
FINDING HOME

Solving the social housing conundrum

By YUTAKA DIRKS



AMBER CANNON FIRST APPLIED FOR a subsidized apartment from Calgary Housing Company (CHC) in 1998, when she was 23 years old. Securing public housing would become an eight-year odyssey. Cannon wanted a place of her own because she and her one-year-old son were living with her parents. So were her grandparents, who had recently moved from their home in rural Saskatchewan. The house in the southwest community of Cedarbrae had four generations of family living in it and was feeling crowded.

Working as a cashier at a gas station, however, Cannon could only dream of renting her own place. She was earning

the then-minimum wage of \$5.40 and was struggling just to make payments on her leased car. Her gross monthly income—working 40 hours a week—tipped just over \$850, at a time when rent for a two-bedroom apartment in Calgary averaged \$708. Even if she found an apartment at the very low end of the market, there would be almost nothing left to pay for food and other expenses.

Tenancy in city-owned subsidized housing offered hope. If accepted, Cannon would pay 30 per cent of her monthly cheque to the CHC. That would leave her and her son enough to live on. But when she applied, she was told she needed an eviction notice from her parents before she would be allowed on the wait-list.

Should she convince her parents to lie? Or should they actually put their daughter and grandson out on the street? Neither option seemed acceptable.

She was stuck.

FORTY THOUSAND LOW-INCOME ALBERTANS receive some form of housing assistance from the province, and 30,000 more are on the wait-list for government-supported social housing units or programs. With the ongoing economic downturn, demand is growing. In Edmonton alone, the wait-list for social housing in 2015 tripled.

Albertans can apply for provincial housing programs, which include subsidized units through the Community Housing Program and Rent Support Program for tenants in the private market, if their income is less than thresholds set by the provincial government. The core need income threshold is based on the median income of the community in which one lives, as reported by the Canada Mortgage and Housing Corporation (CMHC) each year, which is adjusted based on the type of apartment one requires.

A resident of Acme who needs a one-bedroom apartment, for example, can apply for subsidized housing or a rent supplement if they make less than \$37,500. Worsley residents (90 km north of Fairview) are allowed to earn up to \$40,000. Low-income households in Edmonton and Calgary can apply for assistance when seeking a one-bedroom unit if they make less than \$42,000 and \$46,000 a year, respectively. Of Alberta's 356,000 tenant households, 19 per cent make less than \$20,000 a year. Nearly one-quarter make between \$20,000 and \$39,999.

In addition to income qualifications, applicants to provincial affordable housing and rent supplement programs are prioritized on the basis of need, which also takes into account their assets and current housing conditions. As the wait-lists attest, not everyone who qualifies is helped.

For people approved for one of the programs, the government provides a subsidy; if they are in a Community Housing Program unit, the tenant pays no more than 30 per cent of their adjusted income. Rent supplements pay the difference between 30 per cent of a tenant's adjusted income and a negotiated market rent.

It took a long time for policy experts to settle on 30 per cent as a reasonable income limit. The thinking goes: If you spend no more than one-third of your pre-tax income on housing, you should be able to both save money and afford the other important expenses of daily life. Before the 1950s, 20 per cent of income was considered the maximum for affordability. The amount was then raised to 25 per cent and then—since the 1980s—30 per cent of total income.

Yet Statistics Canada data analyzed by CMHC shows that 23 per cent of tenants in Alberta currently spend more than 30 per cent of their income on rent. Those people can't find housing that is both suitable for the size of their families and doesn't need major repairs. (While many homeowners also put more than 30 per cent of their income toward housing, they don't qualify for subsidies.)

The burden is worse for recent immigrants (28 per cent),

Aboriginal households (31 per cent) and lone-parent families (41 per cent). Four in every 10 Alberta seniors live in unacceptable and unaffordable housing, a rate that grew by nearly a third between 2001 and 2011. The incidence rate for senior single women is the highest of all, at 59 per cent.

The situation in Calgary is “a disaster.” In Edmonton, the wait-list for social housing has tripled.

UNIVERSITY OF CALGARY ECONOMICS PROFESSOR Ron Kneebone calls the situation “a disaster.” He has found that, in the period between 1990 and 2014, Calgary was the least affordable city in Canada for people who were classified as poor. A single parent with one child in the lowest one-fifth of income earners living in a one-bedroom unit in Calgary could see their rent eat up 80 per cent of their social assistance income, even if they rented an apartment in bad condition or far from amenities.

The main reason for Calgary's especially dire situation, Kneebone says, is the fact that rent costs have increased by an average of 3.4 per cent annually while social assistance has risen by only 1.6 per cent per year. Compounding the income problem, since the 1970s Calgary has lost 56 single-room occupancy buildings (e.g., the St. Louis Hotel, the King Eddy, the Cecil), which were some of the few housing options poor singles could afford. And between 2005 and 2015, Calgary lost more than 5,600 rental units to condominium conversions, 3,000 of those during the 2006–2008 boom years.

“Back in 1994 there was a social assistance cut in Alberta, which was fairly common across most provinces,” Kneebone said. “During the boom, the rents came up [from 2006 to 2008 rents rose by more than 10 per cent per year] and affordability fell dramatically. This is despite the fact the social assistance rates went up in 2009. The rents were too high.”

Policy changes by both the federal and provincial governments during the 1990s precipitated today's rental affordability crisis. Since 1946 the federal government has played a significant role in funding the construction of new social housing; averaged over the years between 1968 and 1992, about 20,000 units were built annually with federal dollars. In 1993, however, federal spending on new social housing ended, and three years later Ottawa transferred responsibility for most existing social housing to the provinces. It wasn't until 2001 that the federal government would engage in new social housing, through the Affordable Housing Initiative, later named Investment in Affordable Housing. This modest program lacked built-in rent subsidies and required provinces to match the capital funding.

In the first decade of its stewardship, Alberta gutted provincial funding for social housing programs. From a high of \$500-million in 1991, funding fell to \$150-million in 2000. It wasn't until 2006 that funding began to match the rates of the early 1990s, but the damage had been done. The funding barely

kept existing housing programs afloat. Repairs and other large expenses were pushed back and today the repair deficit for the province's social housing is estimated at \$1-billion.

"We are going to lose a lot of existing housing supply without significant affordable housing investment," said John Kolkman, a researcher with the Edmonton Social Planning Council.

There's been little to replace those buildings, many of them 40 years old. As of 2015, no new social housing had been built in Edmonton since 1993. In Calgary, just 1,048 social housing units have been created in the last 14 years, and none in the last three.

"And now we have the downturn in the economy," says Kolkman. "That's resulting in job loss. People who could afford to pay market rents can't anymore. They may end up homeless."



ARCHIVE: The debate over rent control (Apr 2013)
albertaviews.ca/archive

WHEN SHE WAS 24, Cannon was admitted to psychiatric care. She had been plagued with stress and feelings of low self-esteem. She had trouble sleeping; she wasn't eating well. She started having suicidal thoughts. She finally knew she needed to seek help when once, in frustration, she pushed her three-year-old son. He was uninjured, but the incident shook Cannon to the bone.

"I couldn't believe I, as an adult, as a mother, could do that to a little boy. I apologized to him and went outside," said Cannon. She called her doctor, who referred her to a day program at Rockyview Hospital. Things only got worse. "A week into the program, I went to see the counsellor. I said I'm having a great day today. I'm finally at peace, I'm going to take my life and I'm doing the best thing for everyone."

She spent a month in the psychiatric unit under observation, and doctors diagnosed her with borderline personality disorder. It was the first time someone had given a name to mental health issues that reached back to her teen years.

When Cannon returned home, her family sat down with her. After discussing the situation together, Cannon and her parents agreed it was best if she moved out on her own, leaving her son in the care of her parents. She found an apartment downtown and a second gas-station job to help pay her increased costs. But the stress hadn't abated and her health continued to deteriorate.

Cannon, now 25, lost both jobs and, even with social assistance, could no longer afford her one-bedroom apartment. She broke her lease, put her few belongings in storage and began sleeping in her car.

Homelessness has a devastating effect on one's health: higher rates of chronic obstructive pulmonary disease, tuberculosis, skin and foot problems and an increased risk of violence and early death. Research by Stephen Hwang of the University of Toronto has found that health problems exist even for people living in shelters, rooming houses and hotels—many of the places where people unable to afford market rents end up. There is a direct impact on life expectancy; 25-year-old women living in substandard housing or a shelter, for example, have only a 60 per cent chance of living until 75. Men in the same circumstances have only a 32 per cent chance of reaching that age.

EVEN PEOPLE LIVING IN APARTMENTS they can afford face the prospect of losing their home if the rent rises. In the summer of 2016, tenants in a downtown Edmonton building faced a nearly \$300 a month increase, driving rents beyond reach. Although the landlord rescinded the increases when the story hit the media, such increases are not illegal, unlike in a number of other provinces. In fact, Alberta places no limits on the increase a landlord can impose once a year, provided there is proper notification.

"If you are a low-income tenant on a fixed income, but if you don't know for sure what your rent will be every month, that's stressful," says Robyn Luff, the MLA representing Calgary-East. "It creates instability."

Luff, first elected in 2015, has put forward private member's Bill 202, the Alberta Affordable Housing Review Committee Act, to address facets of housing affordability that are currently overlooked. If the bill passes, a committee of MLAs will be formed to study rent subsidies, security deposits and rent regulation, among other tenancy issues.

Randal Houle says rent regulation would go a long way toward increasing housing stability for people like him who live on fixed incomes. Houle, 56, has had to depend on provincial disability payments since he was injured at work years ago, and is a member of Renters Action Movement, a Calgary-based tenants group. He lives in a private apartment and receives a supplement that covers the bulk of his rent. "If the landlord really raised the rent, I'd have to move. [My subsidy] can withstand small increases, but not a doubling."

Landlords, represented by the Calgary Residential Rental Association, oppose rent regulation, arguing it would make the housing situation worse by discouraging new investment. But for a long time barely any new social housing was being built in Alberta anyway. Landlords' claims are further challenged by a 2011 study of the existing economic literature on rent regulation. University of Winnipeg economist Hugh Grant found that "many of the criticisms of rent regulations are ill-founded on both theoretical and empirical grounds." Instead, well-designed rent regulations can act to stabilize rental markets, prevent price-gouging and, importantly, improve security of tenure for renters. One thing regulations do not do, Grant found, is substantially reduce rents.

When Luff's affordable housing review bill was being debated in the Legislature, Wildrose MLA Tany Yao pointed to the recession and argued the "bill is trying to fix a housing market that isn't broken."

Home sales have dipped significantly, but the recession's impact on rental affordability has been negligible. In fact, despite the vacancy rate rising significantly across Alberta, the average rent for a two-bedroom apartment actually increased 1.2 per cent from fall 2014 to 2015, before falling 4.7 per cent in 2016. In Calgary, three consecutive years of increases have brought the city's vacancy rate to its highest in 25 years. In response some landlords have lowered rents or are offering other incentives, including free TVs. But tenants buoyed by



In 1998 Amber Cannon's gross monthly income was just over \$850, while two-bedroom apartment rents in Calgary averaged \$708.

such stories won't find much comfort in CMHC data. The average Alberta rent for a two-bedroom apartment in 2016 was still \$1,195, just \$58 less than 2015's \$1,253, and well out of reach of someone on minimum wage or social assistance.

For these Albertans the housing market does indeed feel like it's broken.

ALBERTA NOW HAS A MINISTER devoted to addressing their needs: Lori Sigurdson, Minister of Seniors and Housing. Created in September 2014 as the Ministry of Seniors, the portfolio was consolidated "to better integrate and align its policies and services for seniors and Albertans in need of affordable housing options."

The ministry will spend \$1.2-billion over five years on maintenance and on a new supply of social housing, a fourfold increase from the previous government, according to the minister's press secretary. Sigurdson is also crafting an affordable housing strategy, targeted for spring.

This turnaround, coupled with a federal government signalling a newfound willingness to fund a new national housing strategy, has some social-housing advocates feeling optimistic. "It's like trying to [roll] a big boulder," said Greg Dewling, CEO of Capital Region Housing Corporation, which provides housing and manages subsidies for almost 9,000 households in Edmonton. "Once we get started, it generates its own momentum."

Yet even when funding exists, social housing projects can hit roadblocks. Homeowners in Terwillegar Towne in Edmonton fought the creation of a supportive-housing building in their neighbourhood, forcing the non-profit agency responsible to abandon its plan. Social-housing developers and the governments who fund them must address ill-founded property-value fears and prejudices against the poor. A 2016 analysis by real estate company Trulia of some 3,000 low-income housing projects in 20 US housing markets actually found no significant effect on the value of nearby homes.

As Alberta's population grows—and ages—so too will the number of people living on low incomes. Greg Suttor, author of *Still Renovating: A History of Canadian Social*

Housing Policy, recounts that at its peak, social housing construction in Canada was about 10 per cent of all housing produced. It's unlikely Alberta will come close to matching such a rate, but having a firm target linked to need would help. Equally important, any housing strategy must develop specific plans for helping those groups (seniors, lone-parent families, indigenous households, newcomers and people with disabilities) disproportionately affected by the lack of appropriate social housing.

In addition to mandating construction of publicly owned units, any strategy to address rental affordability in Alberta needs to deal with conditions in the private market, which is where most low-income earners live. Rent supplements can help; rent regulation can prevent gouging during the next market upswing. As well, legislative amendments to protect security of tenure of renters can right the balance between tenants and landlords.

Landlord–tenant laws are the domain of Service Alberta, not the Ministry of Seniors and Housing. But the almost 700,000 Alberta tenants who pay full market rents or live in social housing aren't concerned with ministry silos. They just need a home they can afford.

AMBER CANNON KNOWS FIRST-HAND THE difference made by having a home you can afford. She's now been living in a subsidized apartment for 10 years. During that time, she's been able to rebalance her health, graduate with a diploma from Bow Valley College and become a vocal advocate on issues of poverty and mental health.

In 2002, nine months after losing her apartment and living out of her car, Cannon moved into a women's residence, which provided supports to people struggling with mental health issues, thanks to a referral from a psychiatrist. She left the residence a year later after finding work as a cashier at Canadian Tire, but on such a low income had to live with strangers, in rooming houses or apartments. In the space of a year she moved seven times.

Her son Christopher still lived with her parents, but he would stay with her regularly. Cannon recalled that during one of those visits, "He said to me: I'm scared that you're going to move and I won't be able to find you one day."

"That isn't something a seven-year-old should have to worry about. You're supposed to be a kid."

She sat down and wrote another letter to Calgary Housing. A few months later, a few days before her birthday, someone from the agency phoned to tell her they had a place for her. It was "the best birthday present I could have."

Cannon was 31. In the spring of 2005, some eight years after she first tried to access social housing, she moved into a Calgary Housing Company community near Mount Royal University. The apartment had two bedrooms on the second floor, a cozy living room and kitchen on the main floor and a fenced-in front yard.

She stepped across the threshold, home at last. ■

A long-time resident of Calgary, Yutaka Dirks now lives in Montreal.