Federal budget offers Band-Aid for housing

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MANY housing providers and advocates have been celebrating the housing commitments released in the federal budget, which promises $11.2 billion in funding over 11 years. As one advocate put it to me: "It's better than anything we saw during the Harper years." Maybe so, but keep in mind that estimates of getting only a fraction of Canadians out of core housing need (300,000 of 1.5 million people) would cost about $2 billion per year. The housing commitments of this budget cannot keep pace with need, which is the outcome of successive governments letting our social housing system atrophy.

One thing that is clear about housing in Canada: the scope of the housing affordability crisis is vast.

What we do see in the budget are some much-needed band-aids for those people with the highest level of housing needs: the homeless and urban indigenous renters, and a short-term commitment to rent-geared-to-income (RGI) housing.

Let's look specifically at social housing — housing for the most vulnerable or the poorest of the poor — the people who cannot afford "affordable housing." These are the folks who are at the highest risk for homelessness or may float in and out of it. They need housing that is geared to their income.

There has been a net loss of RGI units over the past 20 years and this budget offers an immediate commitment to continue to provide short-term funding, worth about $4 billion above the $11.2-billion commitment.

Short-term is the key phrase. When the budget document says what it means by "preserving" the "affordability of social housing," the federal budget 2017 specifically focuses on providing "funding to social housing providers as they transition to more sustainable operating models."

This is jargon. "Sustainable operating models" can only mean shifting to a mix of market-, affordable- and social-rates: the idea being that by doing so, social housing providers start to generate an "internal subsidy," which then funds a proper social housing — RGI — unit.

Some social housing providers have been successful in making such a transition. But let's be clear: when that transition is made, it equals fewer RGI units. Setting aside the massive issue of a net loss of RGI units across Canada, the belief in a "mixed model" approach, even among some housing providers, also defies real-life geography.

A social housing provider with a three-storey brick walk-up in West Broadway may be able to transition to a mixed model, with some renters paying market rent, others affordable (i.e. at cost), with the subsidy for RGI units generated through the market- and affordable-renters. However, many social housing providers are not in desirable, "up and coming" neighbourhoods such as West Broadway, nor do their buildings have attractive features such as brick exteriors and crown molding. Will social housing providers in Winnipeg's North End or apartment buildings with an esthetic that screams "utilitarian social housing" attract at-market renters? The transition will be possible for some, but not for others.

As a matter of policy, we might also ask: "Is it fair that your 30 neighbours subsidize your RGI unit?" Such an approach to social housing means that the cost is not simply downloaded to provinces or even municipalities — which is what we saw in the 1990s — but to addresses. Will social housing be provided on the backs of those accessing affordable housing? This is a real scenario.

Because of this, my fear is the federal budget offers a short-term investment, but signals a gentle-slope exit from federal RGI housing altogether.

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