

A BRIEF

Submitted to The Hon. Paul T. Hellyer,
Minister of Transport
Through the

BUREAU OF MUNICIPAL RESEARCH
re The Federal Role in Housing and
Urban Development -- August 22, 1968

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INTRODUCTORY NOTE

This brief represents an abridgement and minor modification of a paper originally prepared in July, 1967, by the Toronto Study Group of the Centennial Study and Training Programme sponsored by the Bureau of Municipal Research. The eighteen persons who comprised this Study Group are listed at the conclusion of this brief.

Since the Bureau of Municipal Research cannot provide assurances that the current thinking of these persons--some of whom may present individual briefs, or may be associated with organizational briefs--is in accord with the brief here submitted, it should be emphasized that this brief is submitted through the Bureau of Municipal Research rather than by the Bureau or the Toronto Study Group.

The original paper was in the form of a critical review of Housing in Metropolitan Areas, authored by Hidehiko Sazanami of the Ministry of Construction of Japan, especially for the Centennial project. This brief extracts, with minimal necessary modifications, those portions of the paper which were deemed pertinent, and are hoped helpful, to the current enquiry into Canada's housing and urban development problems.

I. NATURE OF THE PROBLEM IN METROPOLITAN TORONTO

In considering the housing situation in the Toronto area, it can be noted at the outset that by most commonly accepted standards the supply of housing is adequate, both quantitatively and qualitatively, and both by comparison with the developing countries and most parts of western and eastern Europe and by comparison with most other large metropolitan areas in Canada and the United States.

Some statistics to illustrate the situation may be noted, first with respect to the quantity of housing in the area. Over the past five years new dwellings have been built at a rate of more than 12 per 1,000 persons, compared to a national rate of less than 8 per 1,000 during the same period. While population growth has been rapid and steady, amounting to 50,000 to 55,000 persons annually during the last 15 years (equal to an average annual growth rate of about $3\frac{1}{2}\%$), the supply of housing has been increasing even faster. From 1951 to 1956, 100 new dwelling units were built for every 336 new persons in the area; from 1956 to 1961 the rate was 100 per 286, and from 1961 to 1966 100 per 265.

The increase in the housing supply has resulted in a decline in the amount of involuntary doubling-up and in the provision of self-contained dwelling units for a large number of "non-family households" who formerly lived in rooms and lodgings. The proportion of families in the area who do not maintain their own household dropped from 21% to 12% between 1951 and 1961 and families

who are lodging with unrelated families dropped from 13% to 7%. At the same time the proportion of households containing two or more families declined from 17% to 9% and households with lodgers from 23% to less than 16%. Overcrowded households (using the Canadian Census definition of more than one person per habitable room) dropped from 12% to 10% of the total.

The quantitative increase in the housing supply was accompanied by a marked improvement in the quality of the housing stock, with the proportion of dwellings requiring major repairs dropping from about 6% of the total stock to a little over 2%. This improvement was significant not only in a relative sense but also absolutely, as the number of badly deteriorated dwellings in the metropolitan area declined from 16,000 to 9,000 in this 10-year period; it was particularly significant that the number of such dwellings dropped in the central city as well as in the area as a whole (the comparable figures for the City of Toronto were 11,000 in 1951 and 6,000 in 1961). As a result of this substantial improvement in the quality of the existing housing stock Toronto now has the lowest proportion of deteriorated dwellings among the 18 Canadian metropolitan areas. It may also be noted that in 1961 less than 14% of the dwellings in the area required "minor" repairs, again the lowest proportion of any Canadian metropolitan area, and that 90% of the households in the area were equipped with flush toilets for exclusive use and 92% with an exclusive bath or shower. All told, therefore, it may be stated that at least 5/6 of the area's housing stock is in adequate physical condition, and that better than 9/10 of the housing is provided with adequate sanitary facilities.

Within this framework of a generally adequate housing supply it is possible to identify a number of important problems, relating to the basic questions of the supply and demand for housing, the cost of housing and the machinery for producing housing, and the closely related questions of urban renewal and low-rent housing.

One of these problems, perhaps not very important in itself but symptomatic of the general housing problem, is that there are few meaningful statistics available as to the housing requirements of the area. While there are many informed (and uninformed) "guesses" as to the size of the total housing need and such specialized components as low-rent family housing, elderly persons housing, student housing, apartments, private detached housing, etc. there is not in fact any comprehensive or authoritative measure either of present housing need or of future requirements. As a result the many agencies and parties involved in the provision and regulation of housing are not equipped with an overall framework within which to act and must of necessity base their decisions on relatively limited perspectives.

Leaving this fundamental question aside, the following major problems may be noted:

1. The cost of housing is very high in the Toronto area, with the average cost of new houses currently in the \$25,000 to \$30,000 range, the average sale price of older houses approaching \$25,000, and average rentals for new apartments running about \$135 per month for a 1-bedroom unit plus \$25 for each additional room.

The price of housing in Toronto is by far the highest of any Canadian city and is probably among the highest in North America; it has risen by at least $1/3$ in the last three years or so, and there is no indication that this trend will change in the foreseeable future.

Many factors are involved in the rising cost of housing in Toronto. Average construction costs per square foot have gone up by at least $1/5$ since 1964, and this has been accompanied by a substantial increase in the average size of new houses, which went up by around 15% between 1964 and 1966 on a national basis. (As an illustration of this trend, houses with more than 1,600 square feet increased from 1% to 10% of the total between 1959 and 1964, and 4-bedroom houses rose from $3\frac{1}{2}\%$ to 20% of the total. While these are national trends, it is believed that they have been more than reflected in the Toronto area.)

The cost of building land is also very high in Toronto and has been increasing sharply, with the minimum lot price currently over \$10,000, reflecting an increase of some 40% to 50% in the last three years or so. Land costs are considerably higher than in any other major Canadian city (and most U.S. cities, for that matter) and on the average are about $2\frac{1}{2}$ times as great as in the country as a whole.

The increase in average house size is only part of a general upgrading of housing standards which has contributed to rising costs. These include the establishment of heavy municipal imposts for the provision of basic services, school and park sites, etc. Unlike the period of relatively slow growth during the pre-war

years when only the basic essentials were provided at the outset and various amenities were slowly added by means of local improvement charges and general taxes, the current practice is to supply from the beginning a high standard of municipal services and facilities, the cost of which is passed on to the house purchaser rather than the community at large. Also contributing to the inflation in housing costs has been a similar up-grading in domestic facilities, such as kitchen and laundry equipment, and a wide variety of ornamentations and "gimmicks" which are employed by the building industry to enhance the marketability of both sale and rental housing.

A cost factor of particular importance results from the complex procedures involved in securing municipal and provincial approval of development applications and resolving financial arrangements. The cost of delays in processing development applications is compounded by the costs associated with the risks and indecision involved in rezoning of land for higher density use. The costs of abortive applications, many of them the result of strong and implacable local opposition to rezoning, are reflected in the cost of subsequent developments and contribute to an accelerating cycle of housing price increases.

Other factors contributing to the high cost of residential construction are the relatively rigid building codes, which vary widely from one municipality to the other within the metropolitan area and which are generally not responsive to new methods and materials and do not permit the use of the most efficient

construction methods. Similarly the variations in engineering requirements and zoning regulations between municipalities often become substantial cost factors. The application of rigid zoning regulations is a particularly serious problem with respect to the improvement and rehabilitation of existing houses; for example the imposition of unrealistic setback and parking requirements which are appropriate for new subdivision housing but out of keeping with the established character of older areas frequently makes it either impossible or extremely costly to undertake a reasonable home improvement program.

The factor of land speculation, while undoubtedly of some significance, is not believed to play a major role in the high cost of housing in the area. Because the demand for housing is high, very little land which is capable of being developed is kept off the market in anticipation of higher prices, and it is estimated that the cost increment created by successive transfers of properties between different "owners" probably accounts at best for perhaps 1/5 of the cost of the average building lot in the area and a much smaller proportion of the total cost of the average house. The other factors noted, particularly construction costs and the cost of money itself, are of much more significance in establishing the end price of the product.

2. To a certain extent the high cost of housing reflects a substantial level of unsatisfied demand, other aspects of which include an abnormally low apartment vacancy rate (currently about 1%) and a shortage of serviced building lots and apartment sites.

This demand is in turn a reflection of the area's rapid population growth, of which about half is the result of natural increase and close to half stems from immigration into the area, much of it from foreign countries.

Toronto is the major centre for immigrant settlement in Canada, accounting for about 1/4 of the annual volume of immigration into the country, and housing problems in the area are thus directly related to national immigration policies. These policies vary from time to time, depending on economic and other considerations, but when steps are taken to increase immigration (for example the immigrant loan assistance fund was recently raised from \$12 million to \$20 million) little attention appears to be paid to such concomitant questions as the supply of housing in the areas of immigrant settlement. The high volume of in-migration from other parts of Canada also contributes to the housing demand, particularly the many arrivals from economically depressed areas who tend to constitute a substantially dependent group and thus add to the pressures on the already inadequate supply of low-rent housing.

A related factor is the high degree of residential mobility in the area. At the time of the 1961 Census some 36% of the families had lived in their current residence for less than two years, compared to about 22% ten years earlier, and it is likely that mobility has continued to rise with the continuing high level of in-migration. This mobility is undoubtedly contributing to the

cumulative demand on housing and the abnormally low vacancy rates noted above are particularly critical in this respect. (It may be noted that about 1/4 of the families in Canada change their place of residence at least once a year and that high mobility is thus a national phenomenon as well.)

3. The supply of housing in the area is particularly inadequate for families with low and moderate incomes. There are only about 11,000 units of "public" housing in the area (i.e. housing built or administered under public auspices of various kinds), or about 2% of the total housing stock of more than 1/2 million dwellings. This figure, low as it is, represents a substantial improvement over the situation some 13 or 14 years ago when there were only 800 public housing units in the area, but even in recent years new public housing has constituted an infinitesimal part of the total volume of new housing construction in the area. (It should be noted that the lack of public housing is nation-wide; the 56,000 units of publicly-assisted low rental housing in Canada represent less than $2\frac{1}{2}\%$ of the total volume of housing built since the war, and the comparable figure of 29,000 units in Ontario is equal to about 3% of the Provincial housing total during this period.)

While a small proportion of the population in the area receives a public subsidy for housing purposes (currently running at about \$35 per unit per month for low-rental family housing), and a substantial portion of the population receives indirect

public assistance through the federal mortgage insurance program and other aids for private housing, there is a sizeable segment which lies in a sort of "grey area" in between; these are the families with incomes too high to qualify for public housing and too low to secure adequate private housing either on an ownership or rental basis -- roughly in the range of \$6,000 to \$9,000 or \$10,000 per year. with each limit increasing as the economy inflates.

Limited quantities of housing for families with moderate incomes are being supplied in suburban apartment concentrations and in suburban and fringe subdivisions at distances of 20 to 30 miles from the central area; an increased supply of such housing in fringe locations can be anticipated as the new Provincial "HOME" program goes into effect. However, despite a sizeable decentralization of employment in recent years, most families living in such areas are faced with substantial transportation expenses and inconveniences, and this situation is not likely to change significantly in the near future. One factor which particularly militates against the moderate income group is the difficulty of arranging financing for the purchase of older houses. Federally-guaranteed mortgages, limited to a value of \$10,000, are pathetically irrelevant in terms of the Toronto housing market, and it is understood that only three such mortgages have been arranged in the area since the program was initiated in November, 1966. Most existing mortgage arrangements are rigid and inflexible and the transfer of older houses frequently involves the purchaser in expensive refinancing and onerous second mortgages which are almost

impossible to amortize.

As noted, the lack of low-rent housing is a national problem. Locally it may be attributed to many causes, including the lack of available land in inner locations and a certain degree of resistance to the establishment of public housing in many suburban neighbourhoods. Local resistance is stimulated by the high municipal costs, particularly for education and welfare, which public housing is assumed to generate. A critical factor which has inhibited the supply of public housing in the area has been the sheer complexity of the administrative machinery for producing such housing, involving numerous agencies at four different levels of government (Federal, Provincial, Metropolitan and local) and characterized, at least until the recent establishment of the Ontario Housing Corporation, by considerable confusion as to the respective responsibilities of these different agencies. (It has been estimated that until recently it was necessary for a public housing project to go through 90 different stages of Provincial approval and to undergo 27 different internal approvals at the C.M.H.C. level.) Finally, despite vociferous support for public housing on the part of the local newspapers and some local political leaders, it is at least doubtful if a majority of the "decision makers" involved have really been seized with an overwhelming imperative to secure such housing.

4. As noted earlier, a substantial stock of housing has been built over the past 15 years, but there is some question whether the kind of housing which is currently being supplied is

completely satisfactory in meeting the housing requirements of the area's population. There is a strong and growing need for rental housing in the area and rental units have accounted for nearly 2/3 of the new housing built during the last several years. (To illustrate the trend toward rental housing it may be noted that until about 15 years ago the Toronto area was overwhelmingly a community of low density houses, with apartments comprising only 10% of the housing stock. By 1961 the proportion of apartments had risen to 20%, the present level is 25%, and it is expected that the proportion of apartments in the total housing stock will rise to about 40% over the next 20 years or so.)

About 90% of the rental units built in recent years were apartments, mostly in high rise buildings, and while there are several examples of distinguished group housing development there is relatively little moderate density housing of a kind particularly suited for family occupancy. There is a strong resistance to row housing in many suburban areas (sometimes exaggerated by a fear that such buildings will ultimately be acquired by the Ontario Housing Corporation for public housing purposes) and row houses are often economically less attractive to builders than either apartments or detached houses.

The apartment trend reflects the changing character of the area's population, with an increasing number of adult households, and also reflects the sharp increase in land costs throughout the area. But because less housing of the traditional family type is being built and because a sizeable number of existing houses are being removed, as noted below, many families are being housed in high-rise apartments, sometimes at quite high densities. This in itself is not undesirable, provided that the buildings are properly designed for family occupancy, and in fact the recent profusion of tall towers in both

suburban and inner districts has created an exciting metropolitan sky-line which is almost unique among North American cities of comparable size or character. However, many of the apartment developments lack adequate recreational facilities and other amenities for family use, community and neighbourhood facilities are also frequently inadequate, serious traffic problems are sometimes created, and in many instances apartment developments are so isolated from their surrounding communities as to constitute veritable enclaves or ghettos.

Like most large cities Toronto is faced with the problem of achieving the best balance between "outward" and "upward" expansion. While suburban subdivisions are still being developed in many sections of the area, there is relatively little of traditional suburban "sprawl" (in the sense of extended linear development, "leap-frogging", low density unserviced tracts, etc.). But there is a very strong body of resistance to apartments, particularly where they involve rezoning in or near established low density areas. Current practice on the part of the Ontario Municipal Board (which is responsible for approving all zoning applications) is sympathetic to this feeling. The converse policy, involving the prior designation of large apartment "districts", frequently induces such a level of land speculation as to make it impossible to achieve satisfactory land assembly at prices which will yield reasonable development densities. And no equitable solution has yet been found for the problem of the determined "hold-out".

Extensive sections of the inner area are designated for apartments but many of these have not proved to be attractive to prospective apartment builders and tenants. Conversely a substantial amount of sound family housing with many years of remaining useful life has been removed through private residential and commercial redevelopment and public and semi-public projects of various kinds. Because many neighbourhoods were originally developed with inadequate park and school sites and other community facilities, and because of the very sharp rise in high school and college enrollment, there has been a steady attrition of the existing housing stock to provide or enlarge these facilities. Similarly the pattern of metropolitan growth has required the provision of extensive rapid transit and road facilities which are also taking a substantial toll of existing housing. Though relatively little slum clearance will be required, future private redevelopment and public works of various kinds are expected to displace a total of perhaps 15,000 dwellings over the next 15 to 20 years.

5. The problem of urban renewal in Toronto is relatively simple, at least by general North American standards. While a moderate degree of physical obsolescence is relatively widespread, it is not, in general, very severe, and there are only a few blocks in which a majority of the houses are seriously deteriorated. Neighbourhood obsolescence, reflected in inadequate facilities and public services, poor municipal housekeeping, obsolete traffic facilities and intrusive non-residential uses, is also common in many of the

older residential areas, but Toronto does not face many of the social and economic problems found in other large metropolitan areas, particularly in the United States. There are no concentrations of disadvantaged minority groups and relatively little social segregation. Suburban growth has been rapid but central city functions and tax resources have not declined and the inner areas still house a wide cross-section of population and generate a satisfactory level of economic activity. There are minor anomalies in the distribution of land uses and a number of underdeveloped or overdeveloped properties, but the general land use pattern is reasonably satisfactory.

While a modest amount of residential clearance will be necessary, the major requirement in the renewal of the inner residential areas is the rehabilitation of existing residential structures which are in a basically sound structural condition but which may require new equipment, minor structural repairs, interior and exterior decoration, etc. The problems associated with such residential rehabilitation are largely financial. Most home owners in these areas have limited resources and many are elderly persons who are reluctant to incur new debts. For most home owners the reasonable expectation would be a modest rehabilitation program carried out over a period of years, perhaps utilizing their own labour and that of friends and relatives, with annual cash expenditures of only a few hundred dollars. While home improvement loans can be made available up to a limit of \$4,000 in renewal areas, very few owners in these areas will be able to undertake

such obligations.

There are also serious restraints on rehabilitation activities by the public housing agencies, relating mainly to the standards imposed. To qualify for Federal approval and financial assistance under the renewal program, rehabilitation must evidently be to a standard approaching that of new construction, and in the only project where even a modest amount of rehabilitation has been contemplated to date (Alexandra Park) the estimated costs range well in excess of \$10,000 per unit. Because the results of such rehabilitation are inconspicuous, diffused and not particularly photogenic there is an almost overwhelming preference on the part of many officials concerned for the simpler, neat and dramatic solution which clearance entails. It is likely that the pilot rehabilitation program at Alexandra Park will be abandoned, and there would appear to be little prospect of any extensive rehabilitation taking place as part of the renewal program under the ground rules which have been established.

A second major problem in connection with the renewal program concerns the relocation of existing residents whose properties are acquired either for clearance or for rehabilitation. Here again the problem is largely financial. While existing tenants can be rehoused in available public housing or are given substantial assistance in locating other rental accommodation, existing owners who wish to buy new properties are frequently unable to do so with the compensation received for their homes. This situation reflects

the sharp inflation in the cost of housing in the Toronto area, particularly the fact that prices have risen proportionally higher outside the prospective renewal areas than within these areas. As a consequence many families who receive sums ranging from \$8,000 to \$12,000 for their homes (based on current expropriation practices) are totally unable to purchase any reasonable alternative accommodation. This problem is compounded by the fact that many of the owners have bought their properties under complicated mortgaging arrangements with only nominal equities and with mortgage obligations which may bear little direct relationship to the expropriation value of the property. Because about $2/3$ of the residents in the prospective renewal areas are owners rather than tenants, this problem of relocation will obviously become acute if the renewal program progresses, and unless suitable financial arrangements can be achieved to handle this problem it is doubtful if much renewal will actually take place.

II. HOUSING AS A CENTRAL GOVERNMENT CONCERN

Of the three general goals of a national housing policy--satisfaction of housing demand, improvement in the quality of housing and in community environment, and ensuring a balanced national investment in housing as it relates to national and regional economic development--the preeminent factor in Canadian housing policy is the satisfaction of housing demand. Except for the little more than nominal efforts to subsidize housing costs of low-income families, activities of government and housing

industry are directed largely to meeting the effective demand for housing as expressed in the market place. Improvement of housing quality and of the community environment is, with some exceptions, very largely a by-product of the production of housing as a market commodity. And there is little evidence of any systematic regional development policy on a national basis (at least as practiced in many European countries), let alone regional housing programs to support such development policies (though there are some exceptions relating to specific resource development programs and to limited regional development programs such as are currently contemplated in the Cape Breton area).

While labour mobility is essential to the continuing industrial development of the country, there does not appear to be any systematic use of housing as an instrument in this connection. The use of housing investment as an economic shock absorber is fairly well accepted, and in fact national housing policies are directed to a large extent to the use of housing funds to promote and sustain employment. Conversely, there is little evidence of housing being employed as an instrument of social policy (except for the limited efforts in the direction of low-income subsidization). Perhaps the best evidence that housing is viewed as an economic rather than a social instrument is the almost exclusive emphasis on the production of new housing and the steadfast reluctance to utilize housing funds in any effective way to facilitate the transfer of existing housing in order to support the "filtering down" process, or to promote the rehabilitation of the existing housing stock.

Various types of public measures can be taken to support the production of housing, and in particular to facilitate the provision of housing for low-income families. Among these are the use of rent supplements, rent control, public housing, low interest loans, mortgage insurance tax relief, and the direct use of public funds in the production of housing.

Of these various measures, the one which has received major emphasis in Canada is that which most directly supports the production of housing through the mechanism of the private market, i.e. mortgage insurance. Public housing, as already noted, occupies an almost infinitesimal place in the total national housing picture (though both of the two largest provinces, Ontario and Quebec, are beginning to direct substantial funds into this area). While it might be expected that rent supplement programs would be popular, insofar as they are directed toward the stimulation of private housing production, they are not in fact well thought of by federal housing officials, and a short-lived effort by the Ontario Housing Corporation to carry out a rent certificate program was dropped, at least in part because of federal unwillingness to participate in the program. However, the increasing use of "builders' proposals" and other techniques analogous to the U.S. Sec. 221 (d) (3) program may be achieving pretty much the same result. Rent control, tax relief, and low interest loans appear to be ideologically unacceptable although some legislative steps have been taken for tax deferment for elderly persons.

What is particularly striking is the relatively limited use of direct public funds in Canada for housing purposes. While in many European countries public funds comprise 45% to 55% of total housing expenditures, in the last 10 years direct public funds have constituted only 17% of the total investment in new housing in Canada, and indirect public assistance (through the mortgage insurance program) another 18%; expressed another way, private funds accounted for 5/6 of the investment in new housing, and 2/3 of the total investment involved no public participation of any kind, even on an indirect basis. Government mortgage insurance programs have been a factor in stimulating the private mortgage market.

Emphasis is placed in many countries on public land acquisition as a means of stabilizing the price of development land, regulating the timing of development and controlling the use of land. Yet public land assembly, designed to produce housing lots on a controlled price basis, has been insignificant in Canada. It has accounted for a total of only 21,000 building lots between 1950 and 1966, of which only 14,000 have actually been developed, or about 1% of the total production of single- and two-family houses in this period. (In Metro Toronto, about 2,950 acres were acquired in various locations some 12 to 15 years ago through the Federal-Provincial land assembly program, but of this total only about 325 acres have been used for the original purpose of public housing and related uses. Of the remainder, about 700 acres were disposed of for non-residential use, and 1,950 acres remain undeveloped.)

It is evident that if public land assembly is to be effective in influencing the cost of residential land in a large and rapidly developing area such as Toronto it must be carried out on a massive scale, which none of the governments (national, provincial or municipal) are financially or ideologically prepared to do. The timing of development can be influenced equally effectively by the provision of trunk services and major transportation facilities, and in actual fact there has never been any real question in the Toronto area of land being kept off the market in any significant amounts when it was in a position to be developed. To effectively control the use of land it is clear, again, that land assembly must be on so massive a basis as to constitute virtual nationalization. It is significant that those cities which have succeeded in establishing effective regional development plans, such as Stockholm, were able to do so by virtue of owning practically all of the available development land.

Other countries, such as England, where public land ownership is greater than in Canada but not nearly as extensive as in Sweden and where statutory land controls are far more powerful than they are in Canada, have not really established effective controls on the growth of their major urban concentrations; nor have they succeeded in regulating the most critical factor, the distribution of employment, in any really effective way on a metropolitan basis.

Large-scale public land ownership is also a factor in the establishment of satellite towns or new towns or other forms of controlled decentralization on a regional basis (as in Stockholm or England). However, there is considerable doubt if Toronto is large enough to warrant this type of decentralization program, and it is certainly doubtful if the provincial or federal governments would be prepared to institute the rigorous population and employment distribution policies required to make such a policy work. In any case, it would also be doubtful if any of the governments concerned would be able or willing to support financial investment on the required scale. (It may be noted parenthetically that such a program might have been carried out at Ajax, an area of $5\frac{1}{2}$ square miles about 25 miles from downtown Toronto, which the Federal government had originally acquired and serviced for war production purposes; the property was disposed of, however, by way of a commercial real estate transaction.)

While it is probably unlikely that any developing country can achieve effective metropolitan development without public land ownership, or that any advanced country can achieve effective renewal of its badly deteriorated central areas without some substantial element of public ownership, neither of these conditions applies to the situation in the Toronto area. A public land bank would facilitate the acquisition of suitable sites for public institutional purposes and for public housing, particularly if administered in a flexible manner, but against these advantages must be balanced the very real costs, in terms of interest, taxes,

etc., which probably place such measures outside the reach of municipal government as presently constituted in this area.

Many have noted the technological backwardness of the building industry, another aspect to which the central government should address itself. The construction techniques being practiced are now at least 25 years old. Automation is almost non-existent because of a lack of steady flow in mortgage funds and a lack of uniformity in building codes, and also because new materials and processes have not been developed to anywhere near the extent found in other major processing industries. While factory production techniques are well advanced with respect to many major components, there has been no real success in integrating these into the total production process to the point where house construction could be considered a thoroughly rationalized process. And above all, there is a need for a comprehensive and continuing program of research into building techniques and materials, the organization of the housing industry and community development.

III. SUGGESTIONS RE THE HOUSING PROBLEM

Following is a listing, with brief comment, of six problem areas to which efforts must be addressed.

1. In Canada housing represents about the only basic human need which is met primarily by free enterprise, and the combination of private and public action which characterizes the production of housing does not appear to derive from any clearly resolved view as to the basic function of housing as a responsibility of government. If it is in fact part of government's social responsibility (rather than simply an economic tool) this should be acknowledged through appropriate financial and governmental arrangements. It is also necessary, assuming that housing needs are at least in part welfare needs, to establish whether the basic welfare responsibility is essentially that of income maintenance (in which case guaranteed income

programs or other forms of housing subsidy might do a better job than public housing) or whether public housing should also provide a constructive social welfare service (in which case there is a strong presumption that responsibility and adequate financial resources should be placed with the level which is most responsive to individual needs-- i.e. local government). What is perhaps least acceptable is the present arrangement in which the housing needs of the economically self-sufficient and the seriously disadvantaged are attended to but the group between is virtually neglected. At the very least, government housing programs should be expanded to provide directly for the housing needs of the lowest 10% or 15% of the population, rather than the rock-bottom 2% to 3% as at present.

2. There is a need to establish effective programs and administrative policies for metropolitan areas experiencing substantial immigration, migration, and transitory population movements.

3. The housing problem is largely one of money, and there are many ways in which financial arrangements should be improved, including the following:

a) Meaningful financial assistance for the rehabilitation of existing dwellings, both by owner-occupants and by government agencies, to standards which are reasonable in relation to the existing environment, rather than based on the sort of "new house" criteria employed for long-term mortgaging purposes.

b) Meaningful financial assistance to provide for the satisfactory relocation of owner-occupants who are displaced by public and private renewal activities.

c) Sensible mortgage policies which will facilitate the purchase of older houses by families of moderate income under terms that make it possible to keep shelter expenses within reasonable bounds relative to income (and without requiring an inordinate amount of "secondary wage earning").

d) A rational reallocation of the responsibility for education, welfare, and other basic government costs relating to the needs of people (as opposed to property), so that they are charged against the total tax resources of the community, with policies and standards being reviewed so that such resources can be spread more equitably. While it is recognized that only a portion of these costs are now levied against the municipal tax base, this charge is sufficiently great as to invite municipalities to adopt housing policies which do not accord with the housing requirements of the community.

4. Additional (perhaps special) social services and facilities will be required in high-density areas. Also needed is a fuller integration of apartment dwellers into the community.

5. The complex procedural arrangements which have grown up around housing should be simplified -- both with respect to housing generally and to public housing in particular. Procedures should be rationalized between the different agencies concerned with housing and also within these agencies, and attention should be directed to ensuring that each agency and level of government is required to deal with and approve only those matters for which they have a direct financial, regulatory or policy responsibility -- and that policies are reasonably coordinated.

6. It is important that the many codes, by-laws, and other regulatory instruments (including engineering requirements) be simplified and made reasonably uniform across the broad metropolitan community. Building codes in particular should be revised so as to be responsive to new materials and methods. It is also important that a better balance is struck in the administration of zoning regulations between the needs, tastes and prejudices of the existing residents of a neighbourhood and the future housing requirements of the community at large (and between the tastes of officials and the needs of people).

In listing these suggestions a deliberate effort has been made to keep them within the bounds of present social, economic and political organizational structure. It is of course equally possible to envisage a recasting of housing production and community development within a radically different institutional and ideological context, but this has not been taken as the basic frame of reference for this review.

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