

***HOPING FOR THE BEST: AN EVALUATION OF THREE INNER-CITY
HOUSING STRATEGIES***

by

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B.E.S., The University of Waterloo, 1991

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF

THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF ARTS

in

THE FACULTY OF GRADUATE STUDIES

School of Community and Regional Planning

We accept this thesis as conforming
to the required standard

THE UNIVERSITY OF BRITISH COLUMBIA

April 1996

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Abstract

In 1993, the federal government of Canada canceled the Federal-Provincial Housing Program. Over its twenty-year lifespan, this social housing program produced over 230,000 units of low-income housing and facilitated the development of a strong non-profit housing sector across the country. For inner-city low-income neighbourhoods, the cancellation of the social housing program was of particular concern since the provision of decent and affordable housing provides a foundation (or starting point) for community development. Now that the federal government is no longer involved and provincial governments have either canceled their own involvement or have maintained a much scaled down social housing program, other housing strategies have come to the forefront. Two of these emerging strategies include: (1) public-private partnerships in low-income housing, and (2) the preservation of the existing private low-income housing stock. In terms of the latter strategy, for inner-city neighbourhoods, this has meant the acquisition and/or rehabilitation of the Single Room Occupancy (SRO) hotels and rooming houses. The purpose of this thesis is to evaluate the extent to which these two emerging strategies and the former social housing strategy contributed to improving the quality of life and further empowerment of inner-city low-income neighbourhoods. To do this, a set of criteria, representing both qualitative and quantitative characteristics of community development, are applied to each of three strategies. The method of analysis includes document analysis, participant observation and key informant interviews. Based on these

methods and the evaluation of the three housing strategies it became apparent that the social housing strategy satisfied the criteria better than the two emerging strategies. The implications are such that public-private partnerships is a housing strategy more useful to middle-income households, whereas SRO acquisition and rehabilitation is acceptable to inner-city low-income neighbourhood organizations only if it is part of housing strategy that promotes a continuum of housing forms, including the continued provision of self-contained units.

***Hoping for the Best:* An Evaluation of Three Inner-City Housing Strategies**

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Chapter One

Inner-City Low-Income Neighbourhoods and Three Strategies for Change

1.1 Purpose

"What do we do now?"

No other question was more to the point than this one made by John Sewell, writer and former Toronto mayor, after hearing that the newly elected Conservative Government of Ontario had just canceled its provincial social housing program. A program that would have built over 23,000 units of social housing in 1996 across the province (Rusk 1995). It has been a timely question ever since the federal government canceled its substantial role in the funding of the Federal-Provincial Social Housing Program in 1993. A program that has produced over 230,000 units of low-income housing across the country (CMHC 1994). It is this question that this thesis attempts to answer by looking at two alternatives to social housing as a housing strategy.

Since the end of World War II community development strategies initiated in the inner-city low-income neighbourhoods of Canada's major cities have largely involved the strong participation of the federal government. Its involvement has included both policy and project support aimed at ameliorating the conditions of individuals and communities plagued with poverty and neglect. For better or for worse, the involvement of the federal government in social reform is something which low-income inner-city neighbourhoods thought of as always present and believed they could count on. The first half of the 1990s, however, has been witness to a significantly different Canadian welfare state than was present in the 1970s and even the 1980s.

One of the most significant changes in Canadian social policy has been the withdrawal or transfer of federally supported community development (e.g. social housing) strategies to

provincial and local governments and the community itself (i.e. the responsibility of family and volunteership to satisfy needs).

In 1993, the federal government decided to cancel its twenty year long social housing program. During this program's existence, it had become a very important foundation upon which inner-city, low-income neighbourhood organizations would pursue their community development goals.

With the decline or disappearance of this means of support for improving the quality of life within inner-city low-income neighbourhoods, a number of new housing strategies have emerged. Two such strategies oriented to low-income housing are:

- 1) public-private partnerships in low-income housing; and,
- 2) preserving the existing private low-income housing stock, Single Room Occupancy (SRO) hotel and rooming house acquisition and rehabilitation.

The purpose of this paper is to review whether or not these two emerging inner-city housing strategies are able to challenge patterns of social and economic marginalization. As well, for comparative purposes, the traditional strategy of social housing will also receive the same review. To fulfill this purpose, the **research question** is the following:

What were or are the consequences of the traditional and the two emerging strategies upon the quality of life and further empowerment of inner-city low-income neighbourhoods ?

In order to evaluate these three strategies, the traditional and the two emerging, the following evaluative criteria in Table 1 are used.

Table 1.

Criteria for Evaluating Housing Strategies
Meeting of needs as perceived by the community
<i>To what extent are the housing needs of inner-city, low-income communities being met ?</i>
Developing community cooperation
<i>To what extent does the strategy promote greater cooperation within the community ?</i>
Leading to community empowerment
<i>To what extent does the strategy lead to the further empowerment of an organized inner-city community ?</i>
Local government contribution permitted
<i>To what extent does the approach permit local government to contribute positively to the performance of each housing strategy ?</i>

1.2 Methodology

In order to reach some conclusions based on the research question the research methods included the following three approaches:

1. document analysis,
2. participant observer, and
3. key informant interviews.

The document analysis concentrates on sources related to the issue of low-income housing in Canada and the United States and the role played by the public and private sectors. The purpose of the document analysis is to incorporate the work by other researchers in order to create the context within which the three housing strategies are to be evaluated. Most of the material touches upon the production or protection of low-

income housing as the basis for pursuing community development. The geographic focus of the research is the Canadian inner-city, where low-income housing is almost always characterized by government subsidized housing or private, for-profit rental housing. Thus, the document analysis includes material covering the evolution of the federal and provincial governments' subsidized housing policies and programs. For example, documents from the federal body responsible for housing, Canada Mortgage and Housing Corporation (CMHC), provided valuable statistical information related to the production of subsidized housing during the social housing era.

Furthermore, the document analysis provided specific detail on critical aspects of each of the three housing strategies, including:

- the role of community-based non-profit organizations in social housing;
- the increasing role of local government in the supply of low-income housing;
- the nature of the private, for-profit housing found in the inner-city;
- the current state of housing policies and programs and its comparison to the supply of low-income housing in the United States; and,
- the role of philanthropy in low-income housing in the United States and Canada.

The evaluation of the three housing strategies is primarily based on my four year involvement with Vancouver's inner-city community, the Downtown Eastside and Granville Street Neighbourhoods. Part of this time was spent as Housing Relocator with the Downtown Eastside Residents' Association (DERA) and Downtown Granville Tenants' Association (DGTA), where intimate knowledge was gained of the community's low-income housing stock. This includes more than 3,600 units of social

housing and over 7,000 units of Single Room Occupancy (SROs) hotels and rooming houses. As well, involvement with DERA provided the opportunity to work with an association that links community organizing with the provision of low-income housing. This is very important if housing is to be used as a community development strategy. More recently, I have had close involvement with DERA's operation of the Portland Hotel, an SRO hotel where the mandate is to house the so-called 'hard-to-house.' In other words, priority is given to individuals, who due to mental health problems and/or severe drug and alcohol addiction, are not able to find any other long term housing.

Key informant interviews were carried out between February and January 1996, with twelve individuals who, as community organizers, academics, and planners, have first hand knowledge and experience with the three strategies being evaluated. While three of the informants were interviewed by telephone, the remaining nine where by face-to-face interviews carried out in Vancouver, Toronto and Edmonton. These key informants provided valuable up-to-date information on the application of three strategies as well as professional and personal judgment on what is argued within the documents. Their input helped refine and validate the evaluation of the three housing strategies.

For example, Anna Bubel and Ed Laboucane of the Boyle Street-McCauley Community Planning Office, City of Edmonton, and Bushra Junaid of the Rooming House Information Centre, City of Toronto, all have extensive working knowledge of their city's efforts to preserve and even increase the supply of safe and livable rooming house units. The interview with John Lynch of Canada Mortgage Housing Corporation (CMHC) and Vancouver's contact person for the Canadian Centre for Public-Private Partnerships in Housing gave much needed insight on the effectiveness to date of public-private partnerships as a low-income housing strategy. As well, two separate interviews with housing policy expert, Professor David Hulchanski, School of Social Work, University of Toronto, helped clarify the complicated nature of public-private partnerships in the

United States. He also commented on its probable effectiveness in Canada and directed me towards further literature related to the three housing strategies.

Those interviewed also included two professional planners who, as municipal planners, are involved in discovering ways for local government to participate in the provision and protection of the inner-city low-income housing stock. As a senior planner with the City of Vancouver's Housing Centre, Jill Davidson offered critical input into the structure of this paper and was a valuable source of professional opinion and information on Vancouver's current initiatives on low-income housing. In Edmonton, professional municipal planner Dennis Freeman highlighted the work of his city's Safe Housing Committee, an initiative that focuses on ensuring the health and safety of the inner-city rooming houses.

Though the twelve key informants represent a cross section of the those with knowledge and experience related to the three housing strategies, attempts were made to interview two additional people. Jim Ward of Toronto, author of *Organizing for the Homeless* (1989) and numerous program evaluation reports, including *Making Rooms into Homes: An Evaluation of Toronto's Rupert Pilot Project* (1993). A personal interview would have provided important insight into the pros and cons of the management of rooming houses by for-profit and non-profit sectors. However, a review of his written material helped make-up some of the insight that would have been gained through an interview. The second unsuccessful contact was with a professional planner within the City of Toronto. An interview with a municipal planner from Toronto would have provided similar kind of input to that given by the planners in the cities of Vancouver and Edmonton. Fortunately, the interviews with Bushra Junaid and David Hulchanski as well as documents published by the City of Toronto were able to make up for some of the material that would have come from an interview with a Toronto planner.

The remainder of this introductory chapter will further explain the general social and political context that has caused the demise of the traditional strategy and the emergence of the two new strategies. The chapter will then proceed to define the three housing strategies and each of the five evaluative criteria. The chapter will then proceed to conclude with a summary review of the remaining chapters.

1.3 The Changing Context Forces New Strategies

After the urban renewal movement of the 1950s and 1960s, many Canadian inner-city low-income neighbourhoods began to experience new pressures. The development impulse, instead of coming from massive housing reconstruction projects, was redirected toward gentrification, city revitalization plans, urban mega-projects, and increasingly, urban growth pressures associated with the economic restructuring of metropolitan areas¹. Canadian governments, conscious of the need to support existing low-income neighbourhoods, particularly their housing, reacted in the 1970s and 1980s by providing social housing, and community services for low-income residents. The result was the supply of over 230,000 social housing units of which many are operated by local non-profit housing societies (CMHC 1994).

However, with the provincial and federal governments' growing fiscal deficits and with the further retrenchment of welfare state policies, the provision of social housing and community services has been seriously eroded in the 1990s. For example, the 29 year old Canada Assistance Plan (CAP), which has provided universal financial assistance on the basis of need, will be replaced April 1, 1996 with a block funding formula that leaves it up to the provinces to determine the criteria for financial assistance, if any, to those in

¹ This last phenomenon is an acknowledgement of the role an expanding tertiary or service industry has upon the development of metropolitan areas, both in terms of employment and housing. For example, in some of Canada's largest urban centres, urban restructuring has meant the existence of a downtown corporate complex, placing new demands upon inner-city neighbourhoods that were once considered undesirable locations to work and live (Hutton and Ley 1991).

need². As well, the cancellation of the Federal/Provincial Non-Profit Housing Program in 1993 ended twenty years of federal involvement in the production of social housing in Canada. It is now up to the provincial and municipal governments to support any new social housing. In British Columbia, the end of federal support meant that it could only commit to 331 new units in its 1993/94 housing call compared to 1210 two years earlier (BC Housing 1995a). While B.C. has maintained a social housing program, albeit low, Alberta, as of 1993, no longer supports social housing of any kind. In Ontario, the newly elected Conservative government recently announced it will no longer operate a social housing program and reduced by 70% the number of committed projects made by the previous government (Rusk 1995)³. Given these government cutbacks and policy changes, many low-income neighbourhood organizations are now reassessing their housing strategies.

For example, in Vancouver, British Columbia, inner-city, low-income neighbourhood organizations like the Downtown Eastside Residents' Association (DERA) or the Downtown Granville Tenants' Association (DGTA) have begun to place a stronger emphasis on owning and operating themselves Single Room Occupancy hotels (SROs), as opposed to solely going after yearly government social housing allocations. Even the City of Vancouver's department responsible for overseeing the city's low-income housing stock is giving more attention to SRO acquisition and development as is demonstrated by some new policies and by-law amendments (City of Vancouver 1994a, 1994b, 1995).

Another example of changing neighbourhood strategies, is the testing of new partnerships between the private sector, municipal governments, and neighbourhood organizations.

² The repeal of CAP was formalized with the passing of Bill C-76 by Parliament in June, 1995.

³ The newly elected (June, 1995) Mike Harris Conservative Government proceeded to immediately cancel provincial support of social housing and placed a moratorium, pending review, of the 503 projects in the planning and development stage approved by the former NDP government. The review ended with the cancellation of 385 projects (Rusk 1995).

This kind of partnership building is currently taking place in the Victory Square area of Vancouver's Downtown Eastside and was utilized in Toronto's nearly completed St. Lawrence Neighbourhood (City of Vancouver 1995, Peddie 1989). The hope is that these partnerships can lead to new social housing, SRO acquisition and community services, with the private sector becoming a greater source of capital funding for what has traditionally been the domain of the public sector. At the very least, the hope is that they will allow low-income neighbourhoods to "hold their own" or "keep what's left" in the face of redevelopment.

1.4 Three Community Development Strategies

1.4.1 Social Housing Strategy (1973-1993)

Inner-city community development strategies in Canada have largely hinged on the production of housing. 1992 marked a significant change to this pattern due to two major changes in federal housing policy. The first was the Conservative government's decision to cancel the federal co-operative housing program which by 1992 had produced a total of 1,740 housing co-ops (with 72,000 units) which are democratically owned and to be managed in perpetuity (CMHC 1992). For Vancouver, as of 1994 non-profit co-operative housing accounted for 4,867 units or 26% of the non-profit housing stock (City of Vancouver 1994C). The second policy change was the cancellation of the Federal/Provincial Non-Profit Housing Program that existed between 1986 and 1993. The end of this program represented the end of twenty years of federal involvement in the production social housing in Canada. Although this program was officially canceled in 1993, the funding for new units in 1992 was so low (8,200 units nation wide) that it effectively meant the end of the program without the need for an official announcement.

The role of inner-city community organizations during the twenty-year history of federally supported social housing has largely been one of co-production with non-profit development corporations in charge of the development and management of small-scale

housing projects (Banting 1990, Drier & Hulchanski 1993). Their role has also been one of protest, which was equally important in terms of encouraging senior governments to take appropriate policy direction, especially during the 1970s and early 1980s (Hasson & Ley 1994). One major reason why housing has been such a large part of inner-city community development is the assertion by community organizations that basic needs, which include decent affordable housing, must be met before most residents can even consider other aspects of community living (DERA, 1989).

Along with federal support of social housing are several other welfare state policies and programs which collectively have led to improvements in the lives of inner-city low-income residents. These include a universal health program, unemployment insurance, and variety of social assistance programs guaranteed under the Canada Assistance Plan (CAP). All of these programs, which largely depend on transfer payments from the federal government to the provinces, are, in the name of deficit reduction and a conservative ideology, headed for serious reductions. Over the next few years, along with a move toward block funding for the provinces, the federal government will reduce transfer payments by 20 to 25 percent (Greenspon 1995). Thus, the loss of federally supported housing along with the decline of other welfare state policies and programs likely means that inner-city community development strategies of the past twenty years are no longer fiscally and ideologically supported as strongly as they used to be. The changes in welfare state policies may be the reason why the following two housing strategies have come into prominence. The following two strategies could be interpreted as reactive strategies and, according to Mendell (1994), are the building of new social relations aimed at protecting society from a revival of free market policies.

1.4.2 Emerging Strategy #1: Low-Income Housing Through Public-Private Partnerships

CMHC's Canadian Centre for Public-Private Partnerships in Housing defines public-private partnerships as follows:

Mutual agreement between the public and private sectors, non-profit groups and private citizens to help develop without tax subsidies, cost-effective, accessible housing for low-to-moderate income households.

(Canadian Centre for Public-Private Partnerships in Housing, CMHC, 1991)

A more detailed definition, taken from a recent conference sponsored by British Columbia's provincial government, entitled *Building Strong Communities: Affordable Housing and Local Government*, defines partnerships as initiatives involving:

new methods of collaboration in order to facilitate the financing, purchasing, building or maintenance of housing. Partnerships may include any of the following groups or organizations: non-profit housing sector, private sector, churches and other community organizations, or the public sector. Partnerships may be formal or informal arrangements.

(Ministry of Housing, Recreation and Consumer Services, 1995)

Together these two definitions define what is meant by a public-private partnership housing strategy and, thus, are the starting point upon which to evaluate its potential effectiveness in providing inner-city, low-income housing in Canada. Its effectiveness is yet to be determined due to its recent application in Canada, symbolically initiated with the opening of CMHC's Canadian Centre for Public-Private Partnerships in Housing in 1991. However, implications which will point to probable effectiveness in Canada can be drawn from the history of public-private partnerships in the United States where for nearly two decades this strategy has been in practice (Suchman 1990).

What separates public-private partnerships from past low-income housing strategies is that project financing is not the primary responsibility of the public sector. For example, under the social housing strategy, the federal government had a direct role in financing low-income housing. Under a public-private partnership the goal is to develop low-income housing without tax subsidies, but rather through private sector financing. As well, new initiatives are different from past notions of public-private partnerships due to

their goal of meeting critical social objectives (Whittlesey 1990). In the past, public-private partnerships often had little to do with meeting critical social objectives, instead they were characterised by downtown redevelopment schemes that usually served only the interest of the property development industry. Shopping malls and convention centres are the legacies of past partnership arrangements.

The increasing importance of partnership arrangements as a housing strategy in Canada is reflected in the comments made by Tom Carter and Ann McAfee (1990) on the history of Canadian housing. Both agree that while the 1950s and 1960s involved senior governments in the provision of public housing, and the 1970s saw the beginning involvement of community groups and municipal agencies, the 1980s and 1990s may well be one where the central theme is the search for effective public-private partnerships (Carter & McAfee 1990, 258).

1.4.3 Emerging Strategy #2: Preserving the Existing Low-Income Housing Stock, SRO⁴ Acquisition and Rehabilitation

There has been a noticable reaction by community groups and governments to the complete withdrawal of the federal government and most provincial governments from the provision of low-income housing. What is noticable is the increasing attention given to preserving the existing low-income housing stock instead of replacing it, as it was under the social housing era. In most cases, the inner-city low-income housing stock can be classified as either SRO or rooming house "style" units. The general direction seems to be a move from SRO replacement (with self-contained units) to the acquisition, rehabilitation, and, possibly, new construction of SROs.

⁴ The acronym SRO, which stands for Single Room Occupancy, is an American creation that is used to identify inner-city hotels which over many years have come to accommodate low income individuals on a long term basis. For the purposes of this paper the term will also be used to include rooming houses which beyond some subtle differences have the same dwelling and household characteristics as SROs. The inclusion is important because most Canadian cities with the exception of Vancouver's inner-city have a larger stock of rooming houses than hotels (e.g. Toronto). As well, the circumstances between the two are almost identical including a current emphasis on strategies which retain or increase its stock.

Interest in the existing low-income rental housing stock is not new to Canada's non-profit housing sector. For example, Vancouver's Downtown Eastside Residents' Association (DERA) recommended in its 1988 Housing Survey that non-profit housing societies be allowed to purchase and operate the existing residential hotels (DERA 1988). The purpose of this would be to secure and upgrade housing primarily used by low-income urban single adults under the age of forty-five, who because of their age are not eligible for social housing. Other benefits would be to prevent mass evictions through change of use, gentrification or demolition (Ibid.). This policy would include those hotels with pubs - a controversial suggestion - where profits from the operation of the pub could be turned back to the community. However, the report was careful to mention that non-profit hotels would act as a transition point between market hotels (or homelessness) and self-contained social housing. The assumption was that self-contained housing is the only adequate type of low-income housing and the only type that should be the subject of any government supported low-income housing policy. This same recommendation was reiterated in the DERA 1990 Housing Survey (DERA 1990).

As of yet there has not been an explicit statement by DERA that an SRO strategy is a preferred strategy over that of social housing. However, in light of a changing welfare state there are signs that it may be the only option. According to interviews with some community leaders and on personal observation, residents and local leaders are feeling uneasy about the growing gap between expectations and the available resources to realize these expectations. As well, development pressures including gentrification and mega-projects are raising inner-city property values and the fear of displacement and residential conversion of the SROs (Doinel 1995). While an SRO strategy may not be explicit among community representatives, especially in Vancouver, it is certainly becoming an explicit policy option amongst both the provincial and municipal governments. There are a number of government policy and program initiatives happening in different Canadian cities already in place which articulate an SRO strategy, including:

In Vancouver

- Bill 31 & 57 Municipal Act, B.C. Ministry of Housing
- Density Bonusing for Low Cost Housing in the DODP, City of Vancouver
- Amendment to the liquor control regulation which prohibit leasing arrangements in SRO hotels, City of Vancouver
- Green & Hay, SRO Research and Discussion Paper, B.C. Ministry of Housing
- Low Income Urban Singles Task Force, B.C. Ministry of Housing

In Edmonton

- Boyle St./McColly Safe Housing Committee

In Toronto

- Ontario Task Force on Roomers, Boarders and Lodgers
- Singles Housing Opportunity Program (SHOP), Toronto Cityhome
- Rooming House Information Centre
- Rupert Pilot Project

As well, there currently exists a significant number of SRO hotels and rooming houses (or the equivalent to) operated by the public and third sector. For example, as of 1994 Vancouver had approximately 1,300 SRO-type housing units that are operated either by the local and regional governments or by non-profit societies (City of Vancouver 1994). In Toronto, according to a 1992 rooming house study, of the 545 licensed rooming houses 79 are operated by non-profit societies which include the City's own non-profit housing corporation, Cityhome (City of Toronto 1992b).

The combination of both policies and programs that support the retention and acquisition of SROs and the pre-existing presence of SRO operation by governments and non-profits does demonstrate a movement towards preserving the existing low-income housing stock. It is a strategy which is independent of the provision of social housing and, thus, legitimizes a type of housing (shared accommodations) which in the past had been considered unworthy of government support beyond its protection as form of interim

housing (Campsie 1994). It was argued that at the earliest possible moment this type of housing should be replaced with self-contained housing, as is provided through social housing (Gladki 1986)

1.5 Definition of Criteria for Evaluating Community Development Strategies

The function of the following four criteria is to provide an adequate assessment of the benefits and costs associated with the three housing strategies to be reviewed in this paper. As a method of analysis, three of the four criteria roughly correspond to the physical, social and political dimensions of community development. The fourth criterion deals with the role of local government possible under each of the three strategies. This is an important evaluation considering the increasing responsibility of local government in urban social policy now that senior levels of government continue to remove themselves from this responsibility.

The assessment of the three housing strategies will have value in assessing the *pros* and *cons* of the two emerging strategies for both community organizers and policy makers in the housing, social planning and urban development sectors.

1.5.1 Meeting the Needs as Perceived by the Community

Each of the three housing strategies can be compared in terms of how well they contribute to meeting the perceived housing needs of the community. Community development is often based upon the notion that the existing conditions within the community are substandard and not what they ought to be. The assessment of existing conditions and services can be made in comparison to the social and economic standards of other neighbourhoods or against government established standards of decency. For example, CMHC defines rental costs exceeding 30 percent of household income as an excessive rent burden for low- and moderate-income families and individuals.

Indicators of need can measure the extent to which housing is not affordable, available, or in poor quality, as well as the extent to which a neighbourhood is in economic or physical distress. For example, it is possible to measure the availability and affordability of housing in terms of the number of individuals on social housing wait lists or the vacancy rate within the SRO housing stock. Economic distress can be measured by the percent of people in the community at or below the poverty line or by the local unemployment rate.

Under this criterion, the evaluation of the three housing strategies will include whether or not there has been any substantial quantitative results in terms of the number of self-contained units produced or SRO units acquired or rehabilitated. For example, since the social housing era has had twenty years of operation, a sufficient amount of time has past for housing projects to be completed and data to be tabulated. It is now possible to determine the number of self-contained units produced during the social housing era. However, this is not the case for public-private partnerships and, to a certain extent, SRO acquisition and rehabilitation. Both are very recent phenomena due to governments and community organizations directing most of their attention, until very recently, toward social housing programs. Thus, there are only a few examples across Canada from which to determine the number of units produced. With such a short history these numbers may not provide an adequate indication of the potentiality of these two emerging strategies. However, public-private partnerships and SRO production have a much longer presence in the United States than in Canada, nearly twenty years. Therefore, the US experience in providing low-income housing is reviewed as method of suggesting what will be their effectiveness in Canada.

1.5.2 Developing Community Cooperation

For inner-city low-income communities, developing the capacity to reach desired goals starts with the building of community relations to a level capable of collective action. In fact, community development would be a misnomer if it did not involve a move towards

members of a community feeling less as atomized individuals and more as participants in problem solving and decision making on issues which affect the quality of life of the community. For inner-city low-income communities, where personal resources are minimal and basic survival often a function of mutual support, a community development approach which facilitates greater cooperation or solidarity will result in a greater potential for improvement (Shragge 1994). Moreover, some researchers have argued that "supportive community relationships make up much of the social capital that people use to deal with daily life, seize opportunities and reduce uncertainties" (Wellman et al. 1993, 42).

As a method of evaluation, community cooperation is equivalent in meaning to what Boothroyd (1990) has termed the 'social goals' of community development. According to Boothroyd (1990), a community may exhibit different levels of social development depending on its desired relation to the state. Those communities that wish to garner greater self-governance as well as buffer community members from the hostilities of state capitalism have a greater level of social development (Ibid.). Thus, the presence of greater community cooperation is one where relationships amongst community members involves more than simple gestures of acquaintance or friendship, this is only a first step, instead relationships have moved on to a real sense of shared destiny and cultural autonomy from other communities and the state (Ibid.).

How well or capable each of the three housing strategies are at promoting community cooperation will indicate how well other dimensions of community development including political power and physical resources (e.g. decent housing) are shared with all members of the community. For example, a community may well demonstrate the development of local institutions with considerable political power and resources, however, it is of little benefit to the majority of its members if it is concentrated within the hands of a few members. At its extreme, this kind of community scenario is one where feudal power, not democratic power, has control.

1.5.3 Leading to Community Empowerment

The evaluation of community empowerment or the political dimension of community development will answer the first part of the research question: to what extent have these three housing strategies led to the further empowerment and higher quality of life for low-income, inner-city communities ? To a large extent community empowerment depends upon the community's established strengths and capacities (Kretzmann and McKnight 1994). It also depends on the extent to which they can define their own needs and determine the response that is made to them (Mendell 1994). These conditions of empowerment do not preclude the support and participation of the public and private sectors in realizing community development goals and objectives. Thus, there are certainly occasions, such as the relationship of co-production during the social housing era, when the empowerment of the community was deeply felt by its residents and government programs did not lead to a condition of total incorporation into the State (Hasson and Ley 1994: 171).

What is meant by the term empowerment ? Though a tremendously ambiguous term, it is often mentioned as a necessary objective of community development strategies for disadvantaged communities. Here the assumption is that there is structural inequity amongst various social groups in society and as a result disadvantaged communities may lack not only access to economic and political power but the personal and organizational capacity to shift the balance of power more in their favour.

One definition of empowerment is "the degree to which or process by which disadvantaged communities define their own needs and determine the response that is made to them... As communities obtain more influence or control over the definition of their needs and more influence or control over the response to them, so it is assumed that they are increasingly empowered" (Barr 1995, 123). Another is, "bringing people to a sense of their own power to act to achieve their goals, usually in the face of opposition" (Hanna and Robinson 1994, xiii).

A third definition conceived by Checkoway, which builds upon the latter two and at the same time is more empirically appropriate, views empowerment “as a multilevel process which includes individual involvement, organizational development, and community change” (1995, 4).

- *Individual involvement* refers to participation of a person in decision-making.
- *Community change* refers to the impact of involvement in the community.
- *Organizational development* refers to the structures which mediate between the individual and community and facilitate the collective action which lies at the heart of community change (ibid.).

All of these definitions imply that the evaluation of a housing strategy from a community development approach must include an assessment of the resulting power relations, including whether or not a community feels any sense of lasting control over their future. It's not enough to base an assessment of a housing strategy solely upon its quantitative results, for example, the number of housing units produced or services provided.

1.5.4 Local Government Contribution Permitted

The role of local government, since the 1970s, has increasingly become more significant in the provision of community services and low income housing within inner-city neighbourhoods. Now that the federal government has completely withdrawn from funding new housing and has capped transfer payments to B.C., Alberta and Ontario, affecting the capacity to support social programs, local governments are more than ever taking an active role in urban social policy. With this in mind it is important to evaluate the extent to which a positive contribution by local government is possible under each of the three housing strategies.

Local governments in Ontario and Alberta have assumed a larger responsibility for urban social policy since the recent cancellation of their provincial housing programs. The B.C. government has been able to maintain a provincially funded housing program, called Homes BC, though this is substantially smaller than when supported by the federal government. Nevertheless, B.C.'s provincial government has felt the need to make amendments to the Municipal Act (Bill 20, 31 and 57), making it easier for municipal governments to become more involved in the provision of low-income housing (Ministry of Housing, Recreation, and Consumer Services 1994). These changes point to the importance of understanding the role of municipal government as it relates to the performance of each of three housing strategies.

For instance, during the social housing era, progressive municipal governments primarily acted as facilitators of low-income housing. This involved to a lesser or greater degree "the provision of land and/or subsidies, supporting or even initiating rezoning applications, expediting permit processing, and lobbying senior governments for funds (Carter & McAfee 1990, 233). Many of these facilitative functions have continued on into the era of public-private partnerships and preservation strategies. However, it is apparent that these facilitative functions have taken on a new dimension under these two emerging strategies. That is, instead of local governments negotiating with senior levels of government they are negotiating with the private sector. With the federal government and most provinces out of low-income housing, the municipal role is, in many respects, "the only game in town." So far, it is questionable whether this relationship will ever match the quality and quantity of low-income housing built under the social housing era. For inner-city low-income neighbourhoods this presents a very uncertain future, especially in the face of increasing redevelopment and gentrification.

1.6 Chapter Summary Review

The next three chapters will go into more detail regarding the history of each of the three housing strategies, and will evaluate each of them against the four established criteria.

Chapter Two will review the twenty year history of social housing in Canada, highlighting some of the results of this federally supported program. The review will demonstrate that this program did in fact contribute to improving the quality of life for inner-city low-income residents. It also fostered a very strong and competent non-profit housing sector (third sector), which is well positioned to use the provision of housing as a community development strategy. When evaluated against the five established criteria the paper will argue that overall the era of social housing was a positive one. It produced reasonably strong quantitative (i.e. number of units produced) and qualitative results that together offered decency, stability and a foundation for community development which went beyond basic needs.

Chapter Three reviews the emerging housing strategy of public-private partnerships in low-income housing. Since this strategy is of recent origin, it was symbolically established in 1991 with the opening of the Canadian Centre for Public-Private Partnerships in Housing (CCPPPH). The majority of the evaluation is based on results in the United States where the strategy has been in practice for nearly two decades. Important to this strategy is the evolution of mechanisms necessary to realize public-private partnership housing projects, including the very important mechanisms created by large private foundations, and the philanthropic sector in general, to provide money and building development expertise. Both the policy and funding conditions found in the United States and Canada significantly affect the capacity of public-private partnerships to produce housing and the income level (i.e. low- or middle-income) of potential recipients at which this strategy is useful.

Chapter Four will review SRO acquisition and rehabilitation, which, for inner-city low-income neighbourhoods, is the same as promoting the preservation of the existing for-profit low-income housing stock. Here the discussion reviews some of the significant factors which have influenced the increasing amount of attention directed towards this housing strategy. These factors include: losses in the existing low-income housing stock versus new construction (i.e. social housing); the increasing number of low-income urban singles, the consequences of gentrification and its revival under the term 'revitalization'; and the growing understanding that SRO hotels and rooming houses are not a form of interim housing but rather permanent housing to many inner-city low-income residents. What follows is a review of some SRO housing initiatives already in place within the Cities of Vancouver, Toronto and Edmonton, including a more detailed review of a particular SRO program underway in each city. Finally the chapter evaluates against the four established criteria the strategy of preserving the existing low-income housing stock.

The final chapter brings together the three inner-city housing strategies in order to highlight similarities and differences based on their evaluation. By making some comparisons between the three, some implications can be drawn regarding the future well-being of Canada's inner-city low-income neighbourhoods. Specifically, what were or are the consequences of the traditional and the two emerging strategies upon the quality of life and further empowerment of inner-city low-income neighbourhoods ?

Chapter Two

Social Housing Era (1973 - 1993)

2.1 Introduction

This chapter deals with the history of social housing and its contributions to improving the lives of low-income, inner-city residents as a community development strategy. To understand the history of social housing it is important to describe its place within the context of government assisted housing in Canada since the end of W.W.II, and how it deviated from its precursor, public housing. Enough has changed to social housing as a policy objective that it is fast becoming obsolete as a housing strategy. These changes have in fact precipitated the growing prominence of the two emerging housing strategies reviewed later in this paper. Although the history of social housing is only twenty years old, there is a substantial amount of literature that deals with this subject thus making the following evaluation based on the established criteria possible.

What is social housing ? Before moving on it is helpful to make clear what is meant by the term *social housing*. In broad terms, social housing has been described as “housing developed under various programs at all government levels that typically include public, cooperative and non-profit housing programs as well as rent supplement programs” (Miron 1993, 407). A more specific definition describes it as “community-based, mixed income housing programs for development by municipal, private and co-operative non-profit housing corporations” (Doyle and Hulchanski 1990, 77). The latter definition speaks more clearly to the kind of housing developed under past federal/provincial housing programs, starting in the early 1970s. It is also how social housing is implied in this paper. A predominant characteristic of housing of this nature is the involvement of a large non-profit housing sector in the design, construction and operation of social housing projects (Drier and Hulchanski 1993). Some examples of inner-city social housing in

Canada include, Vancouver's well known Four Sisters Housing Co-op or Toronto's St. Lawrence neighbourhood¹.

2.2 History of Social Housing in Canada (1973 - 1993)

The history of social housing is the latest segment in Canada's effort to meet the housing needs of Canadians unable to access housing in private market. Federal government involvement in the supply of low-income housing has its beginnings in the period just prior to the end of W.W.II .

Early post-war years. With the end of World War II, urban social policy became a major instrument of both welfare state planning and Keynesian economic prescriptions. The latter initiative, based on demand-side economics, was publicly accepted due to a fear of a return to social and economic conditions associated with the Depression (Oberlander and Fallick 1992). Together these two macro-policy instruments of the state substantially increased the federal government's role in all aspects of health and social welfare. While reluctant in the early decades of the twentieth century, the federal government now became the major player in macro social policy initiatives, especially in the provision of supportive market housing and public housing. The provision of housing as a means of achieving broader social policy objectives plays a large role in the history of Canadian social policy, including community development.

¹ The Four Sisters Co-op is a 153 unit co-operative initiated by the Downtown Eastside Residents' Association (DERA) in 1987 under the federal co-operative housing program. It provides housing for both families and urban singles within two structures, one new the other a rehabilitated historic warehouse. Together the two buildings surround a secured central courtyard. The St. Lawrence Neighbourhood began in the late '70s on a 44 acre parcel of underutilized industrial land, which over the past two decades has developed into a livable combination of diverse land use, high density and broad mix of residential tenures and income groups. Although the area is close to 60% non-market, low-income housing, it has none of the stigma often associated with low-income neighbourhoods.

Part of the explanation why housing became such an essential component of Canadian social policy has to do with the influential findings of the Curtis Report. The Curtis Report was the work of a parliamentary subcommittee, who in 1944, with confidence and foresight, estimated what the demand would be for post-war housing (Miron 1993,9). The subcommittee estimated a need for 230, 000 new urban dwellings, 23,000 more rural non-farm dwelling units and 125,00 more rural farm dwelling as of 1946 to replace substandard and overcrowded housing in Canada (Ibid.). The Curtis report, and many other investigative housing studies, contributed to a broad policy objective of the federal government that all Canadians had the right to housing that was both affordable and accessible (CMHC 1987).

Post-war Canadian housing policy was generally concerned with what were considered to be inefficiencies in the supply of housing via the private market. While market inefficiencies could be blamed for the lack of supply, making access to home ownership difficult, it could not be for the inability of the market to distribute it equitably amongst all Canadians. In other word, even if the private market was operating efficiently, it was incapable of providing adequate housing at an affordable cost to all Canadians.

In terms of stimulating the supply, national housing policies were implemented to regulate or encourage house construction. Probably to greatest influence upon the supply of housing for many Canadians was the availability of mortgage funding. The objective of mortgage funding was to target home ownership through the private sector. This objective, however, was inadequate by itself to deal with the objective of equity. This point was hammered home through the efforts socially aware trade-union leaders and early inner-city reformers, making it a major political issue (Bacher 1993). This was one reason why the federal government, following 1945, became profoundly involved in non-market housing and other urban social policy initiatives.

Housing policy for equity and social justice: Phase One. By the end of the 1940s, the federal government was by far the largest contributor to health and social planning, accounting for 72% of all spending (Lemon 1993). On the housing and community development front, two major federal initiatives were the National Housing Act (NHA) and the creation of Central Mortgage and Housing Corporation (CMHC) in 1946 (now Canada Mortgage and Housing Corporation). Together these two products of the federal government became the primary levers for the equitable allocation of housing. Between 1945 and the late 1960s the policy objective of equity in housing became associated with urban renewal and public housing.² Although urban renewal and public housing have different meanings, during this period they often occurred at the same time. Public housing generally refers to government owned and operated housing and rented primarily to those in greatest need. Urban renewal, became synonymous with slum clearance.

In the minds of government authorities, slums were usually poor, working-class inner-city neighbourhoods, with a deteriorating housing stock. By nature these slum neighbourhoods engendered a pathology of social decay, which could only be 'cured' by massive clearance and redevelopment. As such, government-funded slum clearance was empowered in the NHA in 1944, and its first project was the clearance and redevelopment of Regent Park North, east of downtown Toronto, in 1948 (Miron 1993). Though in hindsight Regent Park North is not acceptable, at the time it was a major breakthrough in getting the federal governments involved in housing for the poor (Bacher 1993). This was largely due to the efforts of Toronto reformers, particularly those involved with the Toronto Citizen Advisory Committee that made Regent Park North a reality (Ibid.). With further amendments to the NHA in 1949, which promoted public housing under federal-provincial cost-sharing arrangements, many Canadian cities during the 1950s acquired one or more large scale public housing projects, usually on slum clearance sites

² Arguably, mortgage assistance for home buyers is also an equitable act, but for the purposes of this paper attention is given to policy initiatives geared towards those who cannot financially afford to enter into the home ownership market. For instance, the elderly, young adults, the poor, single-parent families commonly are outside of the home ownership market. Rental housing is more the norm.

(Petterson 1993). For example, in 1953, Vancouver opened its first public housing project, named Little Mountain (Wade 1994). Like Toronto, again it was the effort of local reformers, in this case the Vancouver Housing Association, who since 1937 campaigned for subsidized low-rental accommodation (Ibid.).

Like urban renewal, public housing was falling far short of its expectations. Even its promoters were beginning to have second thoughts. For example, the death of urban renewal and, to some extent, public housing became certain with the findings of the Hellyer Task Force, who quite bluntly admitted that

every sign indicates that public housing does nothing to reduce the root problems of poverty, while increasing many of them and adding new ones of its own (CMHC 1969:55)

By the time the disruptive social and physical characteristics of urban renewal and public housing became apparent, eighty-four urban renewal projects had been approved (Oberlander and Fallick 1992). The extremely disruptive nature of urban renewal upon inner-city neighbourhoods precipitated the rise of neighbourhood movements, which ultimately contributed to the cancellation of the program in 1969 (Hasson and Ley 1993). Inner-city neighbourhood organizations protested vehemently the destruction of their neighbourhoods, knowing that urban renewal ultimately meant their displacement and a net-loss of rental housing units (Patterson 1993). Their ascendance in the late 60s had a lot to do with further amendments to the NHA and were an extremely important event to community development as it is understood today.

For example, under the Trudeau administration in the early 70s, a more decentralized and participatory approach was taken (Hasson and Ley 1993). Instead of directly building subsidized rental housing, the federal government allocated funds through community-based non-profit and cooperative housing programs. In 1973 amendments to the NHA (Sections 15.1 & 34.18) "tied funding to the ideal of community integration, the key

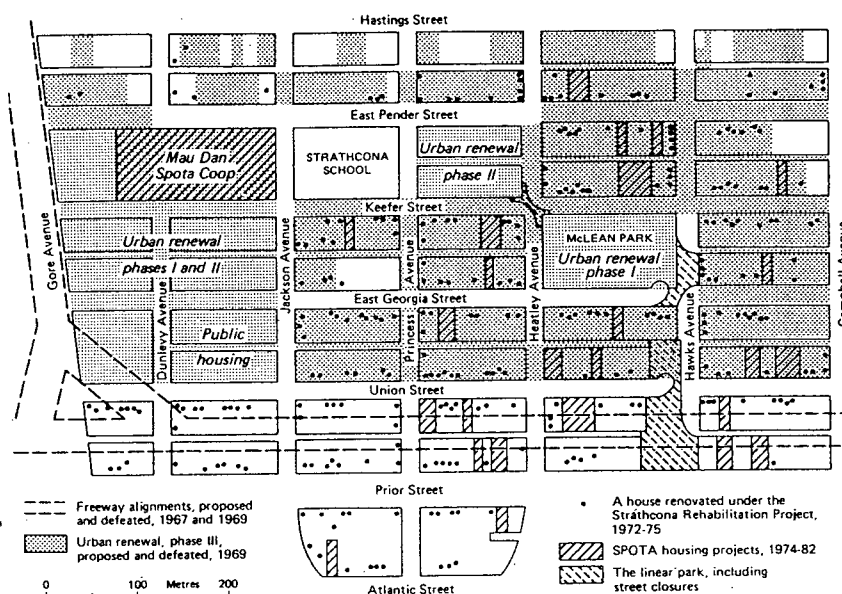
being decentralized delivery vehicles formed around voluntary boards of directors” (McMahon 1990, 75). For the first time, 100 percent loans were made available to non-profit and co-operative housing groups. This helped eliminated the need for investor equity and removed obstacles to use by municipalities and small groups (Bacher 1993). The amendments also made the provision of social housing now the administrative task of provincial governments, often via their own housing corporations (Patterson 1993). These actions marked the beginning of the social housing era. It also marked the strong involvement of private, non-profit housing societies, referred to as the third sector, in the production of social housing (Bacher 1993).

Integrating subsidized housing within communities: Phase Two. Social housing, phase two of federal government subsidized housing, the first being public housing, was intended to be better integrated into communities. It was reflected in smaller, better designed projects, often with a mix of household incomes (Doyle and Hulchanski, 1989). This second phase was also the first time that federal government subsidy for housing was not solely directed via the public sector. Rent supplements were introduced in 1969 to subsidize low-income households living in private rental accommodation (Miron 1993).

These changes in housing policy implied a philosophical shift away from renewal to conservation (Hasson and Ley 1993). It was not only housing that became the subject of change, but urban planning, in general, began to embody community values and a participatory approach reflective of this philosophical shift towards conservation. Contributing to these changes in urban planning was the very effective criticism of urban writers such as Jane Jacobs (1961), James Lorimer (1977), Robert Goodman (1971) and Richard Sennett (1970). All directed heavy criticism towards the planning profession and its role in disrupting urban vitality.

Conservation as a community development objective as well fostered, in 1973, CMHC's Neighbourhood Improvement Program (NIP) and the Residential Rehabilitation Assistance Program (RRAP). Both programs emphasized a policy of incremental development characterized by funding for housing rehabilitation and neighbourhood enhancement. NIP, however, did not survive long, only five years before being canceled. One reason given for its cancellation was that too much emphasis was being placed on the improvement of municipal infrastructure and not enough on housing redevelopment and renovation (Hanley 1993). RRAP still exist today, even though it has gone through numerous policy amendments in terms of eligibility requirements and funding commitment by the federal government. Between 1973 and 1984 approximately 314,000 eligible home owners and landlords received subsidized loans for renovation costs under RRAP (Miron 1993). One program under RRAP, which existed between 1973 and 1989, proved to be of significant help in improving the conditions within Vancouver's SRO hotels. The program (rental RRAP) provided funding to rental properties, which enabled about 4,000 SRO units to be upgraded (Hulchanski 1989).

Figure 1. Strathcona Neighbourhood: Everything from urban renewal programs to freeway proposals to community initiated housing and parkspace.



(Source: Hasson and Ley 1994)

Vancouver's Strathcona Neighbourhood. Perhaps no other neighbourhood in Canada exhibits the full range of local and senior government urban social policies than Vancouver's Strathcona neighbourhood (see Figure 1). Everything from urban renewal and public housing to conservation measures including social housing projects, NIP and RRAP programs are found in this neighbourhood. Strathcona, as well, exemplifies the development and persuasive power of a neighbourhood organizations. It was SPOTA (Strathcona Property Owners' and Tenants' Association), who took on many battles with authorities over the impacts of many of these urban social programs. One particularly notable SPOTA struggle was its contribution in stopping the province and city's plan to put a freeway right through the neighbourhood in the late 1960s (Hasson and Ley 1993). The freeway would have essentially destroyed both the Chinatown and Strathcona neighbourhoods.

The beginning of the end for social housing. The provision of social housing as a method of achieving the federal government's objectives of equity and social justice has since the 1970s has gone through numerous revisions. Prior to 1978, amendments to the NHA were such that the federal government remained the primary funder and policy formulator of social housing. Even though the presence of the provinces and their housing corporations were very much involved, the shift towards greater provincial responsibility in social housing was made in 1978 (Bacher 1993). It was at this time that the federal government replaced previous social housing programs (NHA Sections 56.1 & 15.1) with what are called the Non-profit Programs (NHA Section 95). Under the post-1986 programs the provinces contributed a greater share of the funding, at least 25 percent, and it became mandatory for projects to be solely developed through public or private non-profit societies (CMHC 1994).

Perhaps the most significant change to social housing in 1986 was the federal governments introduction of the *core need* principle and the *maximum unit price* (MUP) ceilings. The application of core need had the effect of targeting social housing to those households unable to rent appropriate accommodation on the private market (Doyle and Hulchanski 1989). The result was a reduction in the total number of households eligible for social housing (Ibid.)³. This implicitly implied that fewer social housing units were needed and that affordability and not lack of supply in the private market was being considered the greatest barrier to households accessing housing. While core need reduced the number of eligible households, the MUP ceilings had the effect of reducing the feasibility of many social housing projects, particular those within the inner-city where land costs can be exceptionally high (Bacher 1993).

By 1990 it was becoming evident that the federal government was less interested in being involved in the production of social housing. Not only was the budget for social housing being reduced, it was to be canceled by the end of 1993 (CMHC 1994). This was done during the 1991 budget speech, no funding of new social housing beyond 1993 (CMHC 1993a). It was more than coincidence that 1991 was also the year CMHC opened the Canadian Centre for Public-Private Partnerships, indicating the federal government's future policy orientation toward the supply of affordable housing. A policy orientation which views private sector as the appropriate source of capital for the production of low-to moderate-income housing. Thus, the reason for choosing public-private partnership as an emerging housing strategy that is worthy of an evaluation improve the quality of life of low-income, inner-city residents and the further empowerment of their local organizations (see Chapter Three).

³ *Core need* involves a two stage evaluation process. The first stage identifies all households spending in excess of 30 percent of their income of shelter. The second stage than eliminates all those households which are able to afford appropriate rental accommodation, leaving only those that are deemed to have an involuntary affordability problem. Appropriate being defined as adequate and suitable. The result of this evaluation is that it identifies those households paying more than 30 percent of their income who could voluntarily find appropriate accommodation that is cheaper on the private market.

The demise of social housing was further increased one year later with the Conservative government's decision to cancel the federal co-operative housing program. Thus, as of 1993, the federal government is no longer involved in funding any new social or co-operative housing. Its actions prompted most provinces, who could not absorb the full cost of social housing, to follow suit, with the exception of British Columbia and Ontario (CMHC 1994).

Today, only British Columbia has a social housing program. Under its *Homes BC* program, the 1995-96 non-profit housing allocation is for 750 units plus an additional 150 units under its Homeless/At Risk program (BC Housing 1995b). Ontario, on other hand, under a newly elected Conservative government, announced in July, 1995, that it would no longer support a social housing program and would cut back by 70 percent the number of committed projects made under previous government (Rusk 1995). This action has symbolic consequences, considering that Ontario was the first province to launch a totally provincially funded social housing program called, *Homes Now*, in 1988 (Bacher 1993). The new government believes that the private sector is capable of filling the gap in the rental housing market created by the cancellation of social housing (Ibid.). However, former Toronto mayor John Sewell is doubtful, "the market is not able to produce housing for a whole bunch of people" (Ibid., A10).

2.3 Evaluation of Social Housing Based on the Established Criteria

The evaluation of social housing as an effective housing strategy that has the objectives of improving the quality of life and empowerment of low-income, inner-city residents produces the following table.

Table 2. Evaluation of the Social Housing Strategy

Criteria for Evaluating Housing Strategies	Social Housing Strategy (1973 - 1993)
<p>Meeting of needs as perceived by the community</p> <p><i>To what extent are the housing needs of inner-city, low-income communities being met ?</i></p>	<ul style="list-style-type: none"> • added capacity to the low-income housing stock • substantially improved the living conditions of many inner-city residents, through the provision of self-contained units • provided stability and the foundations to pursue community development strategies which go beyond basic needs • in Canada, 230,208 social housing units on land removed from the market • in Vancouver - 18,534 social and public housing units, of that, 5,886 are in the inner-city • in Toronto - as of 1986, 26,612 social and public housing units
<p>Developing community cooperation</p> <p><i>To what extent does the strategy promote greater cooperation within the community ?</i></p>	<ul style="list-style-type: none"> • existing ties of mutual support, released from meeting basic needs, under a community development approach reached a greater level of cooperation capable of collective action
<p>Leading to community empowerment</p> <p><i>To what extent does the strategy lead to the further empowerment of an organized inner-city community ?</i></p>	<ul style="list-style-type: none"> • an empowering relationship of co-production between the state and the third sector, offering greater self-esteem and community consciousness by the explicit linking of housing production with community organizing
<p>Local government contribution permitted</p> <p><i>To what extent does the approach permit local government to contribute positively to the performance of each housing strategy ?</i></p>	<ul style="list-style-type: none"> • a role of increasing responsibility • as a provider, with the establishment of municipal non-profit housing corporations <ul style="list-style-type: none"> - in Toronto, over 7,000 units of city-operated social housing • as facilitator, through leasing of city land to non-profit societies: <ul style="list-style-type: none"> - in Vancouver, 1/3 of all units have been developed on City land leased to non-profit sponsors and co-operatives - in Toronto, land leases to non-profits has added approx. 3,500 units to the affordable housing stock

Meeting the needs, building capacity. For low-income, inner-city communities, social housing has had an impact in terms of improving the living conditions for many of its residents. The improvements have been both physical (a stock of subsidized, self-contained units) and psycho-social (self-esteem, community empowerment). For example, in Vancouver's inner-city, known as the Downtown Eastside and Downtown South (see Figure 2), 26 per cent (3,584 units) of the low-income housing stock as of 1994 can be attributed to the era of social and public housing (City of Vancouver 1994d; 1995b) (see Figure 3).

What assurances are there that the low-income residents of Vancouver's inner-city are the ones accessing the social housing in their neighbourhood ? An important question if social housing is to be considered part of community development strategy that empowers and improves the quality of life for low-income residents of an inner-city. In Vancouver's case there are number of indicators which suggest that a significant proportion of the 27 per cent of social housing located in the area actually goes to residents who have lived within SROs. The City of Vancouver has argued that local residents are being housed because "the high proportion of small units in the downtown core reflects the clientele for whom the non-market housing is targeted - older single individuals in core need" (City of Vancouver 1994d, 26). According to Census data:

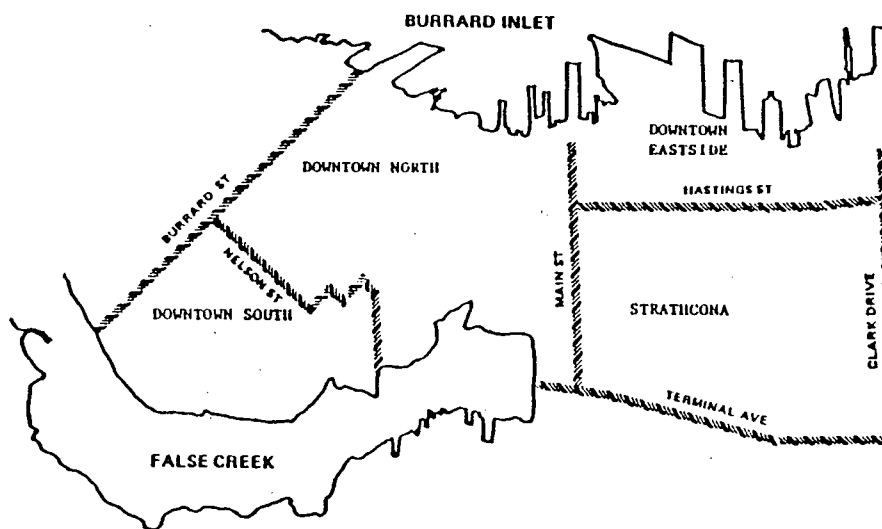
- in 1991, 74 per cent of the population within Vancouver's inner-city low-income neighbourhoods (the Downtown Eastside and Downtown South) lives in single person households.

As is illustrated in Figure 3, the majority of low-income residents live in SROs (57 per cent), and studies have shown that most occupants of SROs pay 50 per cent or more of their income on housing (Hulchanski 1989, DERA 1987, 1990). This easily qualifies those residents living in SROs as core need. Thus, there is strong positive relation, as

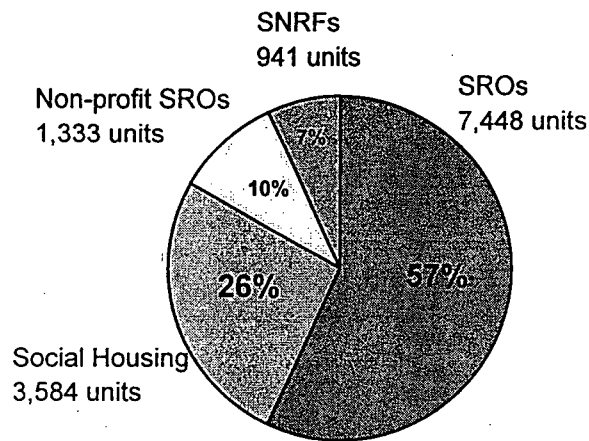
argued by the City of Vancouver, between the type of social housing constructed and the low-income resident profile for the two inner-city neighbourhoods. An even stronger argument that long-term residents are being housed in social housing, comes from the resident's association for the area, named the Downtown Eastside Residents' Association (DERA), who point out that:

Taken as a totality, social housing in the Downtown Eastside has targeted those in the greatest need - the single elderly, the disabled and most recently families (DERA 1987, iii).

Figure 2. Vancouver's Low-Income Inner-City Neighbourhoods



(Source: Hulchanski 1989)

Figure 3. Low-Income Housing in Vancouver's Inner-City⁴

(Source: City of Vancouver, 1995)

The connection between the improvement of a community's psychological and social well-being and the nature of its housing is well documented in the housing literature and in many social surveys. Housing analyst John Miron quite emphatically makes this point with the following comment:

The quality, quantity, location, and cost of our housing shapes our state of health and well-being, our sense of place and community, our self-esteem, and our access to public facilities, services, educational and job opportunities (1993, 18).

This sentiment is echoed in at least two social surveys conducted in Vancouver's Downtown Eastside: 1) *Downtown Eastside Housing and Residents Survey, 1988-87*

⁴ The City of Vancouver, in its record keeping, does not separate those non-market units which are SRO-like (one room, shared bathroom) and those which are self-contained bachelor, one-bedroom or larger. Thus, their figures report 4,762 non-market units (36%) instead of 3,584 units (27%) as is shown here. It is the author's opinion that the later estimate is a better representation of reality because the SRO-like non-market units (1,333 units) are in fact part of an SRO strategy, not a social housing strategy. (City of Vancouver 1995b).

(DERA 1988); and, 2) *Residents of Victory Square* (Butt 1993). Authors of the former survey stated that:

Non-profit live alones [i.e. unattached individuals living in social housing] feel a stronger sense of neighbourhood than those in market housing [i.e. SRO hotels] possibly because they are more involved in the community, have more opportunity to use amenities in their building to socialize and have a better chance to have friends over. They may have also been involved through their co-op or tenants association in organizing, developing and operating their community (DERA 1987, 30).

The remarks above regarding residents of social housing having more positive social networks and a higher quality of community life than those living in the SRO hotels is also confirmed in the *Residents of Victory Square* survey. Here the author notes that, "social housing residents have stronger social networks than SRO residents, find they can depend on friends in their building more and are more likely to volunteer in the neighbourhood than SRO residents" (Butt 1993, 21). The survey also reports that residents of social housing have lower incidence of hospitalization than residents of SROs, even though they are older and claim a higher level of disabilities (Ibid., 41).

The legacy of social housing. Given the policy decisions made by federal government and most of the provinces towards the concept of social housing since the beginning of the 1990s, its usefulness as a housing strategy has come to an end. The legacy of social housing in Canada is the production of over 230,000 units of housing operated by private and public non-profit organizations (CMHC 1994). Key features of this legacy include:

- land and housing units that are permanently removed from the real estate market; and,

- the twenty-year development of a very knowledgeable and experienced Third Sector (i.e. non-profit housing societies). (Dreier and Hulchanski 1993).

Though the federal government is no longer involved in new social housing they are, so far, still committed to funding the maintenance and operation their existing public and social housing stock. In 1994, this amounted to a payment of \$2.1 billion (CMHC 1994). With the push for continued fiscal constraint, it is uncertain whether the federal government will continue this funding at adequate levels.

Gaining greater community cooperation through organizing. For low-income, inner-city communities, twenty years of federally assisted social housing nurtured the capacity of residents and their community organizations to step beyond a condition of meeting basic needs. In both Toronto's and Vancouver's inner-city social housing gave a sense of permanence and identity to low-income residents, who before were continually plagued with the perception of being loners and transients simply because they were poor and renting rooms in SRO hotels and rooming houses. Of course, nothing was further from the truth. Study after study in both cities demonstrated that strong social networks existed and an average tenancy often longer than far more affluent neighbourhoods (DERA 1987; Butt 1991; Ward 1989). What social housing under a community development approach was able to offer was an opportunity for existing social networks, released from the task of meeting basic needs, to reach a level of greater complexity capable of collective action. The catalyst which transformed ties of friendship and mutual support into a real sense of collective identity or feeling of cultural autonomy was the continued act of organizing by community organizations. Their ability to continue organizing was a major factor behind the success of social housing as a community development strategy.

Greater empowerment via a relationship of co-production. As mentioned earlier, one difference between the public housing era and its predecessor social housing was that the latter involved a relationship of co-production between government and the third sector. Under a relationship of co-production inner-city communities have had greater involvement in the production and management government assisted housing for low-income residents. Community involvement and the psycho-social improvements that have proven to go along with the provision of social housing are the results of incorporating the production of housing within a community development strategy. Not only were the physical living conditions of low-income, inner-city residents improved, but so was their health, self-esteem and capacity to move beyond basic physiological needs. (Maslow 1954).

In Chapter One empowerment is described as a multi-level process involving individual involvement, organizational development, and community change (Checkoway 1995). There are at least two key observations related to the social housing era which demonstrated its positive contribution to this multi-level process. They are:

1. the development of community-based organizations (third sector) involved in the production and management of social housing; and,
2. a greater capacity for community involvement by residents of social housing due to the satisficing of a physiological need.

The significance of these two observations and their capacity to contribute to the empowerment of low-income, inner city neighbourhoods is reiterated in the following remarks.

The presence of formal and informal networks, community organizations, residents ratepayer groups, and block associations are

all indicators of a geographic community's ability to engage in community planning and decision making. Resident involvement in these activities is both evidence of community participation and empowerment. Further, people's participation in their communities is usually seen as improving their feelings of community ownership and identity which in turn reflect on self-esteem (Wellman et al. 1993, 73).

It is no wonder that inner-city community organizers continue to view the production of social housing - or simply put, the availability of safe, secure, affordable housing - as an essential step (Green 1993; Summers 1995). It is a necessary first step before many low-income residents can even consider involvement in collective action via the development of a strong community organization (Checkoway 1995). They are simply too busy with the daily task of meeting physiological needs to involve themselves in anything else. The following two examples, one from Vancouver and one from Toronto, illustrate this point.

1) Vancouver's Downtown Eastside Residents' Association (DERA). The positive correlation between social housing and community development in inner-city low-income neighbourhoods can be illustrated by looking at DERA's experience with social housing. With the completion of its first housing project in 1984, DERA began its trek towards more formal relations with government and the private sector (Hasson and Ley 1993). This meant that strategies began to include more often co-production than protest (Ibid.). As such, it was under a relationship of co-production that six housing projects, totaling close to six hundred units, were constructed. These successes, coupled with DERA's growing legitimacy in the eyes of government and the private sector, allowed the organization and its members to develop greater complexity and confidence.

As a result, members of DERA and its organizer moved beyond basic needs objectives (e.g. sprinklers in the SROs) towards more broadly defined political and social community objectives. For example, in 1992 DERA was compelled to picket a conference on regional government because no community representatives were asked

to participate in the discussion on strengthening regional government in BC. This action symbolized DERA's interest in pushing for political incorporation within a larger political arena, and a move that was in the interest of community as an appropriate scale of decision-making for many issues within a regional framework.

2) *Toronto's Coalition for Cityhome Tenants.* In Toronto, the major producer of social housing happens to be the city's own non-profit housing corporation called, *Cityhome* (Murdie 1992). Since its beginning in 1974, Cityhome has developed over 64 projects, totaling over 7000 units, most of which are located in the lower-income central and east end areas of the inner-city (Ibid.). Some of its most notable developments in the central area are part of the St. Lawrence Neighbourhood, a mixed-income neighbourhood started in the late 1970s. In terms of community organizing, Cityhome tenants over the past twenty years developed a rather sophisticated umbrella tenant organization. Currently called the Coalition of Cityhome Tenants (the predecessor of two earlier groups) it has gained increasing influence with housing management as well as with local politicians over policy related issues (Wade 1992). Not being project specific, the umbrella organization saw itself as dealing more with citywide issues, with influencing Cityhome policy in favour of tenants and particularly in taking on some of the larger issues such as rent increase policy and strategic planning (Ibid.).

Though the scope of issues covered by the Coalition of Cityhome Tenants lacks the community depth of DERA, that is, they were largely interested in issues of concern to Cityhome tenants and not necessarily those of the surrounding community, it still demonstrates the positive relationship between community development and social housing. One particular aspect of this relationship, was the development of strong community leaders, who together played a key role in the development and maintenance of clear organizational goals (Wade 1992). This is not surprising given that good leadership is often considered an essential ingredient to effective community organizing

(Kahn 1982; Kuyek 1990). And one reason why DERA, under the leadership of Jim Green, its organizer for twelve years (1980-1992), became an effective advocate for the community and developer of social housing.

Local government as facilitators and providers of social housing. Though local governments have no constitutional authority, their role during the era of social housing has been one of increasing responsibility. As subjects of the provincial authority, local governments have been forced to wait for enabling legislation before they could contribute to the provision of social housing. It wasn't until amendments to the NHA in 1973, the beginning of the social housing era, that local governments became directly involved. It was at this time that a number of large local governments either established their own non-profit housing corporation and/or a civic department of housing (Carter & McAfee 1990). The result at the time was that local governments could implement two of the most effective methods of facilitating the production of social housing in the inner-city.

1. city-operated social housing projects.
2. land leases to private non-profit and co-operative societies providing at less than full market recovery.

Since 1974 the City of Toronto has chosen to do both when it established Cityhome as well as a Department of Housing. This arrangement proved to be quite successful, which by 1993 created over 7,000 units of city-run social housing and an additional 2,500 units by 1990 through land leases to private non-profits and co-operatives (Cityhome 1993; Peddle 1990). In Vancouver's case, through trial and error, it chose to mainly facilitate social housing through the provision of land leases (Carter & McAfee 1990). Though it does run a number of older social housing projects, Vancouver decided not to establish its own municipal non-profit housing corporation. Its contribution was in terms of relieving

what had become a major barrier to building social housing within the federally established maximum unit prices, the high cost of land in the inner-city. The result was that about a third of all the social housing units in Vancouver's inner-city are within buildings on city leased land (City of Vancouver 1994d)⁵.

As facilitators of social housing, local governments have also used their powers of zoning and development approval to either expedite the approval process or to extract a percentage of social housing relative to the total of market housing. However, in all cases, with the exception of municipally funded social housing, the bulk of funding has come for senior levels of government. Unfortunately the provincial and federal involvement, the cornerstone of the social housing era, has progressively come to an end. The consequence of this withdrawal is that local government facilitative strategies are becoming impractical, unless they find new partners willing to replace the funding provided by senior levels of government. It is this fact that makes the timing between CMHC establishing its Centre for Public-Private Partnerships in Housing and the federal government's cancellation of its involvement in social housing was more than just coincidence. It is a symbolic move that ensures Canadian housing policy remains overwhelmingly within the marketplace.

2.4 Conclusion

The social housing era proved itself in at least in two ways:

- 1) it provided subsidized housing of superior quality than did its predecessor, public housing, and it included the establishment of a very knowledgeable non-profit housing sector (third sector); and,

⁵ This calculation excludes units classified as rooms (SRO-like), only those units of bachelor size or greater where included. This was done because social housing unit are synonymous with self-contained units.

- 2) its evaluation against the four criteria demonstrate that it was overall a positive strategy, with strong quantitative and qualitative results that together offered decency, stability and a foundation for deeper community development goals.

The benefits of the social housing era can only be understood in terms of its role in Canada's social safety net. In its totality government social policy measures aimed at reducing inequality in Canada, which includes unemployment insurance, welfare, old-age security, housing, health care, etc., are all part of the reason why the social housing era produced benefits for inner-city low-income neighbourhoods. Thus, despite its many criticisms, Canada's welfare state over the past twenty years has undoubtedly prevented poverty and the gap between the rich and the poor from getting larger than it is today (Little 1995; Social Planning Council of Metropolitan Toronto 1995).

To understand social housing in terms of its role in Canada's social safety net means that even the most progressive housing policy alone will not deal with the problem of housing affordability faced by most low-income households. Or, as two housing analysts put it, "Establishing housing policy as the sole means of addressing affordability negates the important impact of income and employment strategies. The position that affordability is strictly a housing problem would indicate that solutions can be found regardless of what happens to income security programs and changes in the labour market" (Doyle & Hulchanski 1990, 74). However, acknowledging this point does not preclude an evaluation of the social housing based on its own merits. As is argued in this chapter, the quality of life and further empowerment of low-income, inner-city residents was markedly improved by a community development strategy based on social housing. For one thing, it satisfied the basic physiological need for shelter at a level conducive to raising the self-esteem and community cooperation of low-income residents. To what extent the two emerging housing strategies, public-private partnerships and SRO

acquisition and rehabilitation, can build upon the benefits of social housing is subject of the following two chapters.

Chapter Three

Emerging Strategy #1: Low-Income Housing Through Public-Private Partnerships

3.1 Introduction

This chapter describes and evaluates an emerging housing strategy that explicitly involves the participation of the private sector. Known as public-private partnerships, it is a strategy that in theory views participants as equal partners with shared responsibilities and risks for the purpose of meeting a particular objective; in this case, low-income housing. More common in the realm of economic development (Whittlesey 1990), the public-private partnership model is now being seriously considered as a method of meeting the demand for low-income housing and other social objectives. It is also being considered as a new direction for the third sector (non-profit housing societies) and local governments, who must come up with new community development strategies now that the federal government and most provincial governments have withdrawn their financial support for social housing.

The purpose of this chapter will be to evaluate this emerging housing strategy called, public-private partnerships in housing, against the criteria established. To accomplish this purpose, first it is necessary to explain the current context within which this strategy has developed.

Unlike the social housing era, the experience of public-private partnerships in low-income housing in Canada has a limited history upon which to pass judgment. As is explained in this chapter, public-private partnerships in low-income housing is a recent phenomenon that is part of a long-standing political philosophy that claims the demand for low-income housing can and should be supplied through the private market.

Moreover, it is a policy direction more in line with the past twenty years of low-income

housing in the United States, since the rejection of urban renewal and public housing at the beginning of the 1970s (Keyes 1990). Thus, the evaluation of public-private partnerships is not in terms of any substantial results or experiences felt by residents of inner-city low-income neighbourhoods in Canada, but, rather, in terms of the probable efficacy of this approach based on a literature review and personal interviews with a number of key informants. The majority of evidence on public-private partnerships in low-income housing described in this chapter comes from the United States, though included are a small number of examples from Canada. For example, the redevelopment of a parking lot in Toronto's St. Lawrence Neighbourhood.

3.2 The Evolution of Public-Private Partnerships in Low-Income Housing

Public-private partnership is not a new idea, but it has taken on new meaning. A more common conception of public-private partnerships is an association between government and the property industry for the purpose of building or redeveloping a specific site or major public facility. This kind of approach to urban development gained prominence in North America in the 1970s, and is typically associated with downtown commercial redevelopment (Jamieson and Perks 1991). For example, downtown projects have included shopping malls, stadiums, convention centres, and waterfront redevelopments (Ibid.). These projects are usually based on local governments making land-use concessions, provincial or federal governments making financial investments, in return for the promise of property investment that in some way will contribute to the public good. Though these partnerships are supported by the argument that both public and private interests are being served, some observers claim that the property industry has been the big winner under such arrangements, especially in the 1970s and early 1980s (Levine 1989). Not only were local residents excluded input into development decisions, but also the promise of job creation and revitalization of depressed downtown neighbourhoods often never materialized. This kind of criticism was leveled against

Winnipeg's inner-city redevelopment scheme called, Core Area Initiatives, a ten year partnership plan during the 1980s (Gerecke and Reid 1992).

New directions in public-private partnerships. Though public-private partnerships during the 1970s and early 1980s often proved to favour only the property industry, by the end of the 1980s political leaders, especially local, and neighbourhood organizations began to advocate for more equitable partnerships (Levine 1989). This revised conception of partnership included "not only greater public control of the redevelopment process but also more equitable distribution of benefits and burdens in local partnership activities" (Ibid., 29). In United States, where there is a far greater tradition than in Canada, these partnerships are "progressively becoming an avenue by which business and community leaders and private sector organizations are involved in critical social problems facing local government - such as jobs, education and development, and preservation of decent affordable housing" (Whittlesey 1990, 65).

The involvement of community organizations (or the third sector), local governments, those who have a comprehensive view of urban development, and the private sector in critical social problems like affordable housing are what gives special meaning to contemporary public-private partnerships in the United States and in Canada. Implied in this meaning is the condition that financing is no longer the primary responsibility of the public sector. This understanding of public-private partnerships corresponds to that presented in Chapter One and, thus, forms the basis of evaluation against the established criteria. Again, the reason for choosing this understanding of partnership is to as closely as possible assess what is its probable efficacy in providing inner-city, low-income housing in Canada.

As well, this understanding of public-private partnerships corresponds closely to that given by the Canadian Centre for Public-Private Partnerships in Housing. The opening of

this centre in 1991 symbolically represents Canada's introduction to public-private partnerships in housing. Their definition, as mentioned in Chapter One, is as follows:

Mutual agreement between the public and private sectors, non-profit groups and private citizens to help develop without tax subsidies, cost-effective, accessible housing for low-to-moderate income households.
(Canadian Centre for Public-Private Partnerships in Housing, CMHC, 1991)

There is a very simple reason why public-private partnerships in housing is such a recent phenomenon in Canada compared to its near twenty year history in the United States. That is the federal government's decision prior to 1993 to play a direct role in the provision of low-income housing. Now that they have removed themselves from this position, in favour of the market, the appropriation of private sector approaches to housing from the United States comes as no surprise. George Fallis and Alex Murray argue that the withdrawal of government support for housing and the growing support for partnerships are symptomatic of public cynicism towards the welfare state:

Because of the weakened welfare consensus and because people are increasingly skeptical about the ability of senior levels of government to solve the housing problem, there has developed a recognition that other parts of society must play a greater role: new partnerships must emerge in the welfare state (1990, 9).

From this perspective public-private partnerships are an alternative to the state as a vehicle for fulfilling social objectives. According to two Canadian urban planning professors, William Perks and Walter Jamieson: "There is no reason to believe that such partnerships could not be made to work here" (1990, 512). While Perks and Jamieson seem confident of its replication in Canada, a careful contextual review of its application in the United States would suggest different. Moreover, even if it can be successfully replicated it is questionable as to what degree it would have an impact on improving the

quality of life and further empowerment of residents of inner-city low-income neighbourhoods.

3.2.1 Public-Private Partnerships in Low-Income Housing in the United States

Robert Whittlesey, the president of one of the most successful public-private partnerships in housing in the United States, the Boston Housing Partnership (BHP), has listed the following factors that have led their creation and currently influence their development:

1. The substantial reduction in the federal government's role as primary initiator and funder of low-income housing production in the USA.
2. New initiatives by state and local governments in low-income housing development with new programs being introduced all the time.
3. The elimination of most of the incentives which made development of low-income housing attractive to for-profit developers.
4. An increased willingness and interest on the part of business and private institutions to be involved in low-income housing.
5. Increased consideration of nonprofits as housing producers and owners.
6. Renewed interest in public and nonprofit community-based housing as a vehicle through which social services can be delivered to residents and neighborhoods can be improved.

(Whittlesey 1990, 66)

Under these factors, BHP, established in 1983, has in its first seven years rehabilitated over 1,600 apartments in building throughout the Boston area (Suchman 1990). These rehabilitated apartments were then made available to low-income households with the assistance of state and federal housing subsidies. BHP like other housing partnerships in the United States must raise the necessary financing from amongst a plethora of funding sources, including banks, philanthropic foundations, corporate donations, and grants and

loans from local and state agencies(Ibid.). In essence, housing partnerships use money raised through fund raising to leverage private financing from major banks. Once a substantial pool of money has been raised most housing partnerships then act as intermediaries to facilitate the production of low-income housing by neighbourhood-based nonprofit developers, more commonly known as Community Development Corporations (CDCs) (Whittlesey 1990, 67).

Though the majority of new housing partnerships across the United States have turned to the CDCs as developers or co-developers and owners of low-income housing, it is small relative to Canada's third sector (Dreier and Hulchanski 1993; Keyes 1990). This is because for the past two decades the federal subsidies in the United States have been directed towards private, for-profit landlords (Section 8 units). During the same period, Canada's federal social housing program directed subsidies almost exclusively to the third sector. The non-profit housing sector in United States only began to emerge with the massive cancellation of federal housing subsidies during the 1980s under the Reagan administration. By the end of the 1980s the federal budget for low-income housing programs had been reduced by about 80 per cent compared to that of the 1970s, accounting for more than a third of all the cuts in domestic programs (Stone 1993; Suchman 1990).

The conditions under which the third sector has developed in the United States has been by far more hostile than in Canada. Their development, unlike Canada, was not the result of a social consensus over the need for a coordinated national support system for non-profit housing developers, it was more a matter of necessity. These same conditions have meant that the public-private partnerships have had to engage in extremely complicated funding arrangements. Typically,

projects require funds from many sources, and it is not unusual for partnerships to piece together or 'layer' funds from seven of eight sources for a single low-income project or partnership program...The

resulting financing packages are time-consuming and expensive to structure and require sophisticated financial expertise. And because they are tailored to a particular project, time, and place and involve local resources, the financing arrangements are typically unique to the projects they support and therefore not replicable from place to place or even from project to project within the same city (Suchman 1990, 10).

Some funding relief with the development of funding intermediaries. In the United States there has been a growing improvement in reducing the problem of multiple funding with the growth in funding intermediaries. In fact, Christopher Walker of the Urban Institute argues that,

The rise of national, state, and local intermediaries is the single most important story of the nonprofit development sector in the 1980s (1993, 393).

Intermediaries are public and private bodies that raise funds and provide technical assistance to non-profit developers (Walker 1993). Over the years they have been able to establish a high level of accountability and legitimacy, compared to many CDCs, which has made it easier to accumulate funding from various sources. So much so that "most foundations (64 per cent) funded intermediaries, rather than community based organizations (36 per cent)(eg.CDCs)" (Ibid., 396). Well known national funding intermediaries include Local Initiatives Support Corporation, the Enterprise Foundation, and the Neighborhood Reinvestment Corporation. Since the early 1980s, these three national funding intermediaries have contributed an estimated \$125.6 million in grants to CDCs (Walker 1993). Nothing like this exists in Canada. The only exception may be the Canadian Centre for Public-Private Partnerships in Housing, recently established by CMHC. The lack of funding intermediaries may prove to be a detriment to the application of public-private partnerships in Canada.

The funding environment within which public-private partnerships must exist helps explain why their success at supporting the development of a third sector in the United States is limited compared to their development under social housing in Canada. As well, upon further review of the literature on public-private partnerships in housing in the United States it is apparent that low-income housing almost always require subsidy assistance if it is to be feasible.

Public-private partnerships in low-income housing still need subsidies. For low-income, inner-city residents the amount of shelter income available for rental housing is generally too low to access safe, affordable housing. For example, in Vancouver's Downtown Eastside to spend only 30 per cent of total income on housing equates to approximately \$ 215 per month for most low-income residents¹. However, the 1991 average monthly rent for a bachelor unit in Vancouver's East End was \$394, or 55 % of monthly household income (CMHC 1995a). The situation is the same in parts of Toronto's East End (Ward 7) where in 1991 low-income residents needed to pay close to 46 % of their monthly household income toward rent². This gap between average rents and available household income forces low-income residents to spend a disproportionate amount of their income on housing and usually means living in shared accommodations. In both cities this means living in a SRO hotel or rooming house. It also means that low-income households have neither sufficient equity nor the annual income to help finance low-income housing projects developed through a public-private partnership.

In the United States, public-partnerships have generally been able to fund predevelopment activities and lower the costs of project construction, but "income supplements in the form of tenant subsidies are often needed to make the development

¹ According to 1991 Census the median household annual income in Vancouver's Downtown Eastside (Census Tract 59.01) is \$ 8, 596.00. It is accepted that to spend up to a maximum of 30 per cent of total income on housing is affordable (CMHC 1991). Thus, $(8,596 / 12 \text{ months}) \times 0.30 = \$ 214$ per month.

² According to 1991 Census the median household income in Toronto's East End (Census Tract 31) is \$12, 634.00. In 1991 the average rent for a bachelor unit in Toronto was \$ 482.00 a month (CMHC 1994). To determine affordable monthly rent, the same calculations apply as in footnote # 1.

financially feasible, especially when the target group is at the 'very low' end of the income ladder" (Suchman 1990, 10). It is also apparent that low-income housing projects usually require the generous support of the philanthropic community in order to be feasible (Dreier and Hulchanski 1993; Keyes 1990; Whittlesey 1990).

Unlike Canada, there are some extremely large philanthropic private foundations which have over the years been very supportive of public-private partnerships and CDCs. In 1988 there were 148 private foundations, with assets of over 100 million dollars, from which nearly one-half of all grants emanated (Rabinowitz 1990). Large foundations like the Ford Foundation and the Enterprise Foundation have been critical to the support of public-private partnerships (Hulchanski 1991; Hulchanski 1995). In 1989 alone, these large foundations and other smaller ones granted \$65 million to support community-based development (Walker 1993).

In Whittlesey's list of factors influencing the development of public-private partnerships he mentions the increased willingness and interest on the part of business and private institutions to be involved in low-income housing. However, given the prevailing need for subsidy and philanthropic support, it seems that "it wants deep subsidies to do so" (Keyes 1990, 177). Private finance continues to focus on "housing demand as defined by the market, not housing need as defined by policy-makers" (Ibid., 176). All of this has implications in terms of the effectiveness of public-private partnerships supporting low-income housing in Canada.

3.2.2 Public-Private Partnerships in Low-Income Housing in Canada

As mentioned earlier, public-private partnerships in housing in Canada symbolically had its beginning in 1991 with the opening in Ottawa of the Canadian Centre for Public-Private Partnerships in Housing (CCPPPH). Since its opening, the Centre has facilitated 27 partnership deals involving 1,279 units, and claims to have used innovative tenure and

financing arrangements (CMHC, 1994). A review of the centre's newsletter, *Partnership Courier*, which profiles many of these partnership projects, suggest that the vast majority of these projects target moderate-income seniors. Only one partnership project could be found that benefited low-income or core need households living within the inner-city. However, this project, a 16 unit apartment building in Edmonton's Boyle Street/McCauley neighbourhood, was not without government subsidy. Rents are subsidized under the federal-provincial rent supplement program (CMHC 1993b).

John Lynch, of CMHC and a Vancouver contact for the CCPPPH, agrees that by and large the majority of partnership arrangements are accessible to moderate-income households, not low-income households (Lynch 1995). The main reason for this, according to Lynch, is the need for households to make a financial contribution towards the purchase of their unit (Ibid.). He also mentions that as a result of this requirement all units have freehold title, either in the name of the occupant of the unit or the non-profit organization involved in the development. By requiring freehold title, CMHC is assured that no government subsidies are attached to the development.

Public-private partnerships benefit equity co-ops. Besides benefiting moderate-income seniors, public-private partnerships are beginning to benefit families and singles interested in co-operative housing. However, the kind of co-operatives that public-private partnerships are able to support are much different than those that were sponsored under the canceled federal cooperative program. Instead of being rental co-ops with a proportion of the units eligible for rent subsidy, they are equity co-ops. Equity co-ops require that members actually purchase their unit with the understanding that at resale a member will receive her or his original investment plus an appreciated amount that is usually tied to increases in the local Consumer Price Index. The unit is then put back on the market at the same price that it was surrendered to the co-op. Thus, removing any added value in the unit due to speculation in the local housing market.

The first family equity co-op in Canada, completed this year in Vancouver's Kitsilano neighbourhood, reduced the cost of a unit by about 20 per cent relative to comparable market housing in the same area (CMHC 1995b). Details of the partnership included an unsubsidized 60 year land lease from CMHC (owners of the land), a CMHC insured mortgage to the co-op from a local private bank, and the partial deferral of fees until completion of the building by the builder and other professionals involved (CMHC 1993c). Other upcoming family equity co-ops are in the works, for example, in Vancouver and North Vancouver, B.C., and in Jasper, Alta. (CMHC 1995b). While equity co-ops can help reduce the sale price of a unit, it is not enough for most residents of inner-city low-income neighbourhoods. Again, like most public-private partnerships developed for seniors, those that can benefit from partnership arrangements are moderate-income households, not low-income households.

Moderate-income housing through flexible mortgage insurance programs. So far, the evidence suggest that public-private partnerships in housing have generally been about provision of moderate-income housing through CMHC providing more flexible mortgage insurance programs. According to Lynch this means providing insurance to projects which normally would not qualify due to lack of equity. CMHC would make an assessment of mortgage insurance eligibility based on two main factors:

1. That there is a need in the community and that this need is both based on social as well as market driven criteria.
2. That the type of building and design meet both social and market criteria.

Some of the social and market criteria for allowing CMHC insurance flexibility include:

1. the borrower must be a non-profit corporation,

2. the non-profit must be able to raise a certain amount of capital
3. multiple unit residential buildings must almost always be strata titled (an exception would be when the land costs are zero),
4. a certain amount of the units must be pre-sold,
5. projects usually require the co-operation of the municipal government (Lynch 1995).

For neighbourhood organizations and other non-profits involved in the inner-city, their ability to meet the social criteria demanded under a partnership agreement would pose little difficulty. It is the market criteria that would preclude their participation in most cases. The lack of market criteria, namely land, capital and equity, by low-income residents is a big reason why Jill Davidson, a Senior Planner with the City of Vancouver's Housing Centre, sees a limited role for public-private partnerships within inner-city neighbourhoods (1995). To build new housing comparable to the social housing era, she argues, must involve the support of subsidies in order to work (Ibid.).

Potential prospects for low-income housing through public-private partnerships.

Similar to the experience in the United States, low-income housing through public-private partnerships in Canada have been useful insofar as facilitating the construction but not the on-going operation of a low-income rental housing project. For example, this was the case in the development of a city-owned lot in Toronto's St. Lawrence Neighbourhood. By selling two-thirds of the land to a private developer for condominiums (425 units) and office/retail space, the city was able to develop in conjunction with Cityhome 100 non-profit apartments (Peddie 1990). However, rent subsidies were still needed even though the city is benefiting from an ongoing profit sharing agreement linked to the commercial component of the project (Ibid.).

The necessity of on-going subsidy drastically limits the potential for low-income housing through public-private partnerships. Overcoming this hurdle have proven quite difficult. In a recent survey by B.C. government on how local government can promote more affordable housing, of the eight partnerships profiled only three provided any low-income housing units (26 in total) without any direct government funding or on-going subsidy (Ministry of Housing, Recreation and Consumer Services, 1995). One of these projects involved the City of Burnaby providing a density bonus for the construction of a 170 unit condominium complex with the condition that the developer sell ten to the units for less than 25 per cent market value to a non-profit organization. Because of the savings incurred, the non-profit organization is able to rent the units, without subsidy, at about \$300 a month (Ibid.).

Philanthropy in Canada. It is questionable to what extent the philanthropic community in Canada is capable or willing to make-up for the lack of available government subsidy. According to David Hulchanski, Canada does not have the same philanthropic capacity as in the United States, nor has it the federal tax credits that have promoted their involvement in low-income housing (1995). In fact, private sector giving in the United States is over 2.5 times greater a proportion of Gross Domestic Product (GDP) than is it in Canada (Arlet et al 1988). Even if Canada were to establish a strong philanthropic community similar to the United States, it seems that philanthropy is becoming less altruistic, less willing to fund critical social objectives. Indications are that "the next generation of company leaders are likely to be more tightfisted than the current group and are more intent on making sure that their donations advance the company's interests as well as those of the receiving philanthropy. Gifts to education should continue upward, but support of recreation, public policy, and the arts is expected to drop" (Jon Van Til 1990, 40).

3.3 Evaluation of Public-Private Partnerships Based on the Established Criteria

The evaluation of public-private partnerships as an effective housing strategy that has the objectives of improving the quality of life and empowerment of low-income, inner-city residents produces the following table.

Table 3. Evaluation of the Public-Private Partnership in Housing Strategy

Criteria for Evaluating Housing Strategies	Public-Private Partnerships in Housing
<p>Meeting of needs as perceived by the community</p> <p><i>To what extent are the housing needs of inner-city, low-income communities being met ?</i></p>	<ul style="list-style-type: none"> • in most cases, inappropriate as a low-income housing strategy due to the inescapable need for subsidy • Canada lacks the philanthropic tradition, tax incentives, and intermediary funding organizations found in the U.S., all of which have proven necessary if it is to work as a low-income housing strategy • in Canada, so far only a handful of low-income units have been produced • in the United States, approx. 320,000 low-income units have been produced, accounts for approx. 7 % of all subsidized units in the country.
<p>Developing community cooperation</p> <p><i>To what extent does the strategy promote greater cooperation within the community ?</i></p>	<ul style="list-style-type: none"> • greater community cooperation forgone, mainly due to the politics of multiple 'patch-work' funding requirements, forcing a development agenda over community organizing
<p>Leading to community empowerment</p> <p><i>To what extent does the strategy lead to the further empowerment of an organized inner-city community ?</i></p>	<ul style="list-style-type: none"> • empowering, if a truly participatory framework emerges, one that maintains a diversified agenda of housing production and community organizing

Criteria for Evaluating Housing Strategies	Public-Private Partnerships in Housing
<p>Local government contribution permitted</p> <p><i>To what extent does the approach permit local government to contribute positively to the performance of each housing strategy ?</i></p>	<ul style="list-style-type: none"> • <i>so far, land leases are the predominant form of support</i> • <i>municipal subsidies (in kind or monetary) or concessions garnered from the development industry have been insufficient to benefit low-income recipients</i> • <i>in the US a more intensive program of support has evolved (e.g. land donations, tax abatements, eased zoning, building code and fee requirements, municipal created funding intermediaries)</i>

The need remains, the means do not. Despite improvements made in the quality of life and empowerment of low-income, inner-city residents under the social housing era there remains new and established forces that continue to ensure a stable supply of impoverished inner-city residents. As mentioned in Chapter One, the forces of deinstitutionalization, gentrification, economic restructuring, and the retrenchment of welfare state policies threaten to reduce any benefits established under the social housing era. The vast majority of low-income households are renters, who since 1982 have continued to pay 30 per cent or more of their income to shelter compared to 10 to 15 per cent for moderate and higher income households (CMHC 1994). Renters, not owners, are also more likely to be categorized as core needy, accounting for 73 per cent of all households in core need in Canada in 1991 (Ibid.). For low-income, inner-city households, whose home is an SRO hotel or rooming house, these statistics are particularly relevant as nearly all would be considered core needy. For example, in Vancouver's inner-city neighbourhood, Downtown South, 68 per cent of SRO residents pay more than 40 per cent of their income to rent (Butt 1991). In Toronto, one survey concluded that rooming house residents were paying more than 51 per cent of their income on rent (City of Toronto. 1992b). The result is that low-income, inner-city

households have no other choice but to look for subsidized housing if they want to improve their living conditions.

Given the experience of public-private partnerships in low-income housing in the United States and its application so far in Canada, it does not appear that it can contribute significantly to the demand for decent and affordable inner-city housing. It is clear that subsidy, particularly operating subsidy, is required if low-income housing of any significant quantity is to be built using a public-private partnership approach. As it stands today, neither the public nor the private sector in Canada seem willing to contribute the additional financial support necessary to make possible any significant supply of new low-income housing. Thus, public-private partnerships are simply repeating a private housing market condition of "housing need outstripping effective market demand" (Keyes 1990, 167). This is especially the case in the inner-city where land values tend to be exceptionally high making it even less "economically viable for the private sector to supply new low rent housing stock in the central area. (Hulchanski 1989, 6).

Low-income housing by any means necessary. If the experience of public-private partnerships in the United States is any indication of its results in Canada, then inner-city low-income neighbourhood organizations in Canada will forgo greater community cooperation capable of collective action. A return to a lower level of community cooperation equivalent to that present prior to the social housing era is not due to any inherent problem in a public-private partnership approach. Rather, it has more to do with the difficulties of operating within a climate of severe funding shortage and growing political contempt towards government supported housing. If these difficulties are not addressed, public-private partnerships as a community development strategy will by necessity force community organizations to adopt goals where the 'ends' (low-income housing) justify the 'means' (at any cost).

Unlike a higher level of community cooperation, it is not important to challenge the distribution of power only to press for the allocation of needed services within the existing power structure. Or, as Boothroyd has characterized lower goal oriented communities, "They exist to get a bigger piece of the *gesellschaft* good-life for members. They do not challenge the larger *gesellschaft* order or its assumptions" (1990, 123).

Notwithstanding its limited application in supplying low-income housing, when it was applicable public-private partnerships has made it necessary for community organizations in United States to act as developers at the expense of continuing to organize the community (Dreier and Hulchanski 1993; Suchman 1990). This is largely due to the inherent tension imbedded in the pursuit of multiple funding sources, private and public, necessary to complete even one low-income housing project. Community organizations become nervous about upsetting potential funders if they continued to organize and mobilize their members around controversial issues (Dreier and Hulchanski 1993). Though intermediary funders has helped relieve some of this nervousness, by providing a source of substantial funding that understands the controversial nature of community development, the feeling of vulnerability remains high. In fact, "the corporations, foundations, governments, and other groups that provide support to Community Development Corporations (CDCs) favor the development agenda over the organizing and mobilizing agenda. So few CDCs devote much time, resources, or thought to organizing" (Ibid., 69).

By not integrating development and organizing, community organizations jeopardize the value of housing as a community development strategy. Housing as a community development strategy should have multiple objectives, which are both quantitative and qualitative. By focusing too much on bricks-and-mortar, the primary goal becomes one of meeting housing production targets at the expense of other equally important objectives. In this case, the lost opportunity of developing a higher level of community cooperation

capable of working towards greater community stability and self-reliance. As it stands now, these benefits of supplying low-income housing are consequential, not organized.

Empowering only if it's participatory. According to Alan Barr, "For the poor to be powerful is a contradiction" (1995, 128). If they had power they wouldn't be poor. If any power is to be achieved through a public-private partnership then low-income community organizations must assure that the process involves a truly participatory process (Mendell 1994). This is necessary due to the understanding that "empowerment is something to be experienced rather than written about or learned in a book" (Gerecke 1992, 251).

Promoting this concept means avoiding partnership arrangements structured along traditional hierarchical lines of authority. To do so only places community organizations in a position of subordination; as thankful recipients of gifts from the ruling class. As an equal partner, low-income community organizations must seek an equitable distribution of responsibilities amongst partners, especially during times of decision-making. Because ultimately a partnership must strengthen both the personal and organizational capacity of a inner-city low-income neighbourhoods if, as Checkoway (1995) argues, empowerment as a multilevel process is to be realized.

Similar to the degree of community cooperation possible, there is no inherent reason why a public-private partnership approach cannot be an empowering experience for residents of inner-city low-income neighbourhoods. Regrettably, the subject of empowerment has had little solid analysis related to public-private partnerships and CDCs in the United States (Vidal 1995). However, it is argued that those CDCs who are able to maintain a diversified agenda (i.e. housing production and community organizing) have contributed to "making their communities better places to live and improving the opportunities available to local residents" (Ibid., 222). Though possible, it was noted earlier that all too often CDCs act as developers, neglecting to continue their role as community organizers.

Taken too far this singular agenda (i.e. housing production) ultimately leads to a suspicion of co-option and separation from the grassroots by low-income residents.

For both CDCs in the United States and the third sector in Canada, the principle of maintaining a diversified agenda is one of their greatest assets. In fact, it was a hallmark of the third sector during the social housing era. That is, their ability to link housing production and organizing in order to realize a community development approach. Though the public-private partnership approach appears to have very limited opportunity in Canada in the provision of low-income housing, when it is possible community organizations must maintain a diversified agenda if it is to be empowering to low-income residents.

Production is low, but growing. No precise figure could be found regarding the number of low-income housing units produced under a public-private partnership approach in the United States. It is even difficult to report an accurate total of low-income housing units produced by CDCs (i.e. the non-profit housing sector) (Walker 1993; Mayer 1991). One reason given for this lack of comprehensive information is that there is no single national support system for non-profit housing providers; thus, there is great difficulty in keeping track of production (Dreier and Hulchanski 1993). However, estimates are that since the early 1970s CDCs have developed or renovated about 320,000 housing units or 7 per cent of the total subsidized housing stock across the United States (Ibid.)³. This figure comes close to estimating the number of housing units produced under a public-private partnership approach since this is the primary method of fund raising and development.

³ The vast majority of subsidized units in United States are rent supplemented units within the private rental housing stock (Section 8 program).

Table 4. Social Housing in Canada Vs Public-Private Partnerships in the United States

	Social Housing in Canada (1973-1993)	Public-Private Partnerships in United States, since 1973
Total Number of Units	230, 000 units	320,000 units
Percentage of All Subsidized Units	35 %	7 %

In comparison, Canada over the same period of time produced over 230, 000 units of social housing or 35 per cent of the total subsidized housing stock (CMHC 1994) (see Table 4). The rather small contribution of public-private partnerships, compared with social housing, to the total subsidized housing stock demonstrates its limited role in the provision of low-income housing⁴. This limited role is evident in the very small number of units produced by any one group. According to a 1991 survey by the National Congress for Community Economic Development, of the 1,160 groups responding, only 421 had produced 100 or more housing units (Dreier and Hulchanski 1993). However, a small number of partnership organizations have had an impressive record. For example, one of the most successful low-income housing partnerships, the Chicago Housing Partnership (CHP), was able between 1985 and 1989 to finance the construction of 1,820 units in 40 housing development projects in the Chicago's inner-city, South Shore (Suchman 1990). An average of 455 units per year. This rate of production was much better than the social housing allocations for Vancouver's Downtown Eastside, though considerably smaller than South Shore, during the same period of time. Here, the average was 275 units per year (Hulchanski 1989). However, the success of CHP is an anomaly rather than the norm.

⁴ Canada subsidizes a slightly greater proportion of its total housing stock than does the United States, about 5.5 per cent compared with 4.5 per cent. However, more than half of the subsidized housing stock in the United States is in the for-profit housing market (Dreier and Hulchanski 1993).

Local government participation. Local government in the United States has had to involve itself in new low-income housing initiatives, like public-private partnerships, much earlier than Canada (Hulchanski et al. 1990). In the wake of massive cuts in federal funding during the 1980s, local government in the United States have “in addition to targeting more of their shrinking federal community development funds to housing, they also donated land; eased zoning, building code, and fee requirements; expedited approvals; provided tax abatements; and created off-budget housing trust funds from special assessments” (Dreier and Hulchanski 1993, 63). Even more specific to promoting public-private partnerships, many local governments have provided political and financial support towards the creation of municipal funding intermediaries, which have proven essential to the growth of CDCs (Walker 1993).

However, the practice of public-private partnerships in Canada has so far benefited mostly middle-income recipients. It has not been able to benefit low-income recipients partly because the participation, so far, of local government via municipal subsidies (in kind or monetary) or concessions garnered from the development industry have been insufficient.

A review of public-private partnership initiatives profiled in *Partnership Courier*, the newsletter for the CCPPPH, revealed city-owned land leases to be the predominant form of local government participation. For example, the cities of Windsor, Kamloops, and the District of North Vancouver all leased city-owned land at below market value, recouping anywhere between two thirds to one dollar of land value, to non-profit housing organizations.

The use of city-owned land has also been the basis of a developer partnership between a local government and a private for-profit developer. Developments in the City of Toronto

(St. Lawrence Neighbourhood) and Ottawa (Thorncliffe Village) both involved the city's non-profit housing corporation and a private for-profit developer. The result was a mixture of market, co-op, and subsidized rental housing (Peddie 1990; CMHC 1993d). In the case of the City of Toronto, to be successful it was necessary that the project had a viable commercial component for the private for-profit developer to be interested (Peddie 1990). The City of Vancouver also attempted a developer partnership with the Vancouver Land Corporation (VLC), but with very limited success. The problem with Vancouver's attempt may have been the absence of a non-profit builder responsible for the affordable housing component of each development. So far, less than one tenth the number of rental units promised by VLC have been built (Francis 1995).

Despite the potential of local government to contribute more positively to the success of public-private partnerships, the evidence suggests that local initiatives "will begin to eradicate aspects of the housing problem only when the federal government becomes a full, active partner" (Hulchanski et al. 1990). This is particularly true of the United States, where the scale of the problem is so great, local efforts are insufficient to prevent a continued worsening of the problem (Suchman 1990).

3.4 Conclusion

The review and evaluation of public-private partnerships, in the Canada and United States, clearly demonstrates its limited use to inner-city low-income neighbourhoods as housing strategy. Nevertheless, since the early 1980s, groups in the United States involved in community development have had some impressive successes with the public-private partnership approach. Their success and growth has greatly benefited from a large philanthropic sector and national and local funding intermediaries willing to support CDCs with the development of low-income housing. As well, public-private partnerships have proven not to be inherently contradictory to developing greater

community cooperation, a characteristic of the social housing era, or the empowerment of inner-city low-income neighbourhoods.

The reality, however, is that the pressures of multiple funding and the uncoupling of a diversified agenda by CDCs solely in favour of housing production has caused the forgoing of developing greater community cooperation and empowerment. In other words, existing power relations are not challenged and the absence of a truly participatory framework through community organizing means that the collective capacity of low-income residents to garner greater self-reliance is not realized. While the supply of low-income housing is an important end, the means of achieving more housing is what makes housing part of a community development strategy. If anything, this is what the public housing era of the 1950s and 60s has taught us: housing is more than four walls and a roof.

If public-private partnerships are to have any significant effect on meeting the demand for low-income housing in Canada, then greater subsidy, public or private, must be found. And if it is to have any significant effect on improving the quality of life and further empowerment of inner-city low-income neighbourhoods, then their community organizations must be involved as an equal partner. Community organizations must also keep in mind to maintain a diversified agenda that includes community organizing as they pursue the development of low-income housing. According to Langley Keyes the question then becomes:

How do we structure national legislation to ensure that the public and the private sectors stretch themselves to find ways of making the most of scarce resources and mutual opportunities ? (1990, 194).

Given the federal government's current withdrawal from social housing and its endorsement of unconditional block grants to the provincial governments, it is unlikely

that much enabling legislation will come from this direction. On a national level, it also seems unlikely that Canada could establish a network of funding intermediaries, which have proven to be invaluable in the United States. Perhaps CMHC's Canadian Centre for Public-Private Partnerships in Housing, with further federal support, could take on the responsibility of promoting funding intermediaries in Canada. However, almost by default, it is local government that is currently having the greatest influence on the success of public-private partnerships. This is because they have the ability to control the land development process, provide some development funding and have utilized city-owned land for affordable housing.

The problem, however, has been that the affordable housing being built under a public-private partnership approach is not affordable to low-income residents, only to middle-income residents. Thus, "there is a need for public subsidy, in most instances, to bridge the gap between effective market demand and housing need; that reality has and always will be with us" (Keyes 1990, 194). If greater public subsidy is not forthcoming, then at least two other conditions would need to change:

- 1) that the private sector contributes more funding to low-income housing; or,
- 2) that Canada accept a lower standard of housing that is more within the means of the private sector to supply.

With the former also not forthcoming, the latter condition appears imminent. For inner-city, low-income residents this means the preservation of the existing low-income housing stock as a substitute for social housing. This forms the subject of the following chapter.

Chapter Four

Emerging Strategy #2: Preserving the Existing Low-Income Housing Stock, SRO Acquisition and Rehabilitation

4.1 Introduction

The final housing strategy to be reviewed and evaluated is the preservation of the existing low-income housing stock. For inner-city low-income neighbourhoods across Canada, the existing low-income housing stock is largely characterized by private, for-profit rental SRO hotels and rooming houses. What makes the preservation of the existing low-income housing stock an emerging strategy is a changing attitude by community leaders and planners towards this stock. Almost entirely provoked by the end of the social housing era, this change in attitude is one which views this housing no longer as an interim use, but more as a permanent component of the low-income housing stock. While the replacement of this stock with self-contained housing will remain the primary objective for both community leaders and planners, the political and economic realities are such that "keeping what's left" is a growing priority.

Important to the review and evaluation of this housing strategy is the role of community-based non-profit organizations as purchasers and managers of SROs in the inner-city. The review will demonstrate that this kind of strategy has a significant role to play in the inner-city, especially in terms of reducing the rate of homelessness and meeting the needs of individuals systematically declined permanent housing in either social housing or the private market. Moreover, the experience so far with this kind of strategy, especially in Toronto, emphasizes the importance of a delinked approach to the delivery of support services and the complementary role of non-profit and for-profit SRO operations. Along with examples of SRO initiatives from Toronto, the review will also look at SRO initiatives in Vancouver and Edmonton. Together, examples from these three cities will give a good indication of what is currently being done in Canada to stabilize and improve this housing stock.

The evaluation of preserving the existing low-income housing stock will apply all that was discussed in the review of this strategy against the established criteria. The result is a discussion concerning the costs and benefits of SRO acquisition and rehabilitation. In particular, the evaluation will point out that capitalizing on the benefits largely depends on positioning this strategy within the context of providing a continuum of low-income housing forms. A continuum that includes the continued production and availability of self-contained units. Otherwise, it is a strategy which falls victim to an opinion by inner-city community organizations that Canada's low-income citizens are now permanently relegated to a standard of housing (non-self-contained units) that as a society we have until now never accepted.

4.2 Saving What's Left, Why Bother ?

The social housing era, through the construction of new self-contained units, was about adding capacity to the low-income housing stock. On the other hand, preserving the existing low-income housing stock is about bringing stability to the existing capacity of the low-income housing stock. At first glance, it would be easy to conclude that the latter strategy is less progressive because of the continual need to add more capacity as more and more people find themselves without affordable housing. However, a more careful study of the environment of low-income housing and it becomes evident that new construction (i.e. social housing) is almost always out-paced by the (de)conversion or demolition of the existing low-income housing stock. Thus, the net result is a steady decrease in the total number of low-income housing units and an increase in homelessness in Canada (Patterson 1993). This is why preserving the existing low-income housing stock is as important as is producing new social housing.

For example, the City of Toronto experienced a severe loss of almost 18,000 rental units between 1976 and 1985 through the deconversion of joint owner-tenant properties back to

single-family use (Howell 1986). As well, from 1981 to 1986 over 9,000 rental apartments were lost through various forms of upgrading (Ibid.). The result over this period of time has been that Toronto "has lost far more low-cost housing through demolition, conversion and luxury renovation, than has been built as assisted housing" (Gladki 1986). Though not nearly as severe, Vancouver experienced the demolition of some 7,500 rental units between 1973 and 1981, primarily in districts effected by condominium development (Ley 1991). In comparison, during this same period 5,965 non-market rental units, the majority being social housing, were built (City of Vancouver 1993). More recently, it is estimated that over the past five years close to 6,000 rental apartment and townhouse units per year have been converted to ownership (CMHC 1995a). Rental apartment construction during this same period averaged only 1,100 units per year and social housing units averaged about 330 units¹ per year (Ibid.). While market rental analysts at Vancouver's CMHC office are nervous about stating net losses or gains in the rental market, primarily due to data collection problems, the general pattern is one of decreasing low-income rental units. This pattern helps explain why demand tends to be greatest for the least expensive units on the market (Ibid.). In Vancouver, the demand has prompted homeowners to risk municipal fines by providing illegal secondary suites in areas zoned single family residential.

The pattern of decreasing low-income rental units also helps explain why social housing wait lists continue to grow and more and more people need the assistance of food banks and shelters. For example, Toronto's non-profit housing corporation, Cityhome, expects its wait list to surpass 10,000 applicants (Cityhome 1993). With so many people waiting for subsidized housing and spending more to keep their existing housing it is not surprising that Metro Toronto reported in 1991 that 32,000 people used the 2,500 available hostel beds and more than 100,000 people per month used food banks. (City of Toronto 1992b). Of course, there are other factors involved in raising the demand for

¹ Number excludes co-op units

these services, such as employment opportunities and wage rates, but the decrease in low-income rental housing certainly is one of the major contributing factors.

The rise of the one-person household or the low-income urban single. The detrimental effects of a declining low-income housing stock are compounded by changes in urban demographics. Since the end of WWII, there has been a steady increase in the number of one-person households. Due largely to rising incidences of bachelorhood and divorce, the number of one-person households more than quadrupled and increased almost tenfold among the under than 35 years olds between 1961 and 1986 (Miron 1993). As a result, in the 1982 Census about 20 per cent, and in the 1991, about 23 per cent, of Canadian households had only one person, compared to only 8 per cent in the 1940s and 1950s.

Synonymous with the rise of the single person household is its disproportional concentration within Canada's large metropolitan cities, and especially within the inner-city. For example, according to the 1991 Census, 73 per cent of Vancouver's inner-city households are single person. In Toronto 40 per cent, and in Edmonton 54 per cent, of inner-city households are single person² (see Figure 4,5 & 6). This compares to a 30 per cent city-wide average between the three cities. This high concentration combined with other social and economic factors common to low-income inner-city neighbourhoods has resulted in single person households being defined more specifically as the 'low-income urban singles.'

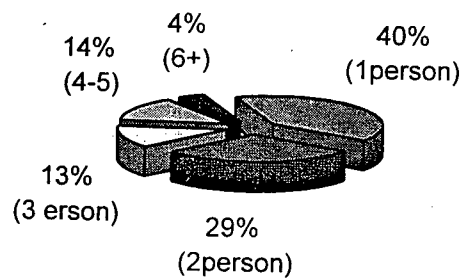
Generally, low-income urban singles are characterized as single adults with no "special needs" and below the minimum age, usually between 45 and 65 years old, of eligibility for government assisted housing (Ontario Ministry of Housing 1986). With an extremely low-income coming from social assistance or part-time work low-income urban singles

² The inner-city of Toronto is defined by the inner-city electoral wards 3,4,5,6,7, (totalling 40 Census Tracts) excluding those portions of each ward that are south of Front Street. Edmonton's inner-city is defined by the 5 Census Tracts that make-up the Boyle St/McColly Neighbourhood.

are most often limited to renting a room within an SRO hotel or rooming house. Even though it is the cheapest housing available, the majority of renters pay anywhere from 40 to 80 per cent of their total income on rent (Bacher 1993; Butt 1991; City of Toronto 1992b). In Vancouver, the SROs are mostly made up of residential hotels, in Toronto and Edmonton it is rooming houses.

Figure 4

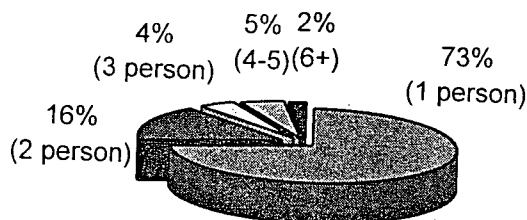
**Inner-City Toronto (Wards 3-7),
Size of Hshlds 1991**
(City of Toronto Avg.=38% 1 person hshld)



(Source: Census 1991)

Figure 5

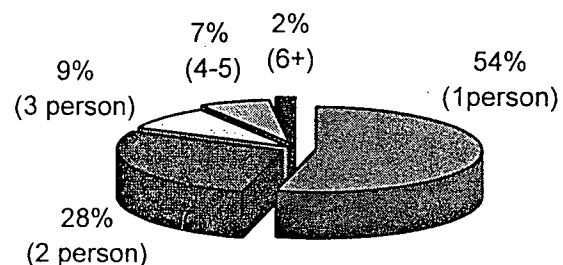
**Inner-City Vancouver
(Census Tracts 57,58,59.01,59.02)
Size of Households 1991**
(City of Vancouver Avg=27% 1person hshld)



(Source: Census 1991)

Figure 6

**Inner-City Edmonton (Boyle St./McCauley)
Size of Households 1991**
(City of Edmonton Avg=26% 1 person hshld)



(Source: Census 1991)

An important dimension of the low-income urban singles population is a significant proportion of individuals living with a mental health condition and/or a drug addiction. It is difficult to say what this proportion is, but studies have suggested that the SRO population experiencing serious mental health problems is from 22 to as high as 60 per cent (Butt 1991). Though those living with a mental health condition can be categorized as individuals with "special needs," thus eligible for government assisted housing, many will not or can not access subsidized housing for the same reason that makes them eligible in the first place; that is, their mental health condition. For example, it is often the case that an individual with a mental health condition will have behavioral characteristics that are unacceptable to the house rules set by the housing society or the existing residents. When drug addiction is added on, their is practically no chance of securing subsidized housing or, for that matter, decent private rental housing. For this segment of the low-income urban singles population, the inner-city SRO hotels and rooming houses are their only choice.

The irony of gentrification. The push to save what's left of the existing low-income inner-city housing stock has been accelerated by the significant impacts of gentrification. As a process of social upgrading, the gentrification of inner-city low-income neighbourhoods, either by redevelopment or rehabilitation, can explain a significant portion of the loss in low-income rental units in both Toronto and Vancouver (Ley 1991). The most serious effect of gentrification on inner-city low-income neighbourhoods is the forced displacement of low-income residents, who often have no other place to go due to being already at the bottom end of the market rental sector. According to a study on the impact of further reductions in Vancouver's SRO hotel stock by David Hulchanski, there is likely only one result possible:

Aside from some illegal suites, nothing else in the same price range is available. Increased homelessness is the only outcome if this stock continues to be lost (1989, i).

Even with such stern warnings and the connection between homelessness and gentrification, city official and planners feel it is still possible to subdue the negative effects of gentrification while at the same time harness its potential to bring in sadly needed reinvestment to “depressed” inner-city neighbourhoods. They believe that with the right kind of development controls both the existing low-income community and the affluent newcomers can co-exist in a revitalized mixed-income community. This is why the term “revitalization” is used instead of gentrification. The term implies that with the proper development controls and planning the so-called positive aspects of gentrification can be harnessed. For example, the *Victory Square Concept Plan*, by the City of Vancouver, which deals with the future redevelopment of part of the Downtown Eastside, expressed the language of revitalization when it said:

As revitalization continues, there would be increased pressure on SRO stock for redevelopment or conversion to other uses, such as tourist hotels and condominium projects. However, with continuing controls, and government resources to secure existing and/or replacement units, the intent is that there would be no net loss of units (1995, 7).

Revitalization expresses the irony of gentrification. How is it that a process which has been responsible for the loss of a substantial portion of the low-income housing stock can now be used to preserve and even increase it? The belief in such a positive notion of gentrification requires a great leap of faith by low-income communities considering its reputation for displacing low-income residents and their commercial amenities. Having faith is also necessary because the goal of a mixed-income community by preserving the existing low-income housing while encouraging more affluent newcomers has been promised before. According to David Ley, “Since the 1970s, in both Vancouver and Toronto, there’s been lots of goodwill to preserve low-income housing, but the market

always finds a way around that.” (Bula 1995, A2). Thus, it seems that development controls have yet to prove themselves successful at maintaining existing low-income communities faced with redevelopment pressure.

SRO hotels and rooming houses are not interim housing, but part of continuum of housing forms. Perhaps part of the problem of conserving inner-city low-income neighbourhoods is in the way the planners, city officials and the general public, for that matter, perceive the stock of existing private, low-income rental housing. According to Toronto housing analyst, Philippa Campsie, “the notion that the privately owned and run rooming house is destined to become obsolete is quite widespread” (1994, 21). The notion of obsolescence is perhaps partly responsible for an attitude that views residents of SRO hotels and rooming houses as by and large transients. Yet numerous surveys of SRO residents in Toronto and Vancouver have refuted this widely held belief, demonstrating that the majority are long-term members of a low-income neighbourhood (DERA 1988; Butt 1991; Ward 1993). The combination of obsolescence and transience reinforces other misconceptions, such as SRO residents are atomized individuals with no social networks or sense of community. In fact, the opposite is true, informal social networks and a strong sense of community are two of the biggest reasons why SRO hotels and rooming houses can be livable and thus a legitimate form of permanent housing.

In some cities, it has been shown that even the regulatory environment has reinforced commonly held misconceptions about SRO housing. For example, studies in New York and Chicago concluded that building codes and licensing requirements for SROs “implicitly supported an attitude that viewed SROs as a form of short-term accommodation rather than long-term, permanent housing, which they really are” (Antolin 1989, 22). A counter-productive regulatory environment in the City of Edmonton’s inner-city is one of the main reasons why the Bolye Street-McColey Community Planning Office participated in the city’s Safe Housing Committee. In an interview with the two of its representatives from the committee, Anna Bubel and Ed

Laboucane both mentioned that their purpose was to promote standards of maintenance within their community's for-profit rooming houses in a way that would improve safety and livability aspects, but not jeopardize their long-term viability (Bubel & Laboucane 1995). This would require a co-operative working relationship between the rooming house landlords, the city building inspectors and the community in order that aspects of the Alberta Building Code irrelevant to rooming house living be waived (Ibid.).

The opinion that SRO hotels and rooming houses are indeed a form of permanent housing was emphatically argued in one prominent Chicago study:

SRO hotels not only offer convenient, secure and affordable shelter for single people but also make a unique contribution to the diversity of social life in Chicago.

The frequent portrayal of SRO hotels as incubators of social disease does not square with our findings. In fact, the evidence we uncovered indicates that the residents of SROs may offer the social prototype of what urban life frequently promised, but seldom delivered, for those of modest means. For the most part, tenants and managers collaborate in a symbiotic relationship of mutual support not only with each other, but with the surrounding neighbourhood. The residents utilize local shops and services, relying heavily on public transportation to link them with jobs and friends.

SROs represent a relatively successful adaptation of housing originally built for a transient and migratory labour force into longer term shelter for the stable working poor. Unless they can solve the problem of poverty for these residents, which we think a worthy but unlikely effort, the government and citizens of Chicago owe it to themselves to protect and nurture low rent housing that works (Community Emergency Shelter Organization 1985, 2).

While the Chicago study may in fact over emphasize the livability of SRO hotels and rooming houses it does nonetheless demonstrate that they should not be considered a form of interim housing. Rather, SRO hotels and rooming houses are an important component of a continuum of housing forms accessible to low-income individuals. It

especially accommodates those, who for different reasons would not benefit from this housing being replaced with social housing. For example, based on her survey results of SRO residents in Vancouver's Downtown South neighbourhood, Butt concludes that:

Building social housing units to replace SROs ignores the housing needs of 60% of the population that does not qualify for social housing [i.e. they do not meet the minimum age requirement], and 30-40% transient or temporary residents that do not want to commit to the responsibility of a self-contained unit. If existing conditions were upgraded, there would be less need to consider alternative housing strategies because more people would be able to live a reasonable lifestyle in the housing that is currently available. (1991, 18).

4.3 Improving the Livability of SROs, Some Initiatives Already in Place

As Butt suggested, upgrading the existing conditions is something that has already received some noticeable attention in at least three major Canadian cities: Vancouver, Toronto and Edmonton.

4.3.1 Vancouver

In the City of Vancouver, the move towards rehabilitating, operating, purchasing and even building new SRO housing is not a new one. Since the 1970s there have been federal/provincial programs and municipal initiatives which together have led to SRO rehabilitation and construction. For example, in the early years of the federal/provincial non-profit housing program, the City of Vancouver, as the non-profit sponsor, constructed three SRO-style lodges, totaling 380 units, on city-owned land in the Downtown Eastside³. Also, during same period, the city purchased three existing SRO

³ Those familiar with units found in the three lodges may disagree with them being called "SRO-style," given that they do provide additional amenities not found in a typical for-profit SRO hotel. For example, all units are equipped with a full or half bathroom and some have compact fridge and stove appliances. It is the author's opinion that they are more like an upgraded SRO unit than a self-contained unit. In fact, they are classified in the city's low-income housing inventory lists as having a "room" unit size and not "bachelor." (see *1994 Survey of Low-Income Housing in the Downtown Core*, City of Vancouver)

hotels, the Central, Oliver and Ferry. The Central and Oliver, being adjacent to each other, were combined and upgraded with the help of federal/provincial funds, creating a 132 unit municipal non-profit SRO known today as Central Residence (City of Vancouver 1995b). Two years later, in 1975, the Ferry Hotel was upgraded, again under the same funding circumstances as the other two hotels, creating another 30 units of non-profit SRO housing known today as Alexander Residence (City of Vancouver 1993)⁴.

There are two more SRO hotels operated by the City of Vancouver that have a different history to the ones just mentioned. The Old Continental located on Granville Street is an SRO hotel that was bought by the city in 1955 not for housing purposes, but because they needed to build an off-ramp next to the building for the new Granville Street bridge. The second SRO hotel, the Gresham, was purchased in 1990, renovated shortly after, including seismic upgrading, reopening 41 units of SRO housing and two commercial premises on the main floor at a cost of \$3.5 million⁵.

The purchase and rehabilitation of the Gresham complemented the city's objective of protecting the existing SRO hotel housing stock along Granville Street against redevelopment pressure brought on by a recent rezoning of the area, known as Downtown South, to high density residential. Protection of SRO hotels against the area-wide rezoning also included a downzoning of the properties fronting Granville Street, which is where most of the SRO hotels are located. This temporarily has made redevelopment of the hotels unattractive by reducing the development potential along Granville Street. There exist as well an option to transfer density from a hotel to a developable site off

⁴ Though more 500 units non-profit SRO housing were created due to the purchase of the hotels and the construction of the lodges, the net increase in low-income housing was diminished due the sacrifice of for-profit SRO hotels to make way for these projects.

⁵ This works out to about \$55 thousand per unit, which compares favourable to BC Housing's Maximum Unit Price (MUP) in 1992 of \$84 thousand for a self-contained studio. The high costs for SRO units is expensive, however revenue from the rental of the retail space and the appreciation of the land value will over time justify the investment.

Granville Street with the requirement that revenue from the transfer go toward upgrading the hotel. So far, there have been no takers on the offer of a density transfer.

It was not only the city that has been active in the purchase and operation of SRO hotels. In fact, the first non-profit run SRO hotel in the city would have to go to the Salvation Army when it purchased the Dunsmuir Hotel in 1949 (City of Vancouver 1995b). Later on, between 1979 and 1980, the regional government, through its non-profit housing corporation, the Greater Vancouver Housing Corporation, purchased in the Downtown Eastside the Stanley, New Fountain and Franklin Hotels. Even the for-profit SRO hotels were able to take advantage of funding assistance to rehabilitate their buildings. This came via the federal Rental Residential Rehabilitation Assistance Program (Rental RRAP), which, by the end of 1986, close to 1,200 SRO units in the Downtown Eastside had been upgraded (Hasson and Ley 1994)⁶. In some cases, Rental RRAP money was used by private landlords to deal with mandatory upgrading brought on by stricter guidelines and minimum standards for cleanliness, tenant service, maintenance and management (City of Vancouver 1995b). In all likelihood financial assistance to private SRO landlords reduced the number of forced closures brought on by these stricter regulatory requirements. However, the long-term benefits are questionable considering that today there is little differentiation between Rental RRAP upgraded SRO hotels and those that received no funding (Green 1996). The only significant eligibility requirement under Rental RRAP was that the landlord had to enter into a 15 year rental agreement.

More recently there have been a number of SRO hotels operated by private non-profit groups, whose purpose is to provide a supportive environment to individuals, who have found themselves unable to secure either permanent subsidized or market rental housing. Sometimes referred to as the "hard to house," these individuals are often in a chronic state

⁶ In a report by David Hulchanski, entitled *Low Rent Housing in Vancouver's Central Area: Policy and Program Options* (1989), it is estimated that close to 4,000 residential hotel and rooming house units had been upgraded by the federal Rental RRAP.

of eviction or refusal from housing often due to a mental health condition and/or drug addiction. In Vancouver's Downtown Eastside, there are a total of four SRO hotels, Victory House, Seaview, Hampton and the Portland (totaling 192 units) operated by private non-profit groups. What is special about these SRO hotels is the management philosophy, which varies widely, used to accommodate as much as possible the idiosyncrasies of the residents. Without this management adaption even this type of housing would be of no use to these individuals.

In addition to SRO projects, both the provincial government and the city have adopted recent policies that effect the preservation or construction of SRO hotels in the inner-city. The provincial government has made amendments to the *Municipal Act*, under Bill 57 and 31, which give municipalities clear authority to:

1. lease or sell land at below market value to non-profit housing organizations;
2. to provide standards of maintenance by-laws; and,
3. density bonusing for the provision of affordable and special needs housing provided that the developer enter into Housing Agreement to ensure that additional units remain affordable into the future.

Besides these changes to the Municipal Act, the provincial government through its 1995-96 Homeless/At Risk Housing component of *Homes BC* has implied funding may be available for housing projects with units that are not self-contained (i.e. SRO-style). In their own words, "Sponsor [non-profit housing groups] may propose projects which provide self-contained, second-stage or permanent housing for those who have not been accommodated by traditional housing programs" (BC Housing 1995b, 13). It remains to be seen whether second-stage or permanent housing can be successfully interpreted by sponsors of SRO-style housing.

In the case of the City of Vancouver there have been two recent policy changes. First is a request by the city to the Liquor Control Licensing Board (LCLB) the ability for non-profit societies to lease the SRO rooms in licensed hotels (City of Vancouver 1994e). As it stands now, LCLB will only approve of a management contract between a hotel owner and a non-profit operator⁷. However, as a legal agreement a management contract provides far less protection and autonomy to a non-profit operator than would a lease. Despite these limitations, DERA, fearing needed rooms would remain vacant, decided to enter into a management contract with the owners of the Portland Hotel. Their operation of the SRO rooms over the past five years has created a very special place, but due to the difficulties arising from a management contract it would be unlikely that DERA or any other non-profit would enter into such an agreement again (Townsend 1996). There have been other attempts. For example, the Downtown Granville Tenants' Association (DGTA) tried to takeover the Hotel California. However, the costs and risks proved to be too high under a management contract.

According to Jill Davidson, a senior planner with the City of Vancouver, the LCLB has not as of January 1996 made a decision over allowing leases (1996). She says they are supportive of the city's request, but have concerns about the potential loss of accountability to the pub owner as well as what kind of precedent this amendment may establish (Ibid.).

The second recent policy change is a by-law amendment to permit a density bonusing to sites in the downtown core where low cost housing is provided (City of Vancouver 1994f). Its effect upon the existing SRO hotel and rooming house stock would be to permit an increase in density if there are plans by the owner to begin a significant renovation of her or his hotel. In other words, more SRO units would be permitted by

⁷ In some ways this condition of the liquor license has been the city's only protection against the closure of SRO hotels with pubs, where pub revenues generally exceed 65 per cent of the total income from the pub and the rooms (City of Vancouver 1994e). The revenue imbalance between the pub and the rooms is a disincentive to the hotel owner to keep the rooms running, as was the case with the Portland Hotel.

way of increasing the floor space of the existing hotel during a period of major reconstruction. To prevent the owner from converting the SRO units in the future to some other use, she or he will be required to sign a Housing Agreement that can stipulate the type of tenure to remain (e.g. SRO units), the type residents required to accommodate (e.g. GAIN recipients), the type of management (e.g. private or non-profit), and the rents charged and the rate of increase (Ibid.). Similar to the density transfer option on Granville Street, it remains to be seen if it is an attractive option for private SRO owners.

British Columbia's Lower Income Urban Singles Task Group. In the fall of 1994 British Columbia's Ministry of Housing established the Task Group with the following mandate:

- examine existing housing options for lower income singles
- explore alternatives and barriers to creating them
- recommend a strategy for addressing the housing needs of lower income singles across the province

(Ministry of Housing, Recreation and Consumer Services 1996,7)

The thirteen member Task Groups included community activists from the larger cities in British Columbia as well as civic and provincial bureaucrats involved in housing and community services. Their final report, released in February 1996, entitled *Nowhere to Live: a call to action*, is an extremely well presented document that focuses on the housing problems of low income singles. In their preamble to a series of strategies under five main action statements, the Task Group states that it "recognizes the SRO stock as an important part of the continuum of housing options for lower income singles throughout British Columbia" (Ibid., 25). As part of this recognition, a number of the strategies recommended by the Task Groups were aimed specifically at preseving the existing SRO hotels and rooming houses. Besides recommending public acquisition and non-profit

leasing of SROs, the Task Group also made three additional strategies which are not new strategies, but continue to elude implementation. The three are as follows:

Protect existing SROs through:

1. the establishment of demolition and conversion controls, either at the local or provincial level
2. a one-for-one replacement policy requiring a suitable replacement for every unit, or pay-in-lieu, which adequately mitigates any loss of housing for existing tenants.

Repair and rehabilitate existing SROs through:

3. an SRO-specific rental rehabilitation program (with guidelines established by the Task Group).

All three strategies were first mentioned in DERA's 1987/88 *Housing and Residents Survey* and recently appeared in the City of Vancouver's *Victory Square Concept Plan* (1995a). The first two were also recommended in a research and discussion paper, entitled *Single Room Occupancy*, prepared for the Ministry of Housing by Jim Green and Monica Hay (1994). It seems that the first two strategies are just too much an infringement of property rights for the politicians of the day to act upon. Of course, there is the obvious concern that under these kinds of restrictions a hotel owner would simply allow her or his building to deteriorate to the point of being closed. However, with a combination of standards of maintenance (the 'stick') and incentives (the 'carrot'), SRO hotels and rooming houses can remain viable under an anti-demolition and conversion by-law. The recommendation of the Task Group for an SRO-specific rental rehabilitation program could be the kind of program needed for a balance approach between regulation and incentives. In fact, this balanced approach to SRO preservation was one of the greatest reasons behind the success of Toronto's Rupert Pilot Project, discussed later on, and was a guiding principle established by Ontario's Task Force on Roomers, Boarders and Lodgers in 1986 (Ontario Ministry of Housing 1986).

4.3.2 Toronto

Early projects affecting the SRO hotel and rooming house stock have also taken place in the City of Toronto. In a city where the SRO stock is made up almost entirely of rooming houses, the most significant initiative took place in 1979 when the city's own non-profit housing corporation, Cityhome, purchased 53 rooming houses (Antolin 1990). Since then a further 29 rooming houses have been purchased and are operated by a number of different non-profit housing societies (City of Toronto 1992b). Most of these houses were purchased using funding available under Cityhome's Singles Housing Opportunity Program (SHOP), established in 1989.

Toronto has also been the site of two rather unique SRO initiatives developed by the Homes First Society, a non-profit group established in 1983. The first, 90 Shuter Street, completed in 1984, was an eleven-storey apartment building containing seventeen apartment units, each with four or five single rooms and shared kitchens, dining rooms and living rooms. Each room is rented to a single adult willing to participate in a shared living arrangement. According to Campsie, "the stacked model does not suit everybody, but it can provide a lot of units more quickly and in some cases more cheaply than houseform arrangements [i.e. a typical detached three-storey rooming house]" (1995, 28).

The second innovative project by Homes First Society is called StreetCity. Created within an abandoned warehouse leased from the City of Toronto for one dollar a year, StreetCity was designed to create a village-like atmosphere (Campsie 1994). Starting in 1989, with funding and support from various support groups and government departments and with residents participating and labourers, Homes First was able to build SRO-like units at a cost of about \$5,000 per unit (Bob 1992). Looking like a building within a building, it contains both two-storey stacked single room dwellings and an emergency hostel. Residents share various amenities including kitchen, laundromat, variety store, bank, catering and cleaning service (Campsie 1994). In June, 1995, during a tour of StreetCity it was observed that the project remains fully occupied and residents continue to feel

comfortable and proud of their living arrangements. Though StreetCity was intended to be a temporary project it still exist today and there are plans for a StreetCity II.

Besides actual building projects, the City of Toronto, based on the recommendations of its Rooming House Review, also established in 1993 the Rooming House Information Centre (City of Toronto 1992b). Its main purpose is to preserve and promote the existing rooming house stock by providing "information, education, and outreach concerning rooming houses to landlord, tenants and other interested members of the community" (Ibid.). According to an interview with the Information Centre's Coordinator, Bushra Junaid, one of their main goals is to increase the number of licensed rooming houses in order to encourage minimum standards of health, safety, and maintenance (1995). Currently there are about 500 licensed rooming houses in the City of Toronto, including the 82 run by non-profits. Junaid does not know how many nonlicensed rooming houses there are, but hazards to guess that it is close to equal the number of licensed ones. She admits that besides the threat of contravening the law, there are few incentives for rooming house owners to voluntarily license themselves. However, she thinks that part of the apprehension around licensing has to do with the misconception that it means huge additional costs, which is not true. Licensing fees are quite minimal and if basic life and safety issues are satisfactorily met then there are few other requirements. This is why Junaid believes education and information referral are an important part behind the purpose of the Information Centre.

Toronto's Rupert Pilot Project. On December 23, 1989, ten people died of smoke inhalation in a fire at the Rupert Hotel. Out of this tragedy a coalition eventually formed that included several non-profit housing groups and social service agencies, several private landlords, and staff from the City of Toronto and three provincial ministries (Housing, Community and Social Services, and the Office of the Premier). The Rupert Coalition's purpose was the implementation of a pilot project that would create or upgrade 525 rooming houses units in the City of Toronto. The Rupert Pilot Project started

in January 1991 and by the time Jim Ward Associates had completed an independent evaluation of the project in November 1993 a total 340 units had been successfully upgraded (Ward 1993).

Based Jim Ward Associates' evaluation, there were three very significant observations made regarding the project's operation: 1) there is a place for both for-profit and non-profit rooming houses; 2) monitoring and per-diem funding proved invaluable to the success of the for-profit component; and 3) delinked support services was the best approach to service delivery.

1) The for-profit-non-profit mix

It was against conventional wisdom that the Rupert Coalition included the for-profit rooming houses within the project. As it turned out, nearly half of the upgraded units were in for-profit rooming houses. The provincial government made available \$2.4 million in loans to for-profit landlords and between seven non-profits it allocated funding for a total of 312 units. This worked out to about \$15 thousand per SRO unit. Throughout the entire process the Rupert Coalition acted as a broker between the government and the participating housing providers.

The participation of private landlords, according to Jim Ward Associates, demonstrated that "with adequate monitoring, the private sector can provide good rooming house units. There is a need to get beyond the belief that only non-profits can provide accommodation where the landlord cares about the quality of life of his/her tenants. This project demonstrates that it is time to look objectively at the benefits to non-profit-private-sector partnerships in the delivery of supported rooming house accommodation" (1993, IV).

2) For-profit monitoring and per-diem funding

Both an incentive (carrot) and control approach (stick) was taken by the Rupert Coalition to ensure that the for-profit landlords fulfilled the terms of the contract. The control

(stick) used was a monitoring service made up of two inspectors who “ensured that landlords have lived up to their responsibilities in terms of providing the proper standards of amenities to their tenants and in terms of ensuring the access of support workers to their tenant” (Ibid., 45). However, the success of the monitoring service was helped by an incentive (carrot) of five dollars per unit, per diem (per day) available to landlords for operating under the conditions of the contract.

3) *Delinked support services*

According to Jim Ward Associates, “a major tenet of the Pilot Project was that delinked support services [i.e. support services provided by an agency other than the housing provider] is the effective and just way of providing supports to rooming house residents” (Ibid., II). The major reason for supporting delinked support services was the belief this kind of approach was one of the best ways of ensuring that rooming houses continue to provide secure housing to those who are systematically refused housing for reasons of mental health and/or substance abuse. Part of the rationale behind this belief is the argument that linked supportive housing can often be too paternalistic or rehabilitative in nature, to the point of alienating those it’s intended to house.

A total of \$4 million, primarily from the provincial Ministry of Community and Social Services, was made available for the support services, monitoring services, per diems and core staffing for the Rupert Coalition. Thus, the approximate cost of the Rupert Pilot Project, including funds for housing rehabilitation, totaled \$11 million.

4.3.3 Edmonton

The final Canadian city to be reviewed is Edmonton. Though it is a city with a much smaller population than the previous two, its inner-city low-income housing is, like Toronto, characterized by a rather significant number of rooming houses. According to Dennis Freeman, a senior planner with the City of Edmonton, there are an estimated 500 rooming houses within the inner-city of which approximately 60 per cent are in the Boyle

Street-McColy neighbourhood (1996). For non-profit housing providers interest in the existing rooming houses has been quite limited. Though there are a number of non-profits operating SRO-style units only Edmonton Inner-City Housing (EICH) was discovered to be operating any rooming house units intended for low-income urban singles capable of living independently. The rest act as care facilities, only housing individuals requiring special support services. George Kelly, of EICH, stated that their organization operates three projects containing SRO-style units (approximately 20 units in total) (Kelly 1996). Two of these projects were pre-existing rooming houses taken over by EICH in the mid 1980s. Kelly mentioned that EICH would much rather operate only self-contained units because of their superior livability over SRO-style units. However, they would likely not pass by an opportunity to operate more rooming houses in the future (Ibid.).

It has only been in recent years that the city has given any serious attention to the living conditions within the existing rooming house stock. There had always been an inspection process and licensing requirement for rooming houses, but these controls were not always pursued or applied consistently. As a result there was a general worsening of health and safety issues within the rooming houses. In response to this and other social concerns within the inner-city, like crime and prostitution, the city established the Safer City Initiative. It was out of this that the Safe Housing Committee was formed.

Edmonton's Safe Housing Committee. With the participation of the Planning Department and other city departments, members of the community, and a number of rooming house landlords the committee's goal was to establish some minimum property standards to be applied to rooming houses. In doing so the objective was to not compromise the health and safety of rooming house occupants, but adjust other requirements to reflect the nature of housing found within rooming houses. For example, city building codes that had to do with minimum dimensions of hallways and rooms often triggered renovations too expensive to rooming house landlords, causing them to close. Thus, the committee was able to agree on minimum standards which they believed did

not compromise the health and safety of the occupants nor were they unreasonable conditions to be requested of properly maintained and managed rooming houses.

According to Freeman, who is a member of the committee, the next step was to begin a program of applying these minimum standards to the rooming houses in coordinated fashion (1996). This involved team inspections, where the fire, health and building inspectors would jointly inspect a rooming house. Team inspections helped ensure that there was agreement between the inspectors in terms of what was needed based on the established minimum standards. As of the end of 1995, Freeman reported that 121 rooming houses (1325 units) had been inspected with the following results:

- 26 rooming houses have been upgraded (431 units)
- 20 rooming houses closed (249 units)
- 12 converted back to single family dwellings (66 units)
- some units lost through upgrading (45 units)

The results imply that almost 50 per cent of the rooming houses inspected did not comply with the minimum standards set by the Safe Housing Committee, and nearly 26 per cent were forced to close. Freeman estimates that the minimum standards reduced in half the cost of repairs needed to comply, so those that were shut down were in a severe state of disrepair (Ibid.). Unlike Toronto's Rupert Pilot Project there were no loans or per diems available to the rooming house landlords. Had there been this kind of financial assistance the rate of closure may have been reduced, resulting in fewer rooming house residents being displaced. The effect the rooming house closures are having on the availability of housing for Edmonton's inner-city low-income residents is, according to Freeman, yet unknown to the committee. However, it is something they are beginning to monitor.

The following Table 5 summarizes the review of initiatives aimed at preserving the existing low-income housing stock in Vancouver, Toronto, and Edmonton.

Table 5. Preserving the Existing Low-Income Housing Stock, Some Initiatives Already in Place.

City	SRO housing (non-profit operated or government assisted for-profit upgrades)	Selected SRO policies, programs, and committees*
Vancouver	18 non-profit projects ^{oo} (1333 units) 9 private (498 units) 7 municipal (685 units) 2 regional gov't (150 units)	<ul style="list-style-type: none"> • Bill 31 & 57, Municipal Act • leasing SRO hotels with pubs by non-profits • density bonusing for SRO renovations or additions • Green & Hay SRO Research and Discussion Paper • Lower Income Urban Singles Task Group (1996)
Toronto	Approx. 82 non-profit rooming houses Rupert Pilot Project ^Y 198 for-profit units upgraded 307 non-profit units created or upgraded	<ul style="list-style-type: none"> • Ont. Task Force on Roomers, Boarders and Lodgers (1986) • Cityhomes' Single Housing Opportunity Program (SHOP) • Toronto Rooming House Review Task Force (1992) • Toronto Rooming House Information Centre • Rupert Pilot Project
Edmonton	Approx. 3 non-profit rooming houses	<ul style="list-style-type: none"> • Safe Housing Committee

^{oo} Some projects are a combination of SRO-style and self-contained units. Also, excludes YWCA housing.

* The policies and programs selected were chosen based on the author's belief that they are examples of an emerging strategy aimed at preserving or creating SRO-style housing. Of course there are many others that effect the condition of the existing inner-city low-income housing stock. For example, standards of maintenance and licensing by-laws.

^Y Figures based on Jim Ward Associates (1993) evaluation of the Rupert Pilot Project.

4.4 Evaluation of SRO Acquisition and Rehabilitation Based on the Established Criteria

The evaluation of SRO acquisition and rehabilitation as an effective community development strategy that has the objectives of improving the quality of life and further empowerment of inner-city low-income residents produces following Table 6 and discussion.

^Y Figures based on Jim Ward Associates (1993) evaluation of the Rupert Pilot Project

Table 6. Evaluation of Preserving the Existing Low-Income Housing Stock Strategy

Criteria for Evaluating Housing Strategy	Preserving the Existing Low-Income Housing Stock, SRO Acquisition and Rehabilitation
<p>Meeting of needs as perceived by the community</p> <p><i>To what extent are the housing needs of inner-city, low-income communities being met ?</i></p>	<ul style="list-style-type: none"> • <i>brings stability to the existing low-income housing stock by helping secure and upgrade SROs, threatened with neglect, conversion and redevelopment</i> • <i>provides housing for a rising population of low-income urban singles</i> • <i>supports an objective of securing a continuum of low-income housing forms</i> • <i>does not help with the preferred objective of supplying self-contained units</i> • <i>in Vancouver's inner-city, as of 1994, 1,300 SRO-type, non-market units through new construction, acquisition and rehabilitation</i> • <i>in Toronto, as of 1992, 82 of the 545 licensed rooming houses are operated by non-profits</i> • <i>in Edmonton, 3 non-profit rooming houses, 431 private rooming house units upgraded under new standards of maintenance guidelines</i>
<p>Developing community cooperation</p> <p><i>To what extent does the strategy promote greater cooperation within the community ?</i></p>	<ul style="list-style-type: none"> • <i>greater community cooperation questionable under a condition of necessity to hold-on to what's left, a return to meeting basic needs</i>
<p>Leading to community empowerment</p> <p><i>To what extent does the strategy lead to the further empowerment of an organized inner-city community ?</i></p>	<ul style="list-style-type: none"> • <i>empowering, however limited when separated from the provision of better housing (i.e. self-contained units)</i> • <i>decreased sense of dignity, if some SRO residents continue to be labeled "hard-to-house"</i>

(continued)

Criteria for Evaluating Housing Strategy	Preserving the Existing Low-Income Housing Stock, SRO Acquisition and Rehabilitation
<p>Local government contribution permitted</p> <p><i>To what extent does the approach permit local government to contribute positively to the performance of each housing strategy?</i></p>	<ul style="list-style-type: none"> • <i>support has been favourable through various regulatory actions as well as some SRO acquisition (e.g. Vancouver's Gresham Hotel, Toronto Cityhome operated rooming houses).</i> • <i>regulatory actions have fallen short of what is needed, including anti-demolition and conversion by-laws or one-for-one replacement</i> • <i>stronger regulatory action can work when linked to rehabilitative incentive programs</i> • <i>growth and redevelopment cost charges have not been sufficient enough to promote a more aggressive program of SRO acquisition</i>

Providing Needed Stability. In Chapter Two it was noted that the provision of social housing added capacity to the low-income housing stock. As a housing strategy, preserving the existing stock is more about bringing stability than it is about adding capacity. Furthermore, it was argued earlier on in Section 4.1 that bringing stability is a worthwhile strategy given that losses to the existing low-income housing stock often exceed new construction. The result is a net loss in the total supply of low-income housing. A second significant factor behind a strategy for preserving the existing stock is the increasing number of single person households or low-income urban singles. Below the age of eligibility for social housing and unable to afford market rent for a bachelor or one-bedroom apartment, low-income urban singles are by necessity finding the SRO hotels and rooming houses their only choice of housing.

A third significant factor, and perhaps the most influential, behind a strategy for preserving the existing low-income housing stock is the cancellation of the federal/provincial social housing program across Canada. There now exist little opportunity to add capacity to the low-income housing stock. Even in British Columbia,

the only province left building any social housing, has had to substantially reduce the total number of units built each year compared to years when cost sharing involved the federal government. In fact, in 1994 Vancouver's inner-city, for the first time since 1976, recorded no new social housing (City of Vancouver 1995b). Thus, a preserving the existing stock may be a 'strategy of last resort' for inner-city community organizations faced with no new social housing.

There is, however, evidence to suggest that preserving the existing stock has more meaning than simply a strategy of last resort. Besides providing stability, the debate over its preservation has added more legitimacy to the argument that SRO hotels and rooming houses are an important component of a continuum of housing forms accessible to low-income individuals. This type housing is not just a form of temporary or interim housing. Certainly, all three of the programs from Vancouver, Toronto, and Edmonton profiled in Section 4.3 recognized the objective of maintaining a continuum of housing options that includes the SRO hotels and rooming houses.

What the programs profiled also made clear, especially Toronto's Rupert Pilot Project, is the understanding that for-profit rooming houses can indeed be part of a cooperative process aimed at preserving the existing stock. However, it does require a system of incentives (carrots) and controls (sticks) if their participation is to be meaningful and long-lasting. The positive role of the private landlord has also been argued from the point of view that they provide housing for individuals that are often refused housing by non-profits. According to Campsie, "certain private landlords manage to accommodate some of the hardest to house, including people who have been rejected by non-profit groups" (1994, 21).

Even so, there should be no confusion over the fact that repeated surveys of low-income residents continued to state, and reiterated by many of the people interviewed, that a *self-contained unit is the preferred housing form* (DERA 1987; Ward and Associates 1993;

Green 1996; Kelly 1996). The value of preserving the existing low-income housing stock is in its contribution to maintaining a continuum of housing forms, not that it is the preferred form. The survey by Butt of Vancouver's Granville Street SRO residents makes this point clear:

Although most residents would like a self-contained unit as their first housing choice, 23% prefer other types of housing. Sharing is the least favorite option for most residents. Many prefer to live in a hotel room without cooking facilities rather than share an apartment (1991, 1).

The numbers are increasing, but at what cost. In 1992, the City of Toronto estimated that there are 17,000 rooming house residents located within its boundaries (City of Toronto 1992b). In the City of Edmonton, city planner Dennis Freeman estimates it's inner-city rooming house stock at about 500 houses (Freeman 1996). The Lower Income Urban Singles Task Group estimates that there are 13,000 to 15,000 SRO hotel and motel units throughout British Columbia (Ministry of Housing, Recreation and Consumer Services 1996). These estimations of the existing for-profit low-income housing stock within some of Canada's cities would suggest that there is a very large potential for a housing strategy aimed at acquiring and rehabilitating some of this housing. The discussion in Section 4.3 of this Chapter illustrated that already there have been some significant activity under this strategy. For example, the City of Vancouver has already 18 non-profit SRO housing projects⁸, while the City of Toronto has shown initiative for both non-profit rooming houses (82 houses) as well as government assisted upgrades of for-profit rooming houses (198 units).

Regardless of whether SRO housing is inadequate and not the preferred choice of inner-city community organizations the likelihood of continued and accelerated use of this strategy would appear to be assured given the lack of opportunity for new self-contained low-income housing. A critical evaluation of this strategy by community organizations

⁸ Five of the 18 projects are in fact mixed housing projects, including SRO-style and self-contained units.

will likely depend on whether or not it is part of providing a continuum of low-income housing forms that include self-contained housing or is simply the only housing option left to inner-city low-income residents. If it turns out to be the latter then community organizations may find the philosophical and social costs of endorsing this strategy too great.

Two steps forward, one step back. If self-contained units are the preferred housing form and twenty years of social housing supplied this preference, then preserving the existing low-income housing may jeopardize what motivation exists to develop stronger community cooperation. During the social housing era community organizations were able to build upon past successes, continually refining the housing to meet the design and management preferences of their members. The feeling was one of moving forward. For example, moving out of an SRO hotel or rooming house and into a new self-contained unit. It is a step backwards to consider that SRO units may well substitute self-contained units as the only housing form within the means of inner-city community organizations. This kind of scenario prompted a critical reply by Jeff Sommers, a community activist within Vancouver's Downtown Eastside, when redevelopment plans by the city for an area within the neighbourhood implied such a move:

By implementing policies such as this, the government will be let off the hook for providing funds for social housing. This could be an excuse for simply forcing people to live in little hotel rooms, without proper cooking facilities, shared bathrooms with 20 or 30 other people and cockroaches for company (Sommers 1995, 10).

Yet, similar to the public-private partnership approach, preserving the existing low-income housing does not inherently mean that greater community cooperation is not possible. Like public-private partnerships, the implication that social development is sacrificed has more to do with the circumstances under which it has been promoted. Namely, the suspicion by community organizations and housing advocates that SRO rehabilitation and acquisition is here to replace social housing and the provision of self-

contained units. For example, Jim Green, when interviewed, was adamant that the provincial government not substitute its social housing program with that of an SRO housing program (1996). Or, as Bruce Wallace, community coordinator for the Victoria Street Community Association, put it: "It's like trying to alleviate poverty by increasing the number of food banks" (1995). Without the provision of social housing preserving the existing low-income housing stock as a housing strategy is one of necessity, rather than a conscious attempt to offer a continuum of low-income housing forms.

Empowering, however, limited when separated from the provision of better housing (i.e. self-contained units). In Chapter 2, it was argued that the social housing era, through the participation of the third sector and their attention to maintaining a diversified agenda of housing production and community organizing, was able to positively contribute to empowerment as a multi-level process. The multiple levels, according to the Checkoway (1995), include both the personal and institutional capacities of the community working together for community change. Social housing, with the construction of self-contained units, released inner-city low-income residents of the physiological need to secure, safe and affordable housing, which for many was a necessary first step before considering collective action. The substitution of self-contained units for SRO units raises the question of just how far preserving the existing low-income housing stock can lead to further personal and community empowerment. In other words, can it be as positive a contribution to community empowerment as was the social housing era ?

According to the evaluation of Toronto's Rupert Pilot Project, for residents of SRO hotels and rooming houses personal empowerment is an essential part of improving quality of life as well as one's life chances (Ward 1993). For many of those rooming house residents whose home had been renovated by the Rupert Pilot Project, improvements to the physical environment brought on improvements to the social environment. As one resident put it:

I used to be ashamed of where I live. I couldn't bring visitors in with me because it was a shit hole. Today I feel like I have a home. I bring friends in and they are impressed by where I live. (Ibid., 15).

The connection between physical and social improvements is an important one and is certainly a relationship capable of achieving within the SRO hotel and rooming house stock. None of the individuals interviewed for this thesis, refuted the point that there should be physical improvements to the SRO hotel and rooming stock. Or that there could be no improvement of one's quality of life or raising of one's life chances while remaining in an SRO unit. The potential for personal involvement and continued organizational development can continue under a strategy to preserve the existing low-income housing stock. The problem is, however, that when this strategy is separated from the provision of self-contained housing, it fails to promote a level of community change consistent with that experienced during the social housing era. Alone preserving the existing low-income housing will not address the preferred choice for self-contained housing nor will add capacity (only stability) to the inner-city low-income housing stock.

The capacity for personal involvement under this strategy will also remain limited as long as some SRO residents are continued to be classified by housing providers as "the hard to house." In his evaluation of the Rupert Pilot Project, Jim Ward identifies the problem of this term especially when tenants are asked to get involved in a decision making process:

Sitting in meetings in which they hear themselves defined as 'hardest to house' quite understandably leads to anger at best and a general lowering of self-esteem at worst, with resentment towards the users of the term being an 'in-between' response. Thus the continued use of the term clashes with the eventual and much espoused approaches of community development and increased tenant involvement (1993, 35).

Avoiding the use of this term by housing providers will likely help avoid the typical effect of negative labeling, which is to encourage people to act as their label describes

them (Ibid.). It is better to approach the issue of accessible housing, especially for those individuals with mental health and/or substance addiction, in terms of defining the most appropriate management and support services structure needed to maintain secure, long-term housing. According to Campsie (1994), the far too rehabilitative nature of some non-profit housing projects has contributed to some low-income residents advocating the benefits of private landlords. For example, rooming house resident Bob Olsen points out, "Some people would prefer a slum landlord because he accepts you as you are, all he wants is your money. Non-profits try to govern people's lives, they want to rehabilitate you" (Ibid., 22).

The potential exists for local government to play an even stronger role in SRO acquisition and rehabilitation. The 1990s have so far seen an increase in policies and programs by local government focused on the preservation of the existing inner-city low-income housing stock. In all three Canadian cities reviewed in Section 4.3, the actions of local government played a significant, if not primary, role in all of the highlighted policies and programs. Similar to public-private partnerships (Chapter 3), the local government in all three cities primarily used their development control powers to both direct private sector activity and enable community organizations to preserve and upgrade SRO hotels and rooming houses. For example, the City of Toronto, based on the recommendations of its Rooming House Review Task Force, established the Rooming House Information Centre. The primary focus of the Information Centre is to preserve and promote licensed rooming houses in the city (City of Toronto 1992b). In both the Vancouver and Edmonton, city officials have worked to improve the living conditions within the SRO hotels and rooming houses by customizing standards of maintenance specific to the nature of this housing. The City of Vancouver has even entered into the ownership and operation of SRO hotels and has plans to purchase others in the downtown core (Davidson 1995).

Though local government has contributed positively to preserving the existing low-income housing stock its involvement falls short of recommended policy or program options which are more aggressive than those that have been implemented. For instance, Vancouver's DERA has been on record for nearly ten years on the recommendation that the city implement anti-demolition and control by-law similar to San Francisco's "Residential Hotel Unit Conversion and Demolition Ordinance" (DERA 1989)⁹. They have as well recommended a one-for-one replacement, or pay-in-lieu, of low-income units threatened by redevelopment and conversion. These same recommendations were just recently reiterated by the Lower Income Urban Singles Task Group (1996). Even the city's concept plan for the Downtown Eastside's Victory Square area boldly suggested a one-for-one replacement of SRO units (City of Vancouver 1995a).

Aggressive regulatory actions such as those mentioned could prove successful at preserving the existing inner-city low-income housing especially if rehabilitative incentives are as well offered to for-profit SRO hotel and rooming house owners. Incentives suggested have included an SRO-specific rental rehabilitation program, as recommended by the Lower Income Urban Singles Task Group (1995) or, with the province's consent, a special property tax abatement to SRO owners (Hulchanski 1989). Certainly, Toronto's Rupert Pilot Project demonstrated that with proper monitoring and rental agreements the for-profit SROs can play a viable long term role in preserving low-income housing.

Besides more aggressive regulatory action, the second avenue of action, and one favoured by the Lower Income Urban Singles Task Groups as the most "effective way to deal with the problems faced by tenants, including security of tenure, long-term affordability, safety, privacy and security"(1995, 28), is the public acquisition of SROs. Both the City of Toronto and Vancouver have shown some initiative on this front, however more could

⁹ Without additional enabling legislation from the provincial government, the city can only impose a short term emergency moratorium on demolitions, it currently does not have the power to impose a longer ban.

be done by local governments through the imposition of stronger urban growth and redevelopment charges. This way the same redevelopment pressures which threaten SRO hotels and rooming houses could be used to insure their future existence. Stronger redevelopment cost charges or levies would also give a deeper meaning to the revitalization concept, as is promoted in Vancouver's Victory Square area, instead of being just a euphemistic term for gentrification. Funding for the purchase of SRO hotels and rooming houses, however, should not, as Jim Green argues, be at the expense of funding for self-contained units (1996). In other words, it should never be accepted that SRO units are a substitute for self-contained units. Thus, it is important for local government to position stronger action towards preserving the existing low-income housing stock within the proper context of supporting a continuum housing forms within the city.

4.3 Conclusion

The evaluation of preserving the existing low-income housing stock as a community development strategy suggest that it can positively contribute to the quality of life and further empowerment of inner-city low-income neighbourhoods. However, the evaluation did indicate that the current context within which this strategy must operate helps to reduce its positive value to community organizations. The current context includes: the federal and provincial withdrawal of support for social programs, including subsidized housing; an increasing number of single person households, of whom many would qualify for core need housing; and, many Canadian inner-cities facing, sometimes simultaneously, significant urban growth pressure, like gentrification, and decline. Thus, at best SRO acquisition and rehabilitation will help stabilize the existing for-profit low-income housing stock, at worst it will demand community organizations to accept a lesser quality of housing than what was possible during the social housing era. The reduced value of this housing strategy will remain as long as it is separated from the provision of

better housing (i.e. self contained units) and community organizations continue to support the preferred objective of supplying self-contained units instead of SRO units.

CHAPTER FIVE

Conclusion: Comparing the Evaluation of the Three Community Development Strategies

The purpose of this final chapter is to bring together the evaluation of the three community development strategies under one table in order that some comparisons can be made between the three. These comparisons will provide some insight into the present and future well-being of Canada's inner-city low-income neighbourhoods. It should also be of value to community organizers and policy makers when it comes to assessing the *pros* and *cons* of the two emerging strategies.

As explained in Chapter One, the criteria chosen for the evaluation, a mixture of qualitative and quantitative results, were intended to provide some answers to the stated research question; that is,

What were or are the consequences of the traditional and the two emerging strategies upon the quality of life and further empowerment of inner-city low-income neighbourhoods ?

At first glance, the general pattern of the summarized points or key findings under each of the three strategies indicate that overall the social housing era proved to satisfy each criterion better than the other two (see Table 7). Of course, unlike the two emerging strategies, the social housing era has had twenty years of application in Canada upon which implications can be drawn. However, sufficient evidence and analysis does exist of the two emerging strategies for it to be possible to suggest what their likely results would be under each criterion. For example, public-private partnerships in low-income housing has a near twenty-year history in the United States and some applications in Canada upon which the evaluation can be based upon.

Table 7

The Evaluation of Three Inner-City Housing Strategies

Criteria for Evaluating Housing Strategies	1. Social Housing Era (1973 - 1993)	2. Public-Private Partnerships in Housing	3. Preserving the Existing Low-Income Housing Stock, SRO Acquisition & Rehabilitation
<p>Meeting of needs as perceived by the community</p> <p><i>To what extent are the housing needs of inner-city, low-income communities being met?</i></p>	<ul style="list-style-type: none"> • added capacity to the low-income housing stock • substantially improved the living conditions of many inner-city residents, through the provision of self-contained units • provided stability and the foundations to pursue community development strategies which go beyond basic needs • in Canada, 230,208 social housing units on land removed from the market • in Vancouver - 18,534 social and public housing units, of that, 5,886 are in the inner-city • in Toronto - as of 1986, 26,612 social and public housing units 	<ul style="list-style-type: none"> • in most cases, inappropriate as a low-income housing strategy due to the inescapable need for subsidy • Canada lacks the philanthropic tradition, tax incentives, and intermediary funding organizations found in the U.S., all of which have proven necessary if it is to work as a low-income housing strategy • in Canada, so far only a handful of low-income units have been produced • in the United States, approx. 320,000 low-income units have been produced, accounts for approx. 7 % of all subsidized units in the country. 	<ul style="list-style-type: none"> • brings stability to the existing low-income housing stock by helping secure and upgrade SROs, threatened with neglect, conversion and redevelopment • provides housing for a rising population of low-income urban singles • supports an objective of securing a continuum of low-income housing forms • does not help with the preferred objective of supplying self-contained units • in Vancouver's inner-city, as of 1994, 1,300 SRO-type, non-market units through new construction, acquisition and rehabilitation • in Toronto, as of 1992, 82 of the 545 licensed rooming houses are operated by non-profits • in Edmonton, 3 non-profit rooming houses, 431 private rooming house units upgraded under new standards of maintenance guidelines
<p>Developing community cooperation</p> <p><i>To what extent does the strategy</i></p>	<ul style="list-style-type: none"> • existing ties of mutual support, released from meeting basic needs, under a community development reached a greater level of cooperation 	<ul style="list-style-type: none"> • greater community cooperation forgone, mainly due to the politics of multiple 'patch-work' funding 	<ul style="list-style-type: none"> • greater community cooperation questionable under a condition of necessity to hold-on to what's left, a return to meeting basic needs

Table 7 **The Evaluation of Three Inner-City Housing Strategies**

Criteria for Evaluating Housing Strategies	1. Social Housing Era (1973 - 1993)	2. Public-Private Partnerships in Housing	3. Preserving the Existing Low-Income Housing Stock, SRO Acquisition & Rehabilitation
<i>promote greater cooperation within the community ?</i>	<i>capable of collective action</i>	<i>requirements, forcing a development agenda over community organizing</i>	
<p>Leading to community empowerment</p> <p><i>To what extent does the strategy lead to the further empowerment of an organized inner-city community ?</i></p>	<p><i>an empowering relationship of co-production between the state and the third sector, offering greater self-esteem and community consciousness by the explicit linking of housing production with community organizing</i></p>	<p><i>empowering, if a truly participatory framework emerges, one that maintains a diversified agenda of housing production and community organizing</i></p>	<ul style="list-style-type: none"> • <i>empowering, however limited when separated from the provision of better housing (i.e. self-contained units)</i> • <i>decreased sense of dignity, if some SRO residents continue to be labeled "hard-to-house"</i>
<p>Local government contribution permitted</p> <p><i>To what extent does the approach permit local government to contribute positively to the performance of each housing strategy ?</i></p>	<ul style="list-style-type: none"> • <i>a role of increasing responsibility as a provider, with the establishment of municipal non-profit housing corporations</i> - <i>in Toronto, over 7,000 units of city-operated social housing</i> • <i>as facilitator, through leasing of city land to non-profit societies:</i> - <i>in Vancouver, 1/3 of all units have been developed on City land leased to non-profit sponsors and co-operatives</i> - <i>in Toronto, land leases to non-profits has added approx. 3,500 units to the affordable housing stock</i> 	<ul style="list-style-type: none"> • <i>so far, land leases are the predominant form of support</i> • <i>municipal subsidies (inkind or monetary) or concessions garnered from the development industry have been insufficient to benefit low-income recipients</i> • <i>in the US a more intensive program of support has evolved (e.g. land donations, tax abatements, eased zoning, building code and fee requirements, municipal created funding intermediaries)</i> 	<ul style="list-style-type: none"> • <i>support has been favourable through various regulatory actions as well as some SRO acquisition (e.g. Vancouver's Gresham Hotel, Toronto Cityhome operated rooming houses).</i> • <i>regulatory actions have fallen short of what is needed, including anti-demolition and conversion by-laws or one-for-one replacement</i> • <i>stronger regulatory action can work when linked to rehabilitative incentive programs</i> • <i>growth and redevelopment cost charges have not been sufficient enough to promote a more aggressive program of SRO acquisition</i>

There are a number of factors which together contributed to the social housing era being able to better satisfy the criteria than the other two, they include:

1. adequate funding through a national housing program which produced a supply of relatively sufficient quantity
2. the provision of self-contained units, the preferred choice of housing form
3. a relationship of co-production between the state and the third sector, ensuring an explicit link between housing production and community organizing

The absence of the first two factors are prime reasons why the two emerging strategies have to a lesser degree satisfied the criteria than the social housing era. The lack of funding has been particularly the case with public-private partnerships in low-income housing. Even with rather sophisticated systems for raising capital, the evidence from the United States suggests that it will have a limited role to play in the provision of low-income housing in Canada. Its record so far in Canada of producing only a handful of low-income housing units lends credibility to this conclusion. Though it does have its applications, generally the economic circumstances of low-income residents are such that it precludes a public-private partnership strategy unless supported by a substantial government or philanthropic subsidy. Thus, it is a strategy more conducive to middle-income households, due to their ability to contribute capital, even if its small, to the financing of a project. For example, equity co-ops and some seniors projects, where future residents are able to contribute some equity to the project. The lack of personal equity suggests that inner-city low-income neighbourhoods should be cautious about investing a lot of effort into public-private partnerships if there is no substantial source of subsidy involved in the partnership. Their efforts may be better spent in other community development strategies.

As a community development strategy, preserving the existing low-income housing stock could be characterized by the slogan 'too little, too late.' It is a strategy that should have received as much attention as did social housing at a time when the quantity of existing SRO hotel and rooming house units were still relatively high and the federal and provincial governments were still willing to fund low-income housing initiatives. It is now almost entirely up to local governments to come up with regulatory and funding mechanisms that support the preservation of the existing for-profit SRO hotels and rooming houses. The review of SRO initiatives in Vancouver, Toronto and Edmonton does illustrate that local governments have given consideration towards this stock. For example, they have had a history of SRO acquisition (sometimes with the support of senior governments) and are currently taking additional regulatory approaches as well as incentives to for-profit landlords as a way of stabilizing what is left of the SRO hotel and rooming house stock.

Though the steps taken by local government are encouraging, at the dismay of community organizations like Vancouver's DERA and housing advocate Jim Green, they have not taken what they believe are essential steps towards protecting the SRO stock; that is, an anti-demolition and conversion by-law and a one-for-one replacement or pay-in-lieu policy. There is no inherent reason why these steps can not be implemented under a strategy of preserving the existing low-income stock. These actions, however, have proven to be ideologically (i.e. too much an infringement on property rights) as well as logistically (i.e. it may not benefit the preservation of the stock) too controversial for local government to pursue. Thus, it may be up to the provincial government. For example, in 1986 the Ontario provincial government created the *Ontario Rental Housing Protection Act*, an anti-conversion law aimed at protecting the existing stock of private rental housing (Ontario Ministry of Housing 1986). If more aggressive regulatory actions (sticks) are instituted their effect on actually improving the quality of life and further empowerment of low-income residents will be questionable if incentives (carrots) for non-profit acquisition and for-profit upgrading of the SRO stock are not as well taken.

The necessity for a balance between regulation and incentive was certainly made clear by Toronto's Rupert Pilot Project.

Though the document analysis and personal interviews overwhelmingly revealed that self-contained units are the preferred choice of housing, there was an equally felt need for action which supports an objective of securing a continuum of low-income housing forms. It is within this context that preserving the existing low-income housing stock finds approval amongst inner-city community organizations.

In the future, it may come to be that more successful outcomes of the two emerging strategies will happen when the two are combined together. In other words, instead of producing self-contained units the most hopeful use of the public-private partnership model may be in terms of preserving the existing low-income housing stock as well as the production of SRO-style units. This certainly was the experience of public-private partnerships and the work of Community Development Corporations (CDCs) in the United States, where the vast majority of the rehabilitation and acquisition of existing low-income housing units were SRO units (Mayer 1991; Walker 1993). This, of course, implies the acceptance of a lesser quality of housing as the norm by community organizations in Canada, an admission which, so far, is unlikely. As well, the benefit will only be in terms of adding stability and not capacity to the low-income housing stock. A scenario which will be of little benefit for a growing number of low-income urban singles competing for a fixed number of low-income units.

For inner-city community organizations, the evaluation of the two emerging strategies points to a very uncertain future. Until such time as there is a renewed involvement of federal and provincial governments into the provision of low-income housing, inner-city community organizations can only be hopeful that the benefits of these two strategies will prevail over their current misgivings. The involvement of senior levels of government is still crucial as long as the property development industry is unwilling to bridge the gap

between effective market demand and housing need and/or local governments continue to lack, legitimately or not, the legislative and financial capacity to go at it alone.

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