

12 Who Pays, When, and How? Government-Assisted Housing in the Northwest Territories and the Role of the Federal Government

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INTRODUCTION

Much to the surprise of many observers, the federal Conservatives have made Arctic security and sovereignty one of their policy priorities since the 2006 general election campaign. And since taking power that year, the Harper government has acted on several fronts, including committing to the construction of a \$720 million icebreaker.² What is *not* grabbing headlines are some of the serious social challenges being faced in the North, one of which is affordable housing.

This chapter examines the housing situation in the Northwest Territories (NWT), especially as it affects low-income residents.³ Topics discussed in this chapter include the manner in which government-assisted housing is administered in the NWT, as well as the uniqueness of government-assisted housing in the NWT. Building costs, forms of government-assisted housing, recent policies of senior levels of government, and other emerging issues in the NWT combine to create a unique public policy study.

The chapter begins by discussing the study's methodology, which includes key informant interviews. It then looks at the role of the federal government in Canada's North more generally. This is followed by a brief look at the history of forced resettlement, the principal actors in the present-day administration of government-assisted housing in the NWT, followed by a consideration of what makes government-assisted housing in the NWT unique relative to other parts of Canada. A very quick look at the make-up of the NWT's Aboriginal populations – as well as some important socioeconomic indicators – will be presented, followed by a brief overview of the different

sizes of NWT communities. This will be followed by a brief consideration of the various forms of government-assisted housing in the NWT, as well as a look at the government-funded “small repairs” programs. Recent funding initiatives by senior levels of government will then be discussed, followed by a consideration of two issues of great concern to the NWT’s political leaders and service providers: arrears in both public housing and home-ownership programs, and the looming problem of declining federal funding for public housing, which will have an especially acute impact on the NWT relative to the rest of Canada.

METHODOLOGY

Semi-structured in-depth interviews were undertaken with key informants beginning in August 2009. Ethics approval was received by Carleton University’s Research Ethics Board and a research license was obtained from the Aurora Research Institute.

While interviews with over 40 key informant interviews had taken place for the research project at the time of this writing, only interviews from ten of them are being used for this chapter. Six of these key informants have worked for the Northwest Territories Housing Corporation (“the Housing Corporation”) at some point in their careers; four still work for the Housing Corporation. The sixth works for a local housing authority (LHO), the seventh works for a Yellowknife-based NGO, the eighth was interviewed specifically for his knowledge of mortgage arrears in the Housing Corporation’s home-ownership units, and the ninth is an expert on social housing throughout Canada. All but three key informants were asked both broad questions about government-assisted housing in the NWT, as well as specific questions that pertain to their respective areas of specialization. The writer was directed to the key informants largely through community partners, who are acknowledged below. Appendix 1 provides a list of references for the key informant interviews specifically cited in this chapter. Interviews have been coded in order to preserve confidentiality.

Interviews with current and former tenants did not take place, in part due to the small scale and budget of the research project, and in part so as not to duplicate work being done by one of our research partners.⁴ However, the research did draw on results of the housing component of the *2009 NWT Community Survey*, undertaken by the Northwest Territories Bureau of Statistics in all NWT communities between January and March, 2009.

ROLE OF THE FEDERAL GOVERNMENT IN THE NORTH

The renewed interest being shown by the current federal government in Canada’s North does not stem from altruism. Rather, the Harper government’s

keen interest in the area is motivated almost exclusively by geopolitical factors, most notably by the large amounts of oil and natural gas that lie beneath the surface. And while the North's natural resources used to be seen as difficult to access due to weather, that is changing very quickly.⁵ For instance, Huebert (2009) argues that: "Annual average Arctic temperatures have increased at almost twice the rate that they have in the rest of the world over the past few decades...Reduced sea ice is very likely to increase marine transport and access to resources. Continued reduction of sea ice is likely to lengthen the navigation season and increase access to the Arctic's marine resources; reduced sea ice is likely to increase offshore oil and gas extraction projects; and sovereignty, security and safety issues, as well as social, cultural and environmental concerns, are likely to arise as marine access increases."⁶

Furthermore, in the eyes of several other countries, parts of the North are up for grabs in terms of access and sovereignty. For instance, while our federal government claims the Northwest Passage as "part of its historic internal waters," the United States begs to differ, claiming as recently as 2009 that the Northwest Passage is an international strait. Moreover, both Denmark and Russia have shown an active interest in the North in recent years, with Russia having gone so far as to plant a Russian flag on the sea floor of the North Pole in a highly-publicized move in 2007.⁷ While important questions remain as to who has a legal claim and who would win a challenge over the area at the International Court of Justice (or a similar body), it is widely believed that the more quickly a country establishes a physical presence in the North, the greater will be the likelihood of that country either acquiring or retaining the legal right to profit from natural resources in the area.⁸

OVERVIEW OF GOVERNMENT-ASSISTED HOUSING IN THE NORTHWEST TERRITORIES

Shortly after the Second World War, as the state became very active in the delivery of social welfare programs throughout Canada, the federal government began delivering social services – most notably health and education – to Indigenous people in Canada's North on a large scale. Housing was provided as part of this effort. But, as Abele, Falvo and Haché (2010) have recently argued, "it entailed a sort of money trap: people who had heretofore built and maintained their own shelter were ever after expected to pay cash rent. These are the origins of a system of public housing that still exists in most of the over 100 smaller, predominantly Aboriginal communities in Canada's North."⁹ In some cases, forced resettlement of Aboriginal communities disrupted both community and family ties. It also imposed a very different way of life upon people who had been happy where they were. Indeed, Aboriginal households in Canada's North were effectively induced to undertake a wholesale change of lifestyle. In a span of just a few decades, they went from hunting

and making their own shelter to being forced to be far more dependent on the state for subsistence, including living in state-sponsored houses.¹⁰ In effect, state-funded housing was used as incentive to draw people to new communities where schools and health centres, both built and funded by the federal government, were provided.¹¹

According to Webster (2006), much of the increased state role was triggered by negative media attention. In the early 1950s, as international attention began to focus on the construction of the Distant Early Warning radar line, the federal government was “embarrassed” by media reports describing “Inuit destitution and government neglect.”¹²

Today, the Northwest Territories Housing Corporation (generally referred to in the NWT as “The Housing Corporation”) is a territorial Crown corporation, receiving substantial funding from Canada Mortgage and Housing Corporation (CMHC).¹³ The Housing Corporation serves “the entire population in the NWT ... [both] Aboriginal and non-Aboriginal, with little distinction.”¹⁴ And, unlike some other parts of Canada, the NWT has no “on-reserve housing” administered by Indian and Northern Affairs Canada (INAC).¹⁵ According to Webster (2006), “[d]espite the existence of treaties, which provide for the option of reserve creation, there are many Indian communities in the NWT but only two reserves. One of these is the tiny Salt Plains Reserve #195 near Fort Smith, while the other is Hay River Dene Reserve #1 at Hay River. The former is a little more than a collection of cabins while the latter is a reserve in the full sense, except that the NWT’s government, not federal departments, is responsible for most basic services including housing.”¹⁶

Public housing generally refers to housing that is owned and operated by a government agency, and inhabited by low-income households who pay rent (to a housing authority) that is geared to their income. Public housing in the NWT today is administered by 23 local housing organizations (LHOs), each of which is accountable to the Housing Corporation. The relationship between each LHO and the Housing Corporation is governed by an agreement that sets out roles and responsibilities of each party. Each LHO has a board of directors, management and staff “who are responsible for the day-to-day activities associated with the delivery of the program in its community.” And, in principle, the Housing Corporation monitors all LHO operations.¹⁷

In the case of large communities, the LHO operates as an “authority,” in which case its board is appointed by the minister responsible for the Housing Corporation. In the case of small communities, the LHO operates as an “association,” whose board members are elected by community members at an annual general meeting. In a few cases, a band or municipality is associated with the LHO, in which case both bodies manage housing in that community via a management agreement.¹⁸

The NWT also has home-ownership programs. Households who participate in these home-ownership programs generally have higher monthly incomes

than is the case with public housing; a household whose only source of income is social assistance, for example, would not be eligible for a home-ownership program. Yet households eligible for the home-ownership programs still generally have to fall below the “core need” income threshold, as defined by CMHC (see below). Moreover, it is more difficult to be approved for a home-ownership program if one lives in a region of the NWT where construction costs are relative high, such as on the Arctic Coast.¹⁹

The NWT's home-ownership programs are administered by the Housing Corporation's five district offices. The PATH (Providing Assistance for Territorial Homeownership) program provides forgivable loans, ranging from \$10,000 to \$125,000, to households who wish either to build or purchase a home.²⁰ Eligible households must have sufficiently high monthly income such that they are paying no more than 30 percent of before-tax income on shelter. Roughly 100 households apply for PATH each year, and roughly half of all applicants are approved.²¹

The Homeownership Entry Level Program (HELP) is a rent-to-own program for first-time homebuyers. Successful applicants must be low-income and must sign a two-year lease on a new home built by the Housing Corporation. HELP participants often use this two-year period to either pay off already-accumulated arrears on public housing,²² or to build up a credit rating. Roughly 200 households apply for HELP each year, and roughly half of them are approved to begin the program. Upon successful completion of the two-year lease, participants can graduate to home ownership and bring with them \$10,000 in equity accumulated during the two-year period. Many HELP graduates also apply for PATH.²³

UNIQUENESS OF SOCIAL HOUSING IN THE NWT

Relative to Canada as a whole, the Northwest Territories (NWT) represents a jurisdiction of extremes. On the one hand, its Gross Domestic Product on a per capita basis is double the national average, due largely to the mining industry. Moreover, the Government of the Northwest Territories (GNWT) spends roughly 25 times more per capita on housing than does a typical Canadian province. On the other hand, relative to the rest of Canada, more NWT residents live in both crowded conditions and in housing in need of major repair. Indeed, for every plus, there is a minus. And that is how the NWT's housing situation ought to be understood relative to the rest of Canada – as an enigma offering both challenge and opportunity.

It should also be noted that, in terms of paying its fair share, the NWT stands up quite favourably next to Canada's other territories and provinces. Due largely to revenues derived from resource development in the NWT, the federal government received almost \$17,000 per capita in revenue from the NWT in 2004. In contrast, the next largest source of revenue among Canadian

provinces and territories was Alberta at just under \$8,000 per capita. (This is, admittedly, counterbalanced by the almost \$17,000 per capita that is also received by the NWT each year from the federal government under Territorial Formula Financing.)

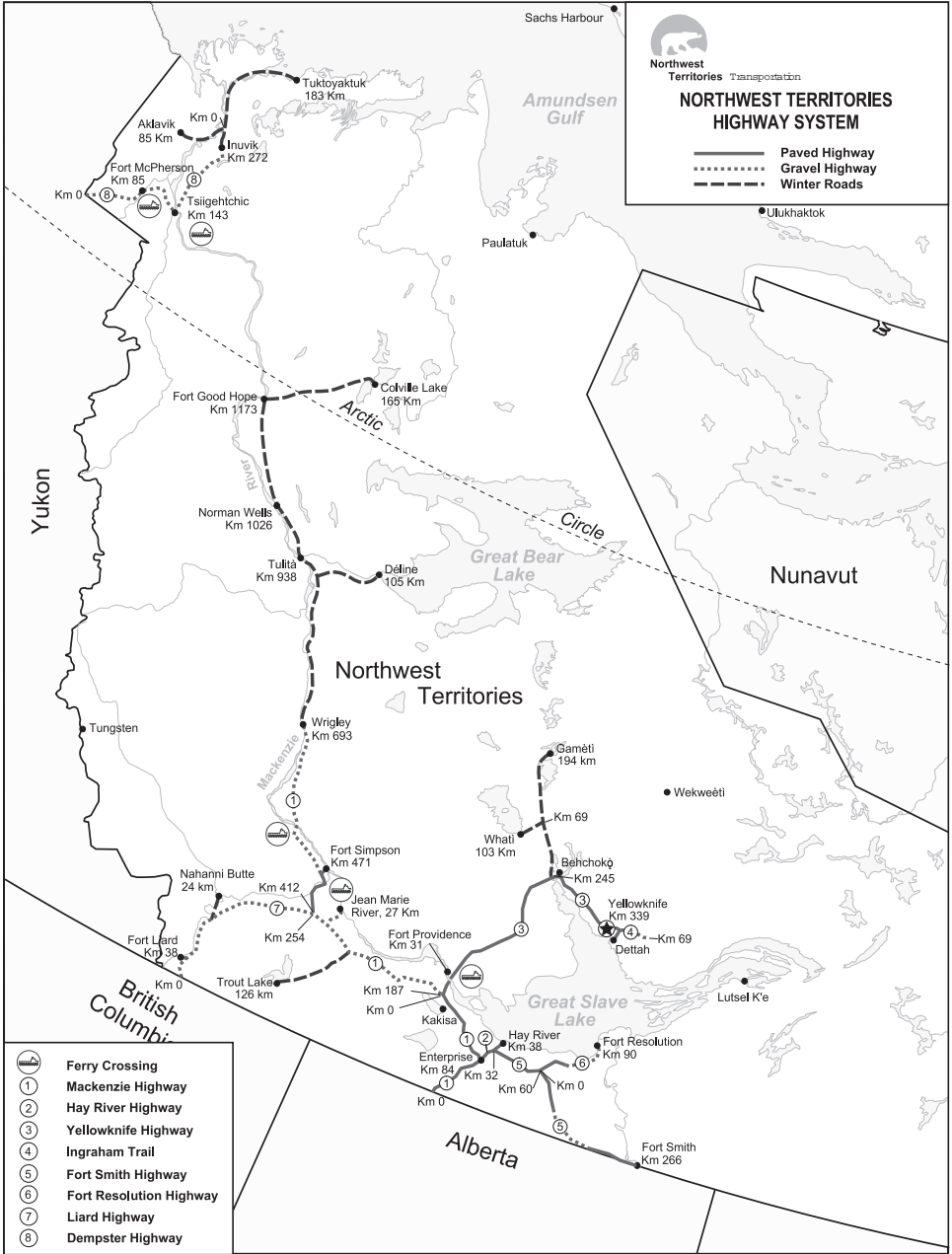
The NWT territorial government currently spends 5.1 percent of its budget on housing. By contrast, the “highest housing spending” Canadian province is Saskatchewan, which spends 1.4 percent of its budget on housing. Moreover, the average for all Canadian provinces and territories is 0.7 percent. To illustrate this dramatic difference, the NWT spends \$1,672 per capita on housing, while the average for the rest of Canada is \$61. Thus, on a per capita basis, the NWT spends roughly 25 times more on housing than the rest of Canada.²⁴

There are significant differentials in building costs, depending on the area of the NWT. It costs roughly \$150 per square foot to build housing in southern areas of the NWT such as Hay River and Fort Smith, and roughly double that amount on the Arctic Coast. There are two main reasons for the substantially higher costs along the Arctic Coast. First, these areas of the NWT have few if any contractors, meaning that contractors typically have to travel there from other areas (see Map below). Thus, both their transportation and accommodation costs must be included in the cost of building. Second, and as can also be inferred from a quick look at the map, freight transportation required to barge materials to the Arctic Coast entail additional costs.²⁵ See map below.²⁶

The average cost of building new housing the NWT is roughly \$205 per square foot. The Housing Corporation typically builds “modest” three-bedroom houses that are roughly 1,000 square feet each – both as public housing units and home-ownership units – meaning that the cost of building a housing unit in the NWT ranges from roughly \$150,000 to \$300,000.²⁷ (It should also be noted that average utility costs for households in the NWT are roughly double the Canadian average. A 2005 study has pegged the annual figure at roughly \$4,300 per NWT household, compared with roughly \$2,100 nationally.)²⁸

The average purchase price of a home in Yellowknife is almost identical to the Canadian average, at just over \$300,000.²⁹ Yet, renting a private apartment in one of the NWT’s regional centres is relatively expensive. Average rent for a two-bedroom private unit in Yellowknife is now almost \$1,500 per month, representing roughly a 50 percent increase in the past decade.³⁰

According to the 2006 Census, 50.3 percent of the NWT’s population is Aboriginal, with 30.8 percent being Dene, 8.7 percent Métis and 10.1 percent Inuit.³¹ Looking at the NWT as a whole, there are important quality of life indicators among and between the different population groups. For example, the unemployment rate for Aboriginal people in the NWT is more than four times greater than for non-Aboriginal people in the NWT. Moreover, an Aboriginal household in the NWT is almost four times as likely to report having more than one person to a room than a non-Aboriginal household in the NWT.³²



There is also an important difference in terms of who lives where in the NWT. Aboriginal people live disproportionately in small communities, where there is a higher proportion of social housing and minimal or non-existent “market housing”, as opposed to the “regional centres” (i.e. Yellowknife, Hay River, Fort Simpson). There is also significantly higher labour force participation in regional centres, as well as lower unemployment rates.³³

When CMHC assesses a household's housing, they use three main benchmarks: adequacy, suitability and affordability. The adequacy standard considers whether the residents of a given household believe that it is in need of major repairs. The suitability standard refers to whether the housing unit in question has an appropriate number of rooms, as defined by the National Occupancy Standards. And the affordability standard refers to whether or not the household can afford housing at less than 30 percent of gross monthly income on housing.³⁴

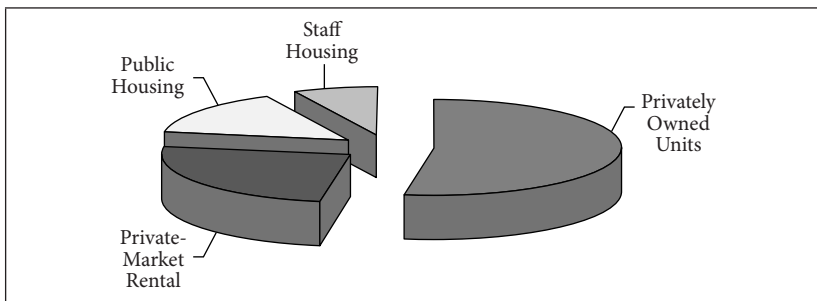
A simple way of thinking about housing for low-income individuals in the NWT is as follows: the housing situation is a little bit worse in the NWT's regional centres than in the rest of Canada, and a lot worse in the NWT's small communities than in the rest of Canada. According to CMHC, 2 percent of Canadian households are living in crowded conditions. The corresponding figure for Yellowknife is 3 percent, while the figure for rural NWT is 8 percent. Likewise, 8 percent of Canadian households live in housing that, according to CMHC, require major repairs; the corresponding figure for Yellowknife is 10 percent, while the figure for rural NWT is 22 percent.³⁵

FORMS OF HOUSING IN THE NWT

There are a total of 14,522 housing units in the NWT. Fifty-two percent of them are privately owned³⁶ (i.e. owner-occupied) – a considerably smaller percentage than the Canadian average of 68 percent.³⁷ Just over 20 percent of all privately-owned units have been created through the NWT's various home-ownership programs.³⁸ As a general rule, privately-owned units in small communities have required considerably more government assistance than in the NWT's regional centres.³⁹ Of the remaining 48 percent of housing units in the NWT, roughly half (6,899) are private-market rental units, roughly one-third (2,249) are public housing units, and 7 percent of the total housing units in the NWT are staff housing.⁴⁰ This breakdown is illustrated in the pie chart below.

It should be noted that the cost to government of public housing is considerably higher per unit than in the case of home ownership. To create and subsidize a public housing unit in the NWT, it might cost government \$2 million over a 50-year period. This includes the cost of both capital and the roughly \$15,000 to \$20,000 required annually by the government for operation (which includes fuel, power and water). In contrast, to support a unit in the home-ownership sector, the government pays only the capital, amounting to a total of \$205,000 per unit (as per the figures provided above).⁴¹

Types of Housing in the NWT



Source: Northwest Territories Bureau of Statistics. 2010. 2009 NWT Community Survey Housing Component: Overall Results Yellowknife: Northwest Territories Bureau of Statistics, January: 14.

As alluded to above, there is not a single unit of “on-reserve” housing administered by INAC in the NWT.⁴² And, interestingly, during annual consultations with staff from the Housing Corporation (where a community’s mix of new units is determined), a handful of small communities have never opted to accept any public housing at all.⁴³ There are two main reasons for this. First, there is a stigma that comes with public housing – a phenomenon that occurs in all North American jurisdictions. Some communities believe that accepting public housing units encourages dependency and have therefore consciously refused to accept public housing units during annual consultations. Second, because of the increased costs associated with subsidizing public housing units versus home-ownership units, many communities have simply chosen to have more units of home-ownership units rather than fewer units of public housing units.⁴⁴

The Housing Corporation also administers roughly half a dozen small-repairs programs in the NWT, most of which are federal programs designed by CMHC. In most cases, the recipient: a) owns and occupies a home that is in need of major repairs; b) is deemed to be in core housing need, as defined by CMHC; and c) receives assistance from one of these funds only once in their lifetime. Over 90 percent of recipients are Aboriginal persons and a disproportionate number are from small communities. Each year, CMHC provides roughly \$495,000 in funding for the federal small-repairs programs being administered by the Housing Corporation, and the GNWT generally contributes approximately \$150,000 on top of that. On an annual basis, between 30 and 40 NWT households typically benefit from the federal small-repairs programs, with each household receiving between \$11,000 and \$30,000. Funds often contribute towards a health and safety matter, such as a new heating system or sewage tank repair.⁴⁵ In addition to this, the territorial government has its own home-repair program, known as Contributing Assistance

for Repairs and Enhancement (CARE), which provides forgivable loans ranging from \$10,000 and \$90,000 to a relatively low-income homeowner (as defined by the aforementioned core need benchmark) to renovate and upgrade their home.⁴⁶ Between 400 and 500 households typically apply for CARE each year, and roughly 60 percent of applicants are approved. The vast majority of recipients are Aboriginal persons and mostly from small communities.⁴⁷ CARE typically provides between \$4 million and \$5 million per year, but provided a total of \$8 million in 2009 as part of the GNWT's stimulus program.⁴⁸ Sometimes CARE assistance is "stacked" onto a federal small-repairs program (meaning that a recipient benefits from two programs at the same time), but this is more the exception than the rule.⁴⁹

There are currently roughly 400 households on the waiting list for public housing in the NWT⁵⁰ – a substantial number in light of the fact that the NWT's total population is just over 40,000. Yet, the fact that a waiting list exists for public housing in the NWT should come as no surprise, as the supply of government-assisted housing in Canada has never kept up with demand, no matter the province or territory.⁵¹

RECENT FUNDING ANNOUNCEMENTS

Following the dearth of federal funding for new units of social housing across Canada throughout most of the 1990s, there have been several federal funding initiatives for social housing over the course of the past decade. The Affordable Housing Initiative (AHI), which began in 2001, has resulted in \$10.65 million in new, one-time federal funding for social housing in the NWT. And, according to CMHC's web site, this represents 344 units of housing in the NWT.⁵² That said, a senior official with the Housing Corporation has stated that, in reality, the AHI was "very insignificant" for the NWT, especially in light of the maximum amount of federal funding that could be used for each unit. In his words, rather than actually creating new housing units with this funding, "we absorbed this into our annual capital delivery budget."⁵³

In May 2006, the federal government allocated \$300 million in one-time funding for social housing units to Canada's three northern territories. This announcement came out of an April 2005 federal budget deal made between then-Prime Minister Paul Martin and federal NDP leader, Jack Layton. The agreement was a condition for NDP support for that year's federal budget.⁵⁴ The NWT's share of this was \$50 million, which was then matched dollar for dollar by the territorial government.⁵⁵ This \$100 million resulted in the creation of 450 housing units, all of which have now been built. Roughly half of them are home ownership units, and the other half consist of public housing units. Interestingly, even this initiative did not result in an overall increase in the NWT's housing stock, as the new units (which were energy-efficient multi-plex units) simply replaced older, detached units.⁵⁶

The 2009 federal budget also announced a one-time commitment of \$59 million for social housing in the NWT, as part of Canada's Economic Action Plan (i.e. economic stimulus). The NWT's territorial government has matched this funding, dollar for dollar. This will result in the creation of 120 new units (a mix of public housing and home ownership units). Some of the funds will be directed toward substantial repairs to existing public and home-ownership units, as well as increased energy efficiency.⁵⁷

ARREARS

Tenants living in public housing units in the NWT pay rent that is assessed to reflect an amount that they can reasonably afford. No tenant in public housing in the NWT pays monthly rent greater than 30 percent of their gross monthly income.⁵⁸ Thus roughly three-quarters of public housing units in the NWT require rent of under \$500 per month.⁵⁹

LHOs have generally been responsible for collecting rent from tenants. A "collection rate" refers to the percentage of assessed rent owed by tenants that ends up actually being paid to their respective LHO on an annual basis. Collection rates vary from year to year and from one LHO to the next. Indeed, some LHOs in some years collect 100 percent of assessed rent, while other LHOs in some years collect none of the assessed rent.⁶⁰ While key informant interviews did not yield a clear answer as to why collection rates can be very low at times, it has been noted that LHOs with the lowest rates of collection also have the lowest-quality stock.⁶¹ Exacerbating this already-challenging process, an administrative change was introduced in April 2006 whereby the assessment of rent on public housing units was transferred from LHOs to the Department of Education, Culture & Employment (ECE). Prior to that move, the Housing Corporation – through its LHOs – had typically collected 90 percent of assessed rent on an annual basis. But during the four-year period during which ECE handled rent assessment, an average of just 77 percent of assessed rent was collected each year.⁶²

According to one key informant, under the "ECE regime," many tenants accumulated tens of thousands of dollars in rental arrears due to the above confusion. If those arrears are not repaid, those tenants will not be allowed to access NWT public housing in the future.⁶³ The assessment process has since been transferred back to LHOs, but not without having caused considerable disruption to tenants, landlords and the NWT's Rental Officer over the four-year period in question.⁶⁴

When asked about the arrears situation in a February 2010 interview, a senior official with the Housing Corporation stated: "Our LHOs have historically collected roughly 90 percent of assessed rent. But there are a handful of, let us say, 'challenging' communities when it comes to arrears. In two of them, the LHO board has made a decision to not pursue people in arrears in any

meaningful way.”⁶⁵ As indicated above, the reason for this is not clear and will be the subject of future research by the present writer.

Exacerbating the problem, according to the same official, is the fact that “many previous [GNWT] Ministers of Housing have been disinclined to put pressure on communities to pay their arrears.”⁶⁶ But an even more revealing statement came from a staff member of an LHO, interviewed in August 2009, who identified the problem of rent arrears as one of a culture of non-enforcement of rental agreements by housing staff, and also of unreported earnings by renters:

When it comes to public housing, there is a cultural divide between LHOs and the Housing Corporation. There is a notion out there that people have traditionally gotten away with paying little if any rent. Rent collection never really was a priority. This contributes to people not paying their rent. HAP [Housing Assistance Program] purchases in the early days were completely free. Eventually, government started charging for them, based on income, anywhere from 10 to 25% of real market value. There's lots of seasonal work. And the seasonal workers are not always diligent about reporting monthly income changes ... I'm an LHO. If I can collect 20% of gross income from a tenant, I'm happy with that. Indeed, lots of LHOs feel that 20–25% of income is fine and are happy with that.⁶⁷

The above quotation reveals a rather deep-seated belief on the part of the official in charge of collecting rent that public housing tenants are charged too much in the way of rent, and that those in charge of collecting rent have rather unrealistic expectations placed upon them. Another key informant identified the problem as one of staffing, adding: “Part of the problem is simply a human resources problem. While Yellowknife or Hay River do not have a problem finding staff, it can be hard in small communities to find people to manage units. It's a thankless job.”⁶⁸

Similarly, as of January 2007, 374 of the Housing Corporation's 460 outstanding mortgages (i.e. 81 percent of them) were in arrears,⁶⁹ meaning that the owner had either not made a mortgage payment in at least six months, or had stopped making mortgage payments altogether.⁷⁰ Indeed, in its 2007 financial statements, the Housing Corporation reported that 88 percent of what it was currently owed in mortgage payments was “probably not collectible.”⁷¹ As is the case with public housing, the present writer was not able to ascertain through key informant interviews just exactly why cases of arrears are so high amongst participants in the home-ownership programs. It is hoped that future research will help shed light on this policy conundrum.

EXPIRING OPERATING AGREEMENTS

As is the case with government-assisted housing for all Canadian provinces and territories, the Government of the NWT receives substantial annual

funding from CMHC. This funding not only funds mortgages – it also funds the actual operation and maintenance of the units. As per past arrangements made with CMHC, annual funding amounts from CMHC have begun to decline and will end all together in 2038.⁷² If the present trajectory continues, a senior official with the Housing Corporation estimates that rent paid by tenants, combined with the current GNWT subsidy, would be able to sustain no more than half of the NWT's public housing stock.⁷³

All Canadian jurisdictions face the above predicament to varying degrees. In effect, the federal government has always placed time limits on its subsidization of housing in Canada. The annual subsidy to a given unit has always had an end point. Historically, CMHC would agree to fund a unit for between 35 and 50 years.⁷⁴ And given that the federal government's involvement in funding new units of social housing began in earnest in the 1960s, those end points have already been reached on some units. Canada's northern territories are in a particularly precarious position. To be sure, more than in other jurisdictions, social housing in Canada's northern territories features high proportions of very low-income households that have been relying on relatively deep monthly rent supplements. As Pomeroy (2006) has argued, this increases the likelihood that social housing stock will be “unviable at expiry,” meaning that they will be unsustainable (for a low-income tenant) without additional funding from an external source, such as the federal government.⁷⁵

All NWT communities outside Yellowknife “have been classified as non-market communities ... [meaning that] houses can only sell for considerably less than their construction cost.” Thus, whereas jurisdictions in southern Canada can deal with expiring operating agreements, at least in part, by selling off social housing units in expensive areas and using the equity “to redevelop new housing in cheaper areas,” this is not as easy in NWT communities, especially outside of regional centres.⁷⁶

One strategy the Housing Corporation has been using with the above in mind has been to sell older, detached units and then use the equity to develop more energy-efficient, multiplex housing units. Such units, while maintaining the same square footage as the older units, have energy-efficient furnaces, better insulation and better windows.⁷⁷

CONCLUSIONS

Relative to the rest of Canada, the context of government-assisted housing in the NWT is indeed unique. Due largely to the mining industry, there is money in the NWT, and the territory is not the have-not region some would think. Moreover, notwithstanding both the high utility costs throughout the NWT and the high cost of building along the Arctic Coast specifically, the one-time capital costs of building housing in the NWT as a whole are not that much greater than in most other parts of Canada. What is uniquely challenging to the NWT vis-à-vis the rest of Canada, however, is high unemployment,

especially amongst members of Aboriginal groups, and most especially in small communities. Indeed, the small communities are where housing problems – especially with respect to overcrowding and the need for major repairs – are the most acute.

While recent federal funding announcements, along with matching contributions from the *GWNT*, have allowed the Housing Corporation to replace old housing stock with newer units, the overall number of government-assisted units remains unchanged, which does not bode well for the 400 *NWT* households currently sitting on waiting lists for public housing. But, as the annual federal contributions diminish, it ought to be emphasized that this represents an opportunity to recommit. Indeed, if the federal government chooses to see its reduced annual expenditures on social housing as net savings and then invests this savings into supporting already-existing public housing in the *NWT*, those very units can remain viable. As Pomeroy (2006) argues:

These assets have already been paid for. It is far less expensive to invest in sustaining them than it is to replace them with new housing. That is not to say that the stock of affordable housing should also not continue to be expanded.⁷⁸

In the post-World War II era, the federal government was embarrassed into helping *NWT* residents meet basic social needs, as the international spotlight highlighted the fact that Ottawa was neglecting the North. The federal government had little choice but to step up its efforts to meet social needs.⁷⁹ As the Harper government vies for a physical presence in North in an effort to make the most of geopolitical opportunity, history may repeat itself. Overcrowded housing and units in disrepair can exist when nobody is watching, but they can become glaringly obvious in the spotlight of an international race for access to oil and minerals.

APPENDIX: REFERENCES FOR KEY INFORMANT INTERVIEWS

• Informant 3 (I3)	18 August 2009	In Person
• Informant 14 (I14)	26 August 2009	In Person
• Informant 16 (I16a)	27 August 2009	In Person
• Informant 16 (I16b)	17 January 2011	Telephone
• Informant 16 (I16c)	18 Jan 2011	Telephone
• Informant 21 (I21)	15 February 2009	In Person
• Informant 22 (I22)	16 February 2010	In Person
• Informant 26 (I26a)	18 February 2010	In Person
• Informant 31 (I31a)	23 February 2009	In Person
• Informant 31 (I31b)	1 October 2010	Telephone
• Informant 41 (I41)	28 September 2010	Telephone
• Informant 43 (I43)	28 December 2010	Telephone
• Informant 44 (I44)	14 January 2011	Telephone

NOTES

- 1 This research is part of a multi-year research project funded by the Social Sciences and Humanities Research Council of Canada. Dr. Frances Abele is Principal Investigator on the research study, and Arlene Haché is Co-Investigator.
- 2 Rob Huebert, 2009. "Canada and the Changing International Arctic: At the Crossroads of Cooperation and Conflict," in Frances Abele, Thomas J. Courchene, F. Leslie Seidle and France St-Hilaire (eds.) *Northern Exposure: Peoples, Powers and Prospects in Canada's North*. Montreal: Institute for Research on Public Policy, 77.
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- 4 Ms. Julia Christensen (McGill University). For more on Christensen's work, see Julia Christensen, "'Everyone wants to have a place': homelessness, housing insecurity and housing challenges for single men in the Northwest Territories, Canada." In Proceedings of the International Congress on Circumpolar Health 14. Yellowknife: Institute for Circumpolar Health Research, 56–60.
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- 6 R. Huebert. "Canada and the Changing International Arctic," 79–80.
- 7 F. Abele, T. J. Courchene, F. L. Seidle and F. St-Hilaire. "The New Northern Policy Universe," 565–566.
- 8 R. Huebert. "Canada and the Changing International Arctic," 92.
- 9 Frances Abele, Arlene Haché and Nick Falvo, "Homeless in the Homeland: A Growing Problem For Indigenous People in Canada's North," *Parity* 23, Issue 9 (November 2010).
- 10 Hal Logsdon and Debbie Seto, "Housing and Northern Lifestyles: An Historical Overview," 1992, in Rick Riewe and Jill Oakes (eds.). *Human Ecology: Issues in the*

North Edmonton: Canadian Circumpolar Institute and Faculty of Home Economics, University of Alberta, 81.

11 I3.

12 Andrew Webster, *Homelessness in the Territorial North: State and Availability of the Knowledge*. Report Prepared for the Housing and Homelessness Branch, Human Resources and Social Development Canada. Ottawa: MaxSys Staffing-Consulting. October 26, 2006.

13 Office of the Auditor General of Canada, *Northwest Territories Housing Corporation* February 2008, 4.

14 Webster, *Homelessness in the Territorial North*, 18.

15 Luigi Zanasi, *Discussion Paper on Expiry of Federal Funding for Social Housing: Implications for the Territorial Housing Corporations*. Whitehorse: Yukon Housing Corporation, Northwest Territories Housing Corporation and Nunavut Housing Corporation. January 17, 2007, 3.

16 A. Webster, *Homelessness in the Territorial North*, 18.

17 Office of the Auditor General of Canada, *Northwest Territories Housing Corporation: Public Housing and Homeownership Programs*, February 2008, 1–5.

18 I14.

19 I16c.

20 According to a senior official with the Housing Corporation, forgivable loans are given instead of grants because the former offer recipients more favourable tax treatment (I16c).

21 I16c. PATH participants must have not owned a house in the five years prior to application. For more on the path program, see www.nwthc.gov.nt.ca.

22 HELP participants can have up to \$5,000 in public housing arrears when they begin the program (I16c).

23 Two points should be noted about both PATH and HELP. First, participants in both programs must have lived in the NWT for at least three years, including one full year in the community from which they are applying. Second, the vast majority of participants are Aboriginal persons, and mostly from small communities. For more on both programs, see www.nwthc.gov.nt.ca.

24 L. Zanasi, *Discussion Paper*, 5–6.

25 I31b.

26 Written approval for use of this map has been granted by the Department of Transportation (Government of the Northwest Territories).

27 I31b.

28 Canada Mortgage and Housing Corporation, “Chapter 7: Northern Housing,” *Canadian Housing Observer 2008*. Ottawa: Canada Mortgage and Housing Corporation. 2008, 72.

29 fsc Architects & Engineers, *Creating Housing Affordability for the City of Yellowknife, Project # 2009–0150*, October, 2009, 13.

30 Canada Mortgage and Housing Corporation, *Rental Market Report: Yellowknife Highlights Housing Market Information*, Fall. Ottawa: Canada Mortgage and Housing Corporation, 2009, 3.

- 31 Another 0.3 percent of respondents fall under the category of “Multiple Aboriginal responses,” and 0.4 percent identify as “Other Aboriginal responses.” nwt Bureau of Statistics, *Population by Aboriginal Identity and Age Group: Northwest Territories, 2006 Census*. Yellowknife: nwt Bureau of Statistics.
- 32 Frances Abele, “Northern Development: Past, Present and Future,” in Frances Abele, Thomas J. Courchene, F. Leslie Seidle and France St-Hilaire (eds.), *Northern Exposure: Peoples, Powers and Prospects in Canada's North*. Montreal: Institute for Research on Public Policy, 2009, 55.
- 33 F. Abele, T. J. Courchene, F. L. Seidle and F. St-Hilaire. “The New Northern Policy Universe,” 571.
- 34 For more on this, see cmhc. 2010. *Canadian Housing Observer 2010* Ottawa, cmhc.
- 35 L. Zanasi, *Discussion Paper*, 4.
- 36 Northwest Territories Bureau of Statistics, 2010. 2009 nwt Community Survey Housing Component: Overall Results Yellowknife: Northwest Territories Bureau of Statistics. January: 14.
- 37 cmhc, *Canadian Housing Observer 2010*, A–11.
- 38 I16a.
- 39 I31b.
- 40 Northwest Territories Bureau of Statistics, 2010. 2009 nwt Community Survey Housing Component: Overall Results, Yellowknife: Northwest Territories Bureau of Statistics. January.
- 41 I31b.
- 42 L. Zanasi. *Discussion Paper*, 3.
- 43 They are Colville Lake, Enterprise, Trout Lake, Kakissa Lake, Jean Marie River, Wekweet, Nahani Butte and For Liard (For Liard does, however, have 20 third-party housing units as well as some co-op housing units). None of these communities has a population of more than 200 people (I16a).
- 44 I26a. A community is typically presented with a certain number of “federal housing units” each year. Each such “unit” could yield for the community either one unit of public housing, or two home-ownership units. In effect, staff from the Housing Corporation would say to the community: “You have 10 federal housing units this year. What do you want your mix to look like (I26a)?”
- 45 I44.
- 46 The home must be their principal residence, and the applicant must have lived in the nwt for at least three years (including one full year in the community from which they are applying). For more on this, see: www.nwthc.gov.nt.ca.
- 47 I16c.
- 48 I31b.
- 49 I44.
- 50 L. Zanasi, *Discussion Paper*, 20.
- 51 For more on this general topic, see Don Drummond, Derek Burleton and Gillian Manning, *Affordable Housing in Canada: In Search of a New Paradigm*. TD Economics Special Report, June 17, 2003.

- 52 See “National AHI Funding Table” at http://www.cmhc-schl.gc.ca/en/inpr/afhoce/fias/fias_016.cfm.
- 53 I31a.
- 54 The deal also included \$300 million in new, one-time federal funding for off-reserve Aboriginal housing, as well as \$800 for social housing generally. For more on the deal, see CBC News, “PM shells out \$4.6B for NDP’s support,” April 27, 2005.
- 55 Canada Mortgage and Housing Corporation, 2008, “Chapter 7: Northern Housing,” 73–74. The Yukon also got \$50 million of this, while \$200 million went to Nunavut. The NWT was the only territory to match their share, dollar for dollar, with funding from the territorial government (I31a).
- 56 I31a.
- 57 I31a.
- 58 I3.
- 59 Northwest Territories Bureau of Statistics, 16
- 60 Office of the Auditor General of Canada, *Northwest Territories Housing Corporation*, 11. This is not a new development in the NWT. Indeed, in the 1980s, the Housing Corporation estimated that 70 percent of participants in the Rural and Remote Housing Program were in arrears (Robert Robson, “Housing in the Northwest Territories: The Post-War Vision” *Urban History Review / Revue d’histoire urbaine* Vol. XXIV, No. 1 (October 1995), 17.
- 61 I31b.
- 62 I31b.
- 63 I21a.
- 64 For more on this, see the Rental Officer’s Annual Reports from 2006 through to 2009: http://www.justice.gov.nt.ca/RentalOffice/rentaloffice_reports.shtml
- 65 I31a.
- 66 I31a.
- 67 I22.
- 68 I3.
- 69 Office of the Auditor General of Canada, *Northwest Territories Housing Corporation*, 14.
- 70 I41.
- 71 Office of the Auditor General of Canada, *Northwest Territories Housing Corporation*, 14.
- 72 Office of the Auditor General of Canada, *Northwest Territories Housing Corporation*, 4.
- 73 I31a.
- 74 I43.
- 75 Steve Pomeroy, *Was Chicken Little Right? Case Studies on the Impact of Expiring Social Housing Operating Agreements*. Prepared for the Canadian Housing and Renewal Association, in association with Garry Charles, Allan Gaudreault and Paul Connelly June 2006, 2.
- 76 L. Zanasi, *Discussion Paper*, 14.

77 I31a.

78 Steve Pomeroy, *Was Chicken Little Right?* 48.

79 A. Webster, *Homelessness in the Territorial North*, 76.