

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
6TH COUNCIL, 38TH SESSION

RECOMMENDATION TO
COUNCIL NO. 8-38

TABLED ON JANUARY 30, 1969



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Recommendation to Council 8-38
January 30, 1969

RECOMMENDATION TO COUNCIL NO. 8
(First Session, 1969)

N.W.T. RENTAL HOUSING PROGRAM

DISPOSITION

Tabled	To Committee	Accepted as Read	Accepted as Amended	Deferred (to Session)	Rejected	Noted not Considered
29-1-69	30-1-69		30-1-69			

TERRITORIAL RENTAL HOUSING PROGRAM

Introduction

The history of housing programs in the North has been the development of separate housing policies for the three main ethnic groups resident in the Northwest Territories. Federal Government activity in the housing field has been oriented towards programs for Indians and Eskimos because of its special responsibilities for these people. In 1968, the Federal Northern Rental Housing Program replaced the Eskimo Rental Housing Program and made subsidized rental accommodation available under the same terms and conditions to all Indians and Eskimos in the Northwest Territories. In order to provide housing to low income groups (including Metis) who cannot benefit from the Federal program, it is proposed that the Government of the Northwest Territories create a Territorial Rental Housing Program with terms and conditions similar to those of the Northern Rental Housing Program.

Background:

The non-Indian, non-Eskimo residents of the Northwest Territories have had two Government sponsored housing programs available to them, both based on home-ownership. First, Central Mortgage and Housing Corporation under the provisions of the National Housing Act, provides home financing up to a maximum of \$18,000. In conjunction with this program, the Territorial Government makes available repayable second mortgage loans of \$2,000 to applicants who have obtained first mortgage loans from approved lenders or direct from Central Mortgage and Housing Corporation. Secondly, the Territorial Low Cost Housing Program provides first mortgage loans up to \$8,000 with a forgivable second mortgage loan of \$1,000 also available under certain conditions. Unfortunately, many people, because of low incomes and lack of steady employment, can neither qualify for these loans nor afford the costs of adequate services and fuel, which costs may be three to four times those in southern Canada. As a result, many live in very poor standard housing, usually in unserviced parts of settlements, and are unable to take advantage of even the most basic municipal services when they become available. Although Central Mortgage and Housing Corporation sponsored public housing projects are planned for a few of the larger communities of the Northwest Territories, there is an obvious need for subsidized rental accommodation on a "need" basis in all settlements. Public housing projects are now planned for Fort Smith, Hay River, Yellowknife and Inuvik. These projects will accept tenants from all three of the low income groups. Council may conclude, therefore, that there would be little benefit in building additional houses under a Territorial Rental Housing Program in these municipalities. To do so would probably complicate the public housing plans unnecessarily. It should be remembered, however, that the Federal Government plans to provide sufficient housing units in these communities to meet the needs of Treaty Indians and Eskimos who may not qualify for accommodation in Central Mortgage and Housing Corporation sponsored public housing projects, or who may have special needs which these projects are not designed to meet.

Requirements:

A survey of housing requirements carried out in 1967 identified about 300 "other" families in the Mackenzie District whose

accommodation is well below a minimal acceptable standard, and who are unlikely to be able to improve upon this standard unless subsidized rental accommodation can be provided. About 200 of these families live in municipalities where Central Mortgage and Housing Corporation public housing projects are planned. There are, therefore, about 100 families living in the smaller communities. It is this relatively small group for whom it is proposed to provide subsidized rental housing under the auspices of the Territorial Government. All but a handful of these families are Metis whose culture and way of life is similar to that of Indians who form the largest group in these communities.

Components of both programs (Federal and Territorial) such as the size and plan of the accommodation unit, the schedule of rents, the obligations and responsibilities of the tenants and membership in the Housing Associations should be as similar as possible. Eskimos and Indians in the Northwest Territories are eligible for rental housing, but some conditions must be imposed to establish eligibility for the group for which the Territorial Government is responsible.

Recommendations in this respect, are set out below.

Details of Proposed Territorial Rental Housing Program:

1. Type and Size of Rental Units

In order to establish a common rental accommodation standard among all of the residents of the Northwest Territories, a housing unit, similar in size and plan to that being provided by the Northern Rental Housing Program, would be supplied. In those communities where conditions permit, basements, piped water and sewer would be provided.

2. Terms of Eligibility

(a) Maximum Income. It is difficult to devise a maximum income level for the purposes of establishing eligibility under this program. If the level is set too low, there is a possibility that the concept of home ownership, which should still be a primary incentive will be endangered; if it is set too high, persons who are steadily employed but whose incomes will not allow them decent accommodation, will still be unable to obtain it. In order to establish a fair level, it is proposed to use the Central Mortgage and Housing Corporation standard and only applicants with incomes not greater than are allowed in Central Mortgage and Housing Corporation public housing projects in the Northwest Territories will be eligible for Territorial rental accommodation. If in the light of experience, it is shown that this level is inappropriate, it can be adjusted, but for the initial period it would seem to be an equitable method of determining eligibility. Central Mortgage and Housing Corporation has not yet announced what income ceiling will be allowed in public housing projects in the Northwest Territories. It is expected, however, that it will be about \$6,000 per annum.

- (b) Residency. A period of three years residence in the Northwest Territories would be required to qualify for occupancy of a rental unit. A residency qualification is believed to be essential in order to establish a priority, particularly during the first few years of the program, for the low income people who have been living in the Territories for some time. Also, a three year residency qualification would guard against the possibility that the program might attract into the Northwest Territories persons from southern Canada who are chronically indigent or under-employed.

3. Rental Charges

Maximum rents which conform to those used in the Northern Rental Housing Program would be applied to Territorial subsidized rental accommodation. The maximum rental rates used at the present time in the Northern Rental Housing Program are as follows:

One bedroom unit	\$42.00 monthly
Two bedroom unit	\$62.00 monthly
Three bedroom unit	\$67.00 monthly

These maximum rates were established when the Northern Housing Program was first introduced, and were calculated according to the same formula used to determine rents for Federal staff housing. It was intended that they would be varied from time to time as rents established for staff housing were changed, or as the formula itself changed. It is considered that by April 1, 1970, these rents should be calculated on a basis similar to that used in respect of Territorial staff housing subject to further adjustment as circumstances indicate.

Upon occupancy, each tenant would be placed in one of the following three categories:

- (a) Persons Steadily Employed. A tenant in this group would be charged the maximum rent for the unit occupied or 20% of his income, ~~whichever is the lesser~~ ^{up to} *to top of Normal Econ. Rent.*
- (b) Persons in Need of Special Assistance. Included in this category would be the widows, the pensioners, the families on social assistance due to ill health of the husband or unemployment due to economic conditions or because of a lack of training or education. A tenant in this group would be expected to pay a minimum rent of \$2.00 monthly.
- (c) Persons Not Steadily Employed. This group would be composed of hunters, trappers and those dependent primarily on seasonal employment. Each of these tenants would be assessed a rent equal to 20% of the estimated average income of the non-Indians and non-Eskimos as well as the Indians and Eskimos making up this group within the particular settlement. *?*

4. Rental Purchase Plan.

One of the goals the Territorial Government will be working toward is that of home ownership. To provide an incentive to the tenant to pay the rent and to maintain his residence, part of the payments made for rents or maintenance will be regarded as credits towards the purchase of the house. The following eleven provisions are currently written into the Federal program, and it is recommended that they be adopted for this program also.

Purchase Credits.

To how

- (a) 33% of rents actually paid by the family to the end of the last complete year of occupancy of the dwelling unit.
- (b) Any payments by the family over the amount prescribed as rental by the standard judgment of the family's income.
- (c) A credit for participation in construction of improvements or additions to houses done at the family's expense with departmental approval.
- (d) A credit of \$100 per year for day to day maintenance well done on a descending dollar scale for poorer work.

Conditions Governing Credits.

- (a) These credits will not have a cash value and tenants will not be able to use such credits to off-set rent due.
- (b) The credits may be transferred to the surviving spouse of the tenant in case of his death, or transferred to another property if the family moves to another rental house or to purchase housing or to another location.
- (c) The credits may not be sold, passed on for value received, or used to pay debts.
- (d) ~~At such time that~~ a tenant may choose to purchase a house, the full amount of the accumulated credits up to a maximum of 80% of the value of the house will be deducted from the cost.
- (e) However, the credits may not be used to off-set the cost of a house or materials for a house purchased privately. In other words, the credits may only be used for Government housing supplied under this program.
- (f) No credits will be given for tenants occupying staff housing and paying the standard rent.
- (g) A tenant is entitled to apply credits accruing to him to the purchase of only one dwelling in his lifetime.

To aid in the determination of credits given, the subject of day to day maintenance must be considered; each tenant renting a house should be clearly aware of what he is responsible for. Where wilful damage or consistent non-payment of rent has occurred, the credits can be reduced by an amount determined by the Local Housing Association.

5. Provision of Services.

Fuel and services, limited in amount to quotas comparable to those imposed on tenants of the Northern Rental Housing Program, would be supplied as part of the rental package. Because no history of usage exists, it is recommended that the quotas be set, for the present time, as in the Federal program. It is realized that these may not be realistic and records are now being kept with a view to bringing these into line, the principal being that the quota should be enough to meet the need but low enough also to encourage thrift.

In those settlements where it is both desirable and practicable, wood must be used in lieu of oil.

6. Housing Education.

Many of the tenants of the Territorial Rental Housing will be facing social problems in their move from small, and in many cases, unserviced houses to the more spacious, serviced units which would be provided. Counselling of these persons is considered vital. An adult education program, designed to acquaint the future tenants with the concept of the rental program, their added responsibilities for financial planning as well as their obligations to maintain an acceptable standard of housekeeping, is currently in operation under the Northern Rental Housing Program. It is recommended that this program be extended to embrace those other than Indians and Eskimos. Local instructors would be used in the educational program, and wherever available, tenants who are capable and willing to perform the task will be chosen. Professional guidance would be given to these instructors to the degree required.

7. Rental Housing Administration

A simple landlord and tenant relationship in a rental housing program of the type which is proposed would do little more than temporarily improve housing conditions for the tenants. In order to encourage the participation of the tenants not only in the operation of the rental housing, but also in community affairs, and eventually municipal affairs, it is proposed that incorporated housing associations be formed in those settlements where such associations do not exist under the Northern Rental Housing Program. In such communities, and in those which have associations already in being, the tenants of the Territorial Rental Housing Program would join with the Indians and Eskimos of the Federal Program in a common association.

A union of this type would not only be financially practical, but would also tend to narrow the gulf created between the ethnic groups in the past by the existence of separate housing policies. Each tenant of the rental program would be a member of the housing association in his community. A group of directors and officers, the number dependent on the number of tenants, would be elected by the association.

This Council, acting on behalf of the tenants, would be given increasing responsibilities and authority in the administration and operation of rental housing. Beginning with allocation of units, the added duties of provision of services, maintenance of buildings and general administration would be given to each association as it proved itself capable of accepting these responsibilities.

Estimated Cost of Program.

Based on the housing survey, a total of 112 units would be required outside municipalities. Since it is likely that some of the people shown in need of accommodation at the time of the survey would either not qualify for or wish to occupy rental housing, a total requirement of about 100 units is estimated. It is considered that a two year program of construction would be most suitable both from a financial and an efficient building viewpoint.

ESTIMATE OF COSTS

<u>No of Units</u>	<u>Capital</u>	<u>Operating</u>	<u>Total</u>
First year 85	\$ 855,000	--	\$855,000
Second year 15	150,000	72,000	222,000
Third year	--	96,000	96,000
100	\$1,005,000	--	

RECOMMENDATIONS

Subject to Availability of Funds from the Federal Government-

- (1) That the Council approve the principle that rental housing should be provided ~~outside municipalities~~ ¹⁷ to low income families who are neither Treaty Indians nor Eskimos.
- (2) That the Council approve the consolidation in so far as is possible of the Territorial Rental Housing Program and the Northern Rental Housing Program.
- (3) That the Council approve the terms of eligibility outlined in the paper.
- (4) *That prog. be extended to Mun. if CMHC fails to produce*