

What's the Value of the Nonprofit Housing Sector, anyway? **Rhetoric, Policy, and a Peek at the Numbers**

By Dianna Hurford

At both federal and provincial levels, a shift in values is affecting non-profits. Negative comments about social housing by Premier Campbell and Housing Minister Rich Coleman suggest social housing is “not worth the money.”

When considering housing as part of the bigger picture, an investment in good quality affordable housing not only builds an asset, but it also yields savings in other policy areas such as health, education, immigration, corrections and income security. (Eberle, 2001; Pomeroy, 2005) Numerous studies show that people who are inappropriately housed (including persons who are homeless) cost society thousands more dollars than those that have been given access to safe, affordable housing. (Eberle, 2001) Non-profits work to house and to connect vulnerable members of society with health and social services before costly emergency services are needed.

A comparison study on the role of the non-profit sector in Canada and the United States by Peter Dreier and J. David Hulchanski sheds some further light on what the non-profit sector has contributed to quality of life in Canada. Although American and Canadian housing policy were very similar before the 1970's, the US relied on the private sector to provide affordable housing. The study found that this approach resulted in a highly unstable low-rent housing stock in highly concentrated low-income urban areas: “At the bottom end, many subsidized units were thinly capitalized and badly managed; many were abandoned by their owners.” (Dreier, 1993) Low-income neighbourhoods could be characterized by high concentrations of crime, low levels of education, and little if any social or health support services.

In contrast, the Canadian policy approach to affordable housing focused on creating a stock of non-market affordable housing integrated throughout various suburban and urban neighbourhoods. Emphasis was placed on allowing local and special-needs groups to direct the allocation of housing units. What resulted was a permanent stock of high quality, affordable housing developed and managed by a skilled, community-based, non-market housing sector. (Dreier, 1993)

The non-profit housing sector in BC is made up of 918 developments totalling almost 30,000 units. The *BC Housing/BCNPHA Survey of Health and Social Support Services* indicates that 37% of non-profit housing providers are assisting groups at-risk of homelessness, 28% are assisting those with a history of evictions, and 7% are assisting at-risk youth.

The majority of our members have experienced an increase in health service needs (78%) and social service needs (82%). Over 62% of housing providers with “housing only” mandates are dedicating additional staff time and resources to tenants with complex needs such as mental health, addictions, and social services. Out of the over 200 initiatives using staff resources to address tenant needs, more than 100 relied on volunteers and 165 involved an outside agency or group.

In the current environment of short-term, project specific funding, funders often fail to recognize non-profit housing providers as effective developers and managers with the ability to succeed at innovative risk-taking. (Scott, 2003) When it comes to evaluating the

successes of the non-profit sector, external factors such as decreases in government funding, changing priorities, and increases in the complexity of tenant housing and support needs are often ignored.

Apparently, it's no longer enough to say—without using quantitative measurements—that the non-profit and voluntary sector “play a critical role in promoting active citizenship, supporting economic and community development, and advocating on behalf of diverse communities and causes” (Scott, 2005). Nor to say that “non-profit and voluntary organizations act as the conscience of our communities...remind[ing] us of what is happening to people who are left out or treated unfairly.” (Scott, 2003)

Challenges to communicating the financial benefits non-profits contribute to the greater community have been acknowledged: “The non-profit sector faces a much tougher time [than businesses] calculating its return on investments, given that its very nature precludes the possibility of generating a profit.” (Zummach, 2002) However, some tools and methodologies have been developed for non-profits to identify and track the financial benefits they provide to society.

Let's take a peek at some existing numbers to illustrate the positive fiscal contributions of non-profits to date:

- The GDP of the core non-profit sector was approximately \$25.4 billion in 2001, contributing more than the industries of vehicle manufacturing; agriculture; mining, oil and gas extraction; and retail trade. Between 1997 and 2001, non-profit development and housing accounted for 12.9% of the GDP and increased at an annual average rate of 7.1% (the average for the economy as a whole was 6.1%.) (Statistics Canada, 2005)
- The core non-profit sector also mobilized over 86% of the total value of volunteer work in 2000, reflecting the key importance of this resource to smaller organizations. Volunteers contributed \$14billion dollars in labour in 2000, more than twice the amount of private donations. (Statistics Canada, 2005)
- In BC, non-profits providing housing and services to persons who are homeless save the province between \$2,000 and \$18,000 per person over the costs associated with continued homelessness. (Eberle, 2001)
- In terms of property values, the addition of non-profit housing in the neighbourhood has been shown to increase surrounding property values as much if not more than similar market-only neighbourhoods. (Province of British Columbia, 1996)

Most if not all of our members are operating on decreased revenues, particularly in the area of maintenance budgets. Yet in the big picture we are thriving. Excellent business practices including financial and operational management, innovation and diversification, and the creation of partnerships have kept the sector alive and well in a time of funding limitations. These results indicate not only an invaluable social investment, but a valuable economic investment as well.

BCNPHA is currently strategizing ways to reassert the value of our members in both the government and public eye. One of the ways of doing that is to make the social and

economic value of nonprofits more visible. We continue to correspond directly with government and the media, drawing attention to our efficient management and our value as a community asset.

We are also re-examining our relationship with government. With over two decades of experience and expertise in meeting local housing needs and building sector capacity, we are less dependent on government funding. As a sector, we contribute billions of dollars to the economy, an amount that's increasing year after year. (Statistics Canada, 2005)

If members walked away from their properties tomorrow, there would be an irrecoverable loss of resources and revenue to the federal, provincial, and local economies. Reigniting a sense of value for the sector is perhaps one of the first things we can do to prevent that from happening.

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