequently a rezoning procedure is required, as well, to change the permitted use from agriculture to residential use. While all of these steps are desirable, there is no doubt that in sum they become very time consuming.

Due to climate imposed limitations on building in Winnipeg, an unexpected delay in the approval process can disrupt servicing and construction schedules

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1. W.R. Bloxom, "The City of Winnipeg: Steps in the Land Development Process," (Winnipeg: Planning Secretariat of Cabinet, 1975), p. 39.
  2. Ibid.



sufficiently to prevent house construction commencing before the onset of winter.<sup>1</sup> When this occurs almost all activity must stop for several months with the result that delivery time, holding costs, and house prices all increase.

Further lengthening of the housing delivery timetable arises from the need to provide major regional "hard" services such as sewer, water, and drainage in advance of the local servicing required for individual subdivisions. Although the water and sewage systems in Winnipeg apparently can accommodate new growth by extension of existing trunk services, a critical point has been reached in regard to land drainage. All readily drained lands have now been developed so that "new development must consider the future drainage needs of vast areas beyond the urbanized areas."<sup>2</sup> This will be both a costly and time consuming process. Three years lead time may be required before drainage services can be extended to developing areas thus enabling local servicing to commence.<sup>3</sup> More than \$30 million in capital expenditures are required for land drainage purposes to service new development areas in Winnipeg for the five year period from 1977 to 1981. Sewer and water services planned for these areas will require an additional \$16.43 million and \$47.23 million, respectively. The areas to be serviced by these programmes are primarily in Transcona, St. Boniface, St. Vital, Fort Garry, and North-West Winnipeg. By comparison, capital expenditures for similar services in the inner city will be largely restricted to an on-going storm-relief programme of \$15million.<sup>4</sup> This latter is subject to the

1. Ibid., p. 36.

2. City of Winnipeg, Five Year Capital Development Program 1977-1981, (Winnipeg: 1976), p. 61.

3. Ibid.

4. Ibid., p. 92-95.

availability of funds and has a lower priority than that enjoyed by the programme to service new areas.

A third major element in the suburban development process is that of land assembly. Today most of the land inside the Perimeter Highway that is likely to be developed lies in public or private land banks. Four major private development companies owned 12,878 acres in 1976 while the two public land banks operated by the Manitoba Housing and Renewal Corporation and the City of Winnipeg between them now own 7,588 acres.<sup>1</sup> Over the next fifteen years an average of 650 acres will be required annually for new residential development in Winnipeg.<sup>2</sup> This means that enough land now lies in public and private landbanks to meet new housing needs for thirty years, assuming that all of these locations meet planning requirements. Most of the public land bank is unfavourably located relative to private holdings and the probable course of future development. Consequently, public land will not be able to have much effect on the residential land market until the mid-1980's at the earliest<sup>3</sup>. More than \$20 million has been spent on public land purchases for suburban development without much prospect of a return on the investment for several years to come.

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1. W.R. Bloxom, "Housing Needs and Development Potential of Existing Landbanks " (Winnipeg: A report prepared for the Leaf Rapids Corporation, June 1976), p.7.

2. Ibid., p. 4

3. J. Barber, "Land Ownership in the Winnipeg Fringe Area," (Winnipeg: A brief submitted to the Winnipeg Land Prices Inquiry Commission by the Institute of Urban Studies, Jan. 31, 1977) pp. 11-12.

The suburban development process is therefore long and costly but current plans for the next ten years call for almost all new housing units to be constructed in suburban fringe areas on currently undeveloped land. Some 85% of all new housing will be built in the suburbs. Family housing will continue to dominate these areas but the number of apartments built in the suburbs will almost equal the number of new single detached houses. Meanwhile in the inner city area the only new housing planned to be built in any significant numbers will be apartments (Table 1). Given that the inner city area is almost entirely built up, it is probable that many of these new apartments will be built on land that is now occupied by family housing. Undoubtedly most of the apartments will be in high-rise buildings unsuited to family living. Therefore families will be increasingly encouraged to move to suburban areas.

However, the new family housing being built in the suburbs may be priced beyond the reach of many families. The average price of a new three bedroom bungalow in Winnipeg has tripled in the last 15 years (Table 11) At an average price of over \$47,000 a typical new suburban house can today only be afforded by few. While it is to be hoped that price increases will moderate in the next decade, it is probably that new single family housing will remain out of the reach of most families.

It can be seen that the pattern of housing development is unlikely to change greatly in the next five to ten years if present plans and policies are maintained. Family housing will become increasingly concentrated in outer suburban areas to the detriment of older, inner city neighbourhoods. At the same time, new houses will be too costly for most families so that many families will be forced to live in apartments unsuited to the raising of children. Since most new

TABLE 1

Projection of New Housing Demands in Winnipeg 1975-1976

Housing Type	Suburban Areas	Inner City	Total:
Single Detached	25,100	-	25,100
Single Attached	4,600	-	4,600
Townhouses	5,300	-	5,300
Apartments	24,900	10,600	35,500
Total	59,900	10,600	70,500

Source: City of Winnipeg, Five Year Capital Development Program, 1977-1981, (Winnipeg, 1976), pp.8-9

TABLE 11

Average Prices of New 3-Bedroom Bungalows in Winnipeg; 1962-1976

<u>Year</u>	<u>Average Price</u>
1962	\$15,600
1966	\$18,300
1970	\$23,000
1973	\$27,100
1976	\$47,000+

housing will be developed on land now held in privately owned landbanks . lot prices are liable to remain high thus contributing to continued high housing prices.

The costs of servicing new areas will, in part, be borne by the whole city and these costs are likely to rise substantially as large drainage projects become necessary before new areas can be developed for residential use. As the city spreads further out, transit service will have to be extended to these new outlying areas at the expense of improved service in the inner city. An alternative must be found to the continued outward spread of the city and the increasing dependence on the suburbs as the site of our family housing stock.

## Municipal Planning

Planning in Winnipeg is comprised of a number of components. For instance, there is subdivision control, district planning, zoning and neighbourhood improvement to name some of the more major elements. In this section, we will concern ourselves with district planning, zoning and neighbourhood improvement. The subdivision approval process is dealt with elsewhere in this paper as part of the phenomenon of urban development.

### 1. District Plans

Plans in general are intended as guides for development. The Metropolitan Winnipeg General Plan was intended as one such guide, however, it is so general, its degree of utility is likely to be small. District Plans, in theory at least, are an attempt to give some real guidance for development considerations. Let us see what has happened in reality.

The most noticeable thing about district plans in Winnipeg, that have legal force, is their paucity. As a result, the impact of district plans on development is practically nil.

This conclusion is further reinforced if those that do exist are examined. According to a few of the planners who use them, these plans are often (1) too general to be of any use, (2) the most important elements of the plan were eliminated before final approval, or (3) zoning has taken precedence over the plan, at least in the way it has been used. What we are being told is that District Plans, as they have been used, are virtually ineffective and of little use in controlling development. This does not imply that the District Plan should be abandoned. To us, the ineffectiveness of these plans is symptomatic of a larger problem.

The problem is not a technical one. A few examples of draft District Plans which are quite good do exist, although admittedly improvements might be possible. Ultimately, the problem is a political one. For instance, policy exists in this city affecting numerous facets of our daily life, if we are prepared to use them.

Where does this leave us? In terms of the planning process, on a rudderless ship. Planning has been jettisoned and the pragmatism of the political process is in control. In such a void, the planning process becomes the administration of zoning.<sup>1</sup>

## 2. Zoning

Zoning is a planning tool that was developed in order to control development, either through encouragement or prohibition. In planning theory at least, zoning<sup>2</sup> is only a tool and is supposed to implement a plan. Others have seen zoning as a tool which would ensure adequate air and light for the populace, resolve the spatial conflicts inherent in the market due to Adam Smith's invisible hand, preserve property values, or as a means by which to resolve quick profits. These are the various justifications or theories<sup>3</sup> of zoning.

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1. Gerecke, K. A. Whittle, et.al. Towards a New Canadian Zoning, University of Waterloo, (Waterloo, 1974).
  2. Zoning is used here in its broad sense of being concerned with land-use control.
  3. Gerecke, K. et. al. op. cit.

As we have suggested earlier, zoning is a political tool. Whatever justification one might have, ultimately the zoning process becomes a part of the political process. Thus, how it is used becomes of great importance. Zoning can either protect a community from the landowner seeking to build a highrise or it can allow your home to bask in its cold shadow.

As an observer and sometime participant in the zoning process a number of observations might be offered. First, current zoning does little to protect you. Rezoning is relatively easy to come by. More often than not, it seems the onus is on the neighbour of a property to be rezoned, or the planner to prove why a particular case should not be approved, rather than the owner of the subject property justifying his intentions.

Secondly, a great deal of this city's older housing stock is overzoned for its current use. That is, many areas have been zoned for commercial, industrial or higher density residential usage. The net effect is to encourage the decline of these areas because of escalating property values and future uncertainty.

A third observation, following from the second concerns is the quantity of commercially or industrially zoned areas. In the downtown and parts of the older inner city, a greater amount of land is zoned commercial or industrial than can possibly meet supply over the next few years. In addition, developers have tended to take their proposals to other parts of the city in order to avoid the existing high land prices and to obtain the gains from a rezoning for themselves. The net effect is to encourage the decline of certain areas and to discourage to a degree, its redevelopment.



So far, we have only talked about how zoning has been used. There do exist some inherent technical problems in zoning as it is presently construed. Foremost is that aspect of zoning that encourages homogeneity of land uses.

Based on the principle that certain land uses are inherently in conflict or undesirable, zoning produces vast areas of undifferentiated usage. Suburban housing developments are perhaps the most glaring example of this. They are often viewed as sterile by their residents and outsiders because of their sameness. As well, the resulting pattern of segregated land uses requires the use of a car which makes it highly inefficient in terms of its energy consumption. Also, many developers have perhaps rightly charged that such zoning is inflexible to innovation.

In summary, zoning can be used in a number of ways. In Winnipeg, it would not be unfair to say that certain groups have probably benefitted more than have others.

### 3. Neighbourhood Improvement Program

NIP is a tri-level partnership of the Federal, Provincial and Municipal government that is administered by the city. NIP was created in order to improve the living conditions in neighbourhoods. More specifically, its objectives were:<sup>1</sup>

- (1) To improve those residential neighbourhoods which show evidence of need and of potential viability.
- (2) To improve and maintain the quality of the physical environment in the neighbourhood.

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1. Taken from "NIP Delivery Manual" C.M.H.C., 1976. Used for the national evaluation of the NIP.

- (3) To improve the amenities of neighbourhoods.
- (4) To improve the effect of related programs.
- (5) To improve neighbourhoods in a manner which meets the aspirations of neighbourhoods, residents and the community at large.
- (6) To deliver the program in an effective manner.

NIP was designed to affect the physical and institutional structures in a neighbourhood. It provided for planning, urban infrastructure, community facilities, social housing and others. It is to be used in conjunction with its sister program, the Residential Rehabilitation Assistance Program (RRAP). RRAP enables property owners to fix-up their properties through a system of loans and grants.

Perhaps the best example of NIP in Winnipeg is the North Point Douglas site. Other areas exist in the city but they are not as far along.

Through NIP, the North Point Douglas area has seen a considerable resurgence. Homes and apartments have been and continue to be repaired, streets and physical services have been upgraded, recreational and community facilities provided, and inadequate housing torn down and in many cases, new housing put in its place. Perhaps the most significant aspect of the program has been the increased awareness, concern and activity of the area's residents. Although the program is not complete, various positive effects of the program can be seen already. One must admit that some improvement has already come to the physical environment of North Point Douglas.

However, all is not roses. Some concern should be expressed over whether or not increasing values in the area will displace all or certain portions

## Conclusions

In relative isolation, we have discussed various programs and policies, both public and private. However, these separate programs are at work within one urban area. They are not mutually exclusive in their effects on the city. Together, they have several impacts on housing in this city, particularly with respect to the quality, quantity and cost of housing. Below, we will mention briefly what some of these impacts are.

### 1. Quality of Housing

Perhaps having the most direct effect on housing quality are the repair programs. Repairs done under these programs have significantly improved the quality and longevity of many homes and apartments in our older neighbourhoods. In turn, they have often sparked private rehabilitation in certain areas. Code enforcement particularly in the NIP areas and with regards to older apartments has also directly affected the quality of our older housing stock. The combination of RRAP funds and code enforcement is particularly effective. NIP also effects the general quality of an area.

On the other side, overzoning and rezoning have contributed to the decline of certain neighbourhoods. Combined with the high cost of money and disinvestment in some areas the problem is exacerbated.

### 2. Quantity of Housing

As we described earlier, through suburban developemnt, some homes at generally high prices are being provided on the city's fringes. As fewer people can afford new homes, many turn to purchasing older, somewhat cheaper homes, sometimes reconvertng homes occupied by tenants. Since the

filtering process works very slowly or not at all, certain segments of society are getting squeezed out. At the same time, many older homes are demolished or boarded up because of code enforcement and overzoning. For many landlords, the vacant land is the only thing of value. Again, this action tends to squeeze a certain segment of society. Often the working poor, young couples, the aged, the roomer and others. As was mentioned earlier, in another paper, some housing is being provided through MHRC. This housing goes mostly to senior citizens and some to families who are unable to find adequate and inexpensive housing in the private market.

The net result is this. We are producing housing for the extreme ends of society and combined with deteriorating housing, demolitions, and high prices, we are effectively shrinking the quantity available to the rest. As a result, rent controls may become essential, public housing and other public subsidies will increase and the city's welfare department will have to place more and more people in hotels for longer and longer periods of time.

### 3. Cost of Housing

The cost of housing is affected in many ways. Few if any of these programs tend to reduce it. For instance, we have shown earlier how land monopolies and, to a certain extent, delays in planning add to the cost of new homes. More and more public housing must be built at high cost only to be filled with people who can't pay the full rents. Also, because new homes are so expensive, competition for and interest in older homes increases, leading to an inevitable increase in value. Overzoning often drastically inflates the value of a property often making it uneconomical to rent or own as a residence. Code enforcement often requires costly repairs and the

repair programs increase the value of homes and apartments.

In brief, the cost of housing, as all are aware, is increasing and both public and private actions are affecting it.

In conclusion, we are having many impacts on our older neighbourhoods and our newer ones as well. Some are desirable, some not so. In many ways, it appears that the net result is destroying many and aiding a few, perhaps only for a while. Our older neighbourhoods can provide good cheap housing in the context of a good environment. However, it is necessary that we enhance and not hinder these areas.