

How Ottawa's surpluses count on cuts to social housing

By BILL CURRY

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Big city mayors are lobbying the federal government to change its mind, but Ottawa says it has done its part

Fifty-year mortgages are unheard of now, but in the late 1960s and early 1970s, that was how Ottawa paid for social housing.

In neighbourhoods like Vancouver's Gastown and Winnipeg's Willow Park, there was a flurry of construction meant to help Canada's poor. The period produced about 200,000 projects and some successes, but also built some of the concentrated social housing that can ghettoize the people the government was trying to help.

Those 50-year old buildings still make up about a third of all social housing in Canada. The properties have a lot of catching up to do in order to match more modern approaches to social housing, which often involve mixed tenants to avoid stigmatization. Ottawa later moved to 35 year mortgages, which are also starting to expire. Many of the older buildings need to be replaced, placing that period of Canadian history into the discussion of how Ottawa should spend future surpluses.

"When it was 50 years away and 35 years away, no one really cared. The future's arrived," said Steve Pomeroy, a social housing expert and senior fellow with the Centre on Governance at the University of Ottawa. Mr. Pomeroy has worked in the federal government and recently conducted research on social housing for the Federation of Canadian Municipalities and provincial governments.

Ottawa says it has done its part. The mortgages are coming to an end and Ottawa is projected to spend less each year on social housing.

As a result of this, Mr. Pomeroy said the public should understand that projected federal surpluses are based in part on spending millions less per year on social housing.

"It strikes me that if you're starting to declare surpluses both as result of spending \$400-million to \$500-million a year less on poor people and by pushing that cost over onto provinces and territories... there is a big issue here," he said.

Federal Minister Candice Bergen told big city mayors last week behind closed doors that Ottawa has no plans to maintain existing spending when the mortgages expire.

"The federal government has fulfilled their end of the agreement... It's not a cut," Ms. Bergen told reporters after the meeting. It appeared to be a cooler tone than the one delivered in the fall, when the minister told a National Conference on Homelessness that she wanted to be "the minister who put us on the track to end homelessness in Canada" and hinted more money was coming.

Canada's big city mayors - a growing political force on the national scene - put the federal Conservatives on notice that they will be pushing hard to change Ottawa's mind.

"There's work to do to ensure the federal government understands how dire this situation is," said Vancouver Mayor Gregor Robertson in an interview. "Without further investment, we could see hundreds of thousands of people kicked out of social housing across Canada and that's totally unacceptable."

Edmonton Mayor Don Iveson said some, but not all, social housing operators will struggle with the lack of federal cash.

"The challenge is these are old buildings and though they may be paid off, they still have considerable operating costs. Many of them need real re-investment and some of them are in jeopardy of not being able to operate," he told the Globe.

Annual federal spending numbers for social housing compiled by Mr. Pomeroy show the expiring mortgages will see federal funding gradually reduced from \$1.7-billion in 1996-97 to zero in 2036-37.

Though Mr. Pomeroy has performed paid consulting work for the Federation of Canadian Municipalities, he does think the mayors are guilty of hyperbole when they warn of Canada's poor being kicked to the curb. He argues the more likely scenario is that cash-strapped provinces will cover the difference, making it more of an issue of "stealth" social policy by Ottawa that will leave provinces with the bill.

"I think they're playing politics a bit with that one, to be quite honest," Mr. Pomeroy said of the mayors.

At the social housing properties, tenants just hope someone steps in. Catherine Porter, who is president of Burnaby's Pine Ridge Housing Co-operative, notes British Columbia has not yet made any promises. Ms. Porter's co-op includes 25 households that will lose their mortgage subsidies from Canada Mortgage and Housing Corporation on Jan. 1, 2018.

"They're very scared," she said. "This is their home and they're actually in danger of losing their homes."

Bill Curry covers finance in Ottawa