CANADIAN CENTRE FOR POLICY ALTERNATIVES
MANITOBA

Why Protecting Public Housing is Important

By Sarah Cooper

JANUARY
2018

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ISBN 978-1-77125-383-3

JANUARY 2018

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About the Author:

Sarah Cooper is a CCPA-MB research associate. She is currently completing her PhD in Urban Planning and Policy at the University of Illinois at Chicago.

Acknowledgements

Thank you to Christina Maes Nino, Kirsten Bernas, and the Right to Housing coalition for the question that started this research paper. Thanks also to Christina Maes Nino, Josh Brandon, and the two anonymous reviewers for their insightful and helpful comments. I acknowledge the contribution of the Manitoba Research Alliance in supporting this research.

The generous support of the Social Sciences and Humanities Research Council of Canada through the Manitoba Research Alliance grant: Partnering for Change – Community based solutions for Aboriginal and inner-city poverty (Grant Nº 895-2011-1027, project Nº 790), is gratefully acknowledged.

CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
MANITOBA OFFICE

Unit 205 – 765 Main St., Winnipeg, MB R2W 3N5
TEL 204-927-3200 FAX 204-927-3201
EMAIL ccpamb@policyalternatives.ca

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Introduction

Public housing plays an essential role in Manitoba's housing system. It provides a specific form of housing: decommodified housing that is affordable to low-income households. This means that it has been removed from the market by focusing on its use as a home, rather than on its potential for financial gain, and has low rents. Across Canada, public housing has provided good quality, affordable housing for decades (Silver 2011).

In many places across Canada and beyond, however, public housing is threatened by redevelopment, sale, or transfer to nongovernment organizations. The loss of public housing units is part of two broader trends: seeing housing as a private investment, rather than as a place to live (Rolnik 2013), and locating responsibility for social welfare in the market rather than in government (Bezanson 2006). These trends affect both current and prospective tenants, making access to housing more difficult for low-income households and households with particular housing needs.

Manitoba is not exempt: it, too, faces the potential loss of public housing units. The recent KPMG report (2017) produced for the Province of Manitoba recommends moving away from publicly-provided housing to a mix of housing vouchers for the private market and housing provided by private and nonprofit organizations through a contract with the province. At the same time, the Province of Manitoba is negotiating the sale of two public housing complexes in Winnipeg to nonprofit organizations. But what are the implications for current and prospective tenants living in public housing?

This paper argues that decommodified, low-cost public housing must be protected, even — perhaps especially — in a context where privatization seems inevitable. The first part of Manitoba Housing's mandate is to "enhance the affordability of, and accessibility to, adequate housing for Manitobans, particularly those of low to moderate incomes or those with specialized needs" (Manitoba Housing n.d.). This paper considers the potential implications of a loss of public housing for current and prospective tenants in the context of this mandate, and offers some policy recommendations to ensure that housing continues to be affordable to low-income households into the future.

Decommodifying Housing

Most households in Canada, whether renters or owners, access housing through the market. They pay for housing based on what is available in the market, and most have their needs met in this way. However, for about 1.6 million households, the market price of adequate and suitable housing[1] is more than 30 percent of their household income, which is the generally accepted threshold for housing affordability (CMHC 2016). These households are said to be in core housing need.

Social housing is one way to ensure that all households have access to housing. Historically, federal and provincial social housing programs decommodified housing in order to make it accessible to low-income households. First with public housing in the 1950s and '60s, and later with nonprofit and co-operative housing in the 1970s and '80s, federal and provincial governments provided funding through long-term agreements with housing providers to enable the development and management of hundreds of thousands of units of nonmarket, low-cost housing across Canada. Across Canada, there are 550,000 of units of social housing; in Manitoba there are 35,000 units (Manitoba Housing and Community Development 2016).

In Manitoba, public housing is about 98 percent rent-geared-to-income (RGI), where the housing cost is based on what a tenant can afford to pay (Cooper 2014). Some nonprofits and co-operatives also provide only RGI housing. In other nonprofit and co-operative organizations, the housing is mixed — it may be a blend of affordable housing and rent-geared-to-income (RGI) housing. This is the case for much new nonprofit development, which is often a blend of market housing, affordable housing and/or RGI housing. Even with this many units of social housing, about 43,410 households in Manitoba (just over 10 percent) still live in core housing need (CMHC 2014).

Manitoba defines any housing, whether provided by private, nonprofit/co-operative, or public organizations, which is at or below median market rents as 'affordable' housing. While these 'affordable' rents are certainly lower rents, their affordability is not related to household income — it is affordable in comparison to the rest of the market. For this reason, the Province sets income limits

1 Housing is adequate when it is in good condition and does not require major repairs. It is suitable when it is an appropriate size for the household, following the National Occupancy Standard requirements (CMHC 2016).

for households living in affordable nonprofit and co-operative housing units, to make sure that those units go to moderate income households (Brandon 2014). Still, many low-income households need additional subsidies that bridge the gap between what they can afford to pay and the cost of providing the housing: they need rents that are geared to their incomes (RGI).

Rent Assist, a rent supplement program provided by the Province of Manitoba, is often promoted as a way to make housing affordable to low-income households. While it provides a subsidy that bridges the gap between 30 percent of household income and 75 percent of market rent, it does so within, rather than outside, the market. When the rental market is very tight (as it has been in Manitoba in the last few years), rent supplements don't make finding housing easier; likewise, for households that have difficulty finding housing in the private market, rent supplements are unlikely to be of use. Rent Assist works with the existing price system of the private housing market: it does not reduce speculation or housing cost increases. As rents increase, the cost of supplements also increase, and operate essentially as a public subsidy to private landlords — a subsidy where there are few checks on the condition of the housing, and little accountability for how the money is used.

In contrast, many nonprofit and co-operative housing providers base their rents on the operating cost of housing, which is usually less than market rents. These housing units are partly decommodified because there is no profit motive; the rents merely cover the cost of providing the housing. As long as the nonprofits and co-operatives are governed through agreements with governments, there are limits on how the equity can be used: the property cannot be mortgaged, for example, to reduce the risk of speculation and foreclosure. These agreements also provide subsidies to lower the cost of delivering the housing, such as a capital grant to assist with development of a property, or ongoing subsidies to cover mortgage payments, to reduce the operating cost significantly and help to keep rents low.

With stability and security provided by protections on property and limits on the use of equity, and rents that are based on a household's ability to pay, rather than on what the market can command, social housing is intentionally removed from the market. It is no longer a commodity to be bought and sold to the highest bidder. Instead, it offers a way for households to access housing without spending a huge proportion of their income on housing.

Public vs. Private Provision of Housing

The social housing programs of the 1950s, '60s, '70s and '80s are part of a broad social safety net. Along with universal healthcare, unemployment insurance, the Canadian Pension Plan, and other programs, the social safety net recognizes that poverty is not an individual responsibility, and that society has a collective responsibility to take care of all of its members. Money to support social housing programs (and other parts of the social safety net) is gathered through taxes, from society as a whole. The government has a public mandate to maintain the social safety net, to ensure that society is as healthy and as well-housed as possible.

Today, however, financial deregulation and government policies that emphasise homeownership instead of rental or social housing frame housing as a commodity, instead of as a home. At a local level, housing is affected by globalization as investors look for desirable places to invest their money. Housing becomes a private investment, one that is difficult or impossible for low-income households to access. Social housing is increasingly important in this context, and yet increasingly threatened by processes that move it closer and closer to the market.

In recent years, the social housing operating agreements that limit speculation and provide government funding for social housing have been expiring. Without the agreements, housing providers are free to speculate with the property by mortgaging or selling it, and they no longer receive subsidies from the government. Providers can also change the tenant mix and rent structure, and essentially can operate like private housing providers, depending on their individual mandates and values.

The expiry of the social housing operating agreements is a process of privatization. Privatization is "the practice of delegating *public* duties to *private* organizations" (Donahue 1989, 3, italics in original). This might include selling a public utility to a business entity, outsourcing a government task, or contracting with a private company to provide a service previously provided through government. It may also mean simply cancelling a service, which will then be provided by family or individuals.

Privatization can take place through financing (whether something is paid for individually or collectively) and/or performance (whether something is provided through a government agency or a non-government organization) (Donahue 1989). In the nonprofit and co-operative housing programs of the 1970s, for example, social housing continued to be paid for collectively through the operating agreements, thus maintaining the public duty of providing decommodified low-cost housing, even as it was performed by non-government organizations. In this sense, social housing began to be privatized as it was no longer a direct government service, but the operating agreements provided funding and a framework that clearly laid out the public policy goal of ensuring decommodified low-cost housing availability.

If privatization occurs (and before deciding to go down the path of privatization), it is important to ensure that the public policy goals of the program or service continue to be maintained after privatization (Martin 1993). This is particularly important since when public programs are privatized, what was formerly created as a collective good — paid for collectively through taxes, available to all members of society — is no longer managed democratically, through public processes, but privately within the new, private organization (Soron and Laxer 2006). While public policy may be debated through democratic processes, private organizations operate according to their own priorities. Careful consideration of the benefits and potential pitfalls of privatization are necessary, as is mitigation of any issues that might arise.

As social housing operating agreements expire, a key difference between public and non-profit/co-operative housing becomes apparent: without the operating agreements in place, non-profit and co-operative housing providers must make choices to ensure the stability of the organization over the long term, which may mean reducing or eliminating RGI or low-cost units. As such, the end of the operating agreement reflects the end of the public mandate and policy framework governing non-profit and co-operative housing provision; it is up to individual organizations whether and how they continue to provide low-cost housing. On the other hand, while public housing must compete with other public policy areas in the Provincial budget, it still has access to public funds to fulfil its role as a provider of RGI housing. Even when its operating agreements (with the federal government) expire, publicly owned and operated housing retains responsibility for the public policy mandate to ensure that Manitobans are well-housed.

From Public to Private in Other Places

Public housing thus plays an important role in fulfilling the public policy goal of maintaining RGI units. The current policy debates about whether public housing should be maintained in Manitoba reflect broader debates about the role of government in housing more generally. Other jurisdictions have experimented with privatising public housing by selling or transferring it to nonprofit organizations. To understand the potential implications of privatising public housing in Manitoba, this paper looks at four examples of public housing transfer. The first is the Atkinson Housing Co-operative, in Toronto, where tenants advocated for a decade to have more control over their housing. The second is the recent transfer of public housing to nonprofits in British Columbia, which has been criticized by the Auditor General for not showing how the transfer will benefit social housing tenants. The third is the transfer of council housing to housing associations in Great Britain, as part of a broader process of reducing government support for social housing. Finally, in the United States, the Rental Assistance Demonstration (RAD) project is transferring public housing units out of the public housing portfolio to make it easier to address the backlog of repairs.

Each of these examples identifies the type of privatisation taking place. They then highlight different opportunities and challenges for both tenants and housing providers, and offer lessons in how to approach the questions of whether and how to protect public housing as a form of decommodified, low-cost housing.

Atkinson Housing Co-operative, Toronto

In 2003, the Alexandra Park public housing complex in Toronto completed a many-year-long process of transforming the complex into the Atkinson Housing Co-operative (Sousa 2013). It was the first of its kind: a tenant-managed public housing co-op in Canada. The conversion to a co-op occurred after years of organizing and advocacy by the complex's tenants, and negotiations with Toronto Community Housing (the public housing provider). In essence, it became a hybrid model, operating as a co-operative but with subsidies and capital expenditures supported by Toronto Community Housing.

Type of Privatisation

The Atkinson Housing Co-operative is partially privatized. It is subsidized by Toronto Community Housing, but is managed independently by the tenants.

Opportunities

The Atkinson Housing Co-op is a good example of tenant leadership in public housing. The 10 year conversion process represents a significant investment of time and energy on the part of the members to build a co-op identity and negotiate an independent existence. As a co-op, the members have more responsibility and ownership of the complex and the challenges it faces. They are able to address these challenges in ways that address the specific needs of the community (Sousa 2013).

Challenges

In the years since the conversion took place, many community leaders have moved away or reduced their leadership contribution. It has been difficult to recruit new leaders; training and capacity-building is of ongoing importance. As well, many of the challenges that Atkinson faced before its conversion were a result of systemic poverty and marginalization, which could not be fixed simply by a change in governance style. These issues require capacity building and resources to address, which require funding that is, as always, difficult to access (Sousa 2013).

Lessons

- Community control of housing was a key goal for residents, achieved through conversion to a co-op.
- Co-operative housing requires a significant volunteer commitment by residents, which can be difficult to maintain.
- The needs of public housing communities may be more complex than those of co-operatives generally. Poverty and its associated problems cannot be resolved simply through a change of governance structure.
- Government support and funding is necessary to support the conversion process.
- Subsidies continue to be necessary to enable the 100 percent RGI tenancy ratio in the complex, and for capital needs after the conversion.

Non-profit Asset Transfer Program, British Columbia

In 2013, British Columbia launched the Non-profit Asset Transfer (NPAT) program to sell provincially-owned social housing land and buildings to nonprofit housing providers. This includes both land owned by the province but leased by a non-profit, and public housing complexes owned and operated by the Province. About $500 million will accrue to the Province through the sales of land and buildings, which will be reinvested in the social housing sector. As housing providers will take on mortgages to enable them to purchase the properties, the Province will create a subsidy of $30 million per year to cover the mortgage payments, adding up to an estimated $1 billion over 35 years. More than 90 percent of social housing in BC is provided by the non-profit sector, and the British Columbia Nonprofit Housing Association "strongly supports the program as a key capacity building endeavor for our sector, and as a way to help preserve affordable housing stock" (BCNPHA 2015).

Type of Privatisation

Public properties, including public housing complexes, are sold to nonprofit housing providers.

Opportunities

The NPAT program will fund about 4,000 units of social housing, and support rental assistance programs including shelter supplements (Office of the Auditor General of British Columbia 2017). The program gives nonprofit housing providers control over their land and buildings, enabling them to be more strategic in their long-term decision-making. It also allows them to access the equity in their properties to address needed upgrades and renovations and to build new affordable housing (BCNPHA 2015). The housing units will remain in the mandate-driven nonprofit sector, rather than being sold to for-profit developers, and results in a more localized approach to social housing (BCNPHA 2015).

Challenges

The Auditor General of British Columbia found that the NPAT program did not have clear outcomes, nor was it clear how these outcomes would be measured (Office of the Auditor General of British Columbia 2017). The implications for affordability are not clear: as operating agreements expire, about 35 percent of units will not take in enough income from rents, and providers may need to raise rents or sell units, especially on RGI units, reducing the number of low-cost units available (BCNPHA 2017; Office of the Auditor General of British Columbia 2017). Funds raised through the NPAT will be directed to portable rent benefits, rather than to unit-based subsidies, but in a tight rental market, subsidies may not help tenants find housing (Office of the Auditor General of British Columbia 2017). Thus far, the funds raised from the sale of properties to nonprofits have been used to fulfil existing commitments, rather than as additional funds (BCNPHA 2017). The equity in the properties is no longer available to the BC government to back debt for its own programs, nor will the Province benefit from any increases in value to the property.

Lessons

- It is important to have clear and measureable expected outcomes for any transfers of social housing property, as well as criteria for how transfers to nonprofits should take place.
- Before initiating a program to transfer social housing properties away from the public sector, the Province must ensure that it has considered and mitigated the associated risks to the long term sustainability of low-cost housing as much as possible.
- Capacity for long-term strategic decision-making is important for long-term social housing provision.
- The loss of equity for the Province is an irreversible step with potentially significant consequences.
- RGI housing units are at risk unless steps are taken to ensure that nonprofit providers can and will maintain subsidies.
- Funds raised through a transfer of units should be used to support new social housing development.

The Right to Buy and Housing Associations, Great Britain

In the late 1970s, almost a third of housing in Great Britain was council (public) housing. In 1980 Thatcher's "Right to Buy" policy was introduced, which allowed council tenants to buy their homes, often for much less than market rates. A few years later, a program was introduced to allow nonprofit housing associations (formally known as Registered Social Landlords) to purchase council housing estates (Hodkinson 2009). Although currently on hold, there are plans in place to extend the 'right to buy' to housing association tenants as well. The result of these sales is that less public housing is available to households in need; ironically, about 40 percent of council housing units sold under the Right to Buy program are owned by private landlords, many of whom rent to tenants receiving public subsidies (Manns 2017).

Today, housing associations develop and provide most of the social housing in Britain.

Housing associations are nonprofit organizations that operate as a hybrid of public and private, with a social mandate and public funding but also more freedom to participate in market practices (Mullins and Jones 2015; Hodkinson 2009). In 2010 government subsidies for new housing construction by housing associations were cut by 60 percent, and access to the funding required associations to charge 'affordable' rents of up to 80 percent of market rents. Before, the vast majority of providers charged a 'social' rent, about half of market rents — the increased rent gave providers capital to keep building new units, but with a significant impact on the rents paid by tenants (Mullins and Jones 2015). Moreover, as housing associations receive less support from the government, they rely increasingly on private sources of funds, including bank loans and long-term agreements with private companies. As a result, organizations shift to a more entrepreneurial and corporate approach to housing provision, adopting market-based approaches that reduce local, collective control of housing and emphasize investment over social housing provision (Hodkinson 2009, 114). At the same time, some organizations have begun to describe themselves in activist terms as "protectors of public value," acting to provide and protect social housing, rather than being either a state contractor or an entrepreneur (Mullins and Jones 2015, 278).

Type of Privatisation

Under the Right to Buy program, tenants may purchase their house. It is then no longer part of the council housing portfolio. Council housing is also sold or transferred to housing associations.

Opportunities

Housing associations have become successful developers and providers of affordable housing, and house a large proportion of Great Britain's renter households. As housing providers become less reliant on state funding, some are becoming more active in protecting low-cost housing as advocates.

Challenges

As housing associations merge and grow, there is often less local control than there would be with a council-run housing program. For associations to receive government funding for new construction, they must increase their rents. Reliance on private funding — to banks and systems of capital — forces housing providers to make decisions based on obligations to the private market, so that the focus is on housing that brings in money rather than housing for low-income households. This, by necessity, takes precedence over an individual organization's mission to provide social housing, and the public policy goal of ensuring access to housing.

Lessons

- If the intent is to continue to grow low-cost housing, subsidies for both capital and operating costs are necessary to ensure low-cost rents for low-income tenants.
- Private sources of funding provision — e.g. from a bank rather than from government — can change how providers fulfil their mission, shifting from a social focus on low-cost housing provision to a market focus on return on investment.
- With less reliance on state funding, some housing associations are feeling freer to advocate for social housing.

Rental Assistance Demonstration Program, United States

Across the United States, public housing has been underfunded for years, and currently needs $26 billion in renovations (Smetak 2014; Schwartz 2017). To address this issue, in 2012 the Department of Housing and Urban Development launched the Rental Assistance Demonstration (RAD) program. Under this pilot program, 185,000 units of public housing across the country will be transferred to the Section 8 housing program; the hope is to expand the program to all public housing.

Under the Section 8 program, public housing is no longer public, and can be owned and maintained by the public housing authority, or may be transferred to a nonprofit organization (or potentially, though unlikely, a for-profit, organization) (Smetak 2014; Schwartz 2017).The Section 8 program will provide subsidies tied directly to the units,[2] based on 20 year contracts, which must be renewed (Balashov 2015; Schwartz 2017). The RAD program allows the housing provider to use the property as collateral to borrow money for needed repairs (which is not allowed for public housing), reversing decades of policy that kept public housing well away from private markets (Smetak 2014). The number of low-cost housing units must remain the same under the RAD program, and tenants will continue to have the rights to their unit that they had under public housing, such as not being rescreened for their tenancy and having the right to return to their unit in case of renovations (Schwartz 2017).

Type of Privatisation

Public housing is transferred to the Section 8 program, which loosens the restrictions on who owns the housing and how it is to be managed. This may result in a transfer away from public ownership; it also enables the involvement of private financial institutions.

Opportunities

The RAD program is a way to access funding for badly needed repairs and renovations, which could preserve the housing into the future. Over the long term, this may save money, compared with making small piecemeal repairs that do not address underlying issues (Smetak 2014). Because of advocate concerns about the potential for foreclosure and loss of units, protections against foreclosure have been put in place (Smetak 2014). These include encouraging RAD projects to take out mortgage insurance that would return ownership to the federal government in case of foreclosure, and use agreements limiting the amount that can be charged for rents (Schwartz 2017). The RAD program includes some protections for tenants, and is a way of protecting long-term, low cost housing provision, which plays an important role for households with special needs; especially in areas where market rents are rising, 'affordable' rents (based on average market rents) may not long be affordable to low-income households, and preservation is more cost-effective than building new stock (Smetak 2014).

Challenges

Public housing regulations are transparent and readily available to any interested party. Even though they may be frequently critiqued, they are clear (Balashov 2015); when housing is owned or operated by a nonprofit, the regulations governing decision-making (and how transparent they are) are up to the individual organization. Because the federal government will ultimately have to pay the debts for the mortgages (through its funding to the public housing authorities), the cost of private financing is likely more expensive than direct government spending — but direct government spending is less likely to occur (Smetak 2014). Although some tenant protections are in place, screening criteria for new tenants will change, and may make it more difficult for certain current or future tenants — those with complicated lives, or poor or no rental histories — to access and retain housing (M. Gebhardt, personal communication, Oct. 16, 2017). Finally, not all properties may be able to achieve rehabilitation through access to private capital, as properties in less desirable areas or in worse condition will

2 The Section 8 program also provides vouchers to tenants to use in the private market.

be more difficult to address through a program that relies on the market (Schwartz 2017).

Lessons

- The need for renovations is not an incidental problem, but one created through a decades-long lack of adequate funding.
- When private finance is involved, protections against foreclosure and rent increases are necessary.
- Protections are necessary to ensure that current tenants do not lose their housing.
- If the regulatory framework and management of the housing changes, so might the criteria for tenant selection, making it more difficult for some households to access housing.
- Preservation is more cost-effective than building new stock.
- The transparency of public housing regulations is lost when the housing is no longer public.
- The location of the housing will affect how likely private investment will be, and less desirable properties — which may need the most assistance — will likely have the hardest time accessing finance.

Analysis

Each of these examples illustrate different aspects of a shift from public provision of housing to private. They show that there are both opportunities and challenges occurring for low-cost housing provision, but also that privatization is not the only way to address opportunities and challenges.

The opportunities for the new owners of public housing in each example are significant. Restrictions on what nonprofits can do are loosened, including limits on how the equity in the properties can be used and criteria for tenant selection. Providers have the opportunity to grow, whether by using their equity to expand or by acquiring formerly public housing properties. As a result, nonprofit housing providers are freer to manage their properties as they prefer, and to create new ways of generating and delivering low-cost housing. For tenants, the increased flexibility for housing providers should increase the universe of low-cost housing units. In cases where public housing has been underfunded to the point where it needs significant investment, the transition to nonprofit housing could enable renovations and better quality housing.

At the same time, however, these examples present risks for tenants. Without government funding, the capacity of nonprofits to provide deep subsidies is limited. Use of equity and private financing may enable renovations and new development, but they risk the loss of the property to foreclosure. The housing provider may have more restrictive screening criteria for tenants, or may change how it operates in response to its obligations to a private lender (such as less flexibility around rent payment). These changes may make it more difficult for tenants who are very low-income, or with complicated lives or poor rental histories, to access housing. The transition to the private market also hides low-cost housing from public scrutiny, making it more difficult to address systemic housing issues. These risks are not insignificant.

Moreover, many of the problems that privatisation is trying to fix are created through decades of underfunding. The need for renovations and development of new housing units reflects a prolonged and deep lack of funding and support to maintain and expand public housing programs. The challenges for individuals and communities that are created by poverty will not be resolved simply through a change in governance. Rather than shifting responsibility away from public housing, an alternative would be to fund public housing at the level needed to provide good quality housing, and to support individual and community development initiatives to address the effects of poverty.

Conclusions and Policy Recommendations

When no longer publicly owned and operated, and without long-term subsidies and policies in place to maintain the non-market nature of social housing units, public housing will have been privatised. The sale or transfer of public housing units risks the long-term affordability and security of low-cost housing. For over 60 years, the Governments of Canada and Manitoba have built and managed public housing. Manitoba Housing's lands and buildings represent a resource for the whole province, and offer a source of equity and value for Manitoba Housing projects. Once they have been transferred or sold, they are gone.

There are two additional important ways in which social housing provision changes when governments are not involved: first, where the subsidy money comes from; and second, where the responsibility for housing low-income households rests.

When no government subsidies are available, many housing providers in Manitoba have found ways to support their tenants through internal subsidies. Using Provincial programs such as Rent Assist (a rent supplement program), some providers create minimum rents that operate in a similar way to RGI subsidies.[3] These rents are often only possible with a mix of tenant incomes, as higher rents — which may be affordable or market rents — are also needed to ensure enough income to operate the property. In this case, the affordable and market rents are subsidizing the RGI rents. Thus, rather than having all members of society contributing to the provision of low-cost housing through their taxes, the burden of providing subsidies now rests on a much smaller group of people. And, since renters tend to have lower incomes than homeowners, this puts the burden of subsidizing very low-income households on a much smaller group of people who are more likely to be low-income themselves.

The Province of Manitoba has a responsibility to ensure that all Manitobans have access to good quality, affordable housing. Manitoba Housing's mandate is to:

1. Enhance the affordability of, and accessibility to, adequate housing for

3 For households living in housing where RGI subsidies are no longer available, rents may no longer be affordable. Rent Assist has a maximum benefit of 75 percent of the Median Market Rent, but if the rent is higher than that the tenant must pay the difference. This may be difficult or impossible for many low-income households.

Manitobans, particularly those of low to moderate incomes or those with specialized needs;

2. Maintain and improve the condition of existing housing stock;
3. Ensure there is an adequate supply of housing stock in Manitoba; and
4. Stimulate the activities of the housing market to the benefit of Manitobans as a whole. (Manitoba Housing n.d.)

As noted in the introduction, the loss of public housing for current and prospective tenants is very relevant to the first part of the mandate. With public housing and the operating agreements that govern and fund nonprofit and co-operative housing, the government — whether federal or provincial — has a clear responsibility for ensuring that there is a supply of low-cost housing available. Without an operating agreement, a nonprofit or co-operative housing provider no longer has a relationship with the government, and it is up to it whether to continue to offer low-cost housing, and the extent to which it will be offered. A transfer of the ownership of public housing units to nonprofit organizations thus introduces an element of uncertainty to the landscape of low-cost housing provision. Many nonprofit and co-operative providers are committed to fulfilling their mandates to continue to provide low-cost housing, but without government subsidies cannot provide as many or as deep subsidies as they have in the past. In this context, transferring public housing units to nonprofit organizations without ensuring their capacity to maintain the deep RGI subsidies that are common in public housing would be an abandonment of responsibility on the part of the Province.

The potential implications for both current and prospective low-income tenants are serious. The purpose of public housing is to present a decommodified, low-cost option for housing — that is, housing that is outside the market and affordable to low-income households. As it currently stands, the public policy goal of maintaining decommodified, low-cost, RGI units cannot be guaranteed under a different ownership model. Without long-term subsidies and policies in place to maintain the non-market nature of social housing units, a transfer of public housing to nonprofit organizations risks the long-term affordability and security of low-cost housing. Low-income tenants may find their rents increasing and their ability to stay in their units compromised. It may also be more difficult for prospective low-income tenants, particularly those with complicated lives, to access social housing.

Policy Recommendations

In a context where the commodification of housing is increasing and the social safety net is shrinking, access to housing is increasingly difficult for many households in Manitoba and across Canada. Public housing has an important role to play as long-term, secure, decommodified low-cost housing. The Province must invest in securing and maintaining its portfolio of public housing. The following policy recommendations will help to ensure that social housing continues to meet the needs of those households that cannot afford good quality, suitable housing in the market.

1. **Long-term government subsidies to support RGI and decommodified low-cost housing units must continue to be provided indefinitely.**

A significant number of households in Canada cannot meet their housing needs through the market. This is unlikely to change in the near future. Decommodified, low-cost housing is essential for these households to meet their housing needs with security and stability. When market forces affect housing, housing providers may face new pressures and may need to revamp their policies, including those affecting tenant tenure and selection. Nonprofit and co-operative housing providers are a key part of the social housing system, but public housing is still necessary if nonprofit housing providers cannot offer RGI housing.

The Province, in partnership with all levels of government, must own its responsibility for low-cost housing provision. The best way to ensure that housing is affordable to households that cannot afford the operating cost of the unit is through long-term government subsidies along with agreements that ensure the housing remains outside the market, including public, nonprofit or co-operative housing provision. Ensuring that everyone has housing benefits all of society, and so the funds that pay for RGI and other social housing subsidies should be collectively provided through taxes as part of the social safety net.

2. **The Province of Manitoba must protect and maintain public housing as an essential asset for low-income households by investing in both the infrastructure and the community.**

Public housing plays a key role in housing low-income households in Manitoba. In many cases, public housing communities have complex needs. These may relate to challenges faced by individual tenants; they may also be structural, relating to socio-economic factors that create poverty and concentrate poverty in particular ways. These problems are large and complex; they will not be solved by a transfer from a public housing provider to a nonprofit or co-operative housing provider.

When public housing is well-maintained and has good supports in place for tenants, it offers a good option for households that cannot afford market housing (Silver 2011). Recent investments in public housing in Winnipeg have greatly improved the quality of housing, and provided more resources for tenants (Cooper 2013); more investment, including support for tenants' associations, will continue this trend. Additional resources are needed to support individuals and communities to access education and training, better paying jobs, childcare, healthcare, transportation and other supports (see Bernas 2015).

3. **Social housing programs must be transparent and visible, subject to democratic pressure.**

As part of the Province of Manitoba, the policies governing public housing are visible and transparent. They are also responsive to public pressure. As private organizations, nonprofit and co-operative housing providers are less visible, and less responsive to public pressure. To ensure that social housing continues to be available to those in need, keeping public housing and social housing policy in the Province keeps it visible and accessible.

4. **Should the Province move forward with decisions to transfer or sell public housing units, it must ensure that potential risks, including the social costs, are anticipated and mitigated, and that measures are established to evaluate the costs and benefits of such a transfer.**

The transfer of public housing to nonprofit organizations entails certain risks. Depending on the terms of the transfer, how a nonprofit organization might use its property may differ. Housing units might be sold; nonprofit and co-operative housing providers may use the equity in their properties to refinance. The quality and location of the housing will affect the likelihood of private investment, and less desirable properties — which may need the most assistance — may have the hardest time accessing finance. Risks of foreclosure and loss of the asset, or changes to rent structures to accommodate the needs of the mortgage would affect current and potential tenants.

For this reason, protections to ensure the stability of the rent structure and to guard against the loss of the property itself are essential. Tenants' rights, particularly for those perceived as less desirable tenants, must be protected. Further, an assessment of the potential impacts of the transfer must be conducted before it takes place, including specific measures and outcomes, and analysis of how this change will help Manitoba Housing to fulfil its mandate to improve affordability and access to housing for low-income households. These will allow the Province to understand the impacts for the provision of decommodified low-cost RGI housing, and whether the transfer is meeting its intended goals.

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CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
MANITOBA OFFICE

Unit 205 – 765 Main St., Winnipeg, MB R2W 3N5
TEL 204-927-3200 FAX 204-927-3201
EMAIL ccpamb@policyalternatives.ca
WEBSITE www.policyalternatives.ca