GENTRIFICATION AND THE FOUR SISTERS: TOWARDS A SHARED INNER CITY

by

RAUL C. ALLUEVA

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ABSTRACT

Adequate and affordable housing for low-income residents is essential for the well-being of the community. In the City of Vancouver, the majority of available low-income housing is located in the inner city and, in particular, the area around the Downtown Eastside neighborhood. The continued loss of units due to redevelopment and conversion is a serious concern in relation to the lagging replacement of units.

This study explores the relationship between inner city gentrification and social housing provision. It looks at current gentrification trends in Canadian inner cities and uses the case example of the Four Sisters Housing Cooperative in the Downtown Eastside neighborhood to illustrate a possible model for future housing.

Gentrification is shown to be a major factor behind the increased pressure for residential development and the conversion of existing units in the inner city. A second contributing factor is the planned redevelopment of large parts of the inner city. Both are considered by-products of the restructuring of the urban economy from manufacturing to the service industries, which increases competition for and around the central business district. The study provides a cursory examination of current theory on gentrification with an emphasis on the impact on social housing provision. A number of factors are shown to influence the demand for residential accommodation in Vancouver's inner city. These are:

- the favourable central location of the inner city relative to suburban locations;
- the shift of the economy to the service sector, which has resulted in the growth of residential opportunities to capture the growing market of downtown workers;
- the increase in tertiary and quaternary employment;
- new consumer preferences which value the inner city lifestyle;
- significant demographic changes related to the age, household size and composition, employment profile, and income of inner-city population;
- the continued economic dominance of the downtown.
Research carried out in various Canadian cities indicates that gentrification is becoming more complex, often moderate or gradual, and potentially chaotic. The observed encroachment of development activity, growth in the number of families, and the prognosis for new residents with a higher socioeconomic status, is a concern in terms of the future ability to develop housing for local residents and establish policy for the protection of existing private housing.

The study shows that the Four Sisters Cooperative has achieved both practical and political goals by providing secure, long-term accommodation for Downtown Eastside residents, providing further economic stability in the area, and adding to the needed stock of family housing. Through its income base, the Four Sisters also caters to a rising demand for low-end market housing in the inner city. The new advocacy for family accommodation in the inner city on the part of the Vancouver Planning Department is evidence of the success of the project.

The findings suggest that, as the Canadian inner city becomes more economically and socially diverse, initiatives like the Four Sisters are uniquely suited to respond effectively to the future need for long-term, low-income accommodation. However, the Four Sisters model is unlikely to be readily replicated in the difficult economic times ahead, particularly given the deep level of subsidy that it requires and the current fiscal constraints which all levels of government are under. This implies that future housing solutions must be formulated through government leadership and in cooperation with the community, all levels of government, the non-profit sector, and the private sector.
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1. INTRODUCTION

1.1 Introduction

The post-industrial phase of urban evolution has been defined by a number of significant changes related to the economic structure of cities, the location and profile of employment, demographics, social norms and attitudes, and ecological factors tied to a more efficient use of urban resources. These changes have refocused attention on the inner city and away from the previous landscapes designed around sprawling, isolated suburban tracts outside the urban area. The continued economic stability of Canadian inner cities relative to their suburban counterparts, as compared to the severe decline experienced in the United States, also supports a greater demand for inner city residential spaces in Canada in the future, particularly in cities like Vancouver where large-scale redevelopment is being supported through enabling local policy. At the same time, the demand for lower-income and rental accommodation in the inner city appears to be increasing. This potentially could result in a significant challenge for local government and the community to ensure enough and adequate housing is built to meet increasing demand for residents of all income levels.

The Report of the Provincial Commission on Housing Options (1993) estimates that 1.2 million Canadian households—about one in seven—were 'core need' in 1988. Of these, seventy percent were identified as renters. Core need refers to households which are unable to obtain market housing in adequate condition which is suitable in size and affordable, and in preferred locations. The extremely low incomes of core need households—$11,300 compared to $43,400 for those not in need—make them much more vulnerable to fluctuations in the supply of suitable housing. In Vancouver, much of the available low-income housing is located in the inner city. The Commission’s findings indicate a concern regarding an increasing lack of housing due to demolitions for redevelopment, sale of dwellings
to owner occupiers, conversions to condominium status, extremely high rent
increases, and discrimination by landlords. A number of recommendations are
included which attempt to ensure an ample supply of affordable rental housing.

At the same time, the number of people without shelter in Canada has been
estimated at 10,000. In British Columbia, it is possible that about 1,000 people are
absolutely homeless. In Vancouver, the growing figure for homeless people has
been estimated by the Commission at between 200 and 250. This has been
attributed in part to the de-institutionalization of former psychiatric patients under
new government policy, resulting in many individuals being unable to cope
adequately. However, it is also due to past housing policy changes, structural
economic changes, an new locational trends in housing demand.

A recent study estimates that there are between 900 and 1,000 mentally ill
people living in Vancouver’s downtown core, most housed in hotels, rooming houses
or some of the social housing which is available, with a population of 50 to 60
relying on shelters for extended periods. A number of shelters developed in the
inner city with the cooperation of the City of Vancouver and community-based
groups such as the Downtown Eastside Residents Association (DERA) have been
successfully providing independent housing for homeless or near-homeless people,
and many go beyond the provision of shelter and food services, an include
counselling and other personal support services.

The Provincial Commission on Housing recommends that, while funding and
established programs for the homeless should continue to be directed at the
construction or renovation of shelters and single room occupant (SRO)
accommodation, the Provincial government in cooperation with local governments,
community-based groups, and the business community should facilitate innovative
projects that address the needs of the community. This could include special
arrangements for sharing the cost of land or providing funding for non-profit
housing societies. The Four-Sisters Housing project developed in 1984 in the Downtown Eastside of Vancouver illustrates how these goals could be achieved, and may serve both as a confirmation of this proposed policy direction and a model for future housing projects in the inner city.

1.2 Purpose of Thesis

The purpose of this thesis is to examine the relationship between inner-city gentrification and social housing provision in the context of a specific inner city neighborhood. The analysis examines the Four Sisters Housing Cooperative to determine whether it is a successful model for providing housing that caters to a range of socioeconomic groups, thereby responding to both the resurgent demand for new market housing in the inner city linked to gentrification and the chronic shortage of low-income accommodation.

A subsidiary question which follows is, if the project achieves its aim, what can it tell us about the development of new projects elsewhere in other inner cities experiencing similar patterns of change, and how replicable is it as a model? The analysis will review existing literature and provide a historical look at the process, actors, and the overall institutional framework that was developed to bring the project to completion. Conclusions are provided with respect to housing policy, related options for other inner city projects, and suggestions for further research.

1.3 Background

Gentrification is generally referred to as the emergence of middle- and upper-class areas within once decaying or economically depressed neighborhoods. "Back-to-the-city" trends have been widely documented across North America and are still being defined by urban researchers. The activities associated with new development in once rundown areas are varied and sometimes confusing; resettlement, revitalization, reinvasion, reinvestment, renovation, private rehabilitation, gentrification, and other labels are commonly used, sometimes
interchangeably, to place a meaning on a broad and complicated process of neighborhood change. Many studies on neighborhood evolution have attempted to uncover the physical, social, and economic dimensions of gentrification in order to establish a definable pattern of neighborhood change. These often address the issue with ambivalence; although critical of the impact on long-term residents, they are also aware of the immense potential of these changes to abate the decline and disorganization that has plagued inner-city areas for decades.

In many North American cities, neighborhood upgrading has been occurring for more than two decades. This process is considered by many to be a definable stage in the life cycle of the neighborhood, one that brings forth a new social, physical, and economic fabric. Various models have put forward a broad range of explanations as to the causes of gentrification, ranging from those that attribute a high importance to the role of private and public institutions in driving the process, to those that see demographic and new societal changes as the primary reasons behind the resurgence of the city. Although the causes and implications are generally understood, the manifestations in different areas are so varied that no general theory is in itself adequate for a full understanding.

As the term indicates, early gentrification theory assumed returning residents were, in the general sense, the 'gentry' or upper-middle stratum of the population. This concept was combined with the romantic and idealistic 'back-to-the-city' vision that implied a flight from the suburbs back to the vibrant and regenerated city core. It is now clear that little evidence exists to support either of these theories; most gentrifiers may only be middle-class residents moving internally within the inner-city as a result of changing circumstances. The extent of social upgrading, and the type and level of physical change are extremely specific, resulting in many different patterns of upgrading that can be called gentrification.
The process of gentrification is often complex and chaotic, creating new vibrancy while at the same time upheaval and disorganization. In the form of condominium conversion and demolition for the purpose of reconstruction in the inner city, gentrification and physical upgrading provides a real threat to the long-term residents in these areas, many living at or below the poverty line. In the City of Vancouver, as in many other North American cities, the bulk of the affordable housing stock is located in the inner city. The possible loss of many rental units during periods of economic buoyancy is a municipal as well as a broader social concern; among other things, a continued trend in this direction could create a significant deficit in housing and result in increased homelessness. In this context, it is worthwhile to examine new housing options that are being developed, some addressing the difficult problem of providing new housing for both existing and new residents of the inner city.

1.4 Problem Statement

It is hypothesized that economic restructuring and demographic trends are contributing to increased demand for inner-city housing and gentrification in Canadian cities. Although primarily an economic transformation, the re-emergence of the inner-city as a preferred place to live will have immense implications on the social and physical fabric of the city, particularly as the inner city traditionally houses the city’s poorest residents. In this respect, Vancouver is no exception: The Downtown Eastside neighborhood ranks well below the city average in almost all economic and social indicators. The area contains the bulk of the city’s low-income accommodation, including rooming houses and private housekeeping rooms, and it is assumed that many residents cannot afford to reside elsewhere in the city. As pressure for redevelopment and gentrification build, there will be a need to protect existing low-income housing stock, as well as provide new, innovative housing
options. Past history of such projects, however, has created a stigma about social housing design which must be overcome.

Current demographic and socioeconomic data from the area supports the assumption that the majority of residents in the Downtown Eastside neighborhood are at or below the poverty level, and have a limited ability to pay for housing. A growing trend in homelessness and the systematic erosion of existing low-income housing stock has been evidenced in the past decade, and will be reexamined in the following chapters. The implications of this are a continued demand for affordable accommodation in the inner city.

A second assumption is that the planned redevelopment of many areas in and immediately around the inner city may have some impact on low-income and social housing supply, although the magnitude of that impact is undetermined. Examples from other Canadian cities and earlier periods of development in Vancouver suggest some overspill effects will be felt, particularly when coupled with the current demographic and socioeconomic trends. This will be examined in the context of the case study, leading to some conclusions about future housing strategies in similar neighborhoods.

The specific objectives of the study are as follows:

-To determine the success of the subject development in providing adequate housing for existing residents, as well as new residents of the inner city.

-To examine the impact of gentrification and downtown redevelopment in Vancouver on future housing provision in the inner city, and determine whether the case study provides a useful framework for the development of similar new housing projects.

-To develop conclusions about the success of the development and recommendations for new projects in other inner cities undergoing similar changes.

-To assess the project in relation to proposed provincial housing policies in order to evaluate the effectiveness of related future housing policy in the Province.
1.5 Methodology

The methodology used to develop the backdrop for the case study centers on a review of literature on gentrification, with selected examples of other Canadian cities used for comparison. Measures of quantitative data are used to depict current socioeconomic conditions and housing development trends in Vancouver and the Downtown Eastside. The data supports the assumptions relating to an increased demand for new low-income and rental housing in the inner-city area and the need for new housing options. It also provides the basis to assess the case study.

Recommendations on the "success" of the subject development are drawn from both quantitative and qualitative sources. The methodology used involves the following:

- a brief analysis of the changing residential demand in the inner city and the current tenant demand for the project;
- a review of literature on the development of the project from varying sources;
- an empirical look at the social and land use components of the development, and how the project suits its environment.
- interviews with residents, project managers, planners, and politicians involved with the project;
- a critical look at its history and development to assess the general level of satisfaction with the project relative to resources provided.

The last three indicators involve qualitative analysis based on observation and interviews, as well as a determination of public opinion to the project, overall success of project design and function, and a comparison of other developments in the area.

The consideration of the Four Sisters Cooperative as a model project which addresses many of the important housing issues in the area centers on the examination of the development, its history, organization, and basic framework that
was fashioned by a broad range of actors and the answers it can provide future planners, politicians, and neighborhood advocates regarding future housing provision in the inner city. The analysis draws on several sources revealing the political, social, and economic environment that prevailed during its inception, and the mechanisms which allowed the project to be realized. It also places the results of the development within the context of the proposed new housing policies advocated by the Provincial Commission on Housing Options, thus providing a means to gauge the possible success of future initiatives in the area of social and rental housing.

1.6 Scope

This thesis examines the relationship between gentrification and the provision of inner-city social housing through a case study of the Four Sisters Housing Cooperative. A cursory examination of theory on residential location, structural economic changes, and gentrification is provided only as a theoretical basis for assessing the case study. The analysis does not attempt to resolve the many issues surrounding gentrification, but rather sees gentrification as a dominant and complex force which must be recognized if we are to respond to the challenges of providing housing for all residents of the inner city.

1.7 Organization

The second chapter provides a historical look at the evolving concept of residential neighborhoods with an emphasis of the physical changes resulting from the growth in the service sector. This section provides a basis for understanding current community values about neighborhoods and possible trends affecting future residential location. This section also defines the basis for the problem: the current demand by residents from different income groups vying for the same residential space, resulting in what is called gentrification. The third chapter is a discussion of gentrification, its broad dimensions, implications and causes.
The fourth section provides information on gentrification in the Canadian context. It is argued that although the process is extremely variable, the historical development of Canadian cities has resulted in relatively stable inner cities and types of gentrification which require approaches that are uniquely Canadian. Recently documented patterns of gentrification indicate the emergence of a more unpredictable form change than previously observed. The chapter also includes information on gentrification in Vancouver and a profile of the Downtown Eastside neighborhood. Evidence indicates that adjacent redevelopment projects could significantly affect existing social housing stock in some part of the inner city, thereby necessitating a need to look at new housing options.

Chapter five includes the case study of the Four Sisters Housing Cooperative, emphasizing the process which was developed to build the project, and provides conclusions about the reasons for its success.

Chapter six draws conclusions from the four previous chapters, and makes recommendations about the creation of similar projects in other inner cities. This section also looks at the case study relative to proposed new trends in provincial housing policy as the basis for establishing an effective policy framework to address the housing needs of all segments of the community.
2. THE CHANGING URBAN STRUCTURE

"The urban landscape is ... mold and mirror of our economy, culture and society." (Knox, 1991:181)

Gentrification, or the re-emergence of a dominant neighborhood where once there was evidence of physical, social or economic deterioration, is fundamentally linked to the concept of urban and economic restructuring. Although the process of gentrification has very specific manifestations on the physical fabric, these physical changes find their origins in a much broader sphere that relates to socioeconomic shifts and to the evolution of the urban economic structure. The process of urban transition and the succession of land use that is called gentrification is largely a product of these comprehensive structural changes.

The development of residential spaces has been shaped by a number of distinct periods which emerged from the new technological city, the divergent community values it encompassed, and the progressive ideas of urban visionaries. And, like the city itself, the concept of the ideal residential neighborhood has been defined and redefined by individuals and cultures that have shaped its development over time.

2.1 Howard's Vision Unrealized

The idea of a balanced, well-organized community with the best aspects of country living yet still a functioning whole, was best proposed by Ebenezer Howard in 1898. Howard's Garden City remains a cornerstone of modern planning, considered by many as the central framework upon which many other foundations have been laid. In response to the urban ills of the day, Howard promoted literally the marriage of the city and the country: the urban sphere was to be compact and rigorously defined, and surrounded by an agricultural belt and open space. (Howard, 1965) This utopian vision was socially and physically different from the congested urban environment of the time, both capturing the romanticism of the English
country town and displacing the congestion and blight of the industrial city. (Grant, 1991) Perhaps Howard's greatest contribution was his diagnosis of the components of a city and the interrelations between them as they affect the whole. In treating the improvement of the urban and rural spheres as a single problem, Howard's principles attempted to do away with the suburban dormitory, a residential configuration whose lack of industrial or working base made it one of the most artificial environments ever created. The residential area was, in fact, not a rural retreat but an integrated foundation of urban life. (Howard, 1965)

Howard's principles were realized in the construction of Letchworth and Welwyn, communities which remain as demonstrations of his utopian ideals. Despite the intent, the principles of the holistic Garden City were quickly adapted in ways that Howard may not have approved of. (Grant, 1991) Hundreds of residential subdivisions were designed in isolation, based on the basic principles of the semi-rural environment of the Garden City, and although contrary to the overall ideal of achieving unity in the city, these neighborhoods retained at least some of the integrity of Howard's vision.

Herein lies one of the greatest paradoxes of historical city planning. Howard's utopia was a reorganization of space to weed out those elements known to create irrationality and chaos to the city. (Jacobs, 1961) By limiting the size of a city to 30,000 and rigorously controlling its components, the best form of the city could be achieved. Howard's ideas, however, set into motion forces that would ultimately threaten the social and economic viability of many cities for years to come. Jane Jacobs, in her critique of the events that have led to the deterioration of the American city, attacks the 'decentrists' and the resulting 'new order' as a product of misguided intentions. Men such as Lewis Mumford, Clarence Stein, and Patrick Geddes saw the Garden City as a principal form for the decentralization of the population. Their influence was paramount in the design of popularized residential
schemes which operated in isolation from the rest of the functions of the city. While Jacob’s criticisms are justified, it is clear that these residential schemes were just as much a product of their economies as today’s gentrification is: each is, in fact, an expression of demand for residential spaces that cater to the day’s socioeconomic ideals.

2.2 The New Landscape

The creation of a new urban landscape continued as more people recognized the inadequacies of existing residential and recreational spaces within cities. As a result, growth spread relentlessly over once rural areas on the periphery, thereby increasing the distance separating country and city. (Schuyler, 1986) This was facilitated by new urban transportation systems that made possible the separation of the home and the workplace, but also created new stresses of their own. The suburb became an important new element of the new urban form, designed to provide a new cultural focus away from the walled and crowded city and, ultimately, to promote the highest potential for civilization. (Schuyler, 1986)

The new urban structure, however, failed to rid society of longstanding problems such as crime and poverty. The growth of suburban residential spaces did, in many cases, achieve the reshaping of the major components of the city, such as commercial centers and older neighborhoods, particularly in some American cities, where the disparity between residential areas in the suburbs and the inner city became extreme. The changes observed in Canadian cities, however, were generally more moderate, with central areas retaining a great deal of attraction as preferred locations for residential spaces.

If suburbia and the spacious, middle-class landscape represents the most accepted and secure of residential environments, its polar opposite, the inner city, remains the most intriguing and least understood of residential spaces. Broadly defined as the area immediately adjacent to the Central Business District (CBD), the
inner city is characterized by aging housing stock, low socioeconomic status of the population, and often depressed land values in relation to the rest of the city. Traditionally the home of working-class communities, the eclectic inner city also became a volatile arena where public concerns were defended in the face of change, and where new ideas about neighborhoods were given form. Here, Jane Jacobs espoused her criticisms of the suburban principles that were unsuccessfully transplanted to the inner city in the form of large urban parks and uninteresting streetscapes. (Grant, 1991) Urban decay, rampant crime and poverty became the symptoms of the new urban landscape. Jacobs and others such as Oscar Newman (1979, 80) argued that a vital community was a result of small-scale urban spaces comprising a mix of uses. They proposed a model of safe and vital residential spaces which encouraged infill housing and the regeneration of the inner city, a space where urban life could be celebrated and protected.

The 'defensible city' model reflects the emergence of a new spirit towards the city as a place to live, and a new confidence in the values and diversity that are represented in inner-city neighborhoods. This new confidence was a result of not only fundamental changes in prevailing attitudes toward city life, but also a socioeconomic transformation that sparked the renewal process in economically depressed areas. The model is significant in that it emphasizes new concepts about society, demographics, and social attitudes, and the role these play in shaping the physical structure of the city. It also echoes a new statement about city life: that urban vitality and community are worth pursuing and protecting.

The new urban landscapes also reflect an emerging culture which is the latest stage in the transformation to a form of post-modern capitalism. (Knox, 1991) In his analysis of the transformation of urban space, Knox identifies the emergence of a number of distinctive new urban settings, such as gentrified neighborhoods, as the result of changes in the economic and sociocultural profile of society, new roles and
ideological orientations of decision makers, and changes in commodity aesthetics and patterns of consumption among a new consumer class. One basic result of the cyclical transition from industrial production to tertiary and advanced quaternary occupations is the growth in centrally based office employment and an increased role for women in clerical occupations (Daniels, 1975; 1982). Daniels et al (1991) examine the restructuring of various urban economies from manufacturing to service industries and the growth characteristics and physical and policy implications of tertiарization. They indicate that a major impact of this structural economic change is a general multiplier effect on the demand for housing. This demand may create an escalation in competition for residential space in proximity to the CBD and therefore result in increased housing prices in the inner city. This pattern can be observed in Vancouver, for example, where the growth in downtown office space has impacted the availability of housing in adjacent residential areas.

The new urban landscape can also be observed in the rebirth of neo-traditional town planning as a philosophy for the creation of new urban spaces modelled after the traditional towns of the 19th and early 20th century. This new vision attempts to capitalize on the economic opportunities which flow from the current consumer culture; it essentially attempts to recreate the spaces found in many inner cities and transport them to the suburbs in a variety of traditional neighborhood forms. (Duany and Plater-Zyberk) The rejection of the conventional suburb in favour of the more fashionable traditional neighborhood is firmly rooted in contemporary values, and a corresponding need for more human-scale urban spaces, more efficient and economic use of physical and natural resources, environmental sustainability, and the idealization of a stronger sense of place and community belonging. (Bookout, 1992)

The rediscovery of the inner city as an attractive residential environment, then, is inherently linked to the restructuring of the urban economic base, the
evolution of personal and community values and new consumer attitudes. Given the evidence of distinctive new urban landscapes which are emerging in many forms (Knox; Daniels; Duany and Plater-Zyberg), such as gentrified areas, historic neighborhoods, neo-traditionally planned developments and other mixed-use developments, there is a growing need to refocus attention to the inner city in order to develop planning policy that effectively deals with this new environment.

Besides being centrally located, many inner cities comprise unique architecture, a physical and social complexity, and a distinctive sense of place that is highly valued by the new "bourgeoisie" or professional class. (Knox, 1991) Assuming a continuation of recent trends, this demand will warrant careful attention to ensure the inner city remains both vibrant and accessible to a large number of residents that rely on the existing supply of lower-income accommodation.

A possible consequence of urban restructuring is increased competition for inner city space and, therefore, increased land prices. This, in turn, may result in the displacement and upward transition of uses which is associated with gentrification. The potential conflicts inherent to this new competition for urban space becomes increasingly significant in the context of the inner city, where changes associated with renovation and re-investment represent a threat to the stock of low-income rental housing, and to the social stability which may exist. In addition to the threat of physical displacement, the differing socioeconomic profiles and economic demands of gentrifiers compared with that of existing residents prompts concern in the long term. The following chapters examine the process of gentrification in the Canadian context, and serve as a basis for understanding today's inner city. A central question which needs to be addressed in this paper is the emerging definition of gentrification in the Canadian inner city, in order to more effectively address the issues of conflict which arise from the new urban structure, such as the question of providing housing for all residents of the inner city.
3. GENTRIFICATION: A NEW CONTEXT FOR PLANNING POLICY

Of the varied and often complex processes of change inherent to the internal structure of the city, gentrification, or the emergence of middle- and upper middle-class enclaves in formerly decaying neighborhoods is particularly significant in the evolution of the city. Involving broad physical and social manifestations, gentrification is one of the most visible stages of neighborhood change. The process has been studied for several decades and represents a marked reversal of the usual pattern of neighborhood decline. As a result, it has become the focus of theoretical and practical concern.

The growing body of data in the field of gentrification emerged from empirical research carried out primarily in the United Kingdom and the United States. Until a few years ago, a conspicuous lack of research in Canadian cities was evident, partly as a result of the low level of concern generated by the phenomenon as compared to the American scene, and the relatively stable condition of Canadian inner cities. Recent recognition of the unique implications of the evolution of the Canadian city, however, and a growing awareness of the effects of gentrification have prompted a new interest in the Canadian context and several significant contributions to the literature on gentrification in Canada.

This chapter will provide a general understanding of gentrification, and establish the backdrop for assessing the process of urban change in the Canadian context and, particularly, the Downtown Eastside neighborhood of Vancouver.

A brief description of the process of neighborhood evolution and an examination of the emergence of the Post-Industrial society is provided as a basis for understanding historical change in the inner city. Also reviewed are the types and causes of gentrification, and the actors who may influence the process. Tempered with Canadian examples, the extensive literature in the field of gentrification provides a framework for discussing the causes and broad implications
of a well-documented urban process, and its implications in a selected inner city neighborhood.

3.1 Neighborhood Decline and the Inner City

An understanding of any aspect of urban change must begin with an examination of the study area and the factors behind that change. In basic economic terms, neighborhood decline has been described as a matter of income: inadequate income precludes households from the adequate maintenance of their homes, ultimately resulting in a general deterioration of the neighborhood. The causal mechanisms which combine to create urban physical deterioration, however, are rooted in a complex process involving more than the economic state of individual homeowners. This trend is perpetuated by a combination of circumstances, both social and economic, which manifest themselves differently based on factors involved. A traditional view of neighborhood change is when the physiology of residents, investors, financial institutions, and local government concerning the future viability of the neighborhood alters. (Ahlbrandt and Brophy, 1975) In this case, a declining demand for an area begins a chain of events that leads to general uncertainty, and in turn results in a failure to attract investment or new households.

A neighborhood can be defined as a distinct, localized housing market, based upon either social, historic, political, geographic or economic considerations. (Ahlbrandt and Brophy, 1975) Philip Clay (1979) describes neighborhoods traditionally as social units with complex structures held at an equilibrium during times of stability by various natural mechanisms. Clay’s analysis of neighborhood renewal, suggests almost anyone can upset the forces at work and disrupt the equilibrium. He uses the analogy of the neighborhood as a living body, a fragile yet resilient unit capable of withstanding substantial conflict and abuse, yet also susceptible to disorganization and decline. A new equilibrium may be reached
either naturally or through pro-active means, although past examples have shown
that intervention through revitalization or renewal programs may bring
unanticipated and often harmful results.

A more functional definition is that of the neighborhood as a unique and
definable environment at a given point in time. It is characteristically dynamic and
incorporates fluid boundaries. At the same time, neighborhoods within the same
city are considered separate and unique, each offering prospective residents a range
of locational choices, amenities, house prices, and liveability. The proximity to
transportation, availability of services, and preferred urban form are also important
considerations in a person’s decision to relocate. (Clay, 1979) A household’s
locational choice depends on many attributes, including the cost of available
housing, although the specific benefits of an area may compensate for the price of
housing. Over the long term, a lesser-priced area will not be successful in attracting
a steady stream of households unless it offers a certain threshold of attraction.
Neighborhoods that cease to remain competitive will experience a reduction in
demand that may ultimately lead to general decline.

Prevailing theory characterizes the changes to neighborhoods as cyclical, or
constantly moving through various stages of stability, decline and resurgence.
(Ahlbrandt and Brophy, 1975; Laska and Spain, 1980) The process differs among
areas due to geographic location and overall residential demand; inner-city areas,
for instance, have traditionally been more vulnerable to the patterns of influx,
deterioration and reinvansion that has characterized the North American city. This is
due to the fact that, historically, these areas have been ports of entry for new
immigrants and the location of available low-income accommodation. It is also
suggested in the literature that the reorganization of residential areas may simply be
a result of natural evolution. (Ahlbrandt and Brophy, 1975)
Changes to the fabric of inner-city neighborhoods have been discussed widely in the literature both in terms of the theoretical implications of neighborhood transition and the actual physical changes that take place. (Ahlbrandt and Brophy, 1975; Bunting and Filion, 1988; Palen and London, 1984) The stages of decline of any neighborhood may take the traditional form, a progression from a viable neighborhood, through incipient and obvious decline, to accelerated decline, and finally to abandonment. (Ahlbrandt and Brophy, 1975:7) It has been theorized that residential neighborhoods, including the inner city, may decay through natural causes and eventually be replaced by more desirable economic uses. Smith (1982) sees the process of neighborhood decline as the product of rational decisions made by individual actors seeking maximum economic benefit in the housing market. (Kary, 1988:59) Filtering, a term used to describe the process by which housing gradually declines in value, making it available to lower income groups, illustrates the process of incipient decline and the resulting 'slum landlord' phenomenon. (Ahlbrandt and Brophy, 1975:9) Filtering may occur as a consequence of declining population; outflow of population generates housing vacancies which ultimately lead to an increase in the number of available units. The net effect is a gradual drop in demand for housing and declining real estate values.

Neighborhood decline has been related to socioeconomic changes resulting in household turnover and changes in the number and composition of households, as well as to the independent actions of real estate agents and public and private agencies. Public sector decisions such as the lack of investment in neighborhood institutions or the location of highways may severely affect the residential environment and encourage outmigration as well as discourage further reinvestment. Factors related to quality of life and public services, such as police protection and schools, are also important considerations. New strategies emphasizing public investment in community services may help to reverse the
decline by regenerating interest and a real demand for home ownership and rental property. (Ahlbrandt and Brophy, 1975:11) In the inner city, this has been manifested in new development projects which endeavor to capitalize on the centrality and unique amenities of the central area.

In Canada, a combination of factors, including history, form of development, overall size, and others has resulted in the continued dominance and vibrancy of many inner-city areas. (Goldberg and Mercer, 1986) In cities like Vancouver, a sustained demand for inner-city accommodation continues to increase pressures for conversion and redevelopment, and threatens existing housing stock. A closer analysis of the Canadian city generally reveals a very gradual pattern of change, one which is in contrast to the dramatic range of decay and resurgence that has been observed in many American cities. (Gertler and Crowley, 1982) However, new research indicates that gentrification in Canada is becoming more complex, and likely to continue to be a factor in the future. (Bunting and Filion, 1989; Ley, 1992)

3.2 The Post Industrial Inner City

The 1970s and 1980s have seen a general shift of employment from manufacturing to predominantly service jobs, many filled by women. (Daniels, 1975) With the reduction of large sectors of industry, the blue-collar middle class shrivelled, and society moved towards a defined polarization of the population. (Bunting and Filion, 1988:9) In many cities, two-worker households became the norm, and the traditional family began giving way to other forms of households; young people living on their own, single parents, and empty nesters. (Bunting and Filion, 1988:9) This fundamental shift in the economy, combined with demographic changes and new social attitudes has played a major role in redefining the physical structure of the city.

The early industrial city was a compact center which housed a diverse range of activities and employment. Inner-city neighborhoods were favoured locations
because they offered both social support and cheap accommodation. It is important to note that most Canadian cities retained significant upper-income areas within their inner-city cores, something which has softened the general impacts of gentrification later on. (Goldberg and Mercer, 1986:30) The early inner-city was a mix of neighborhoods of all economic levels, but predominantly working-class; it was physically tight-knit and, because of its dimensions, was largely a self-contained social unit which provided everything for its citizens.

The mass-consumption society which followed the end of WWII was fueled by great increases in technology and productivity, particularly in the industrial sector. (Bunting and Filion, 1988:12) Advances such as the automobile and the elevator made multi-story plants traditionally located in the inner city obsolete and encouraged a massive relocation to suburban zones which offered cheap, plentiful space. As the inner city proved ill-suited to widespread automobile use and the consumer oriented lifestyle which emerged, new suburban areas were developed to take advantage of new demands. Changes in public policy also contributed to suburbanization by shifting the focus of transportation from railway to road construction, thereby facilitating the suburban relocation of industry and the commuter society.

Through the era of mass consumption and suburbanization, the inner city lost its role as the center of the region, and as the main location for the best residential areas. The bulk of the population in the inner city became lower-income, and the middle-class exodus left behind an aging housing stock to households that could least afford to pay for upkeep. Racial segregation compounded the problems in American cities, however, the Canadian city held its own remarkably well during this phase, due in part to the constant influx of post WWII immigrants and the cultural vitality and diversity they created.
The re-emergence of the inner-city as a desirable residential location for middle- and upper-class households during the post-industrial phase was in stark contrast to the urban-to-suburban patterns which characterized earlier periods of development. (Gale, 1982) Early attempts to understand these patterns of invasion and succession in the inner city recognized gentrification as part of a much larger trend in which the pre-eminence of the downtown was being reestablished. (Clay, 1979) This pre-eminence was inextricably linked to the rise in the service economy, the resulting increase in the share of centralized quaternary employment, and the combination of social, recreational, retail and employment establishments which the central business district (CBD) offered in a dense and closely-linked environment. (Bunting and Filion, 1988:15) In comparison, the suburbs offered little in terms of accessibility to accommodate the demands of the emerging economy. Activities here were scattered, with long commuting distances, poor public transportation, and total reliance on the car. Time expenditures also hindered long movements in and out from the core. New transportation options, opportunities provided by electronic communications, and other time-managing techniques have made possible the suburbanization of many operations. However, the vitality and sophistication of the core continues to dominate.

Philip Clay’s analysis of downtown revitalization (1979) also stresses the economic shift in jobs from manufacturing to retail, office, and government and personal services. The relocation of retail and other services back into the core was an attempt at capturing the growing market of office workers, and other business opportunities. New residential opportunities which followed were fundamentally different than the efforts of social intervention, largely based on public subsidy, which had been pursued in earlier years; new initiatives were funded by private corporations and designed to serve their own interests. (Clay, 1979:13)
A second factor which contributed to renewed interest in the inner city was the rapid increase in tertiary and quaternary sector employment, traditionally located in the CBD. (Bunting and Filion, 1988; Ley, 1984; Ley, 1991) The result was a large number of people eager to live in the inner city, such as young, usually childless households employed in the CBD. This segment generated a significant demand for inner-city housing which was satisfied by apartment booms in cities like Toronto and Vancouver in the 1960s. (Bunting and Filion, 1988:15)

Ley’s (1991) recent examination of gentrification during recessionary times confirms the remarkable insulation of the advanced service sector in the six major Canadian cities from the rigors of economic decline suffered in the 1980s. The continued concentration of senior white collar jobs correlates to an increased status of the inner city housing market, where a large share of those workers choose to live. The renewal of modest economic growth from 1986 to 1989 is anticipated to result in continuing job creation in the quaternary sector, and increased pressure on the inner city housing market and further gentrification.

Further notable factors which aided the inner city revitalization process include changes in consumer preference, including a new attitude towards older style and second hand homes, which in turn resulted in changes to planning policy to protect the historic character of many inner city neighborhoods. (Bunting and Filion, 1988:16) General changes in attitude towards the lifestyle and type of urban vitality offered by the central area also contributed to the renewed interest in inner cities.

3.3 Gentrification, Overspill, and Incumbent Upgrading

Gentrification can be defined as the upward movement in the social status of an area, an the accompanying succession in the physical stock. (Ley, 1991) A common view of neighborhood revitalization is that socioeconomic resurgence is the result of a replacement of the population, and involves both the displacement of former residents and preservation of existing structures. (Bunting and Filion,
As middle-income residents depart, they are replaced by lower-income households through the filtration process, resulting in a gradual decline in the socioeconomic level. The process of upward filtration is termed gentrification.

Another form of revitalization is known as 'incumbent upgrading', or physical improvements generated by current residents as a result of renewed confidence. (Bunting and Filion, 1988; Clay, 1979) As documented in the United States by Clay, incumbent upgrading is a process which occurs with no significant change in the socioeconomic status of the population. Problems of crime, racial prejudice, poor services, and rising taxes, as well as new opportunities in the suburbs for employment and housing, contributed to the erosion of inner-city populations and widespread structural obsolescence. (Clay, 1979:35) In the U.S., new highways and federal housing assistance programs played a central role in the accelerated growth of suburbs. The renewal of interest leading to renovation by incumbent residents was a result of general societal changes, the emergence of neighborhood consciousness, demographic pressures (such as the maturing of the baby-boom generation), and increased neighborhood stability. (Clay, 1979)

Milward (1988) in his classification of upgrading, specifically identifies the two possible upgrading processes, gentrification and incumbent upgrading, as a function of two variables: the rise in the quality of physical stock, and the rise in social status of the residents. The presence of both denotes full gentrification, while incumbent renovation activity with no significant change in social status is considered incumbent upgrading. As applied to the city of Halifax, the classification scheme illustrates a prevalence of incumbent upgrading, whereas full gentrification is less in evidence. It is suggested that these must be clearly differentiated to assure the effectiveness of public policy and specific programs. (Milward, 1988:119) The Halifax case is relevant because, as will be illustrated later, it represents a trend in a
more complex definition of gentrification, both in terms of its geography and composition of factors involved, as compared to previous definitions.

Upgrading or renovation, although sharing many of the characteristics of gentrification, is a fundamentally different process which involves physical maintenance often without changes to the social profile of the neighborhood. The upgraded neighborhood, as compared to gentrified ones, tends to exhibit a very large percentage of housing in good condition and very little abandonment or serious deterioration. (Clay, 1979:42) Upgraded areas may exhibit more settled families and less transients and single people, and are more likely to be in locations that were always working- or middle-class residential areas, rather than former elite locations. Upgrading also has tended to occur most often in homogeneous residential areas outside of bothersome commercial strips, whereas gentrification often seeks mixed-use neighborhoods located near downtown activities that complement the urban residential lifestyle. (Clay, 1979)

A third possible type of change offered in the literature in relation to gentrification is that of household replacement, or the gradual turnover of households through the succession of generations. (Bunting and Filion, 1988:17) As older people retire, decease, or move out, younger generations with current socioeconomic attributes replace the existing household. This is a consequence of the traditionally high percentage of elderly households in central neighborhoods. This socioeconomic change coincides with a lifestyle change, and translates to a social, and possibly a physical alteration to the neighborhood.

Overspill gentrification is an alternative explanation which differs from conventional gentrification in the form and diffusion of its physical and social manifestations. It has been defined as the outward spread of middle-class households beyond neighborhoods where high rates of gentrification have been previously established. (Dantas, 1988:73) Households seek locations outside the
neighborhood, usually in less desirable areas, where it is believed that gentrification will eventually be achieved over time. This overflow of renovation and redevelopment activity to immediately adjacent locations usually maintains access to the positive externalities of the initial gentrified district, but gains access to cheaper housing sites. (Ley, 1991) Although a more locationally conservative strategy than establishing a new area, this contagious diffusion may have the potential to advance at significant rates, as observed in Philadelphia and New York. (Ley, 1991)

Finally, the process of redevelopment may involve many aspects of gentrification, upgrading, and household succession. Beyond the overspill activity which may occur, redevelopment may take place in less familiar sites in the inner city away from the safe haven of established markets. (Ley, 1991) If redevelopment involves the establishment of new housing units in previously non-residential areas, redevelopment may bring in new residents without replacement or succession. (Bunting and Filion, 1988) The anticipated changes on the vacant Expo '86 site in Vancouver's False Creek is an example of this, as is the case of Toronto's high-rise redevelopment areas. Although more prevalent in the past, new development in vacant sites is becoming one of the most common forms of physical change, often resulting in some form of social disruption but little actual physical displacement. (Gertler and Crowley, 1982:335) Redevelopment may be responsible for significant replacement of residents and generational succession, and has been linked to factors related to centrality and the amenities associated with central locations, as well as the relative affordable price of housing and accessibility to employment.

3.4 Causes of Gentrification

In addition to defining and understanding inner-city change, several efforts have been made to determine the causes of gentrification (P. Clay, 1979; Cybriwsky, 1986; Gale, 1982, 1985; Palen and London, 1984; Laska and Spain, 1980), many
involving the study of sample cities through various means, including the correlation of resident or neighborhood characteristics. Although early studies were valuable, it wasn’t until recently that a direct explanation for the process of gentrification was sought. The literature on gentrification incorporates at least five contrasting explanations on the phenomenon, although these are not mutually exclusive. In all probability, the process involves some elements of all theories. Together, however, they provide a framework for understanding the basis of societal changes that have come to be associated with gentrification.

The demographic explanation emphasizes recent changes in population composition and basic demographic processes as the motivating force behind the migration back to the inner city. (Palen and London, 1984:14) The coming of age of the baby-boom generation, and the unprecedented number of young adults placed new demands on housing supply; households are now younger, smaller, highly educated, many are childless, and a large percentage are in white-collar occupations. (Bourne, 1982) This implies a demand for smaller accommodation, preferably in proximity to the employment and amenities of the downtown, as well as a higher disposable income, and, hence, a greater choice in the housing market.

Research undertaken since the 1950s emphasizes the importance of life-cycle position and life-style in understanding metropolitan population shifts. As families proceed through the different stages of the life cycle—post-marriage, childbearing, childrearing, "empty nester"—they have different lifestyles and residential requirements which lead to different locational choices. (Varady and Raffel, 1991) Factors which have contributed to the new demographic profile broadly include the rising age at first marriage, improved contraception, declining fertility rates, and increasing entry of women into the labour force. (London et al, 1986:369) The dominance of relatively affluent, young couples in the downtown plays an
increasingly important role in redefining economic, social, and physical patterns in the inner city.

The ecological explanation for gentrification emphasizes migration and population redistribution in relation to the renewed ecological viability of the inner city in recent decades. The concept states that cities (or neighborhoods) which are disproportionately high in white-collar activity and low in blue-collar activity are most likely to experience reinvasion and gentrification. (Palen and London, 1984:15) The idea relates to the notion that existing blue-collar and lower income districts may be less attractive to reinvestment than is sometimes thought. This correlation is significant considering recent trends towards the decentralization of industry and the redevelopment of previously industrial inner-city land.

The sociocultural theory of gentrification is an approach which views all ecological processes as being the result of fundamental changes in culture and social sentiment, and a major force behind new locational choices. (London et al, 1986:372) Changing values, and new attitudes and lifestyles, in combination with demographic changes, have allowed the general development of "pro-urban" thought; people choose to live in the inner city because of the social, recreational and cultural amenities which are offered. Linked with this is an underlying concern for history, cultural diversity, pluralism, and even nostalgia, elements which make the inner city an attractive location.

Political-economic analyses of gentrification attempt to explain the historical development of gentrification as the result of economic and political influence. The traditional approach emphasizes competition, supply and demand, and market efficiency, as the basic cause of reinvasion. It sees the decreasing availability of suburban land, rampant inflation in suburban areas, rising transportation costs, and the relatively low cost of inner-city housing as the main forces behind reinvasion. (Palen and London, 1984) The Marxist approach, on the other hand,
views the process as a power struggle which results in uneven costs and benefits. It rejects the conventional economic-driven explanations of inner-city change and suggests the existence of political forces that systematically planned and publicly supported and funded the gentrification process. The implication here is that powerful interest groups have great influence over inner-city development policy, changing it to suit their needs when there were great profits to be made, with little or no regard for powerless residents who would be displaced from their homes in the process. (Palen and London, 1984)

A fourth approach to understanding gentrification is the view that the community is an interactive social body, one which may affect physical restructuring through community activity, social involvement, and general involvement in the neighborhood. (Palen and London, 1984) Factors of kinship, friendship, ethnicity and others are significant elements in the process of revitalization; if the community is perceived as a social unit, individuals are more likely to be attracted to the area. This supports other literature which identifies the rising involvement of community organizations in the development process. (Cybriwsky, 1986; Ley, 1984; Peterman and Hannan, 1986) Block clubs, anti-crime activities, and many other neighborhood projects reflect a new commitment to neighborhoods, one which may be a motivating force behind the attraction of new residents.

The social-body explanation is supported by early classical theory which emphasizes the rise of the dehumanized mass society of the 1950s as a place where technology facilitated the large-scale and dispersed movement of people. The post-industrial society, however, and the resulting economy and the values it embodies has improved the status of the downtown and the inner city and facilitated the development of attractive residential areas, with all the available amenities in proximity.
A last explanation for understanding gentrification is that of reinvasion as a social movement, an ideologically-based, socially-organized struggle for valuable inner-city space. The theory sees the emerging pro-urban middle-class pitted against long-term poor and powerless residents in a conscious struggle to advance their own interest, much like the Marxist approach discussed earlier. Unlike the Marxist explanation, however, the social movement explanation sees gentrification as a disorganized, grass-roots, socially based process in which different socioeconomic groups participate actively in pursuing their needs through advocacy.

At a practical level, the boosterism created by new residents who risk their capital to live in the inner city is very real, as is the attractive new lifestyle which they advocate for the young and the affluent. Current residents, on the other hand, organize their own counter movements in defense of their neighborhoods, deriving leadership from grassroots organizers or, perhaps, other political hopefuls eager to capitalize on a local causes. Often, it is the gentrifiers who dominate the scene and impose their objectives. (Palen and London, 1984)

These theories on gentrification are, on their own terms at least, all valid and collectively provide a useful explanation for many of the changes experienced in inner cities across North America during past decades. The Canadian context needs to be explored further, particularly the city of Vancouver, to provide a local comparison of present inner-city trends. An answer to this complex question, however, is not likely to be found in individual theories, but rather in a broader view which recognizes the emerging societal trends and new demographic and consumption patterns in defining a more prominent role for the inner city.

3.5 The Role of Key Actors

In addition to the individual action of existing and new residents, landlords, developers, realtors, government agencies, financial institutions, and community organizations also may influence the revitalization process to different degrees.
General municipal and planning decisions play an important role in the evolution of inner-city areas through regulatory controls and long-range planning designations. Regulations such as those governing zoning may provide incentives and promote housing and neighborhood improvement. The 1970s, for instance, brought a pro-development attitude in most Canadian cities which was fueled by a desire to stem the perceived inner-city decline that had characterized the post-war period. As a result, planners and politicians became advocates and facilitators for the physical transformation of many neighborhoods. Conversely, the late 1970s and 1980s saw more restrictive zoning regulations being implemented to protect inner-city residential areas. These were enforced in conjunction with broad development programs geared at the general improvement of the inner city. Such programs, however, made older housing stock in the inner city attractive to the middle- and upper-income households. Once stability was re-established, the inner city offered wealthier households a character environment, investment potential, and proximity to the services and atmosphere offered by the central location. A combined approach which features both restrictive, site specific zoning in older areas an incentives for development might have been preferable to both protect existing stock and ensure new investment potential.

The actions of realtors and developers in the upgrading process does not appear to be as significant as that of neighborhood groups and resident associations. In fact, where these groups did seem to play a role, it was in response to the direction and initiatives of neighborhood groups. As seems to be the case at present, in cases where strong neighborhood organizations were established, developers were not looked upon favorably. In the U.S., well-documented evidence suggests that realtors did play the usual role through marketing schemes, house tours, and other activities. For the most part, however,
real estate brokers have been willing to accept their role as gate keepers by respecting community norms in order to assure continued business opportunities. (Clay, 1979)

The role of community organizations has been constantly changing over time, gradually adopting a broad-ranging and interactive approach involving real estate agents, developers, and municipal governments. The primary role is that of advocacy, usually towards some facet of neighborhood improvement. However, these groups have moved beyond the informal role into the realm of control of public and institutional activities. In gentrifying neighborhoods, new residents utilize political influence to promote their goals through regulatory and zoning protection negotiated with the municipal government. (Bunting and Filion, 1988:20)

Though resident organizations are often a formidable political force, past studies have confirmed that the unpredictability of the gentrification process makes it difficult to abate once in motion due to its many forms and constantly changing definition. (Peterman and Hannan, 1986:33) Despite this, the impacts of gentrification may be dampened given the appropriate environment and an effective pre-established strategy. In the 1960s and 70s, for example, neighborhood organizations attempted to achieve a desirable balance between gentrification and preservation of existing neighborhoods by promoting a continued socioeconomic mix in the population and enough affordable housing. (Peterman and Hannan, 1986)

The principal tool was the comprehensive plan, the identification of community goals and general trends, and the formulation of a specific planning strategy.

The study carried out by Peterman and Hannan (1982) illustrates the difficulties in generating an effective neighborhood strategy and the importance of the community leaders and their willingness to be flexible as problems and the community change. Often, although a willingness to confront gentrification exists, there is also an underlying sense of futility, a realization that little can be done
about emerging trends. The relationship with the city aldermen was also important. A specific obstacle was the new role which was advocated; community leaders seemed uncomfortable with assuming a major role, as they previously had simply reacted to impending change. The ultimate strength in an organization comes from the membership, and its ability to increase its influence once changes are apparent. This requires a solid network of information, monitoring, and control.

Although new residents present the impending threat, these new households may represent the support that is needed to prevent the organization from becoming defunct and irrelevant. (Peterman and Hannan, 1986) These interrelationships become even more complex in the inner city where socioeconomic gaps may be pronounced. As later case studies will explore, each neighborhood will provide a very specific setting for change, and for the interplay between individual homeowners, planners, realtors, developers and resident associations. It is important to recognize, however, that the gentrification experience and Canadian urbanization patterns generally, were much more highly differentiated in the 1980s than the 1960s and 1970s. This is largely attributed to the growing significance of exogenous (rather than internal) influences, as well as different planning/policy approaches. This is fundamental to an appreciation of the dynamics of change in the inner city and the contemporary urban region as a whole.
4. GENTRIFICATION AND THE CANADIAN INNER CITY

Below me the city was in flames: the firemen were the first to save themselves. I saw steeples fall on their knees. I saw an agent kicking the charred bodies from an orphanage to one side, marking the site carefully for future speculation.

From "The Improved Binoculars" by Irving Layton, in Selected Poems, ed. Wynne Francis (Toronto: McClelland and Stewart, Ltd., 1969.)

Canadian literature has at times painted a dark image of the city, particularly when looking at the contradictions of city life. Much of this attention is aimed at the inner city, the most urban of all environments, and areas that exhibit a mix of land uses, characters, and residents. It is the place where the polarity of the urban condition, good human environments and bad, is generally most pronounced, and where, according to past studies, the opportunities available to the individual are most limited. (Gertler and Crowley, 1982:320) And yet, relocation of the poor to the suburbs has not been considered acceptable, as it isolates poorer residents from the central environment which they value. Research undertaken in the 1970s across Canada identified a distinct increase in the socioeconomic index (a composite of income, educational and occupational levels, etc.) of the population as the distance from the core increased. Further investigations identified four basic types of inner cities: areas of decline, stability, revitalization, and massive redevelopment. This typology is based on an analysis of the essential urban attributes of an area; its ability to satisfy individual needs, capacity to influence decisions through organization, and the accommodation of a variety of groups and lifestyles. (Gertler and Crowley, 1982) Although each type exhibits contrasting social, physical, and economic dimensions, these often blur in inner-city areas that comprise a mix of types.
The 'culture of poverty' which defines a declining inner city shows symptoms of delinquency, crowding, and the general expression of a severely restricted lifestyle. (Gertler and Crowley, 1982) The stable area, in comparison, although not impervious to change, reflects a more stable physical environment and socioeconomic status of the population. Often, the area has a strong identity and residents are able to organize their efforts to influence potential changes to the neighborhood. The revitalizing inner city is a neighborhood in transition, offering an attractive economic potential for new residents, and often pushing out the poorer, long-term tenants. There is broad evidence for considerable turnover among these groups, particularly lower income residents facing displacement as a result of gentrification. (Ley, 1991) As described above, the classical example sees young, professional, and well-educated residents choosing to locate in the inner city because of the special attributes of the area, proximity to employment and services, and the lifestyle that it represents. Finally, redevelopment areas encompass the large-scale renewal and growth that results from severe real estate and economic pressures. These areas are shaped by the economics of land and location, which define growth as the ultimate objective as a result of the accessibility of the inner city.

Viewing the inner city as not one, but many different types of environments helps to provide a broad perspective for understanding gentrification. Although seemingly a product of only the revitalizing inner city, aspects of gentrification may be prevalent in any neighborhood; its understanding may lead to a greater awareness and ultimately provide broader definitions of changes that shape the inner city. The identification of the revitalizing inner-city type in the 1970s as a recognizable form suggests a particularly significant interpretation of neighborhood upgrading in the Canadian context. In contrast to the American scene, the Canadian city has been generally characterized by a continuous process of
redevelopment, each phase resulting in a more intensive land use. (Ley, 1984) The revitalizing activity of the 1970s then, may be interpreted as a continuation of earlier trends, rather than the drastic reversal of neighborhood blight in American cities.

The limited interest in inner-city change in Canada in the past was due to the continued dominance and vitality of central-city areas, as well as the lack of violent social and physical transition seen in other countries, such as the United States. (Goldberg and Mercer, 1986) Nevertheless, recent work on Gentrification in Canadian cities (Bourne, 1982; Bunting and Filion, 1989; Ley, 1984, 1991) is indicative of the growing interest in gentrification in the Canadian context. A brief examination of gentrification in several Canadian cities will explore the unique dimensions of inner-city change in Canada, and provide a contemporary perspective for addressing future change. Alternative definitions to traditional patterns of gentrification are emphasized.

Census data for Canadian cities between 1971 and 1976 identifies significant social and demographic trends illustrating specific patterns of neighborhood change. The first was an identifiable loss of population in inner cities during the period from 1971 to 1976, combined with a relative decline in the share of high-status residents. (Ley, 1984) These suggest the decline of the Canadian inner city through the 1970s. However, data on household growth and formation, and shrinking household sizes, imply a continuing demand for inner-city accommodation. In addition, although the loss of some highly-educated residents to the suburbs was experienced, the proportion of residents with some higher education remained above average. In fact, cities like Ottawa, Vancouver, Edmonton, and Halifax experienced an absolute gain in the percentage of inner-city population with some university education of between 7 and 10 percent. (Ley, 1984:189) During the same periods, the same cities experienced a decrease in the total inner city population ranging from 6 to 13 percent. Ley (1984) indicates that this represents an
environment where inner city revitalization is likely to occur, based on observations in American cities which revealed high correlation between high-status, inner city neighborhoods and the presence of downtown white-collar employment.

The period 1981-1986 continued to show an increase in the rate of growth of white-collar services, particularly in the quaternary sector, despite the economic downturn. Ley (1991) indicates that the increasing percentage of quaternary employees that were inner city residents is the result of the protection that advanced services seemed to exhibit during recessionary times. In fact, this trend is evident in all six major Canadian cities during this period.

The observable increase in service-oriented, white-collar employment in many Canadian cities during the 1970s and 1980s and its correlation with increased gentrification is a basic result of the post-industrial economy, and its manifestation on urban space. The validity of this correlation is further supported by the fact that, with some exceptions, white-collar Canadian cities also show tendencies of higher population growth, higher house prices, and a lower level of rental vacancies. The share of residents with higher education in the inner city is particularly significant, and is in marked contrast to patterns identified in American cities. (Ley, 1984:189)

The general population patterns described above suggest that the context for urban revitalization and gentrification has been prevalent in Canadian cities since the 1970s. Recent case studies confirm the prevalence of a continuing process of gentrification in several Canadian cities, however, new evidence suggests not a continuation of past trends, but a new patterning of gentrification which is less tied to proximity to elite areas an more to a complex combination of social factors. (Ley, 1991)

4.1 Case Studies

Bunting and Phipps' (1988) analysis of inner-city renovation in Kitchener and Saskatoon reveals patterns of neighborhood change that are significantly different
than what we would normally expect in the literature. The two medium-size cities (approximately 150,000 each) are different in employment structure, Saskatoon being a regional service center while Kitchener remains predominantly a blue-collar manufacturing center. Nevertheless, similar changes to their residential structures were recognized. The observations revealed no signs of highly-fashionable, gentrified areas or heavy renovation activity. However, there was also no significant amount of deteriorated, or low-quality housing. Instead, there was evidence of a modest and gradual form of residential upgrading taking place throughout both inner cities.

Bunting and Phipps (1988) identify important factors which provide substance to the idea of a broad definition of gentrification and inner-city revitalization. They suggest modest upgrading as a formidable force in shaping the mid-size Canadian inner city, one which should be recognized as a possible alternative to the well-publicized schemes of inner-city deterioration and gentrification. Further, they point out that such patterns may be more likely in cities of medium size due to the limited growth of high-order tertiary and quaternary jobs in centralized downtown areas. In Kitchener and Saskatoon, the absence of this economic component helps explain the apparent lack of gentrification and the emergence of a different form of societal and physical change.

Research carried out by Dantas (1988) also provides evidence of new types of inner-city revitalization which differ from existing gentrification models. Her study emphasizes the importance of community context in determining the effects of overspill gentrification in Riverdale, a neighborhood in Toronto. Although the modern housing stock, peripheral location, and solid 'ethnic' social status of the population would not suggest an attraction to gentrification, the area has recently been the focus of relocation for a large number of young, professional households. This is a result of Riverdale's proximity to Cabbagetown, a fully gentrified and
fashionable neighborhood, and the general amenities available in the area, such as
larger dwellings, more open space, and the availability of commercial and
transportation services. Demographic trends from 1971 to 1981 confirm the pattern
of gentrification or upgrading: a decline in population, above-average proportions
of people aged 25-34 with or without university degrees, large numbers of women,
and to a lesser extent, men in professional occupations, and small households.
(Dantas, 1988:76) Revitalization is also supported by the inflationary trend in house
prices, which reflects both increased demand for housing in the neighborhood and
significant improvement and reinvestment in the existing housing stock. (Dantas,
1988)

Survey information for Riverdale confirms the pattern of middle-class
invasion which was identified early on, and classifies it as a form of overspill
gentrification from the adjacent neighborhood of Cabbagetown. However, the most
notable factor of renovation in Riverdale compared to traditional gentrifying
neighborhoods like Cabbagetown is family status: most households consist of 3 to 4
people rather than the traditional 1 or 2. This suggest a possible broadening of
existing concepts of gentrification to include the entry of middle-class professional
families back into the inner city. The family-type household that is expected to
locate in the suburb may, given the right context, look to the inner city to take
advantage of lower purchase prices and reduced commuting times. It is also
consistent with the emergence of what some researchers have called the 'new class',
or growing numbers of middle-class, family households who seek the inner city for
practical purposes. (Dantas, 1988)

In Halifax, changes in the 1980s illustrates the increased dominance of
contagious diffusion, or overspill gentrification, as the primary spatial process which
defines changes in the inner city, as opposed to the more traditional patterns which
were evident in the 1970s. Upgrading in the traditional high-status area declined,
but interest shifted to an adjacent low-income area. Montreal also exhibited this trend on a much larger scale, although here it was due in part to new public policies aimed at revitalizing the east end of the downtown core. (Ley, 1991) Even more remarkable is the upgrading of Lachine Canal in Montreal, which has been considered one of Canada's worst slums.

A central consideration in this concept of gentrification is the apparent differences between American and Canadian cities, particularly with respect to the general physical and social condition of core areas. As previously stated, the serious problems of pollution, crime, and racial segregation have not been as severe in Canadian cities, resulting in a sustained level of vitality and liveability in inner cities. Good public transportation, excellent schools, and local policies which consistently protected the character of the inner city have also contributed to the creation of stable and attractive environments. In conjunction with the growth and revitalization of the central business district, and the restructuring of the downtown employment base, areas like Riverdale offer obvious advantages of accessibility and modestly-priced real estate to the growing number of middle-class families. It is argued that this type of change is not simply overspill gentrification; rather, it represents a new societ al structure defined by the changing structure of families and new households found in the Canadian inner city.

Inner-city revitalization in the City of Vancouver has taken different forms over different periods. The examination of past and emerging evidence of gentrification in relation to housing demand and supply, demographics, and social characteristics will serve as a basis to assess a specific housing development, the Four Sisters Co-operative, to determine its success and ability to confront the housing issues related to gentrification.
4.2 Gentrification in Vancouver

Job growth in the Central Business District, the shift to white-collar employment, and significant demographic changes have provided the impetus for housing pressures which has shaped revitalization in Vancouver for several decades. In 1971, 70 percent of the workforce in the City of Vancouver were in white-collar occupations, with an increasing trend towards the concentration of offices in the downtown area and job growth favouring the tertiary and quaternary sectors. (Ley, 1984) This pattern has been accompanied since the 1960s by significant inner-city demographic changes which include a shrinking household size and high immigration rates for adults as opposed to children. (Ley, 1988) In addition, Ley (1984) notes the significant increase in the purchasing power of the city’s residents since 1971. This can be attributed to a decrease in child-raising costs, the greater probability of two wage-earners per household, and the growth of high-income quaternary jobs. These combined to create a large group of consumers with substantial purchase power, many of which were drawn to the inner city. The smaller family sizes made large suburban lots unnecessary, and the substantial attractions of the inner city, such as reduced commuting and access to the city’s major beaches, parks, and the lively cultural and retail activity also contributed to a renewed interest in the inner city.

Changes in housing supply were also significant in affecting shortages and pressures for housing demolition and conversion. As inner-city accommodation became prime real estate, housing vacancies became acute, particularly in desirable inner-city neighborhoods. (Ley, 1988) From 1973 to 1976, for instance, the vacancy rate in the City of Vancouver was 0.5 overall and zero in desirable neighborhoods. Ley identifies public opposition to high-rise construction during the 1970s as a major factor behind the implementation of widespread inner city down zoning, which in turn resulted in lagging supply of new rental units. This was followed by Federal
and Provincial housing policy such as the 1974 rent freeze which reduced any incentives to build rental accommodation. The result was a growth in condominiums, and it became evident that the new middle-class consumer in the inner city was a perfect client due to the equity offered in ownership, the range of available amenities, reduced upkeep, and a commitment from fellow owners to social order and building maintenance. A profile of condominium owners in 1977 showed that 70 percent had no children, that 50 percent of household heads were aged under 40 years, and that the dominant employment categories of the residents were the professional fields. (Ley, 1988:193)

A major concern resulting from the condominium explosion was the loss of housing stock due to demolition and conversion, and the displacement of existing residents. Conversions have been carefully regulated by municipalities and in Vancouver they amount to an average of about 200 units per year from 1981 to 1988. (Hulchanski, 1989:3) Although this may seem small, it is cause for concern when considering the disproportionate number of conversions in the inner city, as well as the limited amount of new rental construction. Various other forms of upgrading of rental properties has also continued, removing 1,000 units annually from the lower-income rental market in Vancouver. (Ley, 1988:193) The pattern of demolitions has further eroded existing rental stock, much of it located in the inner city. For example, between 1975 and 1976, 85 percent of rental demolitions were located in six inner-city neighborhoods.

Residential displacement was a marked result of the condominium redevelopment of the 1970s, and continues to be felt in inner-city areas. The redevelopment trends of the 1960s did not seriously affect the stock of low- and moderate-income housing in the inner city. Conversely, by the mid 1970s, the cost of a condominium required an income of 25 to 50 percent above the city mean. (Ley, 1988:203) Widespread condominium construction, therefore, has continued to
erode the stock of rental housing, particularly in the inner city where the poorer households have traditionally been located. Residential displacement in Canadian cities has not been extensively documented, primary because of the relatively low impact in recent years compared to American cities. The realities of displacement, such as social deterioration and homelessness, however, are becoming more and more prevalent in Canadian inner cities.

A study of displaced households in the inner-city neighborhood of Kitsilano where conversion was prevalent from 1968 to 1976 and to some extent continues today, identified a high proportion of young, married, white-collar residents in relatively low-paying jobs, many of which had lived in the residence for more than two years. Of those households that moved away, many expressed that they had been forced out by a lack of affordable housing. (Ley, 1988) Relocation for most tenants brought about a significant deterioration in the rent-to-income ratio due to the higher cost of new accommodation; many who moved away within Kitsilano experienced rent increases of more than 60 percent. (Ley, 1988) The physical transformation of the housing stock occurred in conjunction with the erosion of community infrastructure, such as school enrollment, community organizations and churches. This was accompanied by a dramatic rise in retail and office space along Kitsilano's main streets. Fewer than a quarter of stores existing in 1966 survived at the same location in 1976. (Ley, 1988) This level of turnover was characteristic of changing consumption tastes; new trendy restaurants, clothing shops, and other specialty stores sprang up to capture the demands of the new population.

The 1980s has brought severe recession and with it, a different spatial patterning of gentrification than experienced in the 1970s. Contrary to expectation, major Canadian cities exhibited an increase in the rate of gentrification, as defined by the growth of residents in high-order occupations that reside in the inner city. During the same period, Vancouver managed to slow the flood of departing
residents through social housing programs aimed at retaining a measure of housing affordability in and around the inner city. (Ley, 1991)

The spread of gentrification in Vancouver in the 1980s suggests an interruption of the substantial social changes which occurred in the 1970s. The rapid social transition observed in Kitsilano was likely stemmed by the high housing prices and the deflection of demand to Grandview-Woodlands, where a countercultural ambience was emerging. In addition to the changes observed in Kitsilano, redevelopment in Fairview Heights was also notable, an area adjacent to Fairview Slopes, a gentrified neighborhood which developed in the early 80s following redevelopment of the False Creek Flats. The latter is considered a classic case of contagious diffusion.

The basic difference noted by Ley (1991) from the earlier periods of change is that gentrification in the 1980s appears to be able to depart from the tight concentration of secure markets, and branch out into both contiguous and separate neighborhoods. Gentrification in the Grandview-Woodlands area, for example, constituted a leapfrogging of activity into Vancouver’s ethnic and working-class eastside which had been previously unseen.

The past thirty years have redefined the character of Vancouver’s downtown to its new status as a modern, post-industrial metropolis. Ample evidence suggests a narrowing income gap between the central city and suburban municipalities, one which was especially marked during the mid 1970s. This was combined with the changing employment patterns of the post-industrial city, with tertiary and quaternary employment sectors concentrated in the downtown and blue-collar employment dispersed to the suburbs. In this respect, Vancouver’s inner-city restructuring mirrors patterns which have already been noted in many other North American cities.
Despite these similarities, certain differences in development and reaction to change can be discerned in the Vancouver example. In general, it is not the magnitude of Vancouver’s past housing shortage which is unique; rather, it is the nature of the shortage, one which was caused not by overcrowding or by housing quality, but by affordability. In 1978, a quarter of the city’s households exceeded the desired 30 to 35 percent of their total expenditures on housing. (Ley, 1988:200) Neighborhood response to redevelopment and displacement has been strong, although generally ineffective due to the variability and complexity of changes which resulted in inner-city areas like Kitsilano. Some regulatory measures have been established, but these often have produced more new problems than actual benefits. Despite the extensive inventory of housing strategies amassed by the City, the substantial financial investments required for implementation have not materialized quickly enough or in the areas with the greatest need. (Ley, 1988) On the issue of urban displacement, it is clear that Canadian policy has not responded as quickly as is the case in the United States.

This general outline serves as the framework for addressing similar changes in a more critical area of Vancouver’s inner city. The Downtown Eastside area of Vancouver has been subject to substantial physical and social upheaval which is linked to many issues which have already been discussed. An examination of the study area and the specific housing project will provide a more precise focus of prevalent issues and also offer an insight into the future of housing provision in the Canadian inner city.

4.3 The Downtown Eastside

"a Caucasian male [who] lives alone. He was born in Canada, but not in British Columbia. He is 51 years old and a Welfare/Gain recipient with a monthly income of less than $439. His average annual income is $5628. His income comprises 47.5% of the poverty line. He has not worked in seven years. When he worked he was employed in construction, mining, logging, or the
service industries. His home is a sleeping or housekeeping room in a hotel." (Hulchanski, 1989:3)

This profile represents the average resident in the Downtown Eastside neighborhood as determined by the Downtown Eastside Residents’ Association (DERA). Located in the northeast sector of the city (figure A) and bordered by Chinatown, Strathcona, Gastown, and the industrial district, the Downtown Eastside is a culturally diverse residential area of about 10,000 people. (Hulchanski, 1991) Residents of the Downtown Eastside are primarily single people on modest fixed incomes, 90 percent of whom live below the poverty line. The area is home to a large number of residents living in residential hotels and rooming houses, and has become a source of concern in recent years due to the rise in land prices in adjacent areas and the magnitude of redevelopment proposed near the downtown core.

DERA uses a broad definition of the Downtown Eastside based on the geographic location of low-end existing housing stock, in order to include the bulk of Vancouver’s residential hotels and rooming houses and help protect this form of housing and its tenants. In its most recent survey, DERA differentiates the Downtown Eastside from adjacent areas such as Strathcona that are significantly different in terms of income, housing, ethnicity, and community character, and which do not appear to be at risk in terms of a lack of adequate housing for its residents.

4.3.1 History of the Downtown Eastside

As the original community of Vancouver, the Downtown Eastside evolved historically as a mixed-use area housing industrial, residential, commercial, and institutional uses, and was subject to wave upon wave of new residents, including the Japanese immigrants of the 1930s. By the 1940s, the central business district had shifted west and the ethnic character of the area altered due to the evacuation of Japanese-Canadian residents during World War Two. The expansion of industrial and institutional uses during the 1950s and 60s, and the subsequent neglect of
TABLE 1

STANLEY PARK
ENGLISH BAY

BURRARD INLET

IStrdyArea

FIGURE A.
## Table 2

Population Growth in Vancouver’s Downtown Eastside

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Downtown Eastside</th>
<th>Downtown East CT*</th>
<th>North CT</th>
<th>South CT</th>
<th>Eastside</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1981</strong></td>
<td>8,538</td>
<td>2,507</td>
<td>4,303</td>
<td>1,728</td>
<td>8,425</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>1986</strong></td>
<td>8,425</td>
<td>2,760</td>
<td>3,974</td>
<td>1,691</td>
<td>8,538</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

**Growth**

<p>| | | | | | | |</p>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>1981</strong></td>
<td>10.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>1986</strong></td>
<td></td>
<td></td>
<td></td>
<td>-7.6%</td>
<td></td>
<td>-2.1%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, Canada Census, 1986

Vancouver Part I, Catalogue #95-167.
residential areas brought decay to the Downtown Eastside, and the quality of life for residents steadily declined. Through further neglect, the area acquired a "skid row" label.

Community-based attempts to improve the quality of life in the Downtown Eastside have been reinforced by a number of initiatives since the early 1970s. The social Planning Department, in particular, has provided strong ongoing support. DERA’s formation in 1973 was a major step to improving access to community programs aimed to assist residents with issues related to housing, health, and social assistance. Initiatives from the City included a Neighborhood Improvement Program (NIP) for the Downtown Eastside which was approved in 1975, followed by a planning program in 1978 which focused on the development of a concept plan of future land use in the area.

Today, much of DERA’s work involves the provision of local services to the community ranging from information on legal aid, tenant and welfare rights, tenant-landlord agreements, and access to social networks. The Association also actively plans, builds, and manages new non-profit housing projects in the neighborhood under the federal/provincial social housing supply programs. Despite these efforts, pressures for redevelopment have resulted in evictions and further losses of rental units, particularly after Expo ’86. Future losses may be anticipated due to the extent of planned redevelopment in the general area, the growth of Chinatown westward, and the shift of the central business district towards the east.

4.3.2 Demographic Profile

Figure B shows population growth in the Downtown Eastside by census tract, as defined by the sub-areas used by DERA: Downtown East, Downtown South, and Downtown North. Of the three sub-areas identified, only the Downtown East census tract experienced a population increase. Additionally, of the areas which comprise Vancouver’s central area, only the population of the Downtown Eastside
increased between 1981 and 1986. In comparison to other parts of Vancouver, The Downtown Eastside has a disproportionately large number of elderly people and fewer children, although over the past years more women and children have been moving into the area. (Hulchanski, 1989) Hulchanski (1989) emphasizes the growing trend of single-person households in Vancouver's central area from 8% of all households in the 1950s to 40% in 1989. This is most pronounced in the Downtown Eastside where 86% of the population lives in single-person households.

The Downtown Eastside is one of the poorest areas of the city. In 1986 the average household income was reported to be $8,594, whereas in Vancouver it was $30,009 (1986 Census). 91 percent of residents in the Downtown Eastside live below the poverty line, which in 1989 was estimated at $10,673 for a one-person household. The majority of residents receive Welfare/Gain/GIS payments. The employment profile of residents in the Downtown Eastside also lags badly in comparison to other neighborhoods; only 43 percent of all males were in the labour force, and of those only 53 percent were employed in 1986. For Vancouver as a whole, the figures are 75 and 86 percent respectively. (Tollefson, 1990) Census information from 1986 also illustrates the high unemployment rate in the Downtown Eastside (27.9 percent compared to 12.7 percent in the City of Vancouver), as well as the highest percentage of low-income families in Vancouver (71%) (Hulchanski, 1989:6). This suggests an environment where housing pressures are much more pronounced due to a limited ability to pay.

High unemployment and a low socioeconomic status correlate with the aging status of the population (more than 35 percent over 65 years of age in 1976) and the growing ethnicity of the area. In 1986, 68 percent of residents in Strathcona, an area adjacent to the Downtown Eastside, spoke a language other than English as their mother tongue. Recent figures also portray a diverse area characterized by substantial social and health problems. Tollefson's (1990) analysis of morbidity and
mortality indicators in the Downtown Eastside identifies a much higher incidence of illness, injury and death as compared to the city in general. The increase in the number of people living alone, and the concentration of the lowest income segment of the population in the central area has created major impacts in terms of housing provision and accessibility. Gentrification and revitalization in these poorer neighborhoods are significant concerns, considering the limited options available to impoverished households.

By all indications, the Downtown Eastside will continue to attract a low-income, unattached population that has difficulty fitting into society’s norms and which seeks out inexpensive housing, appropriate social services, a downtown location and a tolerant social climate. (Vancouver Planning Dept., 1982) However, contrary to the stereotype, the Downtown Eastside population forms a stable community with a long length of residence and a diverse net of social services. The average length of residence in the area is ten years, which means the Downtown Eastside is the second most stable neighborhood in Vancouver after the Dunbar area. (Hulchanski, 1991:25) The number of transients in the Downtown Eastside varies with the rate of unemployment, and the area is also home to a significant number of disabled and ‘hard-to-house’ residents, as well as those affected by mental illness or drug and alcohol abuse. Despite the level of organization that exists, poverty in the inner city has continued to persist, coupled in the 1980s with an increase in homelessness. This was a result of a continued loss of lower priced and low-rent housing, as well as a general rise in land and house prices. (Hulchanski, 1989) The reliance of these households on existing units is as evident as the economic limitations of the residents living in the inner city.

4.3.3 Housing Stock

The housing stock in the central area of Vancouver consists primarily of residential hotels, rooming houses, and private housekeeping rooms. In 1985, the
Social Planning Department estimated about 12,500 rental units in the Downtown area (including the Downtown Eastside); this has decreased to around 9,000 since 1985. (Hulchanski, 1989:4) The majority of people in the study area live in residential hotels and rooming houses. The loss of units experienced after 1985 reflects a general tightening of the real estate market, particularly for residential accommodation, which has brought occupancy levels in this category of accommodation to historically high levels. As discussed previously, the residents of these units traditionally have been working males over 40 years of age, although a younger clientele has gradually begun filtering in.

The age and physical condition of buildings in the Downtown Eastside has created an environment where the bulk of low-cost accommodation is contained in older hotel properties which comprise small rooms and limited kitchen and bathroom space. This type of accommodation, in combination with the beer parlours of which they are often a part, contribute to a self-contained, integrated, and self-sustaining lifestyle, one which may be subject to change from external influence and adjacent development. In the past, only slow and gradual upgrading of units took place, primarily to bring many buildings up to fire code. Current economic conditions, however, may warrant a greater need to maximize the financial return on these properties, leading to potential unit losses.

The DERA survey showed that 77.3 percent of Downtown Eastside residents live in private market housing, while 22.7 occupy social housing. Of all the units in the Downtown Eastside, 96.2 percent are rental units. The number of SRO (Single Room Occupancy) rental units has been drastically reduced in the Downtown Eastside and other areas such as Mount Pleasant since the 1970s to accommodate redevelopment. This has resulted in a steady decline in the vacancy rate in the central core. Since 1988, the City of Vancouver has experienced a rental housing
crisis that has placed these types of units in higher demand as affordable units are lost to development and gentrification. (Hulchanski, 1991)

The rate of loss of rooming houses during the past decade is open to debate as no central recording system is in place to gauge changes in housing stock. A survey carried out in 1985 by the Social Planning Department estimated a net loss of 3,000 units since 1978, many of which were lost during recessionary periods when redevelopment pressures were modest and land prices relatively stable. In the early 1980s, then Mayor Harcourt estimated a possible loss of 2,500 rental units by 1986, or roughly 400 units per year, primarily due to the expected housing demand and inflated prices generated by Expo ’86. (DERA, Tenant Information Package) In the early 80s, the City estimated a loss of 250 units per year, whereas the U.B.C. Center for Human Settlements anticipated a continued loss of about 300 units annually. (Burgess, 1989, 4) Despite the variation in prognoses, unit loses can be expected to continue naturally, thereby contributing to the current housing shortage. The loss of units can be attributed to various factors: the redevelopment of low-density rooming houses to medium- or high-density residential development, redevelopment for commercial purposes, and upgrading resulting in less units and more expensive accommodation. (Burgess, 1989:5)

The result of substantial upgrading, demolition, and condominium conversion is a lack of adequate, affordable shelter for residents which have traditionally been the poorest in the city. Combined with recent downward trends in social assistance levels and social housing funding, as well as increased unemployment and under-employment, the shortage of housing can only result in a further deterioration of the general status of residents in areas like the Downtown Eastside. Housing affordability, or the ability of residents to pay for housing, is a serious concern in the study area, where almost three quarters of residents are considered low-income. The traditional approach to measuring affordability
assumes that households should spend not more than 30% of their income on housing. The 1986 Census and 1987 DERA survey both found that over 50% of central area residents spend more than 30% of their income on housing, while this is only true of 14% of the city’s households in general. In addition, the number of households paying more than 50 percent of their income on shelter has doubled since 1981. (Hulchanski, 1991:17) This suggests that any force leading to renovation, conversion, and ultimately, rent increases will have a much more serious impact in the inner city, and particularly the Downtown Eastside.

Hulchanski (1989, 1991) indicates that the stock replacement problem in the inner city will continue as it is not economically feasible to supply new low-rent housing stock without substantial subsidies. The stock which remains is under constant threat of demolition, conversion to other uses, or gentrification. Nevertheless, between 1980 and 1988, federal and provincial housing programs, as well as local strategies, have managed to provide 1,846 non-market, subsidized units in the inner city, 564 (30%) of which were rehabilitated and 1,282 (79%) comprised new construction. (Hulchanski, 1989:7) The allocation of social housing units in the inner city has been reasonably steady, averaging about 275 units annually from 1985 to 1988. These have dampened the impacts of continued unit losses. The City of Vancouver will continue to rely on both annual and special allocations of social housing units to abate future declines in rental stock. Unfortunately, recent requests for increased allotments have not been well received by the senior levels of government. In fact, rationalization of housing assistance funds both at the Federal and Provincial levels indicates a reduction in future housing strategies and unit allocations.

Recent trends in real estate activity suggest a renewed level of interest in the central area as evidenced by the number of large developments near the core. Although the rate of change in the coming years will occur according to cyclical
economic conditions in the market place, these will undoubtedly involve peaks of activity that will pose a significant challenge in terms of preserving existing low-income units. Redevelopment in Vancouver’s inner city will affect the Downtown Eastside to a smaller degree than areas such as the Downtown South which are currently being planned for growth. Nevertheless, new pressures to maximize land potential will likely be felt both in terms of upgrading and redevelopment. In addition, some of the City’s estimated 26,000 illegal secondary suites in single family houses are also threatened by a City Hall neighborhood review process. The net result is additional demand for affordable rental housing.

Two specific development areas which will have the greatest impact on the future of the Downtown Eastside are the Bosa development on Main Street and Concord Pacific’s development on the north shore of False Creek. (see figure A) In addition, significant pressures may also arise from the Marathon project on Coal Harbour and the general redevelopment of the Downtown South area. A report commissioned by the Vancouver Planning Department in 1985 identified the probable limits of potential redevelopment in Vancouver’s central area, as well as the potential for future upgrading. Burgess and Associates (1989) indicated a worst-case scenario where up to 57 percent of the existing inventory could redevelop or be renovated during the next 15 years. (Burgess, 1989) The rate of attrition for rooming houses in the whole of the central area as a result of redevelopment is estimated at about 110 units per annum over the first five-year period, although this could increase to 150 over a ten year average. It is also probable, however, that many units could be upgraded and retained, provided existing densities are favourable. Over ten years, this could reduce the unit loss to redevelopment from 1500 to 1000 units. (Burgess, 1989:15)

Upgrading could also deplete existing low-rent units by effectively removing them from the affordable market range. This process is most probable on sites
which are removed from undesirable locations, such as certain parts of the Downtown South. However, the identity and sense of community enjoyed in the Downtown Eastside may represent a degree of stability which encourages limited and sporadic upgrading. Generally, the upgrading process is expected to be slow, and will likely offer the greatest potential to properties which exhibit character and amenity, usually outside of the greatest unit concentrations. (Burgess, 1989, 18) Burgess et al (1989) point out that in the Downtown Eastside any upgrading activity is not likely to increase rents above an affordable level due to the gradual process of change, reasonable existing site coverages and densities, and the risk involved despite the relatively low prices. (Burgess, 1989) The existence of a relatively sizeable and stable inventory of social housing units is also significant; any private development will be influenced by the existing balance and neighborhood composition, making a dramatic change unlikely.

Burgess' analysis is based on an assessment of the economic environment. The argument put forward, however, omits the potential effects of the demographic and general societal shift observed in recent years which sees the movement of younger residents and families into the area, many who see the inner city as an acceptable location for city living. Over time, these younger residents may make their impact felt, both in the existing rental market and as a motivating force behind redevelopment. The changing employment profile in the area is also indicative of a shift in the status of new residents. Though it is likely that the present composition of residents will remain in the immediate future, the long-term prognosis appears to be heading towards a higher occupancy by younger, more educated residents. (Burgess, 1989) In the Downtown Eastside, Burgess et al see little influence from planned mega-projects in terms of increased redevelopment pressure. They recommend, however, that acquisition of low-cost unit buildings for
refurbishment may be the key to guaranteeing the retention of private units in years to come.

Large developments adjacent to the Downtown Eastside may be considered positive given the fact that they guarantee additional social housing units, and do not affect existing stock as sites are generally vacant. Nevertheless, the recent changes to residential composition pose some concern in the long term. Burgess’ analysis of economic indicators does not explore the social and human costs of relocation and displacement which is often a result of the resurgence of inner-city areas and the associated levels of residential demand. Homelessness is a particularly striking symptom of housing shortages. A 1986/87 survey of emergency shelters identified a 75 to 100 percent occupancy rate, one of the highest ever observed. (Hulchanski, 1989:8) These trends suggest a need for further analysis into the process of housing provision in the inner city to determine the extent of potential gentrification and upgrading, and the effectiveness of housing strategies to cope with the changing social, economic, and demographic circumstances.
5. NEW HOUSING IN THE CONTEXT OF GENTRIFICATION: THE FOUR SISTERS COOPERATIVE

The issue of housing provision in the inner city, then, becomes increasingly complex in the emerging context which has been observed during past decades and discussed in previous chapters. The Canadian inner city is today a much more diverse arena than it was years ago; the social, demographic, and cultural profile of residents is vastly more varied following years of redevelopment, urban revitalization and economic restructuring. No longer are the boundaries between the gentrified area and the lower-income neighborhood so clearly defined, at least in the physical sense. Evidence shows that today, gentrification is as likely to seep and diffuse to adjacent areas as it is to leapfrog to new enclaves at the edge of the inner city. Although protection of lower-income housing can be sought through regulatory control, this cannot ensure outright preservation nor does it serve as a stimulant for the creation of new social housing for which there is a continuing need.

The future focus of housing strategies in needy areas of the inner city must therefore be on new housing projects that achieve several key aims. These include adding to the stock of social housing in the inner city, utilizing a scheme that requires the least amount of government subsidy, encouraging development that promotes the social identity of the neighborhood, an including a wide range of residents in recognition of the diversity of income groups which are vying for space in the inner city. It is argued that an effective strategy for providing housing in today’s inner city must both recognize the demands and needs of lower-income residents and make provision for other competing interests, such as gentrifiers. The Four Sisters Co-operative on Alexander Street merits consideration in this context. It is considered a success, both in terms of design and because of its overall concept of allowing a broad residential mix and providing its own amenities within the inner city. Most importantly, the project reflects the new residential environment of the
inner city and illustrates a potential direction for new housing projects that cater to this a new definition of a shared inner city space.

The basic premise behind the Four Sisters Cooperative was simple: the site was ideally located to provide affordable housing in an area which was sorely in need. The conditions surrounding the initial development planning, acquisition of land, funding, community and government involvement, and the political backing of the project, while not entirely unique, do illustrate a process and a cooperative framework which merits further analysis. The development has been described as an architectural and design success, as well as the centerpiece of social housing in Vancouver's inner city. DERA achieved both practical and political goals in developing the Four Sisters Co-op: the practical goals included providing permanent accommodation and security of tenure for Downtown Eastside residents in self-contained accommodation rather than housekeeping rooms; the political goals related to DERA's objectives to preserve the Downtown Eastside as a place for families by, in fact, encouraging families from outside the Downtown Eastside to live here. The strategic location of the site was also critical as a means of preventing the eastward expansion of commercial uses from Gastown.

In its planning stage, however, the project was surrounded by controversy, hampered by disagreements on project design and programming, and riddled with doubts about the appropriateness of family housing in the inner city. Its history, development, and resulting success provides a valuable insight into the conditions of inner-city social housing. Given the unique characteristics of the area and the changing demographic, social, and economic profile of the Canadian inner city, the project appears to illustrate a successful framework of collaboration and a model example of affordable housing provision in times of change.
5.1 Background

Peace and harmony were to be the central themes of the project, signifying an openness to the diverse profile of ethnic backgrounds prevalent in the area. The name itself refers to Vancouver’s four sister cities, Edinburgh, Scotland, Odessa, Russia, Yokohama, Japan, and Guangzhou, China, and signifies a peaceful coexistence between cultures. The intended site on Alexander Street contained the old 5-storey Fleck Brothers warehouse complex which had been operated in the same block since 1919. As the original business district and center of Vancouver, Gastown, or the area around Hastings, Powell, and Water Street, bustled with the activities of a prosperous center. As growth in Vancouver moved westward, the area eventually contained little more than warehouses and cheap hotels for the city’s poor. Nevertheless, the area always offered a strategic central location in proximity to Gastown, Chinatown, Japantown, and the Hastings area, all areas of strong character and attractive heritage architecture. Its proximity to the downtown made it one of the inner-city neighborhoods with the greatest untapped potential for accommodating residential growth. Such growth, however, could not occur without public conflict and possible dislocation of existing residents, particularly in light of the prevailing socioeconomic levels in the area. Additionally, it was still to be proven whether such a venture could be economically viable or even socially acceptable in an area considered to be scarce in terms of services and where, on the surface, a strong feeling of residential and community association was not evident.

Interest in the Fleck property began in 1983, a site designated as having heritage value which had yet to undergo the refurbishment experienced in other parts of ‘new’ Gastown. At the time, the majority of buildings in the vicinity were in a neglected state, and the majority of residents were long-term, older, male tenants who fit the traditional description of the inner-city resident. In addition to the
advantages of location and the existing support network, the physical form of the area also provides a vital link to the community:

"They choose to live here because of friends and the network of support that exists. The many old buildings in the area represent a kind of old-town main street vernacular and scale that provides comfort to the residents. To them the character remains durable and slow to change. Most of the buildings have become important for their symbolism of everyday life and their relative permanence even though they are extremely adaptable to re-use."(Four Sisters Cooperative, Tenant Handbook, 1988:5)

The initial impetus for the project came from a variety of directions--the City, DERA, and public pressure--in reaction to the anticipated need for low-cost accommodation in the area due to inflated housing costs and displacement caused by Expo '86. The need for accommodation was not just for single rooms, but also for the growing number of families living in the area. Gentrification had been experienced in nearby Gastown and it was feared that this could also spread eastward as hotels were renovated in anticipation of Expo '86. The Four Sisters development was to be one of several projects initiated by the City aimed at providing affordable housing for families. The development of adequate 'family' housing was a concept introduced as part of the City's strategy for strengthening the inner-city area. A more diverse heterogeneous population would create a greater sense of community, and would add commercial as well as cultural vitality to areas such as Gastown which had become seasonal tourist traps. Some City staff and the Central Mortgage and Housing Coorporation (CMHC) believed the Downtown Eastside should remain solely an area for single people, particularly older people, and past housing developments reflected this.

The concept of social housing for families in the inner city had been initiated first in 1982 in a project sponsored by the First United Church. Bill Hennessey Place had 17 two-bedroom units out of a total of 70 units. This was followed in 1983
when DERA was approached to sponsor their first housing project on a site purchased by the City for that purpose. This co-op at 683 Alexander contained 5 two-bedroom units out of a total of 56 units. The immediate take up of the two-bedroom units in both projects by families with children from the Downtown Eastside was clearly an indication of the unmet need for family housing in the area. (John Jessup)

The arguments for and against family housing in the inner city are often polar; some argue in favour of the cultural diversity and awareness found in the city, while others reject the central city as an inadequate and dangerous place to raise a family. The battle for the allocation of more family units continues today; what was becoming clear at the time, however, was the growing number of families, including single women with children, that required housing and other social services in the area. The primary concerns with inner-city family accommodation have been the lack of services and amenities for children and families, security, and the growing level of criminal and quasi-criminal elements in the area. (John Jessup)

In this respect, the Four Sisters Cooperative aimed to be a key project that addressed these concerns and which had the potential to change the future direction of the area. The success of the Four Sisters in this respect is evident in the fact that the City has since become supportive of family housing in the area.

The debate over the appropriateness of family accommodation in the inner city was especially heated in the case of the Four Sisters Cooperative and was a crucial point upon which the project’s future rested. DERA feels the process was delayed by about a year because of the proposal to house families. Other early concerns which threatened the feasibility of the project were questions of access to schools and community facilities, as well as the congruence of this project with other strategies to increase family housing in the area through zoning or other municipal approaches. Further concerns were the proposed unit mix for the cooperative and
the need to address the project to the housing of indigenous families. (John Jessup)
Most of these concerns were voiced early on by the federal housing arm, the Central
Mortgage and Housing Corporation (CMHC), which was a main funding source for
the project. In addition to cost, these issues became central obstacles which had to
be addressed before approval would be granted.

Originally conceived in 1983, the project was sponsored by DERA and was
aimed at the NHA 56.1 Co-op Federal Housing Program which was subsequently
discontinued in 1985. Under this Co-operative Housing Program, allocation of units
occurred through an annual competitive proposal call. In the case of the Four
Sisters, however, a cooperative agreement was struck by Mayor Harcourt between
DERA, the First United Church and the Chinese Benevolent Association (CBA).
This informal agreement was aimed at working together to lobby the Federal
Government for a special unit allocation in anticipation of the housing crisis which
would be precipitated by Expo 86. As a result of the many lobby efforts lead by
Mayor Harcourt, supported by City Council and endorsed by the three sponsor
groups, the City was granted a special allocation of 120 units in the fall of 1984.
Because DERA was most advanced in the planning of its project, it was unanimous
among the three sponsor groups that the special allocation go to the Four Sisters.
To complete the development and make it more viable, the City and DERA lobbied
CMHC for another 33 units which would eventually come out of the next year’s
regular allocation.

Development of the Four Sisters began with the City purchasing the portion
of the Fleck Brothers site not already owned, and developing a strategy to lease the
site back to a sponsor, in this case DERA. City policy at that time was to lease the
site for 41 years in return for a prepaid rent equal to 75% of the freehold value,
which was considered to be the market rental value for a 41 year leasehold interest
in the property. The Vancouver Charter required that the amount of prepaid lease
rent be based on the freehold value of the site at or about the time the site was leased to the sponsor, rather than the acquisition cost. The total acquisition cost of the property including that part already owned by the City was $2,022,000. The leaseback prepaid rent on this value would be (.75 x $2,022,000) $1,516,500.

The development team, including the City, DERA, Terra Housing Consultants and Davidson Yuen Architects worked as a team on the design, programming and financial plan for the project. The best financial plan indicated that the project could afford to pay the City a maximum of $1,180,000 in prepaid lease rent. Prior to the report recommending Council accept the $1,180,000 prepaid lease rent, however, an independent appraisal of the site was undertaken which showed the value of the site had actually dropped to $1,552,000. This meant the market rental value for a 41-year lease had also dropped to ($1,522,000 x .75) $1,164,000, and that the City would receive $16,000 ($1,180,000 - $1,164,000) more than the market rental value of the site under the agreement. The actual writedown of the cost of the property was ($1,516,500 - $1,180,000) $336,300.

The form of subsidy provided by the City (writedown) had significant implications for Council approval of the terms of the lease. A grant (a gift from the City) would have required a 2/3 majority of Council (ie. 8 of 11 members), while only a simple majority (6 votes) existed in support of the project. This simple issue of definition was crucial in allowing the project to be realized.

The rental structure of the project illustrates the contribution of the Four Sisters to gentrification in the area.(J. Jessup) Under the 56.1 CMHC program, interest reduction grants were provided in order to bring down the interest rate to 2% from the actual market rate of interest on the 100% mortgage. The difference was calculated on an annual basis and divided by 12 to yield monthly subsidy payments to the project. The monthly subsidy was first applied to all 153 units as a "predetermined amount" to bring the economic rent to low-end-market-rent (LEM),
or equivalent to 90% of average market rent for a similar unit in the same market area. What was left over after the predetermined amount went into the subsidy pool and was used to make up the difference between 25% of income for households that qualified for subsidy, and LEM rent. Once the subsidy pool was exhausted, the remaining units had to be filled by higher income households who could afford to pay LEM rent. Therefore, the financial requirements of the project afforded the opportunity for gentrification to occur.

The project was developed with the cooperation of many groups. The City facilitated the project by providing land and the substantial lease writedown. CMHC also played a crucial role in providing mortgage insurance and the critical subsidy in the form of interest reduction grants under the 56.1 program. The City played a key role in its pursuit of a Council policy to purchase market land and lease it back to neighborhood-based sponsor groups at a discount to provide affordable housing. The key players in the project, DERA, Terra Housing Consultants, Davidson Yuen Architects, and the City worked together towards several common objectives. These were: to maximize the yield of the site consistent with a quality social housing development; maximize the number of neighborhood low-income residents who could afford to live in the project (increase the size of the subsidy pool); and minimize the financial cost (writedown) to the City. (J. Jessup) The project, then, was achieved only through significant subsidy from several levels of government and cooperation from the groups involved.

The proponents of the project were DERA, the area residents which they represented, and housing advocates who warned of the impending affordable housing crisis linked both to Expo '86 and to the growing evidence of gentrification in Gastown and other parts of the inner city. Also in support were a small group of planners who advocated the concepts which were represented in the Four Sisters proposal: inner-city living for a mix of income and family types, and a regeneration
of the area through residential growth. (John Jessup) The basic objectives of the City Planning Department were two-fold:

1. to establish the basis of a neighborhood residential area through redevelopment of the Fleck Brothers properties for families and individuals; and

2. to provide a significant amount of accommodation for singles, couples and families who are GAIN recipients. To create a healthy environment [it is believed that] a 50% GAIN, 50% LEM (low end market) split will help achieve this goal. (Vancouver Social Planning Dept.)

The breakdown of income mix as proposed was aimed at addressing the immediate problem: housing the growing number of indigenous families which were the most needy. Both the proponents and the financial contributors of the project, the City and CMHC (which represented both the Federal and Provincial levels under the NHA 56.1 program) could agree that GAIN and LEM recipients merited immediate attention. However, not enough evidence was available to support the notion of including a large percentage of families, in this case 30% of the total number of units, or 59 units distributed over different parts of the site. (DERA, 1983)

Opposition to the project was a result of uncertainty about the development concept, difficulties in securing funding, and the overall time period required. As part of the funding program, CMHC ensures the allotment of units goes towards viable projects that meet an obvious demand. Specific guidelines are used to determine parameters for the project and a proposal can only receive funding if it meets the desired guidelines. As previously mentioned, family housing in the inner-city was not a new or unique concept; it was, however, never pursued at such a scale or in quite the mix as proposed in the case of the Four Sisters.

Uncertainty over funding was fueled by the lack of accurate and recent data on the number of families in the area. These concerns prompted several surveys of
the population in the Downtown area, one a summary of GAIN recipients reported by the Ministry of Human Resources in 1984, and the other a survey carried out by DERA following a request from the City. The profile compiled by the Ministry of Human Resources was not a representative survey but an assessment of GAIN recipients seeking services from 5 downtown offices. Figures indicated that in 1984, 132 families receiving GAIN benefits lived in the downtown, and it was generally acknowledged that there was a growing number of women and children in the area who were not recipients of the services offered by the Ministry. (Letter, Patsy George, Ministry of Human Resources, 1984) The large number of families receiving services in nearby Strathcona further supported the apparent need for affordable family accommodation. The need for family accommodation was compounded by the existence of community strength, and the willingness of residents to remain in the area even under adverse conditions:

"residents in this community have extremely strong attachments to the neighborhood and many would prefer to go on living in inadequate housing rather than moving to better accommodation it required leaving the area. Social consequences of not providing family housing is therefore a serious one from a social perspective and a disastrous one when one approaches from a child welfare perspective. (Letter to CMHC from the Ministry of Human Resources, 1984)

A second examination of the demographic makeup of the Downtown Eastside was provided by DERA in response to concerns voiced by CMHC over the development concept and underlying premise. Results showed that a high percentage of families living outside the Downtown Eastside wanted to live at the proposed project. (DERA Survey, 1985) This evidence was at variance with the contention held by CMHC that the low percentage of families living in the area indicated that few preferred to live there. In fact, the growing number of amenities such as CRAB Park, and the proximity to downtown continue to attract people to
the inner city. Of the 152 people surveyed by DERA, 53.7% were families, and almost all of these (97%) preferred living in the Downtown Eastside to other parts of Vancouver. Ultimately, before CMHC could approve the project, they required a list of prospective families to confirm the demand for family units.

The unveiling of post-Expo '86 development plans by the City in the nearby areas of Dunsmuir and Pender also supported the idea that demand for family housing did exist in the downtown. The process involved the development of policy guidelines for the area which would encourage housing oriented towards a broad range of household types and incomes; the adopted policy guidelines also became part of the basis behind the comprehensive redevelopment schemes planned for the Downtown South and False Creek North. Two other crucial factors were access to community facilities and the proposed building design; these would be critical to ensure a high level of liveability and a project that would be marketable as intended.

Community facilities and amenities close to the site include Strathcona Elementary School, CrabTree Corner Daycare, CRAB Park, the Carnegie Center and the Chinese Cultural Center. Various Co-op committees and DERA itself provides services for co-op members, including summer day camps, seniors health and independence programs, daycare, and other in-house or referral services. A primary concern in terms of accessibility was the safety of children travelling the six and one half blocks east to Strathcona School. Although the site was well within provincial guidelines for maximum distances to elementary schools, the City agreed to undertake the necessary measures to ensure a safe route to school, such as pedestrian-activated traffic control devices. The principal argument of advocates for the project, however, hinged on the overall strategy of the City to create residential areas downtown, and the recognition that services and amenities would not come without the population base to support them. The concept necessitated careful planning and design to provide a secure and defensible urban space, and
remain both functional and aesthetic. This was particularly important in this part of
downtown where such a project could be the key to establishing the concept early
on.

5.2 The Project

As previously indicated, the co-op comprises three buildings and a total of
153 apartment units. These are distributed among a wide range of income levels,
from families who rely on Welfare to members who pay full, lower-end market rent.
The residential units are designed to accommodate households ranging from singles
to families with children, although the majority are bachelor apartments. There are
also twenty suites which can accommodate residents with disabilities or special
needs. The main theme running through the project is diversity, not only of its
residents or surrounding ethnic neighborhoods but also its components: the three
buildings consist of a wood-frame, low-rise with 13 units, a new concrete high-rise
housing 87 units, and the completely renovated brick, 5-storey Fleck warehouse
building with 53 units. The three buildings, as well as two adjacent affordable
housing projects, form a central courtyard which is enclosed by fencing to provide
safe and secure open space. The project offers playground areas for children in the
courtyard as well as rooftop gardens open to residents of all buildings. The closure
of the municipal lane for the purpose of creating a secure courtyard became one of
the biggest obstacles to the project. Although a relatively safe environment was
created, the alleyway remains a source of security problems, illustrating the difficulty
in providing safe play areas in the inner city. The result, however, was a varied and
unique project with interesting spaces. The designer, Davidson\Yuen Partners
received an Architectural Institute of B.C. award in 1988 for overall merit of design.

The waiting list for the Four Sisters Cooperative is perpetually full and
membership is fairly stable, a fact which, although not remarkable considering the
general lack of adequate housing, is significant in documenting the project’s long-
term success. This is evidence of the popularity of a project which seems to have exceeded the expectations for its success. It is successful for a variety of reasons, many of which have already been discussed: its central location, unique and aesthetic design, on-site amenities, safe and secure environment, and the prevailing sense of community which it offers. From a housing perspective, this and other such projects allow both the accommodation of low-income residents, as well as 'market' residents. Although many residents require a subsidy (43% in August, 1989), the income mix is crucial to maximize the subsidy pool and allow the project to work. The income mix also appears to add a greater sense of stability to the area. Given the right conditions, such projects offer a viable housing option for the needy incumbents as well as entering residents who do not require a subsidy and can afford to pay low-end market rent. As illustrated by the Four Sisters, however, timing and project design hold the key to successful implementation.

The only problems which have been identified by Co-op staff relate to the logistical issues of managing a cooperative of this size. It is felt by some that the project could have been more easily and efficiently run as three separate co-ops. Security and safety continue to be concerns, although better surveillance on the part of residents appears to have brought the situation under control.

In summary, several key points can be drawn from the Four Sisters example. Hulchanski et al (1989), in their study of projects in the Downtown Eastside in relation to homelessness, indicate that a combination of public, private, and third sector (non-profit) resources are necessary to bring together land, housing capital, and services for the development of affordable housing. Implicit in this is the idea that neither the public sector nor the private sector can produce low cost housing economically in core areas of major Canadian cities. The preservation of the demographic and social mix of these areas warrants participation of all levels of government and innovative strategies that broaden the definition of the inner city.
In summary, the anticipated housing crisis due to Expo '86 and previous gentrification in Gastown created an environment which was politically receptive to housing solutions aimed at accommodating displaced residents. This was combined with renewed pressures to acknowledge the need for family housing in the inner city, as well as an open philosophy on the part of some members of the Planning Department which advocated residential development in the downtown. The work of DERA was instrumental, both in terms of community leadership and organization, and also as the central resource body for the project. The City of Vancouver and CMHC were the central contributors, particularly in their willingness to provide financial support over and above their original intent through special funding schemes and additional unit allocations.

The entire process, then, was facilitated by a changing demographic and social context, motivated by a perceived housing crisis, and facilitated by the work of a strong community organization, supportive levels of government, far-sighted planners, and talented designers who managed to bring affordable family-living in a safe environment back to the inner city. The role of the City and CMHC was central as funding sources and also through the consultative planning process as mediators pursuing a common goal. The main impetus of the project was the defined need for housing to accommodate displaced residents due to Expo. Without the immediacy of need, however, many of the obstacles to development may not have been overcome, particularly given the level of subsidy which was ultimately required. This supports the idea that such a development requires an integrated and cooperative approach involving all levels of government and the community, all in pursuit of a common objective. In gentrifying inner cities, a strong community group with links to the appropriate levels of government, and an effective monitoring system will be required to maintain a constant housing stock for needy residents. Projects like the Four Sisters Cooperative represent an option to
dampen the impact of gentrification within a broader strategy of downtown redevelopment, while still providing housing for incumbent residents.
6. CONCLUSION

6.1 The New Inner City

Distinct periods of urban development are evident in today's varied landscapes. These landscapes are the result of the evolution of technology, social norms, structural economic changes, and the pattern of wave upon wave of new construction on the physical fabric. Relatively new terms such as post-industrialism (Ley; Bunting and Filion, etc.), post-modernism (Knox), and neo-traditionalism (Duany and Plater-Zyberk) are being used to capture the form and character of development which reflects a certain set of values, demographic characteristics, and patterns of consumption. Among these 'new' urban settings, the Canadian inner city has begun to reassert its dominance in the residential market.

The transition to 'advanced capitalism' which is termed by Paul Knox may be better described as 'enlightened capitalism', as much of what perpetuates the new social and consumer attitudes towards urban space can be attributed, in part, to a more efficient use of urban resources. Shifts in the economic and demographic structure of cities has translated to an increased importance of the inner city as an attractive residential location. The new pro-urban sentiment places significant value in historic streetscapes and post-modern architecture, much of it relating to the built form found in the inner city. The result has been an increased market demand for inner city spaces. Although gentrification has been observed for several decades, it appears that the full transition to the post-industrial city is just now being realized in terms of changes to the physical form. At the same time, problems inherent with these changes are being identified, such as the need for low-income rental accommodation in the inner city, homelessness, and the social costs associated with the displacement of lower-income residents. As a result, solutions are being sought both at the theoretical and policy levels.
The Four Sisters example in Vancouver illustrates one of the City's solutions to a housing problem; the project was essentially planned to meet an anticipated shortage of low-income accommodation. At the same time, however, it has contributed to increased confidence in the area and managed to tap into a rising demand for new market housing in the inner city that is part of a much larger process of neighborhood and social evolution. The stage of that change in the Downtown Eastside can be seen in the amount of new residential construction in the immediate vicinity and the extent of future planned redevelopment in other parts of the inner city.

The success of the Four Sisters cooperative in providing affordable rental housing in the inner city hinged on several critical factors: the perceived urgency of the project due to Expo '86, the financial support from the City and other levels of government, and the efforts of DERA in bringing it all together. The long process from inception to completion underscores the rising influence of community organizations in the provision of housing, the very specific nature of neighborhoods in trying to assess individual housing needs, and the complexity of building projects at a larger scale. The latter suggests that the ability to replicate such projects becomes more difficult at this scale, and thus requires a greater amount of pre-planning.

Additionally, the success of the project in terms of the stability of its membership, as well as the City's policy supporting family housing in the Downtown Eastside, further supports the anticipated social shift in the area. This shift is confirmed by demographic characteristics and employment profiles. The inclusion of market-rent units was an explicit attempt to draw residents, particularly families, from other areas, in order to broaden the social mix and augment the subsidy pool for the project. This essentially represents a very moderate form of gentrification.
6.2 Gentrification in the 90s: A New Complexity

Gentrification and residential displacement in cities like Kitchener and Toronto have been shown to be very specific forms of social and physical restructuring which are less severe in their manifestation of change than many examples of American cities found in the literature. Nevertheless, there are numerous examples of potential slum redevelopment, such as in the Lachine Canal area of Montreal, where social and physical upgrading have been marked. While examples of the traditional process of gentrification remain, new and more gradual and moderate forms appear to be emerging, largely as a result of the new spatial patterning of change which has resulted in the penetration of gentrification into new areas. Other examples, such as Halifax and Montreal, indicate that the patterns of social and physical transition are becoming more complex as gentrification has left the safety of the area around the CBD and expanded into new sub-markets. This pattern can be seen in Vancouver, as evidenced by new gentrification in the Grandview-Woodlands neighborhood. Again, although overspill gentrification is evidenced in other areas adjacent to redeveloped neighborhoods, such as Fairview Slopes, the social and physical transition experienced in Grandview Woodlands is clearly an example of gentrification outside of proven middle class markets.

Historically, the gentrification experienced in the 1970s in Kitsilano is to some extent consistent with the traditional patterns of neighborhood evolution that are generally defined by the economic period when the shift to a service-oriented economy was in full swing. At that time, factors related to the location of amenities and social status, as well as personal choice and lifestyle were behind Kitsilano’s rapid transformation to a higher socioeconomic profile. This has not continued in the 1980s, partly as a result of higher housing prices and the shift in attention to other areas like Grandview Woodlands. The social profile and stigma which is associated with the Downtown Eastside, on the other hand, has ironically allowed
some semblance of stability to exist. This, along with the prevalence of substantial social housing projects and the work of the community in protecting against wholesale change, is likely to be a moderating influence for any future changes that may be anticipated.

Unfortunately, gentrification in the 1980s has refused to be limited to a concentric distribution around the CBD. As shown by Ley (1991), traditional explanations for gentrification are no longer valid; today's gentrifiers are driven more by lifestyle and housing affordability than by proximity to the amenities of the CBD. Additional elements which draw households to gentrify are the character of a house, and the ambiance of the neighborhood. The cumulative result is a pattern of gentrification which is less predictable and more chaotic, and which has the potential to threaten the housing stock of any central area like the Downtown Eastside.

There is, therefore, ample evidence to suggest that changes in the societal structure will continue, leading to increased pressure for gentrification in areas like the Downtown Eastside. As the submarkets for inner city residence diversify, particularly where the gentrification cycle is well advanced, there will be continued investment by the middle class. In this context, housing projects like the Four Sisters Coop may, under certain circumstances, serve a dual purpose in this environment by creating new units for more than one socioeconomic group, thereby dampening the need for wholesale change in the short term.

Based on traditional neighborhood theory, which assumes each neighborhood is a competing market, the Downtown Eastside is not a neighborhood whose residential demand is in direct economic competition with other areas of Vancouver. Its location, historical development, physical infrastructure and social environment have created a neighborhood which is ideally suited to serve as the last refuge for those who cannot afford housing elsewhere in the city. It serves a very
specific housing need: elderly, single, unemployed or underemployed men, and transients who have nowhere elsewhere to go. Significant evidence indicates the need for new single-room accommodation to serve this profile of residents will continue; therefore, future initiatives to address this will also be required. The demographic and social profile of the area, however, has changed dramatically over the years, now encompassing more families and young singles than ever before. This is consistent with the new focus of retail development and growth of tertiary and quaternary economic activities in the downtown core which has created a renewed demand for inner-city residential accommodation. The new impetus for redevelopment has been felt on the fringe of the Downtown Eastside in new and proposed mega projects and, as the economic and demographic changes are translated to physical form, so is the Downtown Eastside evolving into a new neighborhood.

Understanding the process of gentrification in the Downtown Eastside in relation to other areas is vital to understanding the types of changes that can be anticipated, and, ultimately, in the formulation of initiatives to lessen the potential impact of these changes on the community. The statistical data available clearly identifies a certain level of gentrification in the area based on a growing proportion of younger, more educated, professional, family households. The current and future housing needs of this emerging group of residents is critical in relation to the growing needs of existing low-income residents. Data on past demolition activity, new construction, and projected annual allocation of projects indicates that the outlook for housing replacement in the Downtown Eastside is not favorable, particularly if the worst-case scenarios are realized.

The historical process of change in the Downtown Eastside can be crudely categorized as a complicated combination of selective redevelopment (as in the case of the Four Sisters), possible overspill gentrification from nearby areas such as
Gastown and mega projects, and general upgrading of existing projects in the area mostly to meet building code requirements and improve their economic viability. The report produced by Burgess and Associates suggests that the impact of mega projects on redevelopment pressures in the area are not likely to be severe. However, it is noted that continued emphasis must be placed on pro-active strategies to regulate the loss of units and increase housing stock.

At first glance, the stability evident in the Downtown Eastside, as well as the moderate process of change which characterizes the development of the Four Sisters, seems to point to a very modest form of change such as that observed in stable upgraded neighborhoods. This perception is due, in part, to the fact that these projects provide predominantly social housing, maintain a similar socioeconomic profile of the population, and are very carefully regulated throughout the process, thereby providing a sense of stability and public assurance. The process of incumbent upgrading which has been previously discussed in not applicable in this situation: incumbent upgrading usually involves no change to the socioeconomic status of the population, and has been observed in homogeneous areas with little social or economic deterioration. In fact, the development of the Four Sisters Coop itself illustrates technically the characteristics of full gentrification, that is, a change which involves a transformation of both the socioeconomic and physical structure of the neighborhood. A close examination of the history, social profile, and economic limitations of the area indicates that this form of change could be disruptive given the different socioeconomic profile of many new residents, and the changes that may occur to the physical fabric. The transition, as illustrated by the Four Sisters project, however, may be very moderate, and develop over a long period of time.

New evidence in Canadian cities nevertheless confirms that gentrification is alive and well, and that it represents a source of concern in terms of the future of
affordable housing in the inner city. The new locational dimensions of gentrification outside of traditional patterns of diffusion, as well as its infiltration into new population submarkets (e.g., professional nuclear families, empty nesters, etc.), makes it difficult to predict and even more difficult to guard against. And, although as seen in many cases, the process can suddenly by stalled as quickly as it began, it nevertheless represents a significant vehicle for social and physical change with notable implications. The recent experiences noted in Canadian cities are particularly telling; as social upgrading in the inner city in the 1980s continues to accelerate, more than one third of the labour force in the inner city is employed in the quaternary sector. The ancillary growth in residential opportunities to capture this demand will surely impact the existing stock of affordable housing, and prompt new housing solutions like the Four Sisters Coop that meet a broad range of housing needs.

The role of DERA in the Downtown Eastside, especially in developing projects such as the Four Sisters, cannot be underestimated. DERA’s involvement is a central aspect of the prevailing sense of stability that up to now has served as a partial buffer against severe economic changes of land; as indicated by Burgess et al, the presence of high levels of social housing and a strong community advocate would appear to be a vital aid to blocking any major conversion of units that would have an impact on the indigenous population in terms of displacement and rent increases. DERA’s effectiveness is rooted in its recognizable role as a player in the development and planning process, and its ability to pursue measures through the political channels. This level of organization is a fundamental asset that allows for flexibility in developing future local strategies.

The relative stability of Canadian inner cities compared to their American counterparts, both historically and in a contemporary sense, is well documented. The current definition of gentrification in Canada, however, must be seen as elusive;
although parts of the traditional cycle of social and physical decay and resurgence have been prevalent in Kitsilano and the Downtown Eastside, physical and social change in other areas such as the Fairview Slopes represent a new wave of gentrification which is more chaotic and less predictable than previously thought. Some Canadian cities have experienced a much milder and gradual process of renewal, along with sustained stability, while others, like Montreal, have seen significant social upheaval. The level of change can be closely correlated to the growth in the level of tertiary and quaternary economic activity. Vancouver's high percentage of high-order service jobs is one reason for the accelerated process of gentrification during past years, indicating that this trend is likely to continue. Nonetheless, the prevalence of different spatial processes, such as overspill gentrification and general upgrading in residential areas adjacent to the Downtown Eastside cannot be generally classified as they are too much a function of local and locational factors.

Quantitative evidence of the various types and general impact of gentrification in Canadian inner cities is present both at the local and national levels. The variability between cities and even within neighborhoods, in terms of physical deterioration, housing demand, population structure, and socioeconomic status, will necessitate housing strategies that are unique to each situation. Nevertheless, several key points can be distinguished from examples such as the Four Sisters Co-op that can be applied with some discretion to gentrifying neighborhoods or urban areas faced with similar housing problems. These include: the importance of establishing an effective community association as a coordinator and advocate for the area; formulation by the association of goals, objectives and the development of political channels required to affect control of planning and development; establishing dialogue with all levels of government involved in housing and encouraging development of policy at all levels; developing a resource
base and a housing strategy geared at the changing needs of residents; and recognizing the importance of effective development design for providing a safe, secure, and livable community space.

Although the motivation provided by the anticipated housing shortage due to Expo '86 was a unique force, future concerns about the amount and quality of inner-city housing may also present urgency, particularly in the face of growing homelessness in Canadian inner cities. The acute lack of affordable housing must be recognized if housing concerns are to become a priority for local and senior levels of government. Although the 'culture of poverty' described by Gertler and Crowley in declining inner-city areas has not been dominant in most Canadian cities, all sources of data indicate recent changes in residential demand may pose a concern for future planners and politicians.

While it has been shown that the Four Sisters has made a positive contribution to inner city housing, its potential as a model may be limited by the substantial amount of subsidy required and the difficult position in which different levels of government find themselves in terms of available funding. Other barriers to replicating such projects include access to adequate sites in the right areas and of sufficient size to accommodate this scale of development, and as previously noted, the need for a strong community advocate and a cooperative process which includes government and the private sector.

In the absence of this environment, the effectiveness of housing strategies to abate the impact of gentrification by providing housing for many economic levels, will likely be limited, as will the community's ability to control the loss of affordable housing. Nevertheless, some success may be found in smaller projects and limited partnerships. Sound planning to identify areas for protection, as well as policies to direct new residential growth are also required. Additional commitment from
senior levels of government in order to ensure the protection and continued growth of affordable housing must be a central component of any major strategy.

Gentrification poses a great challenge for many urban areas, particularly those with the economic structure and size to be vulnerable to increased demand for inner-city housing. The numerous definitions of the types and causes of gentrification illustrate the great variability and contrasting nature of views about these processes. The Canadian scene offers a unique environment for study; however, this is mostly due to the lack of severe physical and social change in inner-city areas rather than because of it. Addressing gentrification and the need for inner city social housing in the Canadian context will necessitate a regulated and localized framework for the development of strategies to deal with specific characteristics of neighborhoods, as opposed to national programs geared at inducing general housing activity.

Such a policy structure was recently proposed by the Provincial Commission on Housing Options to deal with, among other housing concerns, the lack of rental and low-cost housing supply. In the case of Vancouver, enabling policy is also in place at the Municipal level. The Four Sisters Co-op represents an initiative which is consistent with many of the policy objectives in this guiding document; it illustrates the establishment of partnerships between different interest groups and levels of government as the building blocks to an institutional framework required to face the complexities of change and balance the competing interests for housing at the local level. The process rests primarily on the shoulders of local government and the community, emphasizing a fundamental relationship that has become a central framework for community planning.
6.3 Recommendations on Proposed Provincial Policy

While local policy must be responsive in supporting initiatives that facilitate the creation of rental and affordable housing, the Provincial Government also can set the tone by accepting the responsibility for housing issues, particularly at a time when the Federal Government has disengaged much of its involvement in housing problems. This does not mean an open-ended commitment on the part of the Province, but rather may take the form of promoting cost sharing for such developments with local government, developers, and taxpayers. Recent amendments to the Municipal Act, for example, allow special designation for affordable or special needs housing, and density bonusing for projects containing special amenities. The amendments introduced in Bill 57 will also allow municipalities to enter into housing agreements with land owners, and to set the terms of tenure, availability of units to certain classes of persons (eg. low income, disabled, single parent families, etc.), administration and management of housing units, and rents that may be charged. Additional housing powers allow the ability to lease land for affordable housing units at below market value, and to enforce standards of maintenance for rental housing within their communities. Although the City of Vancouver has had these powers, other Municipalities around the province have been limited in this regard.

The Provincial Commission on Housing Options was established in 1992 to bring forward Recommendations for housing policy in B.C. and establish a blueprint for the direction of future housing programs. The primary symptoms of the current housing problems were identified as the following:

- A decreasing supply of affordable housing for families;
- Low rental vacancy rates;
- Increasing numbers of homeless people;
- Rapid increases in house prices;
Research undertaken by the Commission results in a total of 57 Recommendations which promote universal housing and a new policy direction. While this framework is aimed at a wide range of housing issues, many policies reflect the needs illustrated by this paper, particularly those related to rental housing, affordable and social housing, and programs aimed at homeless people and those on some form of housing assistance. The amendments introduced by Bill 57 represent the first level to implementation.

The formulation of these policies is timely and consistent with the findings of this thesis. One basic conclusion was that, although local governments had been active in housing issues, particularly the City of Vancouver, there is almost a universal view that addressing these issues can only happen if adequate support is provided by the Province. Additional research also showed that, on the subject of existing housing, the widely shared view is that this is the most affordable and should be preserved. Many of the recommendations call for amendments to the Municipal Act to allow an expanded role for Municipal Governments, much like the role which Vancouver has been granted under the City of Vancouver Charter. The involvement of the City in the creation of the Four Sisters reflects a very strong presence of local government, a very well established set of programs, and the entrenchment of a pro-active and participatory process which is considered the basis for much success in the past, and serves as a model for smaller communities.

Further Recommendations are aimed at ensuring housing has a higher place on the government’s agenda. The Four Sisters project is an example of both these issues. Other recommendations are aimed at ensuring that an ample supply of affordable rental housing exists to meet the needs of low and moderate income groups. Some recommendations address the problem of providing housing for core need residents, as well as attempt to enhance the ability of residents to pay for housing and increase the efficiency of existing programs. Again, the system of
shared subsidy which is central to the Four Sisters is one example of using government subsidy and market demand effectively and efficiently to provide social housing where it is needed most.

A more indicative illustration of the importance of projects like the Four Sisters in the context of the inner city is the new emphasis being placed on initiatives geared at curtailing the trend of homelessness. As stated earlier, there is ample evidence to support the fact that the number of people living without shelter is growing. At the same time, many areas in the inner city are in danger of being upgraded or at least being affected by redevelopment. Projects like the Four Sisters Cooperative are unique in their ability to balance the demands for new housing in the inner city, both market and social, thereby aiding the preservation, rehabilitation and replacement of existing housing for people who are most vulnerable to becoming homeless.

The basis for all recommendations, in response to the increased role of provincial and municipal levels of government, is to encourage partnerships among community groups, non-profit organizations, the business community, professionals, and all levels of government. Fostering this sense of participation and institutionalizing the cooperative process is, in fact, considered as one of the central goals guiding future housing policy.

The policy framework which is proposed at the Provincial level is considered both practical and implementable, and is not expected to have a substantial financial impact. This is partly due to the fact that the success of future housing strategies rests on our ability to make better use of existing resources by modifying existing programs, and creatively using the energy of the business community, citizen groups, local government, professionals, and the provincial government. While the majority of housing will continue to be built by the private sector, government-initiated action is also required to meet all of the province's future housing needs.
In this context, the Four Sisters Housing Co-op is indeed a useful example; its success, however, is not simply a function of its award-winning design, its potential to be replicated, or for that matter, its progressive concept surrounding the accommodation of families in the inner city. Rather, it illustrates the implementation of a successful interactive process of decision-making and planning among the various interest groups and validates the future direction of provincial housing policy being considered. The evidence of changes to the social, demographic, and economic structure of the inner city linked to gentrification is significant, both on a local and national level. The current employment trends suggest similar changes will continue to affect renewed development activity in the inner city. Local growth strategies also present some obvious concerns in terms of overspill gentrification. Recognizing these factors is the first step to formulating the coordinated programs and effective policy at all levels, leading to the development of effective housing developments that address the needs of many residents. The result will be a process that is consistent with the emerging definition of the shared inner city.

6.4 Suggestions for Further Research

Future research to identify the economic and social effects of overspill gentrification from large redevelopment projects in the long term would provide a logical further test to the continued effectiveness of projects like the Four Sisters. Locally-based research on the changing demographic and social structure of inner-city residents is also necessary to respond quickly to new demands for residential accommodation. Empirical work on the design and development of safe and defensible urban spaces in today’s inner city is critical to ensure these projects remain viable and liveable. Finally, additional work could be undertaken on the role of community organizations as institutions that have significant power over the development process.
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CONTACTS

- Jim Green, DERA.
- T. Leary, DERA.
- J. Jessup, Vancouver Social Planning Department.