

Task Force on Housing Affordability

Mr. Ted Merriman, Mr. Bob Pringle

***Creating Momentum:
Solutions for Saskatchewan Housing
Affordability and Homelessness***

David Forbes, MLA

Saskatoon Centre

Social Services and Housing critic

On behalf of the Official Opposition

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1. Introduction:

It is no secret that housing in Saskatchewan is becoming less and less affordable as the province continues to flourish and workers move to this province. Housing that is found to be affordable is often substandard and causes the occupants to live in unhealthy conditions. The solutions will not be found by simply increasing funding to the housing authority, but through a progressive long term strategy that includes innovative new building programs, better enforcement of regulations, and incentives to increase the housing stock.

With the “Saskaboom” we are also seeing that it is not the same groups of people that have often faced difficulty with affordable housing (those on social assistance, single parents) but also First Nations, Métis, students, recent immigrants, seniors, and people with disabilities are all facing a housing crunch. Unfortunately, homelessness is now becoming more of a fact of life for too many Saskatchewan citizens. Any government action must include solutions that meet the housing needs of these groups.

Our suggestions, as the Official Opposition, are threefold. First, we ask that you recommend full utilization of key stakeholders and develop strong partnerships that will lead to the productive resolution of the current housing crisis. Secondly, we note that there are some well researched and well written strategies now being considered in Canada – we suggest you take into account the Federation of Canadian Municipalities’ *Sustaining the Momentum, Recommendations for a National Action Plan on Housing and Homelessness*. We believe that this Action Plan, with a Saskatchewan approach, would serve the people of Saskatchewan well as a guide for meeting our current housing situation. Thirdly, we present a short list of action items ranging from building student housing, incentive packages to a call for a regulatory review. These recommendations, if endorsed, would signal to Saskatchewan people that the provincial government is prepared to act quickly.

Everyone in Saskatchewan is aware that housing is a concern that needs to be addressed. Alberta has already experienced the boom, and was not prepared for the influx of workers and citizens. In fact, at a recent recruiting event in Edmonton, Regina Mayor Pat Fiaco was able to speak to Edmonton mayor Stephen Mandel who said it is important to ensure there is enough affordable housing in place for the influx of workers, or face the same homelessness crisis Edmonton and Calgary have been grappling with. (Leader Post, April 24, 2008)

Saskatchewan is in a fortunate position to be able to learn from the experience of others, as well as being in a strong financial situation (\$1.5 B in the provincial treasury) to deal with the situation now, before it gets worse. The Task Force on Housing Affordability has much work to do. Saskatchewan people are hopeful that its report will be thoughtful in the short term and long term and that significant resources will be allocated to support its recommendations. We have the best opportunity in many decades to ensure that all citizens have safe and healthy housing – our homes. We are looking for clarity in solutions. The time is now.

2. Use partners to develop solutions:

We believe that engaging partners will provide a strong enduring foundation for resolving the housing affordability crisis. Unfortunately, too often, governments see working with others as cumbersome and ineffective. We argue that in order for the public to have confidence in the provincial government meeting a big challenge such as housing affordability and homelessness, there is little choice but to involve and utilize those people who bring unique perspectives and solutions to the table. These key partners include the following:

- ***The municipalities:*** This level of governance brings the expertise of planning and experience of housing at the community level to the table. Critical to any success.
- ***The Federal government:*** Clearly important, with much experience and resources, unfortunately though, resources run out March 2009. This needs to be addressed.
- ***FSIN, Tribal and band councils:*** For Saskatchewan, FSIN must be involved as the demographics shows that the population growth for First Nations will be significant. Their leadership has demonstrated a strong commitment to find good housing solutions for First Nations people both on and off reserves.
- ***Métis Nation of Saskatchewan:*** Again, over the past decades this group has shown leadership and commitment to find solutions as the Métis people struggle for adequate safe housing in our communities.
- ***The North:*** As our economy grows in the North, northerners must be part of developing solutions and not have southern solutions put on them.
- ***Students:*** As we set higher targets for education and training spaces, student housing must follow. As we work to attract more students to our province, we provide adequate housing. It has been noted that student housing will alleviate the general rental market.
- ***Post Secondary institutions:*** Very much connected with students and their issues, this group has the expertise in administration to ensure adequate planning is done.
- ***Housing & Homelessness Advocates:*** Groups such as SHIP in Saskatoon and the community homelessness advisory committees in Saskatoon and Regina who have developed strong capacity for developing solutions. They need to be included in developing solutions. They are key resources.
- ***Advocates for those living in poverty:*** This is a crucial voice as those living in poverty may not be able to articulate their problems and typically they have used these advocates. These people know the experience of poverty and can share the realities and ensure solutions are workable.

- ***Advocates for those living with disabilities:*** Like the poverty advocates, a voice for those who are often left with housing that is inadequate because traditional solutions often just don't work.
- ***Advocates for recent immigrants:*** We must listen to those working with recent immigrants as we work to make our communities as attractive as possible.
- ***The business community:*** Clearly a very important group in developing solutions to this problem. Landlords must be involved, particularly in the regulatory review process. Innovation and skills should be an important part of the recommendations and this group is well versed in those areas.
- ***The public:*** The public wants to be part of the solution. We see this in many CBO's where citizens actively volunteer. Some recommendations may provide some wonderful opportunities to engage the public so they more fully understand the housing issues facing government leaders.

3. Recommend endorsing *Sustaining the Momentum: Recommendations for a National Action Plan on Housing and Homelessness* as a guide.

Housing affordability and accessibility is not just an issue in Saskatchewan; the pressure is being felt all across Canada. In response to the federal housing crunch and the expiration of committed federal funding in 2009, the Federation of Canadian Municipalities (FCM) created a policy document in January 2008 to provide a national framework to address the concerns (attached). This document, ***Sustaining the Momentum: Recommendations for a National Action Plan on Housing and Homelessness*** clearly articulates a useful set of guiding principles and several helpful solutions needed to properly address all symptoms of the lack of affordable housing along the housing continuum. We will highlight some of these solutions and will provide some specific solutions for Saskatchewan later in this document.

Clearly there is a need for a comprehensive approach to the housing crisis facing not only our province but in fact all of Canada. Housing is not only a place for people to live, but adequate housing is also a determinant of health and well being. In order to foster a healthy and productive society there is a need to ensure affordable and well maintained accessible housing. Work must be done to ensure people have homes and that we strive to support people as they move through the housing continuum. Recently both businesses and municipalities have recognized that there is a high cost of doing nothing to reduce homelessness. That cost is most often higher than the cost of doing something proactive.

Unfortunately, the federal RRAP and HAS funding agreements end in March of 2009, and the Saskatchewan Home First program expires in 2009. Since 1997 the average provincial spending has been decreasing, and the local municipalities have struggled to keep up with the demands. Saskatchewan is in a fortunate situation to have already surpassed the budgeted amount expected for revenue from crown land sales, oil is at an unprecedented \$120 a barrel,

and there is over \$1.5B in surplus funds in the government treasury. This provides a unique opportunity to create a lasting legacy for this province, not only in the form of infrastructure, but also in the types of programs that can be offered.

It has been over 40 years since much of the rental housing stock in Canada was constructed. There is a backlog of repairs, and now a need to modernize these buildings. An estimated 220,000 social housing units across Canada will require upgrading, but the residents will be unable to pay the rents required to keep them sustainable once they have been upgraded. There is a need to reevaluate the rent setting policies, and rent supplements for those in social housing. Although social housing is often thought of as the primary source of affordable housing, the primary source of affordable housing has historically been through privately constructed rental housing. For the past decade, rental construction has accounted for less than 9% of all housing starts in Canada, despite the fact that 32% of all Canadians are renters. In order to noticeably increase the rental housing stock, there will need to be both government and private investment. Programs such as RRAP and energy efficiency incentives will help to encourage more private investment. The Action Plan also encourages that rent regulations contain fairness and stability, and that there be a revision to the current tax policies to remove the disincentives to rental developers.

From 1996 to 2006 the homeownership rate across Canada has increased by 5% to 68%. Access to homeownership is one of the factors in relieving the pressure on the rental housing market. In order to facilitate home ownership for modest income households programs for loans and grants (such as the HomeFirst program) should be explored. It is also suggested that collaboration between realtors, lenders and the government would be beneficial in increased homeownership.

These are just some of the suggestions provided by *Sustaining the Momentum: Recommendations for a National Action Plan on Housing and Homelessness* and in order to fully address the housing shortage in Saskatchewan there is a need to assess all areas of weakness, and to work on a spectrum of solutions. It is important to consider Saskatchewan's unique challenges/opportunities including rural and northern communities, student housing, First Nations and Métis housing challenges and encouraging immigration.

Sustaining the Momentum: Recommendations for a National Action Plan on Housing and Homelessness is intended to be a principled framework that calls for funding and initiatives that will solve the housing crunch, and increase the affordability of housing for all citizens. While written for the big cities caucus, it is very applicable to Saskatchewan and its communities. Taken with other work done in Saskatchewan, for example the City of Saskatoon, FCM's guide can be very helpful to the Task Force and to this province.

4. Action items required now

A. Build New Student Housing

We recommend the provincial government work with the post-secondary institutions to significantly increase housing stock for students. We understand the national average for student housing in university communities is about 20%. We know the U of S provides only 6%. This is a critical deficiency. There could be many positive outcomes for Saskatoon if the rental stock is increased by new student built accommodations. We also know that in order to attract out of province students, housing must be attractive, and currently this is a major problem. Other centres such as Swift Current and North Battleford also have vacancy rates below 1% and students at the regional colleges are feeling the crunch.

B. Increase Financial Supports for those in Need

We recommend the provincial government increase the SAP rates, SIP rates and increase amounts and expand the housing supplement to singles and childless couples to cover the cost of housing. This is one of the suggestions found in the FCM Action Plan to deal with the predominant problem of affordability. In Saskatchewan, those on social assistance receive a maximum of \$265.00 for individuals that are deemed to be employable and \$470.00 for families with 1-2 children. Families have the opportunity to apply for an additional housing supplement of \$134.00 per month, bringing their grand total to \$604.00 if their accommodations are deemed to be safe and healthy. This is less than the average two bedroom rental unit in any of the urban centres, and leaves a family scrambling to make ends meet, or live in substandard conditions.

C. Consult for HOMEFIRST Phase II

We recommend the provincial government immediately begin full public consultations to develop the next phase of HomeFirst. HomeFirst ends its five year mandate next year and it is critical that it continues. While very successful in meeting its targets, much has changed since its first days in 2004. The public must be involved in its renewal.

D. Conduct a Thorough Review of Regulations

We recommend the provincial government conduct a thorough regulatory review of all relevant statutes concerning housing in Saskatchewan. This would include:

1. Condo Conversions

Currently, the Condominium Property Act allows for each municipality to determine when condo conversions are allowed. This is problematic for renters and investors

since there is no consistency across the province. Regina requires 75% of all building tenants to be in favour of a conversion if the vacancy rate is below 3% whereas Saskatoon allows for conversions as long as the vacancy rate is above 1.5% and the buildings are small. The government should explore the appropriate level of vacancy (industry “ideal” is 3%), and prevent conversions if the vacancy rate falls too low.

2. Secondary Suites

One of the major obstacles to the creation of secondary suites is bylaws surrounding legal secondary suites. Again, many of the bylaws are different between cities. While some are required, such as wired smoke detectors, others, such as a separate, paved, off-street parking spot, seem unnecessary. There should be discussions with the municipalities to encourage the reassessment of bylaws to make it easier to establish secondary suites.

3. Affordable Housing

The government should evaluate initiatives and best practices from other jurisdictions from across Canada that ensures affordability of housing.

4. Health and Safety Standards

Unfortunately, too many individuals on fixed incomes live in situations that are substandard, because that is all they can afford. In Regina, it is estimated that 2,000 housing units are below health and safety standards. The government should evaluate options for more stringent enforcement, licensing of landlords, or other initiatives to ensure that high health and safety standards are maintained.

5. Condo/new homes warranties

Concerns arise particularly in condo conversion circumstances that there does not exist strong enough protection for buyers who may be left with enormous bills if poor construction take place and there is little redress for the consumer.

E. Create Building incentives

We recommend the provincial government provide incentives to encourage co-op housing development and private sector investment in rental housing with the objective of increasing the supply of housing. These same incentives should be available to any organization that constructs multi-unit complexes. Interest in exploring the tax system for incentives to promote the development of affordable rentals has been on the agenda of the Federal/Provincial/Territorial Housing Ministers Council for the past number of years.

F. Create CBO Housing Fund

We recommend the provincial government create a fund that would be distributed through an RFP format allowing individual organizations such as Quint, SHIP, Regina Rescue Mission, and Sask Native Rentals to manage their own homeownership and construction programs designed to meet the needs of their client base. It is anticipated that these proposals would involve popular homeowner program options such as a revolving trust fund, housing co-operative, or shared equity. Regardless of the model, program clients would receive a provincial contribution no greater than what they would have received through the forgivable loan and interest subsidy available through the HomeFirst program.

G. Create Secondary Suites Program

We recommend the provincial government create a Secondary Suites program that would provide capital through a forgivable loan for the renovation of existing and the construction of new secondary and basement suites for low and moderate-income tenants. The units could be developed through above-ground additions or the development of basement suites in new or existing single detached residential dwellings. Estimated costs for the development of a basement suite are approximately \$35,000 to \$50,000. The lower construction costs mean that the operating and carrying costs are less and with a capital grant it can be assured that the rents would be very affordable. Assistance to property owners would be in the form of a forgivable grant (one-time capital financing) of approximately 50 per cent of new construction / renovation costs with no on-going operating assistance provided.

H. Provide Additional Supports and Education for Landlords and Tenants

We recommend the provincial government provide additional supports and education for landlords and tenants. Research indicates that in order to successfully move people through the housing continuum, many potential homeowners require training on what to expect in homeownership and how to be successful and responsible homeowners. Often times neither group is fully aware of the supports and programs that are in place to support them and in some case know very little about basic landlord/tenant relationships.

I. Ensure Adequate Emergency Shelter

We recommend the provincial government provide additional support to ensure that there is an effective and well resourced emergency shelter program for all of Saskatchewan and that no one is put at risk of being in absolute homelessness.