



Housing Justice Dialogue #1

New Models of Adequate Housing Delivery

Thursday, April 10, 2014
8:30 a.m. – 10:00 a.m.
Boardroom , SFU Woodward

The Housing Justice Project is a three-year university/community research and action plan funded by the [Peter Wall Solutions Initiative](#) out of the University of British Columbia. More information about the Housing Justice Project can be found at www.housingjustice.ca.

On April 10th, 2014 an informal forum was held to gather perspectives on new models of housing delivery that involve non-profit housing societies. It is clear that, given reduction of government support for housing, new models for delivering non-profit housing are needed. In light of this, the purpose of the Dialogue was two-fold. First, importantly, the Dialogue served as an opportunity for those providing and administering non-profit housing in Metro Vancouver to focus on innovative solutions to housing delivery in Vancouver. Second, the dialogue generated key insights about reform of housing policy and law necessary to addressing the shortage of adequate housing in Vancouver. Discussion points from this dialogue will inform the Project's research going forward and will be used in the development of policy alternatives for municipal, provincial and federal levels of government.

The Dialogue brought together important stakeholders involved in the provision of non-profit housing. The dialogue began with short presentations on three innovative housing projects being developed in Vancouver, Richmond and Montreal (see Appendix 1). These presentations were followed by discussion around the following questions.

- 1. What other strengths, weaknesses, opportunities and threats can you see from the models presented?*
- 2. What other models are useful to look at?*
- 3. These models focus only on new development. What models are needed to address the upgrading of existing housing?*
- 4. What role can municipalities play in working with non-profit housing societies?*
- 5. What distinctive features do non-profit housing societies possess that make them strategic or better providers of housing? What about disadvantages?*



Summary of Key Themes and Issues

A. The Future of Collaborative Models

Partnerships vs. Competition:

Participants praised the notion of partnerships between non-profits and co-ops, noting that historically such organizations have been in competition with one another for funding dollars, or as one participant called it “a shrinking piece of the pie”. Developers are also seen to be in competition. With increasingly less funding, it has become important to find partnerships and achieve economies of scale: to “see each other as partners and not as threats”. However, down the road, there will be challenges with the stewardship of assets as well as ensuring collaborative mandates are complementary for each involved organization.

The Role of Municipalities:

Municipalities are struggling at the staff level to adjust to new and extended roles in housing provision, given federal and provincial pull out. Part of the strategy to encourage collaboration is to create Request for Proposals (RFPs) that highlight partnership as a requirement. However, municipalities cannot act the same way BC Housing or senior levels of government can. For example, they cannot be a guarantor of construction (i.e. leaky roofs), or formally meet on the expiry of operating agreements.

Funding Affordable Housing:

There was general affirmation that collaborative models are a viable alternative for current and future housing delivery. However, funding was still a concern. The workshop outlined some collaborative mechanisms included new funding programs by municipalities and senior levels of government (i.e. Affordable Housing Reserve, Homelessness Partnering Strategy). However, primary collaboration will be between municipalities and non-profit housing providers. There was great interest in the Community Land Trust model. Generally, collaborative developments hope to ensure that a portion of units are rented at shelter rates.

Managing Development:

It was noted that collaborations require extra time and patience, given that decision making amongst partners and their boards is necessary. In the case of the Richmond project, Turning Point Society acted as administrative liaison between the City and the other housing societies involved with the project. Cities are concerned with delivering a high number of units and demand that non-profits come to the table with substantial development knowledge and capacity. From a scale perspective there is sometimes a need for a mix of units (ownership and management through different providers), but time and money also need to be saved. Collaboration must thus meet the demand of monetary and time efficiencies. Moving forward, the challenge will be to create a community table with one point of contact, while accommodating multiple partners with different missions and mandates. Consolidation and growth in the sector are desired future outcomes.



Operating Costs and Agreements:

Two thirds of the province's non-profit societies operate only a single building. Once operating agreements expire, many societies will have to take on a portfolio approach. This calls for more consolidation within the sector, but demands that it be done so in a way such that consolidation isn't forced. Generally speaking, smaller operators may be more responsive to community needs; it would be beneficial to find ways in which smaller society strengths are preserved while achieving economies of scale.

Managing Units:

Workshop attendees were eager to learn, but also concerned, about the potential of building projects with multiple landlords, strata titles, and operating agreements. While this model achieves collaboration and partnership-building between multiple housing societies, it was noted that this arrangement is not the most efficient to reach an "economy of scale".

Creating Buy-In from Development Sector:

The role of developers was brought up numerous times. It was suggested that the corporate sector could make certain forms of affordable housing (i.e. container housing) more appealing to create buy-in. Mixed-income models with rent differentials (i.e. Common Ground in NYC) were highlighted as a particular model to promote.

B. Green Technology and Affordable Housing

Learning from and Improving Green Technology:

A common concern was that multi-unit projects employing innovative technologies often face both operation challenges given unit occupants' unfamiliar with new technology as well as technological problems (i.e. geothermal systems). This has been observed in "green" housing projects across the country. Participants mentioned that it is no longer acceptable to adopt non-working technology, particularly for vulnerable (low income) tenant groups. Cities will not be able to require green technologies to be implemented without some concrete learning on the specific implementation issues that are revealing themselves on such a large scale.

Green systems must be designed, installed, and maintained perfectly. Most buildings are designed in isolation, given the market needs of architectural and engineering firms. While it was agreed that the challenge moving forward is not whether or not to do green projects, it is about how to better communicate with residents, as well as engineers and builders. Operators and tenants end up confronted with less than ideal mechanical and electronic systems and functional space programming. These outcomes lead to expensive features that are not used and that involve repair soon after construction.

It was noted that the key to improving affordable housing projects that incorporate green technology would be to more closely monitor the existing developments to learn from successes as well as shortcomings. This would result in improvement of building and technological design and knowledge transfer in the development process. Documenting architectural lessons learned would also build a knowledge base to inform subsequent developments. A reminder was also given that, while problems of buildings create stress in the initial years, particularly for the first occupants of units, in contrast with the building's lifespan, such problems are solved within a



very short time. However, low income tenants are less able to ride out such problems pending their solution. It was suggested that energy service provider model could be followed for green technology operation.

C. The role of Public Housing

The end of the workshop touched upon the nuances of public, non-profit, and social housing. Traditionally, public housing was developed under federal funding programs, directly managed by BC housing. These public housing units will be devolved into the non-profit sector as federal operating agreements and funding expire. It is unclear whether or not non-profits are interested in taking on the public housing stock, as major upgrades are needed. This sparked discussion of the issue of redevelopment of public housing. Capital maintenance funds for public housing compete with non-profit housing. Further, there are issues about who is housed when public housing is redeveloped. However, it was argued that other countries with large amounts of public housing are devolving such units to the non-profit sector. On one hand, the non-profit sector is seen as a community-focused “third way”, while, on the other, this can be interpreted as a way that government has cut back on its social responsibilities.

D. Future Actions:

Future topics and projects regarding affordable housing models that the group would like to discuss or see include:

- Support for organizations that intend to build and open high-rise supportive housing developments. Interviewing key informants including non-profit housing leadership and front line workers operating these sites would be valuable;
- Enlarge the conversation: perspectives from corporate sector, architects, engineers, builders/developers, and contractors;
- Learning from past mixed-income models, such as the Woodward building, to assess replicability;
- A larger conversation around expiring operating agreements;
- Explore affordable home ownership models;
- Increased comparison between capital and operating costs per unit, making it easier to benchmark projects.
- The future of redeveloping public housing – who gets housed?



E. Participants:

Participants

1. Abi Bond – City of Vancouver
2. Bernadette Mah – Peter Wall Institute for Advanced Studies
3. Bill Briscall – RainCity Housing
4. Dennis Carr – City of Vancouver
5. Doreen Mayer – Luma Native Housing Society
6. Elizabeth Ballantyne – Vancouver Planning Commission
7. Hannah McDonald – SCARP UBC Student
8. Jill Atkey – BC Non-Profit Housing Association
9. Michael Mychajlyszyn – Henriquez Partners
10. Peer-Daniel Krause – SCARP UBC Student
11. Rob Turnbull – Street to Home
12. Shelly Hill – Vancouver Native Housing Society
13. Thom Armstrong – Coop Housing Federation of BC

Notetaker/Presenters

14. Camila Contreras-Leon – SCARP UBC Student - Presenter
15. Camille Lefrancois – SCARP UBC Student - Presenter
16. Kristen Patten – SCARP UBC Student - Presenter
17. Tamara White – SCARP UBC Student - Notetaker
18. Maureen Mendoza - SCARP UBC Student - Notetaker

Facilitators

19. Penny Gurstein - SCARP/Housing Justice
20. Margot Young – UBC Law/Housing Justice



Appendix 1: Case Studies

What follows are three models of housing provision that extend the potential and effectiveness of the non-profit housing sector. These models have been researched by planning students at SCARP, UBC. Each model is accompanied by a SWOT or another analysis, which identifies the strengths, weaknesses, opportunities and threats unique to the particular housing model. There are a number of features distributed across these models that are worth highlighting for discussion:

1. Mobilization of community assets and partnerships;
2. Enhancement of municipal capacity to provide affordable housing through leveraging city assets;
3. Multi-agency partnerships by non-profits with other non-profits and the private and public sectors;
4. Sustainable design incorporated into affordable housing construction;
5. Creative funding agreements for financing both capital and operating costs (portfolio approach); and
6. Diversity of tenures and target populations.

Case Study #1: Collaboration and “Future Proofing” Model - Montreal, Quebec Researcher: Camille Lefrancois, MA Student, SCARP

Name of Development: Le Coteau Vert et Un Toit pour Tous

Target: 95 co-op housing units (for large families, 3-5 bedrooms); 60 non-profit housing units.

Partners:

- Le Coteau Vert (Co-operative Housing Association)
- Un Toit Pour Tous (Non-profit Housing Society)
- Bâtir son quartier (Technical Resources Group)
- L’œuf (architect)

Tools used: City financing development; city land.

Summary: This case study examines an innovative project that brought together a non-profit and a co-operative to build a housing complex. Key to this complex were high environmental standards. The collaboration between “Un Toit pour Tous” and “Le Coteau Vert” led to the construction of 95 co-op family housing units and 60 affordable housing units a few footsteps from a metro station in Montreal. The tight collaboration between the two organisations and other partners (including the City of Montreal, CMHC and Société d’habitation du Québec) enabled attainment of important objectives focusing on quality of life and sustainability.

Capital Costs: \$23,792,216 for the non-profit and coop housing units, as well as the shared semi-private courtyard and activity room.

Municipal contribution: Land.



Rent/Housing Costs: Half of the units (both for the non-profit and co-op units) are subsidized for the residents allowing them to pay a set 25% of their income towards housing; the other half of the units is a little under current market rent, at 95% of the median rent.

Case Study #1 – SWOT

<p>Strengths:</p> <ul style="list-style-type: none"> • A strong alliance between a non-profit and a housing co-op. • Innovative ideas, well presented to potential funders: the project led to the creation of a new funding program by Quebec province. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Costly problems: Some systems installed were more costly than expected (e.g. geothermal) and required more maintenance. • Coordination was a challenge between various actors.
<p>Opportunities</p> <ul style="list-style-type: none"> • Municipal site was one that the city wanted to redevelop next to a metro station. • Architect had previous experience with sustainable design. 	<p>Threats</p> <ul style="list-style-type: none"> • Inflexible funding programs: the group faced many difficulties in getting the financing for their “future proofing” component. • Some green technologies are complex and still in development.

Case Study #2: Multi-Agency Model

Richmond, British Columbia

Researcher: Kristen Patten, MA Student, SCARP

Name of Development: 8111 Granville/8080 Anderson Road

Target: 129 units

Partners:

- 6 Non-profit partners: Turning Point Housing Society; S.U.C.C.E.S.S; Coast Foundation Society; Tikva Housing Society; Atira Women's Resource Society; and Canadian Mental Health - Pathways Clubhouse. Each of the non-profit partners will contribute equity to the project, for a combined total of \$1,950,000
- City of Richmond
- BC Housing: construction financing and mortgage
- Government of Canada: \$1 million funding through the Homelessness Partnership Strategy

Tools used: Inclusionary zoning; density bonusing; land-lease; “Affordable Housing Value Transfer”

Summary: A multi-agency housing initiative in Richmond is a first in BC, bringing together six non-profit agencies to provide and manage 129 units of affordable housing for low to moderate income residents with community amenity space co-located on site. The project is attracting significant attention because of its multi-agency model - the completed building will be strata titled and each agency will own and manage its own units within the building. Key factors in the



initiative have been the combined equity of non-profit and government partners, and, in particular, the City of Richmond's use of inclusionary zoning and density bonusing to transfer the value of built units from two specific developments into a significant capital contribution to the project.

Capital Costs: \$43 million includes housing units, community amenity space, social enterprise space and non-profit offices

Municipal contribution: \$26,361,021 capital funding and lease of city-owned land (\$6.5 million estimated land value) for 60 years and technical staff support.

Rent: Rents vary according to the unit size, income of the resident, and policy of the non-profit society that owns and manages the particular unit. Maximum rents set by the City of Richmond are \$850 per month; however, non-profit agencies are also working collectively and independently to raise capital funds in an effort to keep rents to as close to shelter rates as possible.

Case Study #2 – Evaluation Matrix

Strengths and Opportunities	Challenges	Critical Success Factors
<ul style="list-style-type: none"> • The combined equity of non-profits and various government partners has meant rents can be kept at affordable levels. • Collaborative relationships have been strong, facilitating shared decision-making with relatively low levels of controversy. • Synergy has emerged from working together such as sharing knowledge and resources, and collective approaches to fundraising. • Tenants will be connected to non-profits who are each committed to, and have expertise in, meeting the needs of their diverse tenants. 	<ul style="list-style-type: none"> • Precedent-setting approaches inevitably generate complex issues and require additional time to work through unanticipated challenges; at the same time, they can offer multiple benefits. • Working with six agencies increased complexity in multiple ways including finalizing legal agreements, making decisions, and building design. 	<ul style="list-style-type: none"> • Funding from non-profits and multiple levels of government (in particular City of Richmond). • Leadership and commitment to providing affordable housing from governments and non-profits involved were key to a complex collaboration. • Taking time by the non-profits to develop an MOU and a Joint Venture Agreement was vital to cementing relationships. • The strength of the team (non-profits, planning staff, architects, contractor, designer, development consultants, etc.) was essential to success.



**Case Study #3: Community Land Trust and Portfolio Model
Vancouver, British Columbia
Researcher: Camila Contreras Leon, MA Student, SCARP**

Name of Development: To be announced. There will be four separate sites, all under the Community Housing Land Trust Foundation.

Target: 358 units.

Partners:

- Community Land Trust Foundation
- Co-op Housing Federation of BC (CHF-BC)
- Fraserview Co-operative
- VanCity Credit Union
- Non-Profits: Katherine Sanford Housing Society; Tikva Housing Society

Tools used: City land (under the “More Homes, More Affordability” program); CHF BC used its existing Land Trust Foundation; Portfolio; Joint equity funding.

Summary: This case study focuses on Community Land Trusts as a model for the creation of affordable housing in the City of Vancouver. In May 2013, the city approved the development of 355 new affordable housing units on four city-owned sites to be led by the Community Housing Land Trust Foundation (the Land Trust), part of the Co-op Housing Federation of BC. This new development will provide homes for low-income individuals, people living with mental illness, and low and middle-income families. The City has leased the land to the Land Trust essentially for free, greatly reducing the cost of the project. The Land Trust has brought together a group of co-ops and non-profit organizations to operate the different housing sites. The housing projects themselves will be financed by money raised by the non-profits, by generating income from some units renting at just below market rate, and from selling leasehold interest to commercial spaces. The Community Land Trust model has the potential to create more sustainable affordable housing stock in the city by allowing housing built on that land to be permanently affordable.

Capital Costs: \$108 million includes all units and commercial space on the four sites.

Municipal contribution: City land was given for a nominal fee and development fees were waived, but no further contribution is necessary.

Rent: This has not been finalized and the rental cost will vary per unit, per building. Some units will be just below market rental, while some will be at welfare’s rate. There will be range of rents between these two levels to meet varied needs.

Case Study #3 - SWOT



<p>Strengths:</p> <ul style="list-style-type: none"> • The Community Land Trust model guarantees that housing on this land will be affordable in perpetuity. • The project is self-sustaining. No subsidies are needed to fund operations or make the rents affordable. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Given there are few similar models of Community Land Trusts in Canada and none that seek to operate in the same way makes it difficult to foresee potential pitfalls, since there is no shared community of prior experiences. • Three of the four sites are in the East Fraserlands area, which is not well served by transit. • Most Community Land Trusts usually form partnerships with the local community, and have community involvement in their operation. To date, this has not occurred. • The low cost land and start-up funding in order to be successful which could be a barrier to future Land Trust projects.
<p>Opportunities</p> <ul style="list-style-type: none"> • The rents generated by the four sites will create a surplus that the City and Land Trust will split and that will be used to create more affordable housing in Vancouver. 	<p>Threats</p> <ul style="list-style-type: none"> • The development agreement has not signed yet. It will likely be signed next month, but until that happens the City could pull out of the project completely.

Some Shared SWOTS Across All 3 Models

<p>Strengths</p> <ul style="list-style-type: none"> • Multi-agency collaboration, bridging private and public sectors reflecting high-quality organizational capacity. • Municipal commitment with land or land-lease provision. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • All levels of funding and financing (capital + operating) must be secured; may be difficult to negotiate. • Co-ordination challenges during all levels of development.
<p>Opportunities</p> <ul style="list-style-type: none"> • Sustainable design incorporated into affordable housing construction. • Rental housing linked with transit. • Potential for land-lease and community land-trust models. 	<p>Threats</p> <ul style="list-style-type: none"> • “Unproven” models may not be desired for certain municipalities. • Potential expiration of land leases. • Other municipalities/provinces have lower land costs. • Renewal vs. replacement debate.