Affordable Housing Partnerships:

Lessons for Melbourne’s Transforming Housing Project from Portland, Vancouver and Toronto

A BACKGROUND REPORT FOR
TRANSFORMING HOUSING
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Summary

Transforming Housing is a Melbourne action research partnership facilitated by the University of Melbourne, involving local and state government, private and non-profit developers, private and philanthropic investors, and affordable housing advocates. The current focus of the research is on exploring options in terms of better policy and investment mechanisms, in order to move partners towards actions. The next stage of action research is intended to test out affordable housing innovation prototypes in 4-6 demonstration projects, within the rubric of an International Affordable Housing Solutions Competition.

The purpose of this paper is to summarize how affordable housing partnerships in three cities with similar planning regimes, population pressures, affordability dilemmas, and housing typologies, are developing innovative approaches, and derive lessons from these partnerships for Melbourne.

The paper focuses on the notion of ‘deliberative planning’: key government, private sector and civil society actors collaboratively making better decisions about policy and programs, in order to create more and better affordable housing in cities with low housing affordability. In it, we ask two key questions:

1. How do key actors in the provision of housing currently work in partnerships for affordable housing, and how do they see these partnerships working to support innovation in overcoming barriers to more and better affordable housing?
2. What good ideas from Portland, Vancouver, and Toronto can be adapted by the key housing actors in Melbourne?

The main lessons for the Transforming Housing partnership include:

- There are thriving partnerships in Portland and Vancouver at the local and regional government levels, developing policies, programs, practices and new forms of joint funding. The most relevant partnerships in Portland and Vancouver occur at the local and metropolitan scales of governance. Toronto, which like Melbourne does not have a metropolitan scale of governance\(^1\), has an emergent partnership supported through an environmental organization. In the absence of metropolitan governance, it might be best to continue auspicing the Transforming Housing partnership through a neutral ‘third party’ such as a university.
- The staffing for partnership activation in Portland, Vancouver, and Toronto initiatives are quite small (two or three person secretariats), but they are able to mobilize additional research capacity within local and metropolitan governments, private developers, philanthropies and financiers. Key collaborative research includes: mapping rental and homeownership affordability at the neighbourhood scale; developing housing policies through a deliberative approach, developing new forms of financing (including land donations/leases and new sources of capital and operating funding), investigating design and construction cost savings, and learning from international good practices.

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\(^1\) The Metropolitan Planning Authority was established by the Victorian State government in 2006. Although it works with local government councils, as well as the community and business sectors, there is no formal representation of local governments on a steering body, as is the case in most metropolitan governance arrangements, such as Portland and Vancouver. The Victorian Labor party platform in the last election proposed that the MPA be replaced by a state-wide Victorian Planning Authority.
• In Portland and Vancouver, these partnerships have developed a shared vision (especially important for the local governments within a metropolitan area), an action plan with locally specific targets and funding commitments, and a set of innovative projects which can be scaled up if successful. This should be a goal of the Transforming Housing Partnership.

• In addition to the more formal partnership, Portland, Vancouver, and Toronto, have a ‘partnership enabler’ organization, which bring in new partners and support innovation. In Portland, the Meyer Foundation, a philanthropic investor, appears to fulfil that ‘enabler’ function. In Vancouver, VanCity Credit Union, a finance/investment organization with a ‘social mission’, does this work. In Toronto, the Evergreen Foundation, an urban sustainability group, is attempting to enable a deliberative process to retaining and increasing affordable housing. In addition to the Office of the Victorian Government Architect, which has been promoting housing affordability and innovation, the Lord Mayor’s Charitable Foundation should consider taking on this function in metropolitan Melbourne.

• In all three cities, individual private developers (and in Vancouver, the Urban Development Institute) and investors work both separately and together with non-profit housing groups to provide innovative affordable housing demonstration projects, and work actively with government to develop policy.
1. Introduction: Affordable Housing Partnership Research

An affordable housing partnership for Melbourne
Since March 2013, a partnership to increase the amount and quality of affordable housing in metropolitan Melbourne has been developed. The partnership has been initiated through the support of Carlton Connect (http://www.energy.unimelb.edu.au/carlton-connect-initiative), the University of Melbourne’s sustainable development research and technology hub. The partnership has been based in funding and expertise from nine key partners:

- University of Melbourne:
  - Carlton Connect http://www.energy.unimelb.edu.au/carlton-connect-initiative
- State Government:
- Local Government:
  - The City of Melbourne, responsible for planning decisions in central Melbourne – one of 31 local governments in metropolitan Melbourne (pop. ~100,000 of a total of 4,000,000 in the metropolitan area) http://www.melbourne.vic.gov.au/Pages/default.aspx
  - The City of Port Phillip, responsible for planning decisions immediately south of central Melbourne (also ~100,000 population) http://www.portphillip.vic.gov.au/index.htm
- Private sector housing developers:
  - Urban Development Institute of Australia (Victorian chapter): the peak body for all segments of the urban development industry: http://www.udia.com.au/
- Investors:

The partnership has also involved a wide range of organizations who have donated time and ideas, including

- the Office of the Victorian Government Architect, a State Government agency providing advice and advocacy on good design, including affordable housing design: http://www.ovga.vic.gov.au/
- Housing Choices Australia, http://www.housingchoices.org.au/ and
- National Affordable Housing Consortium http://www.qahc.asn.au/, both national non-profit housing providers
MGS Architects [http://www.mgsarchitects.com.au/], a firm with a strong history of work in social housing design


ISTP Property Fund, [http://ispt.net.au/], a retirement fund with an extensive housing property portfolio

In recent months, there has been increasing interest from other metropolitan Melbourne local governments and regional alliances of local governments, philanthropic and private investors, and other state/territory governments in Australia in this partnership.

The Transforming Housing partnership is responding to an affordable housing crisis within metropolitan Melbourne, which echoes similar problems for residents of all major cities in Australia. According to the Community Housing Federation of Victoria (2014: 6):

- Victoria has the lowest proportion of social housing in the country, at 3.4% of total housing stock, compared to the national average of 4.8%
- Only 2% of Melbourne rental units are affordable for working single-parent families, and none are affordable for a single person on minimum wage or income support
- 15% of Victorian households have housing affordability stress, paying more than 30% of gross household income (the international standard affordability test) on their housing costs
- In 2006, there was a 42,000 dwelling shortage in low cost private rentals, rising to 50,000 in 2013
- On any given night there are 22,000 Victorians experiencing homelessness (either living on the street or in temporary or insecure accommodation), a 20% increase between 2006 and 2011

‘The biggest issue in this industry is that we are selling a product that customers can’t afford to buy’

Michael Parkhurst, Meyer Memorial Trust, Portland

In Melbourne, there are at least three reasons for this affordable housing ‘market failure’ (Berry, 2014). First, at the federal, state and local levels, there has been policy failure: the absence of stable and consistent policy that would either provide direct funding for new low-income housing, or indirect funding through an investment tax credit (as is in the case in the US). There has also been a failure of the planning systems that regulate affordable housing, with an absence of mechanisms such as inclusionary zoning, density bonusing, and rent control. The predominant approach, increasing supply through expanding outwards at the edge and upwards in the central city, both with minimal regulation, has been a failure in terms of affordability outcomes (they have also been an economic, environmental and public health failure, but that is beyond the scope of this report).

Second, there has been an integrated planning failure: infrastructure funding for public transport, schools and health and social services has not kept pace with urban growth (both population and geographic growth), resulting in long commutes between homes and work, inadequate provision of social infrastructure, and spiralling prices in those areas that are relatively well served. Third, and related to the previous two, is a governance failure. There has been no metropolitan governance body that would bring local and state governments together with private sector developers and non-
profit organizations serving low income households to develop a coordinated, long-term, consistent strategy.

**What do we mean by deliberative planning partnerships?**

Two notable theorists on deliberative planning, Innes and Booher (2010), argue that the urban planners’ task goes beyond explaining the ‘what’ and ‘why’ of problems, to **the search for more effective ways to conduct policy** (xii). For real deliberation to take place on problems, they identify a series of success factors (this in turn is based on the philosopher Jurgen Habermas’ work on communicative rationality):

- Participants need to be **diverse**: not only government, but private sector and civil society advocates
- Participants need to be **interdependent**: there needs to be a reason why they are at the table
- They need to **learn together** and build relationships of mutual respect
- They need to have authentic dialogue **and honestly agree and disagree**
- If they are able to do this, they may be able to **adapt systems and create innovation** (Innes and Booher, 2010: 35)

This is an ambitious set of conditions, and most planning partnerships do not achieve this ideal state. **There are examples, however, of planning partnerships that have gone beyond mere consultation (where governments elicit opinion from a range of conflicting parties on a draft policy, but then make the final decision), to deliberation (where parties are brought together with at least some power to discuss and determine courses of action).** The disadvantageous outcomes of a traditional consultative approach are evident in Melbourne: a highly politicized process where each successive state government for five decades has developed a 30-40 year metropolitan strategy and set of major infrastructure policies, only to have the succeeding government reject that strategy. Federal governments have also been unable to manage essential long-term urban infrastructure investment, including low and moderate-income housing (which according to virtually all literature needs stable and predictable investment and/or regulation to be successful). Innes and Booher (2010: 8-9) call this kind of politicized process DAD (Decide, Announce, Defend), and point out that this is a mechanical, rather than a problem-solving, approach, that rarely works to tackle deeply entrenched ‘wicked problems’. **Conversely, the advantages of a deliberative approach are that if some sense of shared goals and objectives are developed, the regulatory and fiscal approach might be more stable, allowing lower risk (which makes achieving objectives less expensive and faster).** Another advantage of sharing information and debating ideas is that it often leads to innovation or new ways to solving problems.

> ‘The market has never and will never provide adequate housing for the lowest income people. That leaves government investment and cross-subsidizing’
> Senior Housing Planner, Metro Vancouver

A deliberative approach usually involves an element of joint fact finding: wherein the partnership hires researchers who can gather and analyse information in a ‘hands-off’ third party manner, keep records and organize meetings, and facilitate the achievement of objectives. Although developing
partnerships can be frustrating and time-consuming, and there is no guarantee of ‘best’ or ‘fairest’ solutions, at their best, they do lead to long-term buy-in for ‘better’ and ‘fairer’ solutions, and also can develop the capacity to modify complex systems over time as some ideas work and others do not.

**Why Portland, Vancouver, and Toronto?**

Because cities, like the people who live in them, are unique, perfectly comparative case studies are impossible. However, some cities, like some people, have more things in common. Portland, Vancouver, and Toronto were chosen as comparison cities for a number of reasons (see Figure 2 for the detailed comparative statistics and sources).

All four metropolitan areas are roughly similar in population: ranging from 2.3 million in Portland and Vancouver, to 4 million in Melbourne and 6 million in Toronto. They are not megacities like London, New York or Tokyo, but they are large enough that they are complex to govern.

All four metropolitan areas have thriving economies and are growing rapidly. Metropolitan Melbourne, which grew 2.2% from 2012-2013, has the highest annual growth rate of the four cities, but Vancouver and Toronto grew by 1.4% and 1.5% respectively over the same period, and Portland by 1.1%. While concern has been expressed about the rapidity of Melbourne’s growth rate (amidst pressure to curb immigration, the main source of population growth), these figures need to be put in perspective. Melbourne is not amongst the top 100 fastest growing urban regions in the world, and is not growing as rapidly as Seattle, Cologne or Tel Aviv-Jaffa, of all which have annual growth rates above 3%. Melbourne’s annual growth rate was much higher throughout the period 1860-1890, when annual growth rates ranged from 3.4 to 14.6%. From 1947-1971 (24 years), metropolitan Melbourne’s population more than doubled, from 1.2 million to 2.5 million. If current population projections are correct, Melbourne will double again in population to 5 million over 60 years, by 2031 (Encyclopaedia of Melbourne 2008). **While rapid, these population growth rates are far from uncontrollable, with good planning and governance being the key to achieving greater liveability.**

Partly as a consequence of thriving economies and population growth, all four cities have a housing affordability problem. Average owned house/unit prices in Vancouver, Toronto, and Melbourne are considered amongst the highest in the world (Demographia 2013). Portland has much lower house/unit prices (ironically, since some literature assumed that its urban containment boundary would lead to excessive increases in value – see Howe 2004), even considering that average household income is slightly lower. However, Portland, Vancouver and Toronto are considered to have average rents that are much too high for affordability ($233-271/week in Australian dollars), although their average rents are considerably lower than Melbourne ($300/week). Part of the issue in Vancouver is that rents are higher, but wages are lower, than in Toronto.
Figure 1: Comparative Statistics for Melbourne, Portland, Vancouver and Toronto. See Appendix 1 for sources.

All four cities have very strong histories of homeownership and all were generally dominated by low rise single occupancy houses until the 1970s. None of these cities (or nations) has a strong history of social (public and non-profit) housing, unlike much of Northern Europe (including England, Scotland, Germany, the Netherlands, Sweden) and some cities in Asia (Singapore and Hong Kong).
Perhaps most importantly, all four cities have good reputations for planning innovation:

- Melbourne is renowned as a ‘liveable city’ in the *Economist* and other populist rankings, and the housing-based revitalization of central Melbourne is a model for other cities (Hambleton, 2014).
- Portland is known for its metropolitan urban containment boundary, which has remained largely unchanged since 1978. More recently, it has become (by US standards) a transit-oriented city, with an integrated planning/housing/public transport infrastructure investment model underpinned by the notion of ‘complete neighbourhoods’, affordable housing with easy walking, cycling and public transport access to jobs and services. These planning innovations have developed and lasted because of a strong culture of partnership and consensus between levels of government, private sector investors and community organizations, underpinned by a stable metropolitan governance arrangement since 1973, between three counties and multiple local governments (Abbott, 2001; Ozawa, 2004).
- Vancouver’s urban containment boundary, in 1974, predated Portland, and like Portland, it has focused integrated planning/housing/public transport investment through a Liveable Region Strategic Plan since 1990, underpinned by a voluntary metropolitan governance structure since 1968 that brings together 21 local governments (Harcourt et al, 2007).
- Toronto is a slightly different story. Its metropolitan governance arrangement in 1953 was considered innovative at the time, but metropolitan governance was essentially destroyed by the state government in the late 1990s (similar to the case in Melbourne). Its best known planning good practices date from the 1970s and early 1980s: the innovative St Lawrence Neighbourhood downtown, with its mix of social and market family housing underpinned by schools and community centres; its Living Room strategy of aggressive municipal land banking for affordable housing; and its commitment to a frequent and accessible public transport network within its metropolitan area, linking housing to jobs and services. At that time, it was known as ‘The City that Works’ and ‘New York run by the Swiss’. In the past two decades, Toronto’s planning and governance arrangements have declined in effectiveness and equity (Boudreau et al, 2009). However, there are some signs that planning innovation is occurring, including the redevelopment at Regent Park, Canada’s oldest and largest public housing estate.

The assumption behind this study is that consensual planning mechanisms that developed and maintained urban containment boundaries, public transport investment and integrated planning for intensification in Portland and Vancouver create pre-conditions that can assist in developing affordable housing strategies.

The two key questions for this paper are:

1. How do key actors in the provision of housing currently work in partnerships for affordable housing, and how do they see these partnerships working to support innovation in overcoming barriers to more and better affordable housing?
2. What good ideas from Portland, Vancouver, and Toronto can be adapted by the key housing actors in Melbourne?

The methods used in this report are a set of 7-8 in-depth interviews with key housing sector representatives in these three cities, similar to the key housing actors that are engaged in Transforming Housing. During the Getting to Yes Study Tour, we had identified and in most cases interviewed leading private and non-profit housing developers, metropolitan and local government senior housing and planning officers, and private and philanthropic investors in Vancouver and Portland. The author worked for the City of Toronto for 10 years, and has established research connections. In each city, heads of municipal and metropolitan housing bureaus, heads of market and non-profit housing development companies, peak bodies for developers in cases where they have been actively involved in affordable housing initiatives, large investors and philanthropies were approached. There were three refusals. For the remainder, a 40-60 minute interview was audio recorded, that honed in on interviewees’ perceptions of barriers and enablers to affordable housing provision in their cities, their experiences working in multi-sectoral partnerships, and any examples of partnerships successfully overcoming barriers to creating affordable housing. In addition, leading housing researchers in each city were approached, to provide background and context.
2. Portland: a stable, consensual partnership looking for answers

Portland prides itself on a stable planning/governance culture, where local political leadership may change, but a high emphasis on environmental sustainability and social equity remains. However, my interviewees suggested that a fundamental re-think of existing affordable housing policies and practices needs to occur, in part because of increased demand for affordable housing, coupled with decreasing supply. There is a strong element of career longevity, with five of seven key actors interviewed having at least 10, and in three cases, 30 years, of working on affordable housing issues in that city. There is considerable cross-jurisdictional consensus-based political leadership evident, particularly in the street homelessness prevention initiative ‘A Home for Everyone’. Although there are ongoing tensions between regulation and innovation, cost and other quality and equity measures, and a general concern about declining funding for a growing problem, the key actors interviewed generally believed that housing actors in Portland are capable of deliberating on tough choices. This deliberative approach is based on thorough research, fiscal and policy commitment, and relative transparency of information.

Figure 2: New social housing provided by REACH along a recently expanded streetcar line, in Portland’s South Waterfront urban renewal district. (Photo: C. Whitzman)
Interviews
Seven formal interviews took place between February 4th and 14th 2015 with:

- Jessica Woodruff, Director of Housing Development, REACH Community Development Corporation (the largest non-profit housing developer in metropolitan Portland)
- Michael Parkhurst, Affordable Housing Initiative Project Officer, Meyer Memorial Trust (philanthropic investor)
- Ryan Nisle, Partner, Miller Nash: law firm that provides assistance with Low Income Housing Tax Credit (facilitator of private investment)
- Ed McNamara, Owner, Turtle Island Development (private affordable housing developer)
- Karl Dinkenspiel, Manager, Housing Investment and Portfolio Preservation, Portland Housing Bureau, City of Portland (local government)
- Marc Jolin, Director, A Home For Everyone Initiative, Multnomah County Council (regional government)
- Nick Sauvie, Executive Director, Rose Community Development Corporation, leader in Welcome Home Coalition (affordable housing advocate)

In addition, informal discussions took place with:

- Assistant Professor Dr. Marisa Zapata, Portland State University (member of A Home for Everyone and researcher on deliberative partnerships)
- Associate Professor Dr. Lisa Bates, Portland State University: affordable housing researcher who has worked with the City of Portland
- Members of A Home for Everyone: I attended a monthly meeting of this coalition Feb. 4

‘All Portlanders can find affordable homes in healthy neighborhoods with strong schools, good parks and recreation, healthy natural areas, safe streets and quality food stores. All Portlanders have equitable access to housing and to the opportunities that safe, stable housing can deliver, free from discrimination’

Portland Housing Bureau Vision.

How Affordable Housing Is Enabled in Portland
The City of Portland contains approximately 600,000 people, within a metropolitan area of 2.3 million people. The City of Portland is responsible for most local planning and development functions, including planning for affordable housing provision. Multnomah County, which includes the City of Portland and the largest suburban local government (Gresham), has a population of 735,000 and responsibility for police and health/social services. Because of this, the county has been involved in homelessness prevention, since they use evidence (which concurs with Australian studies) that supportive housing for homeless people is less expensive, as well as more humane, than dealing with them in emergency rooms or police stations

There is a directly elected Metro government (the only such example in the US), which has responsibility for regional planning, including preserving the urban consolidation boundary and providing regional parkland. Unlike Vancouver, the metropolitan level of government has not been directly involved in affordable housing planning or policy, although Metro Portland is planning an Equitable Housing Development Summit in late 2015 that would try to build regional consensus around policy and finance options (http://www.oregonmetro.gov/news/metro-would-work-local-communities-proposed-affordable-housing-plan).

The most important single source for affordable housing in the US is the Low-Income Housing Tax Credit (LIHTC). This federally legislated program, which has existed since 1986, is a bi-partisan and recurrent funding source which allows private investors to obtain tax credits in return for a 10 year investment in constructing or rehabilitating low-income rental housing. The program injects about US$6 billion per annum into capital for affordable housing, which is then allocated to states, who in turn re-allocate them to affordable housing developers (both private and non-profit) on a competitive basis, often downloading the decisions to local or regional governments (Keightley, 2013). The LIHTC is aimed at providing affordable (30% of household income) housing for low and moderate income households, which it defines as households earning less than 60% of the median income for the metropolitan (or rural) census area.

Since 2010, local government housing policy and programs have been led by the Portland Housing Bureau (https://www.portlandoregon.gov/phb/article/426675). This Bureau provides an annual Notification of Funding Availability which triggers its competitive process. In general, the City of Portland supplements LIHTC funds with its own funds, generated through a variety of sources. The most important in Portland is Tax Increment Financing (TIF), which has provided over $150 million to non-profit housing projects in the five years following its development in 2006 (https://www.portlandoregon.gov/phb/60811).

Tax Increment Funding is a value capture mechanism. Whenever the City of Portland designates a neighbourhood as an Urban Renewal District, it notes baseline property tax revenue. As infrastructure improves (a new light rail line comes in, or a new park, or some other government investment), property prices rise and so do property taxes. The City uses 30% of that amount to fund affordable housing projects, either by buying and then leasing or donating this land as part of its contribution to a project, or by other capital investments. It also provides other inducements to affordable housing projects, including property tax abatements for up to 10 years, access to other state, federal and local grants such as energy improvement, and supportive Section 8 grants (Section 8 is a federal housing voucher that low-income individuals and households can use to subsidize their rents). From 2010 to 2014, the Portland Housing Bureau has funded 691 new social housing units (email correspondence, Karl Dinkenspiel, Portland Housing Bureau, March 3, 2015). As part of the homelessness prevention initiative led by Multnomah County (see below), it has served 6,700 people at risk of homelessness with temporary or longer term shelter services and helped several thousand others carry out essential home repairs (https://www.portlandoregon.gov/phb/article/473474).

The Portland Housing Bureau prides itself being both strategic and transparent. As part of its urban renewal planning process, it sets targets for amounts of new affordable housing in the neighbourhood about to be transformed. It has more stringent requirements than LIHTC funds, requiring projects to keep their rents affordable for 60 years (LIHTC require only a 15 year
guarantee). They use a spatial data system called ‘**Opportunity Mapping**’ ([https://www.portlandoregon.gov/phb/60656](https://www.portlandoregon.gov/phb/60656)) to determine which areas have easy access to good schools, public transport, employment (including ‘family wage’ jobs), and healthy food and will generally only fund projects with high scores in this opportunity mapping. Since this fits in with most urban renewal districts, the purpose is to retain and increase the amount of long-term affordable rental housing in gentrifying areas, while improving infrastructure and services for all.

The biggest current challenge is that both LIHTC and TIF funds are have declined by more than 50% in relation to increasing demand for affordable rental housing since 2011 ([https://www.portlandoregon.gov/phb/article/427251](https://www.portlandoregon.gov/phb/article/427251)). As Karl Dinkenspiel, Manager of Housing Investment and Portfolio Preservation at the Portland Housing Bureau says:

> ‘The biggest barrier is, of course, money. Portland has the systems in place, there is political desire for more affordable housing, and plenty of land, even with the urban growth boundary, for urban redevelopment’

This is forcing the City of Portland, along with neighbouring local and county governments, to search for new sources of funding.

There are several coalitions in place advocating for more funding at the local, county, Metro, state and federal level. These include:

- Portland is one of only two states in the US without Inclusionary Zoning (IZ). A set of nested coalitions are working on changing that. These include the **Oregon Housing Alliance** ([https://www.oregonhousingalliance.org/](https://www.oregonhousingalliance.org/)), which brings together both the City of Portland and Metro Portland governments with almost 80 non-profit housing providers, faith organizations, and service agencies. Along with IZ, the Alliance is advocating for an infusion of $20 million into a homelessness prevention rent bank scheme, a $20 million bond-backed scheme to renovate existing and at-risk affordable homes, and a $100 million new homes fund, backed by bonds ([https://www.oregonhousingalliance.org/housing-opportunity-agenda/](https://www.oregonhousingalliance.org/housing-opportunity-agenda/))

- The **Welcome Home Coalition** ([http://welcomehomecoalition.org/](http://welcomehomecoalition.org/)), which includes 83 non-profit organizations, is working at the Metro Portland scale to develop **new city/county funding opportunities**. According to a survey it has conducted of other US cities ([http://welcomehomecoalition.org/the-data/](http://welcomehomecoalition.org/the-data/)), these might include: business registration fees, document recording fees, general obligation bonds, in lieu fees, linkage fees, a lodging tax, a property tax levy, a real estate transfer tax, and a restaurant tax (see also [http://housingtrustfundproject.org/new-dedicated-revenue-coalition-launches-in-portland-oregon/](http://housingtrustfundproject.org/new-dedicated-revenue-coalition-launches-in-portland-oregon/))

While the examples above are advocacy coalitions that lobby government for funding and regulatory changes, they are not deliberative planning projects that seek to bring potentially opposing views together to formulate politically sustainable solutions.
Innovations and Good Practices – Governments working together to end homelessness

A Home for Everyone (https://www.portlandoregon.gov/phb/61990) is staffed by Multnomah County and the City of Portland, and tasked with ending street homelessness by 2019. The advisory group has most of the major social service and housing organizations serving homeless and very low income people in Portland. Initially launched in 2004, the first 10 years of the program had several notable successes, including:

- Helping more than 12,000 homeless families and individuals find permanent homes. A year later, 84% of households were still stably housed (had not been evicted or left)
- Opening Bud Clark Commons in 2011 (https://www.portlandoregon.gov/phb/61556), which includes a day centre, emergency shelter for 90 men (including 45 veterans), and 130 permanent supportive housing units.

However, by 2014, there were still 1,700 people sleeping on the street in Multnomah County, 46% of whom were people of colour (29% of the total population), and 1,300 children were lacking permanent secure housing. The initiative was ‘reset’ for a further five years, and is preparing a report that will go to both city and county councils in mid-2015, with indicators and costs for specific strategies. Marc Jolin recently left a long-time position as Director of an agency serving homeless people, JOIN (http://joinpdx.org/) to become the Initiative Director of A Home for Everyone. The Executive Committee includes the Mayor of Portland, the Chair of the County Council (who chairs the monthly meetings), and the ubiquitous Michael Parkhurst of the Meyer Memorial Trust. A Home for Everyone is questioning every assumption, including the 30% rent geared to income rule:

‘So a few people have a great place in a convenient location that only costs 30% of their income and the substantial minority of those very low income people are either living on sidewalks, living in severely compromised situation, or are in a market apartment paying 85 or 90% of their income on housing’
Marc Jolin, Initiative Director, A Home for Everyone

While recognizing that the biggest determinant is federal and state funding, Marc wants to see local funding used more strategically. What would it take to scale up affordable housing? Marc points to ideas like small apartments, units with shared amenities (kitchens and toilets as well as laundry), replicable designs and modular units, relaxing LEED standards, increasing densities... anything, in short, that would decrease the cost per unit and also allow scaled-up public and private sector production of inexpensive rental housing. Marc also stressed the importance of good public infrastructure, including reliable and frequent bus service in outer suburbs, along with better schools and social services, which also creates local jobs:

_In Portland, the urban growth boundary means that there are few places with no access to regular public transport... we need to build in lower amenity areas, but bring in schools and parks at the same time_
Marc Jolin, Initiative Director, A Home for Everyone
Marc pointed to the importance of effective partnerships in Portland leading to $20 million in increased federal funding for homelessness initiatives in 2015:

*There has been a strong partnership between the local community and the federal homelessness initiatives. We latched onto it in order to improve our services, and that in turn got us out into the national conversation. That relationship has stayed strong over time*

Marc Jolin, Initiative Director, A Home for Everyone

Other benefits include the development of new programs, such as the BEST (Benefits and Entitlements Support Team) [http://www.centralcityconcern.org/BlogRetrieve.aspx?PostID=1373624&A=SearchResult&SearchID=12308860&ObjectId=1373624&ObjectType=55] that has helped over 1000 clients, many with severe disabilities, to access their benefits between 2008 and 2012, with a pay-off of $300 million to the Portland economy, through increased rent, groceries and other living costs. Another example was Operation 305 [https://www.portlandoregon.gov/phb/article/446876], which brought together the federal Veterans’ Affairs and Housing and Urban Development departments with Multnomah County, the City of Portland and several social services. They had found that not all housing vouchers for veterans were being used, due to refusal of landlords to rent housing and evictions due to rent arrears. Through temporary loans covering items like public transport cards, ID, moving costs, furniture, phones, and rental application fees, and small incentives like $100 signing fees to landlords, they were able to use an additional 305 housing vouchers.

While focusing on better access to existing affordable housing rather than new housing stock, these programs emphasize using existing stock and fiscal transfers more effectively, a theme that was even more powerful in Vancouver and Toronto.

**Innovations and Good Practices: Building Consensus Around Affordable Housing Cost Efficiencies**

During the two weeks I conducted interviews in Portland, five of the seven formal interviewees had either just spoken with, or were about to speak with, Michael Parkhurst, a program officer with the Meyer Memorial Trust [http://www.mmt.org/]. This philanthropic organization was established through the bequest of a prominent local businessperson, who died in 1978. From 2007-2013, there was a five year Affordable Housing Initiative [http://www.mmt.org/access-affordable-housing], that sought to strengthen the sector through a combination of grants, loans and investments. The Trust is now on a second phase of its work, wherein two full time program officers (including Michael) are supporting housing innovation. One of these innovation activities is an Affordable Housing Cost Efficiencies Work Group [http://www.mmt.org/node/19349], whose 16 members include non-profit and market developers, banks, architects, construction companies, and other key actors. The Meyer Memorial Trust is committed to funding “pilot projects exemplifying innovative cost-efficiency in the design, construction, and financing of affordable housing”.

Partly because this initiative was very active, I heard many different perspectives on affordable housing cost efficiencies. Ed McNamara is the owner of Turtle Island Developments, which has developed several affordable housing projects. One of these is the Ramona [http://www.theramona.com/], 138 units of mostly 2 and 3 bedroom family apartments in the
central Portland Pearl District, with a public primary school and a community centre downstairs. Ed felt that the City’s competitive process tended to exclude private developers with lower costs per unit, in order to support higher-overhead non-profit companies.

He gave the example of private developers HomeFirst (a member of the MMT cost efficiencies group) (http://homefirstdev.com/about.html). They have built singles housing in central Portland for $70,000 per unit (including land costs) and three bedroom courtyard apartments for $100,000 per unit, about a third of comparable building costs per unit in Melbourne and also at least half the costs of comparable social housing units in Portland. They bring costs down by simple and replicable designs, very tight construction schedules, and a (possibly non-replicable) philanthropic funding model that completely by-passes the City’s competitive system. They budget what a household with an entry-level worker can afford on a wage of, say, $24,000 per year, calculate an affordable monthly rent that is no more than 30% of monthly income ($660), work out costs of construction from there, arrange for private financing at a 5-6% annual return rate, and deliver the units (http://homefirstdev.com/Buildingaffordableunitsforless.pdf).

However, Jessica Woodruff, the Director of Housing Development at REACH Community Development Corporation (http://reachcdc.org/) and another member of the Meyer Foundation cost efficiency group, pointed out that LIHTC places requirements on social housing, such as LEED-certified green buildings and federal wage rates, that aren’t on other developments.

Another potential “low-hanging fruit” for cost savings pointed out by Jessica Woodruff, is the size of social housing units. Social housing unit size is regulated by the state: for instance, 600 ft² for a one bedroom, whereas the private market is moving towards 400 ft² standards, with more efficient...
storage design. Ed McNamara gave other examples: he doesn’t think LEED certification is worthwhile, preferring Architecture 2030 standards, which look at total energy usage over time (http://www.architecture2030.org/). Some of the Ramona’s three bedroom units do not have windows in the third bedroom. This had “programmatic” and “cost” impacts. They appeal to blended families with “part-time custody or a grandmother that stays with them sometime”, and are amongst the most popular units, due to the low price point for a larger unit.

While there are no “silver bullets” to construction costs (every savings is a trade-off in terms of equity and amenity, as Michael, Jessica, Marc, Ed and Karl agree), at least this discussion is actively occurring within Portland. There is also a general consensus amongst all interview participants that the LIHTC system, while stable and predictable, creates huge administrative costs for both governments and affordable housing developers, estimated as over $500,000 per project (regardless of size). Because of the annual competitive process, small non-profits do not know what their budget or staffing is year by year. Nick Sauvie, the Executive Director of a small non-profit housing company, Rose CDC, and an advocate with the Welcome Home Coalition, says that it is common to have the same project rejected for two or three rounds by the Housing Development Bureau annual process before being finally accepted (meaning they have significant land holding costs and are unable to maintain staff). He agrees with Ed McNamara that in programs such as LIHTC:

*there is a built in incentive for housing to cost more because then your fee is more. There is no incentive to cut the cost. And agencies ask for LEED Platinum, good ideas have piled on. It isn’t like you want people to die in fires, but you also don’t want people living in cars.*

To conclude, the housing sector in Portland, while advocating to Metro, state and federal government for new sources of funding for affordable housing, is engaged in difficult but necessary conversations about equity and amenity trade-offs that might have to occur to serve more needy households with declining budgets. At the same time, they are working together to advocate for new and better sources of funding, and have been able to secure more federal money through demonstrating strong partnerships. Because of a transparent and relatively effective affordable housing system, along with political leadership, the local and county governments are able to generate partnerships that appear capable of improving affordable housing and homelessness programs.
3. Vancouver: Integrated Policy Leads to More Affordable Housing

Like Portland, Vancouver has a good reputation for integrated and consensual metropolitan planning and governance, with an emphasis on transit-oriented development within a solid urban containment boundary that has lasted for over 40 years. Also like Portland, Vancouver is facing declining federal funds and an increasing housing affordability crisis, particularly in relation to relatively low household incomes. Vancouver appears to have achieved more with its innovative solutions than Portland, including a rapid expansion of private market provided rental housing geared to moderate income households (including family-friendly housing), and new investment mechanisms to house low-income people. These successes have emerged from a plethora of productive partnerships between local, metropolitan and state government, private and non-profit developers, philanthropic and private investors, and researchers.

Interviews

Seven formal interviews took place between February 16th and March 2nd, 2015:

- Rob Turnbull, CEO, Streetohome (philanthropic investor in supportive housing for homeless people)
- Patrick Santoro and Jeff Fisher, policy analysts with the Urban Development Institute (private development)
- Abigail Bond, Director, and Genevieve Bucher, Senior Planner, Housing Policy and Projects, City of Vancouver (local government)
- Shayne Ramsay, CEO, BC Housing (non-profit provider and government investor)
- Kira Gerwing, Manager, Community Investment, Vancity Credit Union (private investor)
- Janice Abbott, CEO, Atira Women’s Resource Society (non-profit housing provider and advocate)
- Senior housing planner, Metro Vancouver (metropolitan government)

In addition, informal discussions took place with:

- Associate Professor Meg Holden, Simon Fraser University (has led a university-led partnership based research project with the Urban Development Institute on overcoming regulatory barriers to affordable housing called Getting to Groundbreaking, and is also well known for her work on deliberative partnerships) [http://www.gvhba.org/events/gettingtogroundbreaking/](http://www.gvhba.org/events/gettingtogroundbreaking/)
- Professor Penny Gurstein, University of British Columbia (has led a university-led partnership based research project on Housing Justice) [http://housingjustice.ca/](http://housingjustice.ca/)
- Members of a panel on Affordable Housing at the School of Community and Regional Planning, UBC which included Tony Roy, BC Non-profit Housing Association; Lance Jakubec, Canada Mortgage and Housing Corporation; Kerry Jang, Vancouver City councillor; Rob Turnbull and Janice Abbott – organized by and for student planners [http://www.scarp.ubc.ca/news-and-features/students/7th-annual-scarp-symposium-contours-and-coastlines-de-constructing](http://www.scarp.ubc.ca/news-and-features/students/7th-annual-scarp-symposium-contours-and-coastlines-de-constructing)
An owner-developer of a laneway house, Brian Rose

- Angela Nielson, UniverCity project (new residential community with an affordable student/staff housing project, Verdant, located in a suburban campus), Simon Fraser University
- Andy Yan, Bing Thom Architects and adjunct housing teacher/researcher at UBC, who runs a blog on urban issues with a strong focus on affordable housing: [http://www.btaworks.com/](http://www.btaworks.com/)
- Michael Geller, The Geller Group consulting and Adjunct Professor at Simon Fraser University, who also runs a blog with a strong focus on affordable housing: [http://www.michaelgeller.ca/](http://www.michaelgeller.ca/)

*Figure 4. Private and non-profit housing along False Creek in Vancouver’s central city is knit together by a 22 km ‘seawall’ pedestrian/bicyclist path, which along with community and recreation centres, new primary schools, playgrounds, public art, and social housing, are part-funded by the Community Amenity Contribution density bonus scheme. (Photo: C. Whitzman)*

**How Affordable Housing Is Enabled in Vancouver**

Like Portland, the central City of Vancouver governs a population of a little over 600,000 people, within a metropolitan area of 2.3 million people, and is responsible for most planning decisions. Unlike Portland, there is no county level of government in Vancouver: health and social services are generally provided by the provincial government, and policing is governed by local government. Also unlike Portland, metropolitan councillors are appointed by the 23 local authorities that form a part of Metro Vancouver, as opposed to being directly elected. In addition to the regional planning and parks functions of Metro Portland, Metro Vancouver government takes a strong policy approach to affordable housing.
The federal government established the Canada Mortgage and Housing Corporation (CMHC) in 1946, to provide housing for low to moderate income households. Its main functions have been to provide a discounted and guaranteed mortgage function (for both individual low income households and non-profit providers) that is administered by financial institutions, as well as directly paying capital and operating costs for public, and later, community housing (in a cost sharing arrangement with provincial governments).

Starting in the 1990s, both administrative and financial responsibility for social housing was downloaded to the provinces, which means that the social housing system is both more complex and more starved of funds (as is the case in Australia, the federal government captures the majority of taxes). While the federal government continues to transfer about $1 billion annually to provinces under the Social Housing Agreement to subsidize operating costs of existing units, and funds both an Affordable Housing and a Homelessness Initiative (with capital but not operating funds), funding levels have dramatically dropped in the past two decades (Housing Services Corporation, 2014). As of 2012, almost 600,000 households across Canada receive some level of subsidy for their units (either individually, though some sort of housing voucher, or through living in social housing), 78% provided through provincial funds.

At the provincial level, BC Housing is a crown corporation, separately incorporated with a board and a CEO, Shayne Ramsay. British Columbia and Quebec are the provinces that have committed to continuing to subsidize social housing after federal operating agreements lapse. BC Housing also directly provides mortgages and construction loans (guaranteed by the CHMC) at 2.3% over 10 years (construction) and 35 years (mortgages). Loans can be provided to any non-profit, with very low transaction costs because of standardized documentation and processes: http://www.bchousing.org/Initiatives/Financing/HEF

Both the province of British Columbia and the City of Vancouver are actively engaged in subsidizing affordable housing. They, along with Metro Vancouver, use the same housing continuum to guide action, which stresses direct relief to the lowest income households in the form of rent geared to income subsidy and funding non-profit rental housing provision, and indirect support, particularly to moderate income renters, through tax and other concessions to private developers for rental buildings: http://vancouver.ca/files/cov/Housing-and-Homeless-Strategy-2012-2021pdf.pdf

Because the affordable housing system in Vancouver is more complicated than Portland (both in terms of numbers of programs and in the fact that metropolitan and state government are directly involved as well as local government), exact numbers of new affordable housing units are hard to ascertain. About 3,300 new affordable housing units have been created in Metro Vancouver with some assistance from BC Housing (note: Metro Vancouver’s catchment population is 2.5 times bigger than the City of Portland, but that is still double the number of units per capita) from 2011 to 2014 (email communication, Metro Vancouver senior housing advisor, March 6, 2015), and the Mayor of Vancouver claims that over 3,000 new affordable private rental units were created in the City of Vancouver between 2012 and 2015, as compared to zero in 2008 (http://www.mayorofvancouver.ca/category/affordable-housing-2). The City of Vancouver’s Housing and Homelessness Strategy 2012-2021 has committed to adding 2,900 units of supportive housing, 5,000 new social housing units and 11,000 affordable market rental units over 10 years. There have been published annual reports in 2013 and 2014 updating on annual goals. The
Vancouver Affordable Housing Agency was created in 2014 to facilitate this ambitious mandate ([http://vancouver.ca/your-government/vancouver-affordable-housing-agency.aspx](http://vancouver.ca/your-government/vancouver-affordable-housing-agency.aspx))

The biggest challenge identified by all levels of government – city, metropolitan, and province – is the end of federal operating agreements for over 350,000 social housing units across the country. These agreements had been negotiated mostly for a 30 year period. Since there considerable investment in public and community housing (including non-profit mixed-income cooperative housing) from the 1960s to the early 1980s, the operating agreements are gradually coming to an end. The problem is that many social housing projects are not viable without ongoing operating subsidies. Put simply, rents that are geared to 30% of income, do not cover ongoing maintenance of these buildings, let alone major capital re-investment costs such addressing structural deficiencies, or replacing aging heating systems with more energy efficient ones. The problem is exacerbated by regulations that (for instance) did not allow cooperative or small non-profit housing companies to accumulate capital reserves, and by the gradual starvation of federal operating subsidies over the 1990s and 2000s for public housing. Shayne Ramsay of BC Housing and the senior housing planner for Metro Vancouver agreed that up to two thirds of existing social housing units in BC are threatened by the end of operational agreements.

Given the imminent financing threat to existing social housing (which is a much bigger proportion of housing in Vancouver than it is in Melbourne, almost 8%), it is particularly difficult to find new sources of funding for social and private affordable housing. According to the senior planning planner for Metro Vancouver, existing supply is meeting the need of about 45% of low income households (earning less than $30,000/year) in the region, and about 60% of the needs of moderate income households (earning between $30,000 and $80,000/year). Although local and state governments are providing free leased or donated land, and are assisting with several aspects of soft costs (reducing parking requirements, not requiring development charges, in some cases expedited rezoning etc.), the real barrier continues to be financing, both the initial equity that covers construction, and the continued operating costs. When it comes to mortgages, both BC Housing and Vancity Credit Union are helping with relatively low interest rate mortgages (continuing on the work of the CMHC used to do). But even with all of these mechanisms, there is still a shortfall between initial and operating costs on the one hand, and revenue through rents on the other hand – what several Vancouver informants called the ‘equity gap’.
As is the case in Portland, there are advocacy partnerships aimed at increasing senior government financing and policy involvement. There is a federal election in late 2015, and a National Forum on Housing and the Economy led by the Federation of Canadian Municipalities (FCM) is organizing a broad-based national partnership between private sector key actors (the national peak bodies for Real Estate, Construction, Apartment Owners, Home Builders, and Insurance), community sector organizations, most local and many provincial government to call for a renewed national social and market rental housing program. The housing sector represents 20% of Canada’s GDP, and a renewed affordable housing program will be essential to provide hundreds of thousands of jobs, as well as shelter, to Canadians:

(http://www.fcm.ca/Documents/reports/FCM/National_Forum_on_Housing_and_the_Economy_Shared_Statement_of_Principles_EN.pdf)

Innovations and Good Practices – Governments working together to end homelessness

The provincial and municipal governments don’t completely agree on affordable housing issues, but they often work together, as is the case in the 14 supportive housing projects to address street homelessness with City of Vancouver. BC Housing’s role here was $300 million in capital and an additional $20 million/year in operating costs:

http://www.bchousing.org/Initiatives/Creating/MOU/Vancouver

The City of Vancouver leased the land for free and waived fees and property taxes: http://vancouver.ca/people-programs/14-new-supportive-housing-projects.aspx. Together with the Vancouver Foundation (a philanthropic funder), they established an organization called Streetohome in 2009, who worked to assist a shared 10-year mandate to eliminate street homelessness by 2019:


With a very small overhead (2 ½ equivalent full time staff, a donated office, lots of assistance from students at 5 universities), they leverage donations from private benefactors to add to government funding, review proposals and provide oversight of construction, develop partnerships and common understandings, and evaluate housing projects one and two years after construction. This initiative is actually now on track to meet this target two years ahead of schedule, by 2017, having created or preserved 1800 units, with another 600 online: http://www.caeh.ca/wp-content/uploads/2014/11/LP9_Turnbull_FINAL.pdf

One example of this innovative partnership arrangement is 41 East Hastings Street, in the heart of the Downtown East Side. Traditionally the place where Single Room Occupancy Hotels are found in Vancouver, the area is undergoing renewal and associated gentrification. Atira Women’s Resource Society is the social housing developer, working with Cressey (a large private developer) to provide both 52 units of deep subsidy supportive housing for homeless women, and 67 private market condominiums. Cressey has (through Streetohome) provided a charitable donation of $1 million in construction management fees, and additional grants/loans have been arranged from BC Housing, Vancity, and the CMHC: http://www.atira.bc.ca/41-east-hastings-project
Innovations and Good Practices – Provincial and Local Governments Providing Land and Mortgages to Community Housing

BC Housing, like other public housing providers in Canada (and Australia) is transferring public housing stock to non-profit community housing providers. Some of this stock (as discussed above) needs major capital improvements, including wood framed structures that are nearing the end of their life span in a very moist climate. However, they are in desirable locations. **BC Housing is encouraging public private partnerships that will increase the number and quality of social housing.** Little Mountain is the biggest example: [http://www.bchousing.org/Initiatives/Redeveloping/LM](http://www.bchousing.org/Initiatives/Redeveloping/LM)

New social housing units will be built to replace existing stock (in the case of Little Mountain, 224) and 1000 private market condominiums will generate enough operating expenses to maintain them for 60 years (in the absence of federal subsidy). With the $333 million sale price of the project, BC Housing has generated $250 million that goes directly into new affordable housing projects, not disappearing into general revenue. One big difference from Australian practice is that the community housing providers become the developers of the land, with BC Housing acting as a financier/ mortgage provider to the housing provider. Another huge project is Riverview, a former psychiatric hospital. The BC government transferred the land from the Health Ministry to Housing, so that the 244 acres can be redeveloped as mixed-income housing: [http://www.bchousing.org/Initiatives/Redeveloping/Riverview](http://www.bchousing.org/Initiatives/Redeveloping/Riverview)

The non-profits whose operating leases are expiring are in a few cases getting recapitalized by BC Housing to, for instance, become greener buildings with lower maintenance costs. Others may need to rebuild their sites to greater densities. **Non-Profit Asset Transfer includes selling the land base of both public housing land and units and non-profit land (previously leased) to community housing providers.** This is about 350 social housing parcels over the next 3 years, plus about 3000 of 7800 units of public housing. The social housing providers can then take out mortgages with BC Housing at very low interest rates (1.2%) to pay for that land. The operating costs continue to be paid by BC Housing. The land is disposed of at market value, but severely discounted for the fact that it is leased. Once it is sold, the market value immediately increases. They also provide very low interest rates for purchasing and re-financing affordable housing (2.2%). And then they can use those assets creatively: [http://www.bchousing.org/Initiatives/Housing_Matters/Asset_Transfer_Program](http://www.bchousing.org/Initiatives/Housing_Matters/Asset_Transfer_Program)

This is a win-win, because BC Housing gets money (about $500 million) from the sale of land to non-profits, and every penny of that money goes to finance further affordable housing projects (both new and existing).

This discussion with Shayne about the massive asset transfer led to the question of strengthening the community housing sector. Because of very different provincial political cultures, 90% of non-market housing is managed by non-profits, not government (unlike the huge public housing stock managed by City of Toronto, over 160,000 tenants in more than 50,000 units). There is a thriving non-profit housing sector in BC. But many are small: maybe 800 non-profit housing providers, many managing 60-70 units, and about half managing only one project. While appropriate for small towns, there is the need to ensure that the dozen or so sizeable community housing providers operating in greater Vancouver have good management skills. According to Shayne, there is a ‘sweet spot’ of about 1-2000 units, that helps support asset base and board competencies. **If you**
are doing an asset transfer of several hundred units, that provides a real opportunity for a community housing provider to scale up its assets and its management. If a provider, for instance, is taking over the development of three blocks in central Vancouver (as is the case in Little Mountain), the provider would need to demonstrate board competence and capacity to develop new housing.

Like BC Housing, the City of Vancouver is aggressively using its land assets to generate additional units of social housing. As discussed above, it has provided a long term, no cost lease for 14 sites set aside for supportive housing for homeless people. For many years, the City of Vancouver had a policy of acquiring land, using the Property Endowment Fund. The Vancouver Affordable Housing Agency [VAHA] is led by former head of a major UK social housing agency, Muktar Latif, as both the head of VAHA and the Chief Housing Officer. One of the assets being used by VAHA to create new affordable housing is the local government’s land assets. Available land can be seen as a layer on the City of Vancouver’s GIS mapping: [http://vancouver.ca/your-government/vanmap.aspx](http://vancouver.ca/your-government/vanmap.aspx)

Like BC Housing, the City of Vancouver is creating tenders for non-profits to lease land. VAHA’s first project is embarking on a Community Land Trust partnership with the Cooperative Housing Federation of BC, non-profit housing providers, and VanCity to develop three City of Vancouver sites with five buildings, 355 new units, a combination of moderate income and low income rental: [http://www.chf.bc.ca/partner/vancouver-land-trust](http://www.chf.bc.ca/partner/vancouver-land-trust)

**Innovations and Good Practices – Density Bonusing and Value Capture**

The City of Vancouver value capture equivalent to the Tax Increment Financing (TIF) program in the City of Portland is Community Amenity Contributions (CAC): [http://vancouver.ca/home-property-development/community-amenity-contributions.aspx](http://vancouver.ca/home-property-development/community-amenity-contributions.aspx)

Community Amenity Contributions are negotiated with developers on a case by case basis. According to Abigail Bond and Genevieve Bucher of the City of Vancouver’s Housing Policy office, they are voluntary contributions in return for increased density, and are in addition to 20% IZ and development cost levy negotiations. They are intended to cover 75% of increased value of the land after re-zoning. Although they are used towards parks, community recreation centres, bike lanes, public arts, and other social infrastructure, the City of Vancouver is increasingly negotiating for affordable rental units as part of CACs. At the moment, they prefer the developer build units as part of a single or multiple building development that will then be handed over to a social housing provider, rather than donating cash or land, as it decreases the time spent developing housing:

*With land, you still need construction funding and you are also 2½ years away from occupancy, rather than embedding it in the development process*

Abigail Bond and Genevieve Bucher interview

The developer creates the units, the City of Vancouver puts out a tender for a non-profit organization to manage the units, and then the non-profit gets a 60 year lease. They look to maximize the affordability in that building (so the rent is covering the operating costs) or they define a pre-paid lease amount with the developer.
Other Metro Vancouver local governments also use a combination of IZ and CAC to finance social housing. The City of Richmond, a suburb to the south of Vancouver, is working with BC Housing, six non-profit organizations (including Atira) and the private sector to develop a 129 unit development in Richmond’s City Centre (which has a train stop):
http://www.richmond.ca/plandev/socialplan/housing/ahdevopp.htm

Metro Vancouver is also looking to San Francisco and several other US jurisdictions that have successfully used Transit-Oriented Affordable Housing Funds, a mechanism to have transit authorities redevelop areas near new lines and stations with an affordable component:
http://bayareatod.com/

Innovations and Good Practices – VanCity Credit Union and Metro Vancouver as Partnership Enablers

This brings us to VanCity. Every other interviewee came back to the centrality of this financial services co-operative enterprise that serves greater Vancouver and the second BC city of Victoria in developing partnerships, lending bridging funding, supporting innovation, and promoting a combined environmental and social ‘mission’. Kira Gerwing is the Manager of Community Investment, where she oversees the investment portfolio for ‘impact real estate’. That means lending and investing on a values basis. Their criteria for impact real estate investment are (1) community ownership; (2) affordability; (2) high environmental performance. While there is another wing of VanCity providing loans to social housing providers, impact investment focuses on projects serving moderate income households who need an alternative to unaffordability or social housing. According to a partnership research project with the BC Non-Profit Housing Association, 45% of those renting in metro Vancouver are paying more than 30% of their income on housing (the definition of housing stress), and 25% are paying more than 50% of their income (‘severe’ housing stress): http://bcnpha.ca/research/rental-housing-index/

Laneway/ accessory apartments and affordable rental incentives are two examples of innovative practices that have spread throughout the Metro Vancouver area due to a strong network of local government housing planners, the Urban Development Institute, VanCity and the provincial and federal governments, facilitated by metropolitan governance. Metro Vancouver, which brings together 21 local governments, one electoral area, and one Treaty First Nation to collaboratively plan for services, has its own Housing Corporation which manages about 350 public housing projects providing housing to 10,000 people:
http://www.metrovancouver.org/services/housing/Pages/default.aspx . Like the BC government, it is engaged in redevelopment of “aging units in great locations”, which may include stock transfer to non-profit community housing agencies and some mixed-tenure development to cross-subsidize operating expenses: http://www.metrovancouver.org/services/housing/projects/heather-place/Pages/default.aspx . The constituent local governments are working with Metro Vancouver on their second successive 10 year housing strategy, which includes local government affordable
housing targets: http://www.metrovancouver.org/services/regional-planning/housing-affordability/strategy/Pages/default.aspx

Metro Vancouver provides an excellent set of case studies of affordable housing projects, programs and policies over the housing continuum that covers these and many other ideas: http://www.metrovancouver.org/services/regional-planning/PlanningPublications/WhatWorks-AffordableHousingInitiatives.pdf

Innovations and Good Practices – Encouraging Market Rental Housing

According to Kira, in Vancouver, the cultural norm is still homeownership. The question is how to excite policy-makers, developers, investors and the general public with a compelling discussion about private (or non-profit owned and operated) below market rental housing. Municipalities, the Urban Development Institute and BC Housing sit on a Rental Housing Supply Coalition (http://www.chf.bc.ca/sites/stage.chf.affinitybridge.com/files/1149%20HSG%20Charter%20with%20Signatures.pdf), which seeks to define housing affordability as a workforce productivity issue.

There are successful examples of incentives to increase the amount of affordable rental housing being developed.

One such example is the City of Vancouver’s Rental 100 program, with similar programs in other Metro Vancouver local governments. This incentive program uses a combination of waived development fees, density bonusing, and reduced parking requirements to develop new affordable rental housing. The private market rental units are secured for 60 years below market rates. There are other affordability requirements, including maximum unit size and low construction costs: http://vancouver.ca/people-programs/creating-new-market-rental-housing.aspx

This program has created about 3,000 units of affordable rental housing in the past five years. One of the strongest supporters is the Urban Development Institute, who employ two policy analysts to work with all levels of government. They see the demand from young people (‘millenials’) who want to work in well-located housing, but can’t afford to own. In fact, they have collaborated with Vancity on mapping homeownership affordability across Metro Vancouver: https://fraseropolis.files.wordpress.com/2014/11/udi-vancity-affordability-index-nov-2014.pdf

While there is a seemingly insatiable offshore ownership demand for condos in Vancouver, only 30% of households in metro Vancouver can afford to buy new inner city/inner suburb condos or single family homes in the middle suburbs (using Australian terms here). The proportion rises for condos and townhouses and with distance, but there is still a significant proportion (~25% of households) that is locked out of affordable homeownership. They need affordable private rental, because they would never qualify for social housing but they do ‘crowd out’ lower income households in competition for rental units.
Innovations and Good Practices – Regulatory Support for Small Infill Housing

Another affordable housing option discussed during interviews was smaller scale infill housing programs, such as laneway and accessory apartments. The City of Vancouver has been actively encouraging subdivision of existing single-family homes and development of laneway housing for almost 5 years, including changes to zoning to enable simple conversions and publishing simple guides for homeowners: http://vancouver.ca/files/cov/laneway-housing-howto-guide.pdf

About 500 units have been created through these mechanisms, which have been adapted by several other local governments in Metro Vancouver: http://www.rew.ca/news/how-to-build-a-laneway-house-1.1341916

Innovations and Good Practices – Community Planning to Increase Affordable Housing

One of the most contentious issues, and one that is far from simple or solved in the Vancouver context, is neighbourhood ‘buy-in’ to these intensification schemes. The City of Vancouver has completed six 20-30 year community plans in the most rapidly changing of its 22 neighbourhoods: http://vancouver.ca/home-property-development/neighbourhood-planning-projects.aspx. While these community plans seek to combine an element of certainty as to additional densities, height limits, and land uses, the CAC process does lead to a certain amount of bargaining, which creates frustration both for developers (according to the UDI) and residents. However, the linkage of increased community amenity (increased schools and community centres, improved parks, better public transport) and increased density is clear in these plans, and residents have their say in infrastructure priorities as well as the forms that intensification will take.

In conclusion, housing partnerships in Vancouver are responding to a housing affordability crisis as severe as that of Melbourne through using an integrated approach which stresses:

1. Alignment of policies and programs at the local, metropolitan and state levels
2. Inclusion of specific local government targets, monitored annually, which then are applied in community-level plans
3. A housing continuum focus which concentrates the highest level of subsidization on the poorest households
4. Frequent and deliberative communication between levels of government, private developers (through the UDI), philanthropic and private investors, non-profit housing providers, and local residents
4. Toronto: a cautionary tale for Melbourne?

Toronto, like Melbourne, has a history of local government innovation and metropolitan governance, interrupted by senior government neo-liberal agendas in the 1990s.

When Metro Toronto was created by the provincial government in 1952, it was considered a model for North America. Along with policing, public education, parks, public transport, and metropolitan planning, Metro Toronto administered a large stock of public housing, whose financing and operations were funded by the federal and provincial governments through a cost sharing arrangement (see Vancouver section for more details).

By 1997, Metro Toronto had 2.5 million residents and City of Toronto 650,000 – very similar to Vancouver and Portland today. However, even in 1997, geographic and population growth of the urban area had outstripped the boundaries of Metro Toronto, leading to inequitable public transport and other infrastructure delivery and weak planning controls for the Greater Toronto Area. The Province of Ontario, over the last 50 years, has been extremely reluctant to provide a coordinated plan for Greater Toronto Area growth. Unlike Vancouver and Portland, which had urban consolidation boundaries from the 1970s onwards, supported by both metropolitan and state/provincial governments, the provincial government only created a Greater Toronto Area urban consolidation boundary in 2006, as part of its Places to Grow regional plan. It is reviewing this strategy in 2015, along with plans to improve regional public transport (’The Big Move’) (http://www.placetogrow.ca/content/ggh/plan-cons-english-all-web.pdf) (http://www.metrolinx.com/en/regionalplanning/bigmove/big_move.aspx)

Perhaps the main reason that the City of Toronto was forcibly amalgamated with the five other local governments in the former Metro Toronto in 1997 was so that the provincial government could download operating costs of public housing (which, in turn, had been downloaded by the federal government in the 1980s). The City of Toronto Act of 1997 did not include as many local government powers as the Vancouver Charter of 1953, and both of the local government interviewees (as well as several other informants who were current or former local government policymakers) suggested that the property tax base of the City of Toronto was insufficient to cover both public transport subsidy/ new lines and social housing subsidy/ new units, leading to a fiscal and governance meltdown over the past decade:

‘To create housing that is truly affordable, a lot of money is needed. The federal and provincial governments have essentially declared that they are out of affordable housing provision. The provincial Liberals have nibbled around the edges, but essentially this attitude remains unchanged. Basically, the cost of creating social housing is enormous. We have been investigating ways to create affordable housing that do more than nibble around the edges’

Mitch Cohen, the Daniels Group
Interviews

Eight formal interviews took place between March 5 and 21 with:

- Jim Adams, Director, Housing Programs, Housing Division, Ministry of Municipal Affairs and Housing, Government of Ontario (provincial government funding for new affordable housing)
- Derek Ballantyne, CEO, Community Futures fund (private investor)
- Mark Aston, Executive Director, Fred Victor Mission (non-profit housing developer)
- Mitch Cohen, President, Daniels Corporation (private developer leading redevelopment of Canada’s largest public housing estate, Regent Park)
- Heather Tremain, Director of Planning and Development, Options for Homes (private developer working in affordable homeownership with a limited equity component)
- Hugh Lawson, Director, Strategic Planning & Stakeholder Relations, Toronto Community Housing (local government – public housing)
- A planner with Strategic Initiatives unit, Planning Division, City of Toronto (local government)
- Maya Borgenicht, Manager, Housing Action Lab, Evergreen Foundation (non-profit organization auspicing a deliberative partnership on housing)

In addition, informal discussions took place with:

- Tracy Heffernan and Mary Wodorow, Advocacy Centre for Tenants in Ontario, Right to Housing Network [https://righttohousing.wordpress.com/]
- Dr. Emily Paradis, Research Manager, Neighbourhood Change Research Partnership [http://neighbourhoodchange.ca/]
- Dr. Greg Suttor, Researcher with the Neighbourhood Change Research Partnership
- Michael Shapcott, Director of Policy, Wellesley Institute, and a long-time national advocate for affordable housing
- Two other senior planners in Strategic Initiatives, Planning Division, City of Toronto

How Affordable Housing is Enabled (or Not) in Toronto

As discussed in the section on Vancouver, the federal government has radically decreased its commitment to affordable housing in recent decades. There is a small joint federal-provincial stream of money ($800 million over six years, 2014-20) for affordable housing initiatives [http://www.mah.gov.on.ca/Page127.aspx]. However, according to Mark Aston of Fred Victor Mission, that funding subsidizes units where ‘affordability’ is defined as rents or house prices that are 80% of market rate:

‘The affordable housing programs that support 80% of average market rent as ‘affordable’ mean that if average rent for a one bedroom is around $1100, the units are going for $900/month. On welfare or Ontario Works [workfare], you may be making $650 a month’
Unlike the Province of British Columbia, which has retained an activist role in affordable housing policy and programs, Ontario has taken a limited approach. Housing is one of four divisions in the Ministry of Municipal Affairs and Housing. Because the province downloaded all public housing stock and operating costs to municipalities as part of the local government amalgamations in the late 1990s, they work with 47 local government-based Service Managers, one of which is the City of Toronto. According to Jim Adams, the Director of Housing Programs, the Province sees itself primarily as a “custodian of funds”: both the small federal-provincial fund mentioned above and a Community Homelessness Prevention Initiative of a little less than $300 million/year, which is 100% funded by the province, mostly from re-allocated shelter allowance money:

http://www.mah.gov.on.ca/Page9183.aspx

While this latter money is intended to pool previously separate streams of funding in order to promote an integrated and longer term approach to homelessness (for instance, money previously allocated to emergency shelters can now be used for longer-term housing), it is up to the local Service Managers how they allocate this funding, and most of it goes to essential repairs of existing units.

Provincial government land held by the Minister of Infrastructure has not used for affordable housing, and although Infrastructure Ontario has the power to provide low-interest construction loans to non-profit housing companies, this does not appear to be linked to affordable housing policy at the provincial level. Unlike BC, inclusionary zoning is not a tool that local governments can use. Peter Milczyn, a former City of Toronto councillor and now a member of the provincial government, introduced a private member’s bill recently to allow inclusionary zoning:

(http://www.thestar.com/opinion/commentary/2014/11/25/queens_park_newcomer_aims_to_move_the_yardsticks_on_housing_goar.html)

This follows four previous unsuccessful attempts over the past decade. According to a policy officer at the City of Toronto, who has been part of a coalition advocating for inclusionary zoning:

‘It comes up and it dies down regularly. The debate has been going on so long, I think people are burned out’

The new Ontario Premier, Kathleen Wynne, has supported a Poverty Reduction Strategy (2014-19) that has as one of its four planks ending homelessness (http://www.ontario.ca/home-and-community/realizing-our-potential-ontarios-poverty-reduction-strategy-2014-2019-all). This may inject some new policy energy and financing into low-income housing. However, Jim Adams is frank about current limitations at the Province of Ontario:

‘Each service manager has their own 10 year housing and homelessness strategy which they file with us [since the Housing Services Act changed in 2010], and that is a good start. But there is limited cross-jurisdictional discussion, and no overarching provincial housing and homelessness plan. Every political cycle is different, and as political leadership changes at each level of government, there is a change in direction. Four year mandates don’t work well with 10 year housing and homelessness strategies. There is intelligent conversation, but it doesn’t go beyond conversation. I would easily conclude that we are not the resident experts any more. We don’t know how to expertly guide this ship. We have consciously given away that role. We can’t really address core or deep core housing need’
The City of Toronto has been hit particularly hard by federal and provincial withdrawal from affordable housing. The City of Toronto pro-actively banked land and property in the 1970s as part of its Living Room strategy, including a large number of rooming houses as well as small and large apartment buildings. When the local and metropolitan government public housing stocks were merged as part of amalgamation, the resultant Toronto Community Housing Corporation became the largest social housing provider in Canada and the second largest in North America. It provides homes to 58,500 low and moderate-income households, including seniors, families, singles, refugees, recent immigrants to Canada and people with special needs (http://www.torontohousing.ca/about).

Hugh Lawson of Toronto Community Housing points out that:

‘About 25% of our population are seniors and another 30% on Ontario Works or Disability – that is, they are not working. So over 50% are not in the workforce and could never pay market rents’

Toronto Community Housing has a $2.6 billion capital shortfall that will need to be addressed, to keep its current housing stock, much of which was built in the 1970s, operational over the next 10 years. While the provincial government has guaranteed rent subsidy, if not repairs, to public housing, there are also more than 30,000 community housing units whose operating agreements with federal and provincial governments will be ending in the next 10 years, many of which also require ongoing rent subsidy and/or major repairs. The City of Toronto has not been to adequately maintain its public housing stock using property taxes, let alone assist in creation of new stock. This problem was exacerbated from 2010 to 2014, when the Mayor of Toronto, Rob Ford, slashed property taxes, sacked the TCH board and tried to sell public housing off (https://nowtoronto.com/news/fords-big-social-housing-zero/).

Build Toronto was a separately incorporated organization, created in 2010 to generate value from the City of Toronto’s ‘surplus’ land and building assets (including land banked to eventually create affordable housing). Although the charter of Build Toronto committed to “to set aside sufficient lands in order to construct 1,000 units of affordable rental housing between 2010 and 2015, and 250 units of affordable ownership housing,” as of March 2015, only 12 units had been created on land sold by Build Toronto to private developers, a 99% shortfall on that five year target (http://globalnews.ca/news/1892654/build-toronto-fails-to-hit-affordable-housing-targets/).

Given that the City of Toronto is the only level of government actively involved in affordable housing, the governance system is remarkably complex and opaque, especially as compared to Vancouver and Portland. Other than Toronto Community Housing (the public housing agency) and Build Toronto (the land development agency which is supposed to enable affordable housing, but does not), there is a Shelter and Support Division, which “provides temporary shelter and support for homeless individuals and families, and creates permanent affordable housing solutions.” (http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=44efe03bb8d1e310VgnVCM10000071d60f89RCRD). The Strategic Initiatives Division coordinates ‘major projects’, defined as any new development of over five hectares, with a strong emphasis on affordable housing, including rental protection. The City’s Official Plan (in Melbourne terms, its Municipal Strategic Statement) states that 20% of all housing in ‘major projects’ be affordable housing (either affordable rental or ownership). This is negotiated as part of density bonusing agreements (in Toronto, governed by...
Section 37 of the Ontario Planning Act), although unlike the City of Vancouver, the agreements are negotiated with some very strong political involvement from local councillors. This affordable housing target has not been met, because it requires land and other financing to make the numbers work, particularly for low-income households. Other community benefits, like community centres and day care space, have been prioritized over the affordable housing. As the Strategic Initiatives planner explains:

‘We have Section 37 [density bonusing] and development charges, but decisions are dependent on local councillors, some of whom give large concessions like zero parking or reduction of development charges for very limited affordable housing benefits. Other services which are obviously needed have been prioritized – part of a park, a bit of a childcare centre, because the funds aren’t so big... My biggest worry is that the development boom will have come and gone by the time we get the right powers in place’

The Strategic Initiatives Division also enforces the Rental Housing Protection Policy (http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=8c850621f3161410VgnVCM10000071d60f89RCRD). This policy “gives the City of Toronto enhanced authority to protect rental housing from demolition and conversion to non-rental purposes (e.g. condominium, offices, or other non-rental uses).” If a project is redeveloped, an equal number of affordable rental units need to be provided, with the previous tenant having first ‘right of refusal’ at the same rent. This is true for both ‘average market rent’ and ‘moderate rent’ (up to 50% above average market rent). ‘Luxury rent’ is not protected against conversion to condominium.

In addition to these two local government divisions and two separately incorporated agencies, there is an Affordable Housing Office, which “works to enhance the health of Toronto’s residents, neighbourhoods, economy and environment by delivering funding and incentives, and by developing innovative housing solutions, to create and maintain safe, affordable, rental and ownership housing for lower-income residents.” (http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=36f732d0b6d1e310VgnVCM10000071d60f89RCRD)

The Affordable Housing Office created Housing Opportunities Toronto, a 10 year action plan for 2010-2020 (http://www.toronto.ca/legdocs/mmis/2009/ah/bgrd/backgroundfile-21130.pdf). It has a very ambitious set of affordable housing targets (although less ambitious, per capita, than the City of Vancouver). For instance, 10,700 supportive housing units were promised over 10 years, but the City of Vancouver figure would be more than 12,000 units for an equivalent population and tax base. Because of the huge repairs and operational shortfall, the emphasis in the action plan was on repairing and revitalizing all 90,000 units of public and other non-profit housing, as well as improving 30,000 units of low cost private rental housing. In addition, and in contrast to the Vancouver plan, which assumed that low cost homeownership would be provided by the private sector, Housing Opportunities Toronto pledged to help create 10,000 affordable ownership homes, and help a further 47,000 households to remain in their homes or purchase one by reducing the cost of homeownership.

Unlike the City of Vancouver, whose Vancouver Affordable Housing Agency is able to lease local government land, negotiate and pool density bonusing funding and developer contributions, and coordinate all aspects of local government in an integrated approach, the Affordable Housing Office
appears quite isolated and powerless. The Strategic Initiatives planner, who had worked previously in the Shelter and Support Division, conceded that:

‘I don’t think there has been a coordinated approach. And maybe some competitive posturing’

According to the Affordable Housing Office, the City of Toronto helped enable 2,792 new ‘affordable rental’ units and 850 ‘affordable ownership’ units between 2010-14 (http://www.toronto.ca/legdocs/mmis/2015/ah/bgrd/backgroundfile-77842.pdf ). However, these figures are not comparable to the Portland and Vancouver figures cited in this report, since the majority of these units receive limited or zero rent subsidy. They are considered ‘affordable’ since they are rented or sold at 80% of average rents and house prices respectively, but this does not meet the needs of low-income households. Unlike Portland or Vancouver, there is no publicly available information on the number of net new deep subsidy social housing units, including supportive housing for people with physical or mental disabilities, which have been constructed in Toronto over the past five years. A follow up email with the Strategic Initiative Planner confirmed:

‘that there has been no new social housing built. Any new non-profit/public housing that has been created has either been replacing existing housing (meaning no net increase) or providing market rent units (i.e. average market rent or 80% of average market rent). The only way that the new market rent units would serve those in core need is if there was an associated rent supplement for the tenant. There are many cases where a rent supplement has been provided along with a new affordable or market rent unit, however I don’t believe there’s an accounting of this anywhere’. (email correspondence, City of Toronto Strategic Initiative Planner, April 29, 2015).

One recent exception to the complete shortfall of 10,700 supportive housing units promised by 2020 is the Fred Victor Mission, who will be taking over 300 units of athletes’ housing after the Pan Am Games, to take place in Toronto in 2015: http://fredvictor.org/pan_am_housing

Unsurprisingly, there are consequences to inaction on housing for low-income households. Almost 80,000 households are on the waiting list for public housing, an increase of 20% over the past five years (http://torontosvitalsigns.ca/housing.pdf ). On any given night in Toronto, over 5,000 people are in shelters or sleeping on the street. This is an even greater health hazard in Toronto, where the weather regularly goes below 0 degrees, than in Portland, Vancouver, or Melbourne. In a single four day period in January 2015, three people died while sleeping outdoors (https://nowtoronto.com/news/740-homeless-people-have-died-on-toronto-streets-since-1985 )

There are a plethora of advocacy coalitions. The City of Toronto, along with dozens of community organizations, is most involved in Closing the [Housing ] Gap, which advocates to provincial and federal government for a new commitment to affordable housing funding and policy: (http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=282b52cc66061410VgnVCM10000071d60f89RCRD )

However, this campaign has not had much traction so far, according to Hugh Lawson from Toronto Community Housing:
‘So far, these governments are not coming to the table. The federal government says it isn’t part of their constitutional responsibilities, so ‘no’. And the provincial government says it doesn’t have money, so ‘no’ so far. And for the cities, it is transit or housing, and I think they’ll go for transit first’

Unlike Portland and Vancouver, the local government has been unable to convince senior government to ‘chip in’, perhaps due to an inconsistent and unintegrated approach, exacerbated by extremely poor political leadership over recent years.

Innovation and Good Practices: Retaining Affordable Rental Housing and the Regent Park Redevelopment

Within such a dysfunctional affordable housing financing and regulatory system, it is hardly surprising that the emphasis has to be on preserving existing public housing through public-private partnerships. As Hugh Lawson points out:

‘We do get some funding from federal-provincial programs, but this needs to be applied to major repairs. It is cheaper to fix than to build new housing and that is our emphasis. Fixing a new unit costs $50,000, which is cheaper than rebuilding for $200,000-300,000’

The flagship public housing redevelopment has been Regent Park, the oldest and largest public housing project in Canada (http://www.torontohousing.ca/regentpark). After post-war demolition of a ‘slum neighbourhood’ 2 km east of the central business district, over 2,000 units were constructed, mostly for working families. The 69 acre site was mostly closed off to traffic, and had no shops and few public services, meaning very few jobs, on site. Gradually, the area around Regent Park gentrified, but there were few nearby banks and no discount grocery stores within walking distance. Beginning in 2005, there was a Request for Proposals (RFP) for a private developer to take on the redevelopment, retain the number of public housing units, but undertake redevelopment that would add new market units to cross-subsidize rents and repairs, as well as add amenity to the neighbourhood. The initial developer tried to renegotiate terms and was replaced by the Daniels Group in 2006 (http://www.danielshomes.ca/corporate_profile.html). According to Mitch Cohen, President of the Daniels Group:

‘Instead of the box-ticking [the RFP], we wrote a letter instead outlining a better approach to community development, which was the real challenge. Another group won the bid, but then started trying to change the terms of the arrangement. They were weaselling and usually the public partner has made the public announcement and they are forced to play along. Derek Ballantyne, who at the time headed up Toronto Community Housing, and his board, to their credit, weren’t going to play that game. They reissued the RFP and then at the very end it said: “Or an alternative development framework”. Which allowed us to resubmit our vision’
Part of the reason that Toronto Community Housing and the Daniels Group were able to build this partnership is a 30 year track record of performance from this developer. Mitch Cohen (http://boundless.utoronto.ca/leadership/cohen/) started developing affordable housing in 1973, with two of the earliest non-profit housing co-ops in Quebec. He moved to Toronto in 1979 and worked for the Co-op Housing Federation of Toronto until 1984. In 1984, the Conservative federal government under Brian Mulroney terminated the federal new build affordable program he was working on, and John Daniels offered him a position that would focus on non-profit housing development. Between 1986 and 1995, Daniels developed about 3,600 units of non-profit housing (co-op, community and public) under various programs. They were a private developer building the largest volume of subsidized affordable housing in the country. In 1995, the Conservative provincial government under Mike Harris (social housing programs having been devolved to the provincial level by the early 1990s) cancelled all new social housing programs, including 13 non-profit projects being developed by Daniels. Their emphasis for the next 10 years was in master-planned suburban communities (with an emphasis on affordability), but they kept an eye out for opportunities in social housing redevelopment.

As part of their first phase of development (which is now in Phase 3 of 5), Daniels talked to most of the relevant community agencies that provide services in Regent Park. They have developed new amenities such as the Regent Park Aquatic Centre, the Daniels Spectrum Arts Centre (which won an international award in March 2015: http://www.dsai.ca/news/daniels-spectrum-wins-civic-trust-award), a much improved central park and sports oval, and a new health clinic. The 2083 units of rent geared to income public housing on the site are being replaced (some units are offsite but within a kilometre), supplemented with 5400 market units (some of which are affordable homeownership). Tenants are displaced for three years, from move out to demolition to

Figure 6. The Regent Park redevelopment has inserted shops, including a grocery store and a bank, into the ground floor of new social housing units. (Photo: C. Whitzman, 2015)
construction to moving back in. Tenants have the ‘right of return’: first shot at the new units. There is no change in the rent geared to income charged by Toronto Community Housing.

Partnership building in Regent Park was not without hiccups – there were some social service agencies who were opposed to private redevelopment, but according to Mitch Cohen:

‘The Regent Park redevelopment involved Toronto Community Housing, the City of Toronto’s social infrastructure department, and private sector funding partners like the TD bank. Banks were actually happy to plant their flag in this new community’

In Vancouver, the Urban Development Institute representatives I interviewed had no complaints about either an urban containment boundary or inclusionary zoning, perhaps because they are the second generation of developers dealing with a settled new reality. Their area of contention with the City of Vancouver is about time-consuming negotiations to get affordable housing outcomes out of Community Amenity Contributions, a necessary evil when there is no federal money for subsidized housing. Mitch, who is perhaps a somewhat renegade member of BILD, the recent amalgamation of the Ontario Home Builders Association and the Urban Development Institute Ontario: [http://www.bildgta.ca/](http://www.bildgta.ca/), has this to say:

*The Green Belt [urban containment boundary] happened despite strong opposition from developers who protested and protested. But the provincial government said we have to stop eating up our farmland. The idea is building near nodes along transit lines. You need to build at much higher densities and of course they froze a bunch of land. The minute it was approved, the development industry adapted. They are nimble entrepreneurs. All of the developers who were building at 4 units per acre in ‘905’ [Toronto-ese for outer suburbs], started new divisions that are building in city centres, not only in Toronto but in Brampton and Mississauga. Some of the developers who were worst at sprawl are now are champions of new urbanism. So what I’m saying is that if you want affordable housing, it isn’t going to happen because of nice developers like Mitch Cohen and the Daniels Group. It won’t be done in 10 units or 100 units. In Toronto, the number of building permits over the past few years is 70-80,000 units. If we had had inclusionary zoning, probably half the waiting list for public housing would have been provided with a home.*

Of course, developers who want to stay in business will adapt themselves to the changing realities of housing needs and housing regulation:

*‘The Building Code just changed to allow six storey wood frame buildings – Vancouver had that years ago. But what people aren’t talking about is that Universal Access is now in the Building Code as well. We will have to put automatic door openers on every door. Yeah, it costs money. But it is a value proposition about what is important in our lives, for us as a community... The City of Toronto requires 1% of development costs to go into public art. I think public art is tremendously important. But it is also important for people to have a decent place to live’.*

The unfortunate thing about the Regent Park redevelopment, where the City of Toronto through TCH retains ownership of the land and gets both profit and social equity outcomes from the redevelopment, is this seemingly successful process is not being replicated. Other central city and
suburban public housing projects will simply be sold off to private developers for redevelopment. When I asked Hugh Lawson of Toronto Community Housing why, the answer appeared to have to do with the board and leadership sacking which occurred after the election of Rob Ford in 2010:

‘The board is risk-averse, so we are moving towards a model of selling the land to developers and then getting a share of the profit. That will at the very least replace our buildings and maybe give us some money for other repairs’

Innovation and Good Practices: Affordable Home-Ownership

Like the Rental 100 affordable market rental scheme in Vancouver, there is an argument in Toronto that in the absence of sufficient funds to subsidize the creation and operating costs of new social housing units in an era of decreasing housing affordability, there should be some subsidization for both rental and ownerships market housing aimed at moderate income households.

Mike Labbe (https://uwaterloo.ca/environment/alumni-friends/profiles/mike-labbe ), like Mitch Cohen, learned housing development through Canada’s strong non-profit co-operative housing movement in the 1970s and 1980s. He founded a firm called Options for Homes in 1994 (http://www.optionsforhomes.ca/why_options/ ), after the federal and then provincial government closed off options for new subsidized social housing in Toronto.

The idea of this non-profit company is to lower barriers to first time affordable homeownership. According to Heather Tremain, Director of Planning and Development for this company, they target households earning $30,000 to $100,000+ a year.

Their projects start out as a non-profit co-op, with a board organized by Options for Homes, and hire Options for Homes as the non-profit developer. Options for Homes has already found the land, through its fund, Home Ownership Alternatives, that is based on second mortgages of previous homes built. The co-op hires the architect and builder. They receive a low interest construction loan from Infrastructure Ontario because they are a non-profit entity. At the end of the construction process, the units become condominium, simply because it is impossible to get mortgage financing for an equity coop unit with less than a 35% down payment. They sell units with a 5% down payment, which is fairly standard in Toronto (although very risky for lower-income home buyers, if they lose steady employment).

Options for Homes keep costs low (at least 50% below nearby market prices) through being a non-profit developer, eliminating ‘frills’ like gym rooms or pools, buying ‘quirky’ land packages (e.g., one site has been hived off from a larger parcel, and is close to the subway, but without direct road access – they will have to build a new road) and offering a second mortgage that makes the unit considerably less expensive. They sell at cost plus 10- 15% and the 15% is what constitutes the second mortgage, which removes the need for CMHC mortgage insurance which is roughly 3% of the purchase price. There are no interest payments on the second mortgage, but it is ‘due in full’, plus appreciation as a percentage of resale value, when the unit is resold. It is thus a form of limited equity homeownership, but only for the first buyer. While the HOA fund isn’t liquid, it is now at $85 million from 4000 units. This gives us enough money to start the next project. They also keep marketing costs very low (no model units etc): http://www.optionsforhomes.ca/boost/
There are other ways that Options for Homes promotes affordable living. Most of their current projects are condominium apartments within a short walk of a subway station. They also offer car sharing as well as Green features that save on energy: http://www.optionsforhomes.ca/green_features/ Most of their units are 2 or 3 bedrooms, and suitable for families.

Options for Homes negotiates for subsidies from the City of Toronto, which are highly contingent on the local politician involved in the negotiation (as discussed above, direct political intervention is uncommon in Vancouver, but very common in Toronto). It is typical for the City of Toronto to defer a portion of its development charges to be provided as second mortgages. Lessening parking requirements is a big area of negotiation for them. Typically, they provide .65-.85 parking spaces per unit, but many buyers don’t own cars. With their car sharing commitment, they feel they should be allowed even fewer parking spaces. They are working with the City of Toronto at a new project in the central business district and are arguing for no parking requirements.

The big question is how you scale up these affordable homeownership initiatives. Land is the key: agreeing to purchase the land but deferring payment until you are ready to start development (2-3 years, at no or low interest). At present, they are working with the City on identifying surplus land: municipal, school board, provincial, federal, and Crown Corporation. They are happy to pay market price but would prefer deferring payment until development. Of course, if development was expedited, that would help, as has been the case with Green Buildings going to the ‘front of the queue’ in Vancouver and Portland.

Options for Homes pay property taxes and development charges. But they would like to be exempt from paying section 37 payments if their density is increased, as they would argue the affordable housing they provide is a community amenity. According to Heather:

‘Some councillors are more amenable about this, and it does get individually negotiated on a site by site basis’


The Daniels Group also specializes in relatively affordable homeownership options. Gateway Projects are rental housing, where renters can put aside a portion of their rent towards a later Daniels home purchase: http://www.danielsgateway.com/. These projects were some of the few rental projects being built in Toronto in the last 20 years, and now include about 800 units.

They also started the First Home program (http://www.danielsfirsthome.ca/). First Home delivers more affordable homeownership through limited marketing (no model home, no sales office), no customization and mass production. The trades get certainty and in return, build quickly. Households line up for two weeks to purchase their latest offerings, which Mitch sees as a community building opportunity (http://www.theglobeandmail.com/report-on-business/rob-magazine/the-developer-who-wants-to-make-housing-affordable/article14558132/?page=all).

While these affordable homeownership programs do have a place along the housing continuum, it is unfortunate that the City of Toronto is unable to facilitate a critical mass of new deep subsidy social
housing to meet the needs of the growing number of households locked out of both public housing and homeownership opportunities.

**Innovation and Good Practices: New Social Investment**

Derek Ballantyne was the CEO of Toronto Community Housing from its creation in 2002 to 2009. In 2010, he became the first head of Build Toronto, before being sacked by former Mayor Rob Ford (https://nowtoronto.com/news/this-and8220scandaland8221-is-no-stunner/)

In 2013, he became the CEO of the newly established Community Forward Fund (http://www.communityforwardfund.ca/), whose aim is “to advance a sustainable charitable and non-profit sector by providing access to loans and financial coaching; tools organizations need to help them assess their current financial picture and implement plans for their future”. He also heads up Trillium Housing (http://trilliumhousing.ca/), which invests (through private equity raised from private and philanthropic sources) in the development of entry level homeownership.

The Community Forward Fund is a registered investment fund, with some large initial donors, including private foundations as well as the Ontario Trillium Foundation (provincial lottery funds). They currently have ‘cycled’ about $16 million in capital, and have made 42 loans. They lend solely to non-profits and charities, to provide them with access to capital that is usually restricted from conventional sources and to increase their capacity. It is designed to appeal to investors who want to support high impact projects with a social mission. In exchange, they get a relatively modest return. A significant proportion of the loans have gone into affordable housing.

With the much more established VanCity and many other social investors, they have been working with the federal department Employment and Social Development Canada, who are interested in developing social finance mechanisms: http://www.esdc.gc.ca/eng/consultations/social_finance/report//index.shtml

Social finance can provide funding for individual projects, but perhaps their most important role is as part of a broader system that enables deep subsidy affordable housing to bridge gaps. The biggest gaps CFF addresses have to do with front-end ‘bridging’ funding. Capital from government and other sources kicks in once approvals are generated and construction starts, but covering soft costs of developing proposals, land acquisition, and obtaining approvals and permits is difficult for many non-profits. See this case study from an indigenous housing project in an outer suburb of Toronto, Oshawa: http://www.communityforwardfund.ca/case-studies/nishnawbe-homes-inc/

Also, getting a conventional first mortgage is relatively easy, but there may be a need for additional bridging money at the 7-12 year point of about 5-10% of value, when major repairs kick in and capital reserves are low (partly because non-profits aren’t supposed to accumulate large capital reserves, partly because start-up grants are finishing). See this example from an indigenous housing project in the city of London, Ontario: http://www.communityforwardfund.ca/case-studies/four-feathers-housing-cooperative/

Like Kira Gerwing, Derek believes that there is a cultural shift from homeownership to rental alternatives, which developers are beginning to recognize:
‘In this country, the economics of building rental housing are marginal, although they are getting better in places like Toronto and Vancouver. That is market affordability, not affordability for lower income families. For the first time in 25 years, the economics are right to build rental housing to take some of the pressure off. There are 1000 rental units going up in one downtown Toronto development. Then there is the question of how to make that affordable. It is virtually impossible unless you find a way to depress or postpone some of the costs’.

Like Mitch Cohen, Derek sees private and social finance solutions as needing to be backed up by local government coordination, provincial government policy, and federal government funding, in order for the needs of low income households to be addressed in Toronto. Given his background with the City of Toronto, I asked him why the City of Vancouver appeared so much more successful at low-income housing provision. Derek responded:

‘A combination of things. The City of Vancouver had an urban containment boundary for a long time, and was used to intensifying within natural constraints rather than sprawling. It had an institutional culture of greater intervention in planning and development, supported by relatively consistent political and community leadership. The Vancouver Act provides more powers than the Toronto Act. Its housing price rise was more rapid, creating a more acute crisis, a forced necessity response. In Toronto, amalgamation perhaps diffused the political culture: the old City of Toronto more interventionist, the former suburbs less so’.

Part of the problem is that the City of Toronto isn’t set up to take on the role that the City of Vancouver does (despite its much larger population – 2.5 million as opposed to 600,000 – and tax base). The City of Toronto is close to its debt ceiling so it can’t raise bonds in the way that the Vancouver Affordable Housing Agency (VAHA) does. You would need an intermediary organization that wouldn’t affect the City’s debt rating and balance sheet. The City of Toronto does have a land trust, dating back to the 1970s, and could use land transferred from other jurisdictions or purchased to build social housing. If the City of Toronto was serious about affordable housing, it would have to create a special purpose corporation like VAHA:

‘...with some land assets put into it, like Vancouver has. Build Toronto didn’t plough its capital gains back into affordable housing or social policy needs – it disappeared into general assets’

But even if there were savings gained from selling land, and low or no cost land, that still would not close the ‘equity gap’ for low-income housing.

‘The cost of land is actually a smaller proportion of costs than it used to be. If you excuse affordable rental housing from paying property taxes and other municipal charges, it might be a proposition, again, not for low income families but moderate income households... In the last month, we did some modellling for the City of Toronto – it would work at 80% of market rent if you applied some incentives to it. You can get it below that if you give a capital grant or non-principal paying loan. I’d prefer loans from a public policy perspective, because over time, that project should be able to pay it out of capital costs and then you could recycle it into other affordable housing’
Finally, we discussed the issue that Shayne Ramsay initially raised: whether Toronto Community Housing was just too big for good management. There was a provincial study that found the ‘right size’ for a social housing provider is 2000-4000 units (http://www.hscorp.ca/wp-content/uploads/2011/12/Optimum_Size_of_Social_Housing_Provider.pdf). With less than 1000 units, you have disproportionate fixed costs, like administration. With more than 4000, you get diseconomies of scale, and the management structure is too dispersed. A community housing partnership can truss assets together like land trusts. In the UK, some of the larger companies run common back office, but allow management to be dispersed.

**Innovation and Good Practices: A Nascent Affordable Housing Partnership**

It should be clear from the previous sections that the City of Toronto is struggling with horizontal integration (coordination across its various divisions and agencies) as well as vertical integration (gaining traction with provincial and federal government) and partnerships with private developers and investors. There is an initiative, hosted by a non-profit organization, which is attempting to address the deliberative planning gap.

The Evergreen Foundation (http://www.evergreen.ca/about) is a national not-for-profit organization, based in Toronto, that “believe[s] we can solve even the most pressing urban environmental issues by bringing diverse people together, inspiring them with possibilities and engaging them in identifying solutions and taking action.” There are a number of projects related to food and children’s education, along with a Cityworks project (http://www.evergreen.ca/our-impact/cityworks) that focuses on planning and design for urban sustainability.

Cityworks, in turn, has four project areas: housing, transportation, city building and partner services. The Housing Action Lab is one of two housing related projects run by Evergreen: http://www.evergreen.ca/our-impact/cityworks/housing/gta-housing-action-lab/

The other is the Tower Renewal Project: http://www.evergreen.ca/our-impact/cityworks/housing/tower-renewal/, which is being run in conjunction with the Centre for Urban Growth and Renewal: http://www.cugr.ca/, a collaborative research centre associated with the Cities Centre at University of Toronto.

CityWorks is dedicated to ‘stakeholder engagement’ in relation to a set of issues, including an urban agenda for Canada, transport, and affordable housing, all important aspects of urban sustainability. It employs 8 people. Most funding comes from grants. The housing work is funded by provincial grants from the Ministry of Municipal Affairs and Housing and from Trillium Foundation (that is, provincial government).

The Housing Action Lab is not intended to be content experts. As is the case in Melbourne, there is a plethora of excellent research on affordable housing issues. The idea is to promote deliberative planning. Maya Bodenicht, the Project Manager for the Housing Action Lab, explains:

> The main stakeholders in business, community and government are not talking to one another and [we] can provide that common ground.

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The Housing Action Lab started in early 2014, with about 50-100 stakeholder interviews. Then they held a workshop in June 2014 with 60 people to further tease out big issues. This led to a background research paper suggesting options, which were discussed in a smaller two day workshop with 20 people held in September 2014. Unfortunately, none of these materials are online.

They now have an action plan framework, with three ‘buckets of ideas’ around regional coordination, affordable homeownership and regulatory changes to support smart intensification. These were discussed further in a November workshop with 60 people bringing together all the groups. Currently, there are eight sub-groups developing a Housing Action Lab Plan. The idea is to develop strategy that can then be adapted by municipal and provincial government. There isn’t a specific deadline for the plan.

But they are also reacting to policy opportunities as they come up, for instance, the review of the growth plan and green belt act that the provincial government is currently undertaking.

One example of partnership research is mapping all government land resources, with an emphasis on that which is under-utilized. This project is led by David Amborski, a Planning Professor at Ryerson University.

I noted that it was frustrating that the reports aren’t online, where they could be discussed by a larger audience and also inform similar work going on in other cities. At the moment, says Maya: ‘We see our biggest impact in working with stakeholders at the decision-maker level. Once we figure out what we are doing, there will be a public engagement piece.’

The range of stakeholders involved is impressive. As is the case with Transforming Housing, the federal government is not involved. But the Housing Action Lab does work with the provincial government and the City of Toronto. The Region of Peel, adjacent to the City of Toronto, is also a formal partner, while other adjacent regions like York and Durham have shown interest. Although there is no formal group of the local authorities within the Greater Toronto Area, they did a presentation in September 2014 to a Council of Mayors that occasionally meets. Other members of the Housing Action Lab include individual developers like Options for Homes, as well as BILD, the merged Urban Development Institute and Ontario Home Builders Association. The Ontario Non-Profit Housing Association is involved, as are other social housing providers and philanthropies such as Habitat for Humanity. Trillium Housing, the affordable homeownership social investment fund led by Derek Ballantyne, is involved, as is CivicAction, a business group which was formerly led by current City of Toronto mayor John Tory led and is similar to the Committee for Melbourne (http://civicaction.ca/).

After a year, there are no specific policy changes or programs which the Housing Action Lab has developed. Maya says: “We aren’t there yet”. But Mitch Cohen has recently published an article (http://www.thestar.com/opinion/commentary/2014/12/23/a_perfect_storm_for_action_on_affordable_housing.html) arguing that things might be changing for the better in Toronto (they could hardly change for the worse). As he summarizes:

‘There is a chance of change with both Kathleen Wynne as the new Liberal premier and John Tory as the new Mayor of Toronto, along with a federal election in the fall’
To summarize, there is some innovation and the potential for a much better integrated response to providing affordable housing in Toronto. But unlike Vancouver and Portland, there does not appear to be a viable response to the growing need for low-income housing, let alone a response that is partnership-based and transparent. Toronto has been hit hard by an untenable amount of public housing which requires major maintenance, upkeep which it appears cannot be covered by rents geared to low incomes or by the property tax base. The Province of Ontario is not taking sufficient action to assist in a regional response to good planning, and it is all too easy to sprawl. An absence of good political leadership at the local level in the recent past has also exacerbated Toronto’s problems. Underlying this incapacity to take advantage of some great organizations and great minds in Toronto is a Provincial and Federal government that is not taking its responsibilities seriously. The best start, according to Hugh Lawson and most other informants, is simple: “A federal funding program and some provincial policy.”
5. Conclusion

This brief description of affordable housing initiatives in Portland, Vancouver and Toronto demonstrates that in Vancouver and Portland, a number of shared deliberative planning principles are being practiced, leading to innovative responses to the ‘wicked problem’ of affordable housing.

- First, the affordable housing initiatives are based in excellent ‘horizontal’ integration of transport and land-use planning policy with social infrastructure provision at the local and metropolitan scales of governance. They come out of a shared ‘vertically integrated’ commitment of city, metropolitan and state government to work together to maintain a long-term urban containment boundary, within which there would be rapid expansion of public transport, making more sites available for affordable housing with good access to jobs and services.

- Second, to this integration of three levels of government can be added strong collaboration with a diverse set of private housing developers, peak bodies such as the Urban Development Institute in Vancouver, social housing providers, philanthropic and private investors. They work in various partnerships to undertake collaborative research, deliberate in policy groups, and carry out innovative projects together.

- Third, the interdependence of these actors is acknowledged by all parties. Even and especially when they disagree, they recognize that they need to work together to accomplish shared social and/or economic objectives.

- Fourth, this mutual learning and interdependence has led to innovative approaches to address the ‘wicked problem’ of providing affordable housing in a context of decreasing US and Canadian federal funding and responsibility for shelter for those who are most vulnerable: poor people, people with physical, mental and/or psychiatric disabilities, indigenous people and visible minorities, single mothers with children, veteran soldiers, and older people.

‘We can do affordable housing when it is our land or when we are able to negotiate with developers [through density bonusing and inclusionary zoning] for a capital injection. Or when there is a wealthy person who wants to leave a lasting legacy. We really can’t do supportive housing without service money from the provincial government’

Abigail Bond, City of Vancouver

It is true that local government in Melbourne is much weaker than local governments in Portland, Vancouver, and Toronto. A local government with 100,000 people has less of a property tax and land base to support affordable housing and the Victorian State Government has been even less inclined than Oregon, British Columbia or Ontario to give local governments regulatory or borrowing powers that would allow some of the innovation seen in Portland, Vancouver and Toronto. But the recent work of five metropolitan Melbourne local governments through its Inner City Action Plan, a nascent Eastern Affordable Housing Alliance, and an emergent Western Region alliance, show that if local governments are able to band together, they can achieve the 600,000+ population and tax base scale that could allow borrowing and shared land assets.

The importance of metropolitan governance and an urban containment boundary was stressed continually by informants in all three cities. The notion that an urban containment boundary
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elevates land costs would surely be debunked by the example of Melbourne, where land and house costs have wildly escalated even as the Green Wedges policy of the 1970s was slowly abandoned. What has appeared to happen instead in Portland and Vancouver is that a stable urban containment boundary focused private developers into higher density urban redevelopment, where increased property values could be captured, to some extent, by local governments. It also allowed more efficient and equitable transit oriented development.

‘We have failed at an integrated policy response. In the post-war period, we used to have 20-30 year time horizons for both government and private investment. We had government investment and long-term economic policy. Now we deal with 4-5 year political cycles. Housing is a pivot point for so many issues, a 20 year investment in better health and decreasing crime.’

Derek Ballantyne, Community Futures Fund

Aside from re-creating metropolitan governance and instituting an urban containment boundary, the Victorian State Government should enable regulatory tools such as Inclusionary Zoning and density bonusing. These measures should be linked to an Affordable Housing and Homelessness Strategy. Portland and Vancouver both appear to favour a 10 year cycle for these strategies: a long enough time frame to get stable policies and investments, but short enough timeframe that it can be reviewed as innovations occur. The more specific the target and the more transparent the reporting, the more accountability there is, both to key housing actors and the general public.

In Portland, Vancouver and Toronto, there are private developers who specialize in affordable housing development. Yes, they are for profit, but they also appear to genuinely care for social outcomes. Likewise, there are a growing number of entrepreneurial social housing providers, like Atira in Vancouver and Fred Victor in Toronto, who are able to create partnerships and build much needed supportive housing for low income people, in incredibly harsh current policy settings.

Another growth area is the creation of social investment mechanisms that allow individuals to invest for maximum impact. While these will never be a substitute for senior government investment in housing for low-income people, these investors help bridge gaps and also bring partners together.

In all three cities, researchers and non-profit organizations have been working with, and sometimes leading, affordable housing partnerships. While continuing to lobby at the federal and state level (in Portland) and at the federal level (in Canada) for better social and economic choices, these diverse partnerships are creating environments where genuine dialogue and innovation can create results that save lives. Low and moderate income individuals and households – in the US, Canada, and Australia - need more affordable housing now. We need to work together across difference because we are interdependent as a society – because the injustice of homelessness and inadequate housing affects our humanity.
References


Appendix 1

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<thead>
<tr>
<th></th>
<th>Melbourne</th>
<th>Portland</th>
<th>Vancouver</th>
<th>Toronto</th>
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<tbody>
<tr>
<td><strong>Annual population growth rate</strong></td>
<td>2.2% (2012-2013)²</td>
<td>1.1% (2012-2013)⁷</td>
<td>1.427% (2012-2013)⁸</td>
<td>1.514% (2012-2013)⁹</td>
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³ USA.com - [http://www.usa.com/portland-vancouver-hillsboro-or-wa-area.htm](http://www.usa.com/portland-vancouver-hillsboro-or-wa-area.htm)
¹¹ US Census - [http://quickfacts.census.gov/qfd/states/41/4159000.html](http://quickfacts.census.gov/qfd/states/41/4159000.html)
¹³ US Census - [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_1YR_DP03&prod Type=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_1YR_DP03&prodType=table)
¹⁴ Metro Vancouver - [http://www.metrovancouver.org/about/publications/Publications/AverageandMedianHouseholdIncomebyMun icipality.pdf](http://www.metrovancouver.org/about/publications/Publications/AverageandMedianHouseholdIncomebyMunicipality.pdf)
**Average house price (metro)**

| Average house price (metro) | $649,000/$503,000 (house/unit) (median) (Sept 14 quarter)
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<tr>
<td>$263,500 (median) (2014)/ $320,948 AUD</td>
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<tr>
<td>$637,300 (total), $997,800 (detached), $480,200 (townhouse), $379,500 (apartment) (Nov 2014)</td>
</tr>
<tr>
<td>$566,312 (total), $720,181 (detached), $631,958 (“house”), $361,009 (apartment) (2014)</td>
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**Average rent (ditto)**

| Average rent (ditto) | $300/week (median) (1) (2011) |
|----------------------|
| $223/week (median) (2013) (6) / $271 AUD |
| $223/week (median) (2011) |
| $231/week (median) (2011) |

**Proportion of non-profit housing**

| Proportion of non-profit housing | 37,153 rented by state housing authority + 5,854 rented by housing cooperative/community group out of 1,638,627 = 2.6% (Greater Melbourne) (2011) |
|---------------------------------|
| 38,089 regulated affordable housing units which is 4.5% of total housing stock |
| 50,917 social housing units in the region, 16% of 325,000 rental households |
| Total of 891,336 occupied dwellings – social housing is 5.7% of total dwelling stock. |

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22 ABS TableBuilder
