

# WHAT HAPPENS WHEN SOCIAL HOUSING OPERATING AGREEMENTS EXPIRE?



## Who they are

The **Métis Urban Housing Corporation (MUHC)** provides rental housing that is affordable for low and moderate income households, commonly known as social housing. MUHC houses Métis and Aboriginal families in Edmonton, Calgary and 12 other rural locations. MUHC originally housed over 2100 tenants with 880 units. MUHC has several long-term agreements with the Canada Mortgage and Housing Corporation (CMHC). MUHC depends on the funding provided through these agreements. It allows them to rent units so that they are affordable to low-income households and to put some money towards maintenance and capital replacement.

## Social Housing 101

- Social housing is rental housing that is affordable to low and moderate-income households. It is provided by non-profit organizations, co-ops and public housing agencies. 544,000 households live in funded social housing, including 334,000 with very low income.
- Social housing has been funded by the federal government for over 40 years through long-term agreements currently worth \$1.7 billion annually.
- These agreements are coming to an end. Some agreements have already ended and more will soon.
- The end of an agreement usually corresponds with the end of a social housing project's mortgage. This means the social housing provider **requires less funding** than before because their costs are lower. But they still need some support because rental revenues are by definition very low, and for most this won't account for ongoing operating costs and/or repair and maintenance costs.
- This means many social housing providers will have to increase rents or sell units just to maintain other affordable units. **This will reduce the number of low-income Canadians who have affordable housing.** Already long waiting lists will grow even longer.

## What happens when funding ends?

The expiry of the 64 long-term social housing operating agreements between MUHC and CMHC began in 2008. Because of this, MUHC, through its secondary company, Métis Capital Housing, made the difficult decision to sell some units. They did this in order to generate enough money to complete repairs that were needed for other units. Repairs were critically needed because many of the housing units MUHC inherited were very old and because maintenance had been deferred over time as funds provided through the agreements with CMHC were inadequate.

Over the last four years, 228 units have matured out of the CMHC-funded agreements. Of those, **132 units have been sold** in order to generate enough money to repair the units that were kept and to rebuild units that were no longer viable. Of the 96 remaining units, **rents had to increase to make up for the lost funding.** Rents were adjusted to reflect an affordability model adopted from the City of Edmonton at 20% less than market average. The result was an average **increase in rental charges of \$400 to \$500 per month per unit.** This has meant **96 low-income households** have had to account for lost CMHC funding by finding a way to afford an increase in rent of \$400-\$500 per month. **132 low-income households have had to move** and will likely be unable to find housing they can afford in the private market. Although 132 units have been sold, MUHC and its sister organization, Métis Capital Housing Corporation (MCHC) continue to add units to their portfolio with new construction. But one is not like the other. In the newly constructed units, rent levels are higher in order to ensure MUHC/MCHC can operate without ongoing, external funding. The new homes provide good quality homes for individuals and families who can afford those rent levels, but they are out of reach for the lowest income earner.

# 2 STORIES

## June, MUHC tenant

About one year ago, I received great news when I got a phone call from the Métis Urban Housing Corporation. They had accepted me into subsidized housing for low-income families of Métis, Aboriginal or Inuit ancestry. With this help, I knew I would be able to support my children as a single mother. And it has become my home and my children's home. It is a place where we all feel safe. After a year of living in the MUHC unit, my heart was crushed to receive a Notice to Vacate, scheduled for one year's time.

You wouldn't know how this feels unless you have walked in my shoes. And it is a very painful story, my story.

As a young teenager, I had no idea what life would hold for me. I was shy and scared, and knew little of life values. There was abuse in my home and alcohol was a factor. The beatings I would receive would live with me forever. This would take my life towards a life of drinking at a young age; something that I am not proud of. To me, life was worthless and meaningless. I had no support. I was a victim of sexual assault. I felt empty. Vulnerable and looking for affection, I became involved with someone who later I would have children with, despite many years of mental and physical abuse.

After leaving my children's father, I was diagnosed with a chronic disease. The pain was unbearable, especially while raising my children alone. For some time, my children and I were homeless, sleeping in other people's homes, moving to a motel. But finally, with support, I stopped running. I gained confidence, strength and made peace with myself. I accomplished my dream of returning to school.

But now I have to put my remaining education and career on hold because we may again be homeless within six months. I'm a single parent of five daughters who still reside with me. The stress that has come from this notice to vacate is extreme. I don't have friends or family I can turn to. The fear of homelessness creeps closer every day.

My understanding is that the unit will no longer have a subsidy for Métis people and their families with low-income. But where do we go from here? How can I find a unit big enough for my children that I can afford? These are all questions that I face today.

## Deborah, MUHC tenant

I have lived in housing provided by the Métis Urban Housing Corporation (MUHC) for 6 1/2 years, which has helped me so much. As a single mother of three children, I always worked but could never afford to live. I was living in a one bedroom apartment with my three children. It had mice and it was in the basement. Still, I was paying \$900 a month plus utilities. Then I was able to move into housing provided by MUHC. I was able to give my children what they needed because I had an affordable home. Even though there were tough times, either from getting laid off, getting sick or having a baby, instead of being put out on the street, MUHC would adjust my rent until my children and I got back on our feet.

So, I was very sad and very scared to find out that MUHC would be no more one day soon. I am very worried about single mothers or fathers that are and will be in my position, and not to mention the elderly that have nowhere else to turn. If I didn't have MUHC to turn to, I do not know where my children and I would be. I am truly thankful for the Métis Urban Housing Corporation from the bottom of my heart. I hope and pray that MUHC can continue its work.