



**National Housing Collaborative
North Sounding – August 25 2016
Hosted by the National Housing Collaborative**

Attended by:

Charles Anderson (Northwest Territories Housing Corporation); **Jacqueline Bazett** (Grey Mountain Housing Society); **Bev Buckley** (Association of Yukon Communities); **Kristina Craig** (Yukon Anti-Poverty Coalition); **Brenda Lee Doyle** (Government of Yukon); **Mike Ellis** (City of Whitehorse); **Adam Gordon** (BC North Construction); **Pamela Hine** (Yukon Housing Corporation); **Revi Lau-a** (Northwest Territories Housing Corporation); **Loretta Loon** (Government of Nunavut); **Hannah McDonald** (Yukon Housing Corporation); **Erin Shea** (Northwest Territories Housing Corporation); **Arusa Shafi** (Northwest Territories Housing Corporation); **Tim Sellars** (Yukon Housing Corporation); **Arielle Stockdale** (Nunavut Housing Corporation).

Key messages:

- A lack of suitable housing supply along the housing continuum is the root of many problems in the North, caused primarily by high direct and indirect building costs.
- Northern communities face a unique set of affordability problems caused by disproportionately high construction and energy costs.
- Housing supports in the North must be accompanied by other social supports that address high food prices, mental health needs and access to the labour market.
- Northern and First Nations communities have distinct structures and their voices must be at the table in the formation of a national housing strategy.

Summary

The meeting began with introductions and an overview the NHC's work and process to date. Participants represented organizations from across the housing sector in Northern Canada. As one participant noted, this conversation about Northern housing comes at a critical time; as they phrased it, Mr. Jean-Yves Duclos, Minister of Families, Children and Social Development, has his 'ears wide open' to listen to Northern concerns. Participants agreed that the NHC has a window of opportunity to advocate for a national housing strategy that reflects the needs of the North.

After this initial plenary, the group discussed the four policy development areas of the NHC: incentives for construction of new and maintenance of existing affordable supply, direct assistance to tenants, addressing homelessness through the renewal of the Homelessness



Partnering Strategy (HPS) and expiring social housing operating agreements. These discussions highlighted the unique housing issues facing people in the North, and the corresponding need for distinct responses from the national housing strategy. What follows is a summary of these discussions:

Supply:

There was consensus among participants that a lack of suitable housing supply due to high costs is one of the key problems facing Northern communities. As one participant described the situation, 'The severe lack of stock means that we are keeping overcrowded, rundown buildings because we can't afford to lose even one unit temporarily.'

Throughout the discussion, participants repeatedly raised the high cost of land and materials as the primary deterrent to supplying new housing stock. In addition to these direct costs, some participants noted other cost-related barriers that builders face. One participant noted that regulations such as sourcing requirements intended to stimulate local economies might have a negative effect on housing production by increasing costs and weakening the bargaining position of the public agency commissioning the work.

Some participants noted some rental property owners feel they need to keep supply tight in order to protect their investment. As the participant put it, opposition to new construction stems from the perception among some that 'we have such a small housing market that even 20 new, subsidized housing units would flood the market and threaten housing investments.' Another participant agreed, saying, 'If you want to start a riot, go out and put some stakes in the ground.'

Participants stressed that the high cost of building in the North has left visible gaps in the housing continuum. Currently, investors are only able to generate profit on high-end homes, so that is what they build. The only other choice for households who cannot afford luxury homes is public housing; there are few options in between. As one participant argued, 'we don't need marble countertops. We need a solid roof and insulation and buildings that are up-to-code for energy efficiency.'

On the topic of gaps in the housing continuum, one participant emphasized the need to create incentives for builders in non-market and near-market communities in order to attract a wider range of developments. Another participant gave an example of a promising incentive program in Whitehorse that encourages developers to reallocate square feet by, for example, taking one unaffordable unit and turning it into two affordable units.

One participant observed that the high cost of building in the North creates a lack of conventional mortgage opportunities. They pointed out that the cost of land and construction is often higher than the appraised value of the house would be, which makes it difficult for



individuals to obtain a loan. The participant stressed that the CMHC and banks must consider this situation and tailor their strategies to Northern needs.

Finally, participants agreed that discussions about housing supply should take a systems view that sees housing in terms of people and their income. Viewing housing supply as a 'market' does not fit the structure of many Northern and First Nations communities.

Affordability:

Participants agreed that solutions to affordability challenges must reflect the distinct set of issues facing Northern communities. Among these issues, participants discussed suitability, cultural sensitivity and energy costs. Discussions surrounding possible solutions to affordability problems centered on how direct housing assistance and a Housing First model could be adapted to the North.

Many participants pointed out that the lack of housing stock in the North manifests as a housing suitability problem, both in social housing and market housing. One participant explained that, because of the lack of suitable options, one finds individuals living in social housing units who do not need to be there but have nowhere else to go. Another observed that over 50% of households in Nunavut live in rent-geared-to-income (RGI) public housing. They added that the waiting list for social housing in every jurisdiction is enormous.

A number of participants expressed concern over the use and meaning of 'culturally sensitive housing' as pertains to housing suitability and affordability. One participant argued that cultural sensitivity masks real differences in housing outcomes, which they described as one of 'haves and have not's.' The group agreed the key to cultural sensitivity is the availability of a range of affordable choices along the housing continuum.

The group discussed the impact of infrastructure on housing affordability in the North. For instance, there are a number of initiatives that aim to switch houses from natural gas heating to electric heating, including one currently lead by Yukon Energy. However, one participant explained that electric heating can come with its own problems as the electricity grid in the region is unreliable. Therefore, electric heating in the North must be accompanied by investments in generators and backup sources of power.

Participants agreed that direct housing assistance programs are not a solution to affordability problems unless they come with additional funds for social supports. One participant pointed out that the range of affordability challenges faced by many households in the North mean some would be forced to spend their rental assistance on food or other necessities. Another expressed concern a rental assistance program would put upward pressure on rents. One participant summed up the most pressing issue related to housing assistance: 'there is still a lack of housing supply in the North, so it doesn't even matter if people have assistance. There



is nothing to rent.'

Participants agreed that the role of the federal government is to set the policy framework and 'define the continuum.' However, a number of participants pointed out that, due to a lack of resources, many communities in the North have difficulty developing the plans to qualify for federally funded programs. Many participants agreed that the federal government should transfer money directly to provinces and territories, who have clearer jurisdiction over housing. One participant added that province- or territory-administered housing assistance is better positioned to complement other social and welfare policies.

Homelessness:

Participants agreed that a solution to homelessness in the North means more than simply a 'roof over one's head.' Participants pointed out that there exists a lot of 'hidden homelessness' in the North, particularly in the form of overcrowding. One participant emphasized that homelessness must be viewed as a human issue that affects and is affected by mental health and the labour market. Therefore, it is not enough build more houses; other supports need to be included in a homelessness strategy.

Another participant brought up the need to consider location-specific causes of and solutions to homelessness. For example, there is a higher risk of homelessness in rural areas where there is little access to the labour market or other social services. The participant cautioned that the NHC's recommendations must capture the complex role that geographic location plays in homelessness.

Participants emphasized that a Housing First program must recognize the unique needs of the North. One participant noted that Northern communities need Housing First supports for a range of people facing a range of social challenges, not just for the homeless population. Another participant pointed out that many communities in the North do not have social NGOs with the capacity to do the work that Housing First requires. They cautioned that a federal per-capita funding model must reflect the unique costing challenges faced by Northern communities.

Expiry of operating agreements:

There was consensus among participants that past operating agreements have constrained housing providers, leaving them ill-equipped to address the evolving needs of Northern communities. Participants agreed that the NHC should advocate for a national housing strategy that includes a component to address the end of operating agreements and the future of existing social housing stock.

One participant stressed that the expiry of operating agreements puts social housing



providers who own their buildings in a particularly difficult situation. When funds from the federal government disappear, these providers must find a way to leverage the value of their buildings in order to continue to provide affordable housing. If providers are unable to do this, they are forced to sell their buildings or raise rents, further exacerbating the affordability problem in the region. As the participant put it, 'We don't want to be slum landlords, so if we can't afford upkeep, we sell the place.'

Participants emphasized that territories face a disproportionate burden from expiring operating agreements due to aging housing stock. Not only are territories facing the declining operating agreements, but also a severe shortage of stock across the region. It's a 'double whammy,' as one participant put it. In addition, territories pay proportionately more to maintain social housing stock due to the high price of materials. One participant noted that the high poverty rates in the North mean that there is virtually no revenue from the RGI units to use for reinvestment.

A number of participants also stressed the importance of understanding the costs of discontinuing social housing in terms of mental and physical health as well as homelessness.

Conclusion:

In a final plenary, participants agreed that the most important piece of a new national housing strategy is a mechanism to include all levels of government in the decision-making process. They stressed the importance of including self-governing First Nations, many of whom are located in the North. The group agreed that having all voices at the table is what differentiates a truly 'national' strategy from a 'federal' one.