



Neighbourhood Change through a Housing Lens

Steve Pomeroy

Focus Consulting

September 2005



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ISBN 1-55382-144-0

Published by:

The Caledon Institute of Social Policy

1600 Scott Street, Suite 620

Ottawa, Ontario, Canada

K1Y 4N7

Phone: (613) 729-3340

Fax: (613) 729-3896

E-mail: caledon@caledoninst.org

Website: www.caledoninst.org

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Context

This paper was developed in support of a new national initiative called Action for Neighbourhood Change (ANC). ANC is a pan-Canadian project that involves four national and five local partners in an effort to revitalize and improve the quality of life in five selected neighbourhoods across the country.

The four national partners are United Way of Canada – Centraide Canada, Tamarack – An Institute for Community Engagement, the National Film Board of Canada and the Caledon Institute of Social Policy. The five local partners are United Ways in Halifax, Thunder Bay, Toronto, Regina and Surrey. These local partners are expected to convene a process that brings together individuals who reflect the views of diverse sectors, including voluntary organizations, business and governments as well as people living in poverty, in an effort to revitalize their respective neighbourhoods.

Action for Neighbourhood Change also involves as partners its five key government sponsors: the National Secretariat on Homelessness (Human Resources and Skills Development), Office for Learning Technologies (Human Resources and Skills Development), National Literacy Secretariat (Human Resources and Skills Development), Canada’s Drug Strategy (Health Canada) and National Crime Prevention Strategy (Public Safety and Emergency Preparedness Canada).

This paper is part of the initial research element designed to inform the discussion of neighbourhood change with a particular focus of the role of housing, both as a central feature of neighbourhood fabric and as an agent of influence on neighbourhoods.

The paper begins with a brief overview of the processes and factors that influence neighbourhood decline. It then reviews how housing policies and programs have contributed, often inadvertently, to reinforce processes of decline. Finally, the paper identifies how proactive, purposefully designed housing policies can be effective tools in a process of change and regeneration.

*Interaction of Dynamic Systems*¹

The analysis of neighbourhood change explains the interaction among three interrelated and overlapping systems:

- urban systems, physically represented by metropolitan regions
- housing systems, which include the process of creating, transacting and utilizing residential properties
- neighbourhood systems, which tend to be defined and demarcated at a smaller local scale and are the nexus for social and economic interaction.

A system is a complex set of dynamic interrelationships. Systems can be closed, in which case interactions are internal and contained. Alternatively, as is the case with ANC, they can be open systems with interactions beyond the system itself – i.e., the specific neighbourhoods. Urban systems, in particular, are both centres of production and consumption, and involve an ongoing flow of goods, services, activities, and people into and out of the city (and between many parts of the city).

Systems can function well or become dysfunctional, which is often the case in disadvantaged or distressed neighbourhoods. Thus, any discussion of the dynamics of neighbourhood change must be placed in the context of these interacting systems.

The housing system is a critical influence on neighbourhoods. A housing system centres around the formation of households, including single people, two or more friends sharing accommodation and the process of forming families.

Households are a consuming unit that makes a set of decisions or choices about where to live. The decisions include consideration of the physical attributes of the dwelling unit – is it appropriately sized, does it have desired attributes and amenities required/desired by the household and is it in a price range that the household can afford?

A significant part of this set of choices includes considerations beyond the dwelling itself. Consumers are critically interested in neighbourhood attributes of the dwelling, including proximity and accessibility to frequent destinations – place of work or school, other family members and members of a social network.

Lifestyle is a similarly important determinant. Couples with, or planning to have, children will have a concern for the proximity and quality of schools and parks. Childless professional singles and couples will be indifferent to child-related attributes of a neighbourhood but will make decisions based on other features – such as the range of local dining or cultural options. Thus the key elements of the household location decision are dwelling and neighbourhood characteristics.

The decision is then mediated by lifestyle preferences and – most importantly – purchasing capacity (discussed below). Households with greater income or wealth have a wider range of choice. Conversely, those with limited income have constrained choices and are often left with minimal ‘default’ options. The most obvious example is that people do not choose to live in poverty.

Thus, the process of urban and neighbourhood decline is one that is strongly influenced by the decisions of households with choice. Decline is, in effect, a process of residualization. For various reasons, described below, when a neighbourhood does not satisfy a household’s preferred characteristics, those with choice tend to leave. Meanwhile, those that remain (the residual) increasingly define the characteristics of the area or neighbourhood [Pomeroy 1997].

When communities are marginalized by the processes of regional or national economies, often including deindustrialization and depopulation, a destructive cycle of mutually reinforcing

social and economic forces tends to create a long-term pattern of disinvestment and declining human resources. Economically challenged communities (whether urban neighbourhoods, rural villages or impoverished segments of local populations) disproportionately bear the social and economic burden of unemployment, business failure, family stress, crime, substance abuse, deteriorated housing and poor health [Loewen and LePage 2003].

Thus, in exploring remedies, fundamental reform of social and economic institutions are necessary – effectively systemic reform. A restorative program that uses techniques directed only at the individual is not likely to be as effective as programs that are directed at assisting both the individual and the community to become stronger.

Origins of neighbourhood decline

While the focus of this paper is on neighbourhood change and the role of housing programs and policy in effective regeneration efforts, it is first instructive to briefly review the broader process under which neighbourhood decline occurs, since it is a precursor to regeneration.

Decline, of course, is subsequent to growth, and patterns of urban growth have been subject to more than 100 years of analysis. Patterns of decline are diverse and have changed over time – especially between older cities like Halifax and Toronto, compared to younger cities (Regina and other western centres). Although often framed by divergent inner-city versus suburban patterns, even more recent suburban cities like Surrey have been influenced by pockets of distress.

In most but not all cases, current areas of decline tend to be those that were settled and developed in the pre-war or early postwar periods. Early patterns of decline were related to shifting patterns of settlement within cities that were still growing (due to international and rural-urban migration); later patterns emerged as part of a process of depopulation of part or all of an urban area. Early forms of decline were associated with urban settlement patterns that accompanied the industrial revolution of the late 18th century. In most cases, early urbanization created tracts of working class housing. Typically, this housing was very modest in quality and in close proximity to the mills and plants, ports and railyards that were being established. Both noise and air pollution generated by heavy manufacturing and other industrial uses made these areas less desirable and this older worker housing often evolved into poor quality dwellings, subsequently deteriorating into slums.

Concurrently, the emerging business classes created somewhat larger, better quality homes and neighbourhoods, usually farther removed from the core industrial areas. In some cities, these larger mansions and neighbourhoods of the wealthy have remained and expanded. In others, they have suffered from the spillover effects of decline and former mansions have fallen into disrepair and been recycled as rooming houses.

Propelled by unsanitary conditions and epidemics of disease in the older working class areas, the environmental health movement initiated processes of slum clearance and renewal. Many early efforts were thwarted by the two world wars and intervening depression, but in the rapid economic expansion of the postwar period, many slum areas were eventually redeveloped, typically with newer forms of modest housing. This redevelopment included a market-driven process of private land speculation, land assembly and property abandonment in anticipation of public initiatives.

Future seeds of neighbourhood decline were also inadvertently created by public policy driven slum clearance and renewal initiatives, which expanded across many Canadian city cores in the later 1950s and 1960s. Regent Park, constructed in the 1950s as Canada's first, largest and most famous public housing development, for example, was heralded as a new, innovative design. It replaced small, poorly constructed homes that existed in this older inner-city neighbourhood adjacent to the core of Toronto.

Often, new development leapfrogged over the older areas with the automobile and related investment in highway systems, enabling a process of suburbanization. This process, labelled "filtering" by Richard Muth, reflects a phenomenon wherein depopulation leaves an excess quantity of housing in older areas, which provides lower-quality housing than that being newly constructed. Prior to the 1970s with housing priced below that in newer areas, the older neighbourhoods attracted a lower-income population that could not compete for the newer dwellings in newer areas [Goldberg and Mark 1983].² Often this population involved immigrant or visible minority groups that face a range of barriers limiting their participation in the labour market – e.g., Afro-American migrants in Africville and subsequently Uniacke Square in Halifax, and Aboriginal individuals and families in a number of Prairie cities, including Winnipeg and Thunder Bay.³

The phenomenon of decline can be linked to two general conditions: stagnation (or depopulation) of overall metropolitan growth – as was the case in Regina and Thunder Bay in the 1960s or more localized pockets of decline within regions that were continuing to expand (e.g., Halifax, Toronto and, later, Surrey – although this is a very different case involving decline in a suburban area).

Factors related to decline

Typically, but not exclusively, neighbourhood decline is part of a larger phenomenon of urban decline, and usually is associated with depopulation, especially in the inner parts of metropolitan areas.⁴ In terms of more recent decline (i.e., within the past two decades), a critical factor has been the process of deindustrialization, including both the closure or suburbanization and modernization of manufacturing plants that previously had been the main employers in the older working class neighbourhoods – e.g., Pointe St. Charles, Hocheloga-Maisonneuve and St. Henri in Montreal, the False Creek area of Vancouver, the port areas of Halifax and Sydney, and railway lands in a number of cities. This deindustrialization led to declining incomes and movement away from

such neighbourhoods by more socially mobile households. A positive output, however, is a certain improvement in the quality of the environment, such as reduction in pollution, odors and risk due to industrial accidents. Another positive output is the new development potential of these so-called 'brownfield areas' if issues of land contamination can be dealt with.

Bradbury, Downs and Small [1982] provide a useful two-part conceptualization and definition of urban decline:

- Descriptive decline is any loss of population or jobs in an urban area
- Functional decline means changes that are undesirable because they reduce the ability of a metropolitan area to perform effectively its social and economic functions.

While the descriptive characteristics may be helpful in identifying decline, these do not always result in negative outcomes. Where an area is overcrowded, for example, some reduction in population may be beneficial. The ongoing HOPE VI redevelopment initiative in the US focused on distressed public housing communities. And in some instances, high-density concentrations of poverty subsequently were renewed at lower density, with former residents dispersed to other neighbourhoods, thereby reducing concentrated poverty. Conversely, loss of jobs and earning capacity within specific neighbourhoods are more alarming indicators of decline.

At the metropolitan scale, urban decline tends to be associated with particular areas. Overall, a metropolitan area may continue to experience population growth, but this is not evenly dispersed. Some areas – usually newer suburban areas – face increased population while other areas experience declining population. In other cases, neighbourhood population decline may be a subset of overall metropolitan population decline (as was evident in a number of manufacturing cities in the US Northeast through the 1970-1990 period).

Thus, a broad array of factors influences the nature and pace of urban decline as well as the spatial distribution of the overall deterioration. These factors include a slower pace of rural-urban migration, lower international migration, declining fertility rates, basic population demographics, the influence of the automobile and investment in transit versus highways infrastructure. In any particular city, different combinations of these main factors may interact with other influences to generate differing outcomes, but each is underpinned by some common elements.

At the neighbourhood level, decline involves both physical deterioration of the structures and properties, and decreasing socioeconomic status of residents. Neighbourhood decline can be understood as the result of two critical factors – concentrated poverty and the regulatory framework that guides (drives) urban development patterns [Bradbury, Downs and Small 1982].⁵

Ironically, the institutionalization of minimum building standards, originally designed to improve health and safety and to prevent the emergence of slum conditions, have subsequently contributed to the process of neighbourhood decline, something they were intended to prevent.

Minimum property standards impose a set of rules and regulations on builders and effectively raise the cost of building new homes. To a degree, this increase has been exacerbated by the adoption of exclusionary planning and zoning regulations in new growth suburban parts of metropolitan areas.⁶ The effect of increased (and, in some cases, excessive) standards is to preclude lower-income households from new growth areas – because the minimum cost of homes built to these standards is above the price that low-income households can afford.

These regulations and minimal standards also contribute to a process called ‘gentrification.’ Older, deteriorated homes are replaced with new, modest dwellings at rents or prices that the previous, often low-income households cannot afford. Thus the neighbourhood is improved in a physical sense and the characteristics of residents significantly changed – but with the consequence that the former (lower-income) residents are displaced. An alternative, albeit less frequently used approach is to consciously encourage and possibly assist existing residents to upgrade their homes – especially upwardly mobile households (incumbent upgrading or, in Montreal terms, *endogène*). The City of Montreal has developed a number of grant and tax relief programs in an attempt to retain such households rather than see them move out to the newer suburbs.

Thus, planning and building regulations that seek to create safer conditions must be carefully assessed. There is a balance between achieving safety objectives and inadvertently encouraging gentrification. The inevitable consequence is that, with limited income and choices, these displaced residents migrate to other areas where homes are more affordable (but also older and in poorer condition).

A key focus of the ANC is on inclusive regeneration – essentially a process of managed gentrification, which improves the physical environment but enables low-income households both to remain and to improve their well-being through associated community development activities. Through the 1970s and into the 1980s, moderate- and higher-income households continued to make decisions to purchase in growth areas, often in new suburbs, with the result that the inner-city areas become increasingly dominated by populations with lower socioeconomic status.⁷ Both low income and low purchasing power (influenced by access to credit) undermine the viability of existing businesses and dissuade new business from locating in these areas.

Reinforcing a process of residualization

In the middle part of the last century, suburbanization of moderate- and middle-income households was generally followed by ongoing migration of other lower-income households – often including new immigrants – into the older homes and neighbourhoods being vacated by others. In some cases, this process reinforced decline (e.g., Afro-American populations in many Northeast US cities). In other cases – especially in Canada – new immigrants both revitalized and introduced a new ethnic diversity and character to inner-city neighbourhoods. Thus, not all inner-city areas declined. Some remained stable, often enriched by new ethnic populations (e.g., Mile-end in Montreal and stable blue-collar populations such as Toronto’s Kensington Market). Other areas

were revived by more affluent populations ('white painting' or gentrification) – such as the Glebe in Ottawa, DonVale in Toronto and South-Central Halifax [Gertler and Crowley 1977].

Depopulation of the inner core was already evident prior to the Second World War, but emerged as a far more dramatic trend between 1950 and 1970, especially in US cities, where so-called 'white flight' was propelled by inner-city racial tensions. By 1970, 97 of 153 US cities with populations greater than 100,000 were experiencing population loss [Bradbury, Downs and Small 1982].

Within urban regions (i.e., metropolitan areas and across local jurisdictions), there is a documented tendency for spatial inequality. The newer and outer edges of regions typically enjoy growth and prosperity, while central cities and inner suburbs experience overall population loss, a declining tax base and increasing concentrated poverty. Residents of inner-city neighbourhoods, for instance, are more than twice as likely to live in poverty than their suburban counterparts [PolicyLink 2002]. Critical services, such as public schools in older communities, erode because of declining tax bases. Employment opportunities, including entry-level jobs, move away from urban centres, leaving low-income residents increasingly challenged in finding and accessing employment.

Canadian cities on the whole have not experienced the same degree of depopulation and urban decline as in the US. Nonetheless, the inner core of Canada's largest urban areas did see both absolute population decline and, more significantly, relative decline as new development and population expanded in new suburban rings.⁸ A similar process of spatial inequality is also evident in a number of Canadian cities, especially during the 1970s.

In most cases, population change was dynamic – with individuals and families both leaving and arriving. However, a critical pattern was one of quite localized pockets losing population while new migrants (both from other parts of the same province or from other provinces) sought newer homes in the expanding suburbs. Some of the older suburbs have subsequently also evolved into areas of localized decay (e.g., pockets in Surrey as well as in Scarborough and Etobicoke).

In a 1944 report, the Toronto Planning Board categorized 50 percent of the residential areas in the city and almost all those south of St. Clair Avenue as areas in decline. A 1956 report reinforced this view: "... eight percent of the city's residential areas need to be replaced and another 40 percent require major repair or redevelopment" [Lewinberg 1984].

Again, consumer choice and the aggregate impact of individual household decisions were, and remain, key factors underpinning the phenomenon of urban change (previously suburban growth and inner-city decline; more recently, a renaissance of inner-city living).

Another key influence, and one identified as a distinguishing feature between Canada and US cities, is the institutional framework in which urban policy is designed and implemented. There are two critical institutional differences: The absence in Canada of constitutional protection for private property rights combined with the relatively strong powers of provinces in supervising municipal

administration and decision-making [Friskens 1994], and the constitutional constraints on federal intervention in urban affairs [Goldberg and Mark 1983]. The unintended consequences of large-scale federal investment in highways, urban renewal and public housing that had an impact on urban decline in the US were moderated, in Canada, in part by constitutional constraints on the federal government spending in areas of provincial jurisdiction.

This brief overview highlights some key factors that have influenced neighbourhood decline in general. Not all will have been evident in the specific ANC case study cities. It would be instructive for local ANC committees to discuss the processes that have been important in their particular neighbourhoods. Developing an understanding of the factors that have contributed to either general or localized decline can help the development of early warning indicators and the preventive strategies to stem future decay.

Specific Influence of the Housing System

As suggested above, it is the aggregate effect of numerous individual household decisions and abilities to exercise choice that is an important factor in whether certain neighbourhoods thrive or decline. However, these choices are significantly influenced by both market factors (opportunities and externalities) and by public policy and regulatory frameworks.

The public policy and regulatory influences have been both positive and negative, albeit inadvertently, in terms of their impact on neighbourhood decline and regeneration. In particular, public policy and related funding decisions create the environment in which private investment decisions take place [Goldberg and Mark 1983].

At a general level, suburbanization was strongly influenced by market forces which, in a postwar era, perceived strong demand for more idyllic residential options. Entrepreneurs began to offer a relatively affordable new product in the form of the suburban detached single family home, while industrialists shifted their production from armaments to consumer goods – most notably, automobiles. So the market created consumer goods to meet market demands. At the same time, where older neighbourhoods (usually inner-city) were exhibiting visible signs of decline, new arrivals were dissuaded from moving into these areas.

Public policy decisions significantly aided and abetted the process of suburbanization, at least in the major metropolitan areas:

- public investment in major arterials and highways facilitated automobile-dependent suburbanization
- development regulations (and especially minimum building standards) also had an important influence

- concurrent innovations in mortgage financing dramatically increased and accelerated purchasing power, fueling the process of suburbanization and helping to draw population out of the older inner cities – many of which remained industrialized and transitional.

The major historic housing-related public policy influences on neighbourhood change and decline in Canada include:

- expansion and innovation in home mortgage finance systems
- slum clearance and urban renewal programs
- development of large-scale public housing and subsequent curtailment of social housing program funding (early 1990s)
- introduction of condominium tenure apartment ownership
- market supply/stimulus programs.

Impact of mortgage financing system

Purchasing capacity is not simply a function of income. The development and evolution of housing finance systems have fundamentally altered the capacity of households to purchase homes. While now taken for granted, home mortgages and the concept of borrowing most of the cost of a house and repaying this debt over the long term evolved only in the early part of the last century. Even then, in Canada prior to the 1960s, mortgages generally were restricted to 60 percent of the value of a home and typically were available for a maximum amortization period of five years. A considerable amount of saving was required before households could access homeownership.

Chartered Banks also were precluded from mortgage lending until the 1960s and caps on mortgage rates limited the supply of capital for mortgage loans. CMHC provided joint loans with institutional lenders, but these were restricted to new homes only and so had a significant influence on promoting new construction and suburban expansion.

By 1964, maximum loans increased to 75 percent of value and, in 1966 in an effort to expand mortgage markets, CMHC offered mortgage insurance.

With limited purchasing power, pre-war consumer demand for housing, even among the middle class, translated into more modest demands and modest product – smaller homes on smaller lots. At the same time, the widespread purchase of automobiles had not yet arrived so locational decisions were more closely linked to places of work (and the streetcar-serviced inner suburbs). Much of this housing development still concentrated on core areas or nearby periphery.

In contrast to the spending patterns of the pre-war period, the postwar recovery and economic expansion brought with it a new fervour for consumption. This spending appetite was assisted by public policy decisions that supported an expanded construction industry and facilitated housing demand through increasingly favourable mortgage lending [Goldberg 1983; Poapst 1993]. The growth of suburbia and associated stereotypical images of the house with a yard and white picket fence began in force. The inadvertent consequence was, in part, the draining of population from older central city areas and, more particularly, diversion of new immigrants to the newer areas, leaving the older, inner neighbourhoods with more limited (and often weak) demand.

Slum clearance and urban renewal programs

With the suburban exodus and residualization of inner-city areas, urban decline set in. It was characterized by a downward spiral – a disenfranchised population with limited income and an inability either to maintain deteriorating homes or to support local commerce. Shops and homes were abandoned and vandalized, reinforcing negative images of these neighbourhoods. The result was areas of spiraling decline, commonly referred to as ‘slums.’

One consequence was the introduction of various forms of slum clearance programs, including public housing and, later, revitalization and more sensitive renewal initiatives (both described below). There were intended to address primarily the physical deterioration and, in later initiatives, the social and economic decline that often parallels physical decay. The early efforts were, however, less well designed and often caused massive displacement as entire neighbourhoods were bulldozed and sometimes left vacant.

Development of public housing

In early efforts to address the problem of inner-city decline (1950s and 1960s), the federal government in Canada, as well as other countries, initiated programs to clear the slum areas and assist in the construction of new neighbourhoods. These programs included government expropriation and acquisition of large tracts of deteriorated and sometimes abandoned housing, funding and financing mechanisms, and comprehensive planning and development.

While these undertakings involved the sale of lands for market development (through federal-provincial land assembly programs), in many cases a key feature of the redevelopment was the construction of new public housing. Influenced by suburban images, these developments were modestly designed, walk-up apartments built in park-like settings, interspersed with green spaces and limited vehicular access. In hindsight, these features have proven to be unwise as they created isolated enclaves of buildings and dark spaces, and have reduced the number of “eyes on the street” (people looking out for public safety) [Jacobs 1961].

Another critical element was that in an effort to address the needs of low-income households, these developments tended over time to target the units only to the lowest-income households, resulting in a concentration of poor and disadvantaged families. This concentration was especially deleterious when the developments were large – in some cases, exceeding 200 to 300 apartments.

Public housing enclaves became associated with severe poverty and welfare dependency. They subsequently became targets for criminal activity and juvenile delinquency, creating undesirable and unsafe developments [Gertler and Crowley 1977].

As an example, Uniacke Square in Halifax originally was built in the early 1970s to accommodate the displaced Africville black community, whose roots went back to refugees of the war of 1812 and the Underground Railroad of the Civil War period. Homes in Africville were torn down as part of an urban renewal scheme between 1964 and 1967. At that time, a number of families were relocated to Uniacke Square, near Mulgrave Square and Spryfield.⁹ A 1992 *Canadian Geographic* report on Halifax's North End noted that this neighbourhood "... contains only 13 percent of the city's total population, but 63 percent of its black citizens ... the neighbourhood had the city's highest reliance on social programs, the highest unemployment rate and lowest average income." The report also noted that "... four of every ten current inner-city students ... will drop out before they finish high school" [North End Parent Resource Centre 1997].

Inevitably, public housing became stereotyped as undesirable. Rather than helping poor families by providing secure and affordable housing, it became a negative influence, as suggested in the Uniacke statistics cited above. These outcomes were not necessarily caused by public housing, but by the concentrated poverty that some large-scale public housing developments and associated targeting policies engendered. The same phenomenon was replicated in the US and UK – often with larger scale – and poorly located, isolated developments. These have more recently become the focus of major renewal efforts, including HOPE VI in US and a series of regeneration programs in the UK. (These international efforts and the potential transferability of the lessons will be reviewed in a separate paper.)

Introduction of condominium tenure (apartment ownership)

Until the late 1960s, multiple-unit apartment buildings were synonymous with rental accommodation. The idea of creating legal title in three dimensions (strata-title – more commonly known as condominiums) was conceived in the late 1960s, enabling the purchase of apartments. This new form of tenure dramatically changed the dynamics of population and household settlement patterns, offering opportunities to own and acquire equity while remaining in the inner city. Owner-occupied apartment opportunities have influenced the pace and direction of neighbourhood change and, in many larger urban centres, have contributed to regeneration with the development of mixed-income and mixed-tenure communities. The apartment building form offered lower-cost options compared to the detached home and thereby created access to people with lower incomes.

Higher rates of ownership typically have been associated with more stable communities, with owners perceived as having a stronger stake in the community. In many cases, it has also undermined the feasibility of rental construction as land prices began to be set on the basis of condominium sales values, which tend to be higher than the value for rental properties. The result is a very low level of rental production and decline in the relative size of the rental market. The lack of new rental housing construction is becoming an issue for lower-income households that are unable to access ownership.

In addition to creating new options for builders, the advent of condominium tenure also instigated a new regulatory process and phenomenon – the conversion of existing rental properties into owner-occupied units. This conversion was a two-edged sword. On the one hand, it created smaller and more affordable ownership options in the existing developed areas and encouraged new investment as tenants purchased and upgraded their units and as new occupants similarly took on responsibilities. But at the same time, the conversion of rental units at a time when new rental construction was already declining exacerbated issues in the rental market – removing rental units from the stock and thereby lowering rental vacancies and putting upward pressure on the rents of remaining rental units. Most cities in Canada have adopted regulations in an attempt to manage the rate of rental to condominium conversion (usually permitting conversion only when vacancies exceed a minimum threshold).

Housing supply/stimulus programs

The era of urban renewal (slum clearance) and public housing development, which began in the late 1950s and continued into the early 1970s, culminated in a major policy review in 1969. The Hellyer Task Force on Housing and Urban Development was critical of urban renewal efforts and underlined the unanticipated consequences – in particular, the failures of large-scale public housing and the destruction of the social fabric.

One consequence of this seminal review was a fundamental reorientation of federal housing policy with a much stronger, community-based approach. Insensitive urban renewal gave way to extensive community engagement under two new initiatives – the Local Improvement Program (LIP) and the Neighbourhood Improvement Program (NIP). These neighbourhood renewal initiatives were accompanied by amendments to the National Housing Act in 1973, which created a set of rehabilitation programs (RRAP). These were directed at rehabilitating the existing older housing stock in favour of bulldozing and replacement.

A set of community-based nonprofit and co-operative housing programs also were established that sought to build smaller-scale, mixed income apartment and townhouse developments, with active sponsorship and operation by community-based nonprofit corporations or resident controlled co-operatives (as distinct from the large bureaucracies that built and managed public housing).

These approaches have, in the main, been far more successful in stemming and reversing the tide of neighbourhood decline. However, they too have had some limitations.

The most critical problem is that while stimulating improvements, the NIP program was not able to contain market forces that stimulated gentrification of some NIP areas. Invariably, any initiative that stabilizes and improves an area has an impact on land and house values. In the face of demographically-driven growth pressure in the 1970s, it was inevitable that some existing homeowners cashed in on these higher values. At these prices, the buyers tended to be new young professionals, not lower-income existing local renters. This phenomenon occurred in the NIP-designated Lowertown in Ottawa [Colfe 1987].

The second weakness of the newer renewal approach was that the nonprofit and co-operative housing programs focused almost exclusively on supply and affordability objectives. There was a strong emphasis on creating capacity at the community level to facilitate the construction of non-profit and co-op housing and a network of technical resource groups was nurtured with funding from CMHC. However, these resource groups evolved essentially as vehicles for the construction of housing.

Although some have argued that they were building communities and not just housing, (this rhetoric continues to reverberate through the nonprofit and co-op sector), the reality is that very few resource groups had any expertise or mandate in broader areas of community development.¹⁰ The pattern of capacity building in Canada is markedly different from that in the US where nonprofit housing has grown as an offshoot of Community Development Corporations (CDCs) that recognized the value of housing as assets through which to support their wider objectives. To a degree, the evolution of housing associations in the UK suffers from a similar parochialism as that in Canada. (The experiences in the US and UK, both in terms of how policies, programs, mechanisms and institutional structures have evolved and how they are being used to support positive urban change and regeneration will be discussed in a separate paper.)

Community development within the nonprofit housing sector is an area of interest that has emerged in the last decade, in part because the absence of funding curtailed new construction activities, but also because the challenges of dealing with the disadvantaged populations that nonprofit and co-op providers tend to house has forced a greater attention to these broader community development activities. There are also a few existing organizations that essentially perform a CDC role (facilitating and owning affordable housing as well as broad community economic and social development activities) including New Dawn Enterprises in Sydney, RESO in Pointe St. Charles in Montreal, the Quint Development Corporation in Saskatoon and the Downtown Eastside Residents Association in Vancouver.

Another influence on neighbourhood change was the parallel series of programs intended to stimulate private market responses to the shortage of rental supply in the early-mid 1970s. The principal programs were the Limited Dividend Program (1948 to 1964), the Assisted Rental Program (1975 to 1978) and the Multiple Unit Rental Building program (1974 to 1981). All of these

programs were devoid of criteria to manage neighbourhood impact. They were simply intended to stimulate new rental supply necessary to meet growing demand from the baby boom population which, in 1964, was entering the market as young renters. Because the assistance, particularly under the Assisted Rental Program tended to be paid on a per-unit basis and developers could build more bachelor and one-bedroom units than family-sized units within a prescribed maximum floor area, the developers tended to construct small bachelor and one-bedroom units.

This practice created a building boom of apartment buildings, typically in older, inner-city sites and usually involved the demolition of older, modest family housing. To the extent that this activity tended to be concentrated in certain inner-city neighbourhoods (some were developed in suburban growth areas such as Surrey), it contributed to the accelerated transformation of neighbourhoods from predominantly working class family areas to higher density apartments with predominantly single persons. These programs achieved certain objectives, such as removing deteriorating properties and also helped to meet growing rental demand. However, the consequences for neighbourhoods were not necessarily good.

Over the same period (1974-94), a series of co-operative and nonprofit housing programs provided the funding that enabled cities and communities to redevelop inclusive neighbourhoods, with a certain proportion of the land/housing designated for low income or non-market housing. Planning approaches have continued to promote such an inclusive approach. But efforts to develop affordable housing have, since 1993, been hindered by the absence of funding for new affordable housing development. Two exceptions are Quebec and BC which maintained small unilateral programs after the federal cancellation of cost-shared funding in 1993. The cancellation of funding for new supply may not have caused neighbourhood decline, but it may be a factor that has held back efforts to address the problem.

Summary – housing policy influences

This brief historical overview has underlined how broad-based policies and objectives can have an important influence on general urban health or decline and on the state of neighbourhoods. Often these influences and outcomes have been unanticipated and inadvertent, in part because they focused on a very narrow set of objectives (e.g., addressing low-income housing need expanding and improving access to mortgage financing) or were devoid of housing objectives (e.g., investment in urban highways).

While there have been some unintended and undesirable outcomes, many initiatives have had a very positive impact in regenerating and renewing older declining neighbourhoods. These strategic investments in renewal have been highly effective in removing the most visible physical images of decline, reinvigorating commercial districts, improving quality of life and, in a number of cases, effectively creating or preserving affordable housing options.

Market forces have also played a critical role, especially in the consumer society that emerged in the postwar decades.

One of the key insights from this review is that housing alone is a necessary but not sufficient ingredient to stimulate neighbourhood improvement. As an extreme example, building new homes with rents at affordable levels in an area characterized by a population with low average educational attainment, high unemployment, welfare dependency, criminal and anti-social behaviour, and the absence of employment opportunities are unlikely to have any impact on addressing the root causes of poverty. Concurrent initiatives are required to improve employment skills, address the negative impact of crime and insecurity, improve learning and recreational opportunities for youth, provide employment and create mechanisms for residents to participate in the decisions that affect their community.

Another insight is that the process of urban decline can create new opportunities, especially in the case of affordable housing. As Carr [2000] has suggested:

Many predominantly lower-income and minority communities that face a severe shortage of capital are rich with undervalued assets. Because these assets are often surrounded by blight, they are typically overlooked and undervalued by developers, investors, and financial institutions. Such assets include historic sites, vintage housing stock, convenience to mass transit, well-established religious institutions, and traditional commercial thoroughfares, and the distressed area's proximity to major employers, cultural or recreation facilities, restaurants, boutiques, colleges and universities, parks and other city landmarks.

Such assets can serve as the foundation for a broad-based community revitalization initiative. The increasing market values of property as a result of comprehensive redevelopment programs can be captured to provide financial benefits to lower-income residents. Housing trusts, land trusts, and other traditional trust structures can be combined with sophisticated planning and financial tools to capture some share of property appreciation that occurs when successful rebuilding strategies take root.

Housing Tools in a Proactive Strategy of Neighbourhood Change

While the historical overview has tended to paint a picture of housing programs and policy as negative influences, this is an unfair characterization. Housing programs and policies have contributed many positive outcomes. The lessons of the past as well as a variety of recent initiatives demonstrate how housing tools can be valuable in improving neighbourhood vitality and quality of life

Affordable housing as a catalyst of neighbourhood change

One of the best examples to illustrate the use of housing as a tool in the transformation of industrial areas is the False Creek neighbourhood in Vancouver. An industrial basin adjacent to Vancouver's core, False Creek was the site of mills and factories serviced by a national rail system. The adjoining area directly to the South (Fairview Slopes) developed as an area of labourer housing.

The transformation of False Creek commencing in the late 1960s was abetted both by the conversion of Granville Island from heavy industrial uses to a tourist area and festival market, and by the concurrent introduction of residential neighbourhoods along the south shore (the first of which involved nonprofit and co-operative housing). Social housing was a catalyst for change and facilitated the acceptance of residential development in an old industrial area. Once these developments were established, the market realized the potential of this area, and both rental and condominium developments followed. Because the social housing came first, NIMBY (Not In My Back Yard) issues were largely avoided.

The City of Vancouver held ownership of most of the land and, through a combination of land disposal and development regulation, was able to ensure that roughly 20 percent of the dwellings constructed in the False Creek South redevelopment were designated 'non-market' and made available to nonprofit and co-operative housing sponsors. Land values were reduced by the use of long-term land leases (40 to 60 years), which provided the city with additional controls and ensured that the units would continue to provide affordable housing.

With the former Expo '86 site on the north shore of False Creek also undergoing major development, as well as the adjoining slopes to the south and the former rail yards on Coal Harbour, the City extended its policies to require inclusion of non-market sites and thus housing opportunities for low- and moderate-income households.

While False Creek was not, *per se*, an area of decay, it was an area that underwent a transition over a relatively short three decades from industrial use and working class housing to a relatively high quality but mixed-income residential neighbourhood. Effective planning combined with the availability of nonprofit and co-op subsidy programs ensured that it has not evolved exclusively as high-income housing.

Similarly, the St. Lawrence neighbourhood in Toronto capitalized on the same federal nonprofit and co-operative housing programs and planning approach to ensure a mixed-income community adjacent to Toronto's core area.

A more recent initiative started in the mid-1990s (scheduled for completion by late 2006) is the redevelopment of the Angus lands in Montreal. The Angus redevelopment is heralded for its success in achieving the goal of including affordable housing at a proportion of 30 percent of the residential development – a policy now adopted more broadly by the City of Montreal. Angus is a 50.6 hectares (125-acre) site located in the Rosemont district of Montreal, just five kilometres

outside of the central downtown business district. Formerly housing the Canadian Pacific Railway Angus Shops, the redevelopment of this brownfield site includes a total of 1,200 housing units in the form of townhouses, condominium apartments and seniors' apartments, together with parklands, a large grocery store and other shopping opportunities in a commercial district. A significant portion of land is set aside for light industrial purposes, retaining the industrial heritage and providing local employment opportunities.

Both False Creek and Angus are examples of the type of new opportunities that arise from the ongoing process of deindustrialization. While posing the challenge of contaminated lands, they offer tremendous redevelopment opportunities, including the possibility of adding well-integrated affordable housing.

Housing as a tool in neighbourhood regeneration

As suggested above, the decline in the physical condition of properties is a defining characteristic of a distressed neighbourhood. Correspondingly, revitalization of that neighbourhood depends partly on removing these symptoms of visible blight. More often than not, poor property conditions are associated with both abandoned ownership and absentee ownership. Effective revitalization requires not only an improvement in physical terms, but also a change in the ownership and control of these properties.

One 'benefit' of decay is that existing properties tend to be undervalued and, as such, offer opportunities to address affordable housing – e.g., in the older inner-city areas of many Prairie cities, existing homes can be purchased for less than \$30,000. The low cost helps support initiatives that seek to acquire and rehabilitate existing homes and properties.

The acquisition-rehabilitation approach, typically in conjunction with assisted homeownership, has been used in a number of neighbourhoods in Winnipeg and Saskatoon. It has become the model for provincial revitalization programs in both provinces – Neighbourhoods Alive in Manitoba and the Neighbourhood Home Ownership Program in Saskatchewan.

Winnipeg neighbourhood revitalization

In Winnipeg, a number of community-based organizations were concerned with serious issues of urban decline in older inner-city areas, especially the North End, West Broadway and the Spence Neighbourhood. High levels of absentee ownership, poverty and welfare dependency characterized all three neighbourhoods, as did drug- and prostitution-related crime. Community groups have worked in partnership with the Winnipeg Housing and Renewal Corporation, which in turn is supported with funding from the provincial and federal governments.

A series of initiatives to ‘take back’ ownership of the community were pursued, not initially as part of a comprehensive renewal but more through the efforts of concerned community groups. Over time, these initiatives have become more integrated with broader comprehensive renewal efforts, which significantly enhance their impact.

The central feature in all three communities was a focus on acquiring and rehabilitating existing homes – usually detached dwellings, but also some semi-detached and small apartment buildings. The initiatives leveraged funding from various public sources to assist with acquisition and rehabilitation costs.

A core element of the strategy in each of these initiatives is the incorporation of an employment and skills training program. The objective is to address poverty and welfare dependency by helping local residents acquire labour force skills in a practical setting. The intent is that unemployed individuals (including street youth) will participate in the training program and will learn sufficient skills to subsequently gain employment as labourers in the construction trades.

Another important aspect is the focused efforts of the separate community-based initiatives. Each believed that in order to have an impact, their efforts should be concentrated. As a result, acquisitions generally focus on only one or two adjoining blocks, with as many as one-third of the homes acquired and rehabilitated on a single block. It is hoped that pre-existing owners will be inspired to upgrade their homes (this spillover effect has not yet been formally evaluated).

Since the objective is to take back control of the neighbourhood from absentee landlords, two ownership models have evolved: nonprofit rental and assisted home ownership. The latter was inspired, in part, by explorations in the US where assisted home ownership has become prolific in formerly distressed neighbourhoods. This assisted/facilitated home ownership model entails new and more flexible mortgage qualifying processes in combination with pre-purchase counselling in financial literacy and ongoing post-purchase mentoring.

Adapting the US approach, Winnipeg’s Spence Neighbourhood community group, the Royal Bank and CMHC have entered into a pilot project to qualify marginal borrowers and track success over a five-year period (the program is ongoing). The RBC provides the mortgage along with borrower training in banking, budgeting and home maintenance. Community groups that are members of the Spence Housing Coalition assist purchasers with the home maintenance portion and ensure ongoing support to the purchasers over the five years of the pilot. CMHC is providing mortgage insurance on more flexible terms – e.g., accepting long-term payment of telephone and utility bills as indicators of capacity to remain current in mortgage payments. In addition, buyers may be eligible for rehabilitation grants under the CMHC Residential Rehabilitation Assistance Program (RRAP), a cost-shared program delivered by the province of Manitoba.

Another organization that sponsored a similar acquisition/rehabilitation initiative was the Winnipeg Real Estate Board (WREB). Also inspired by a study visit to some northern US cities, executives of WREB decided to implement an assisted ownership initiative.¹¹

WREB undertook an extensive campaign to secure a new source of funding, drawing from the deposits of homebuyer trust funds (the interest from which had, until then, flowed to general revenues to the province). After three years, WREB was successful in having the Manitoba government amend legislation to enable these interest earnings (approximating \$100,000 annually in the late 1990s) dedicated to an affordable housing fund (Housing Opportunities Partnership).

This pool of capital was then used as a revolving capital fund to cover the cost of acquiring existing homes in the \$20,000 to \$30,000 range in Winnipeg's older neighbourhoods. WREB accessed RRAP grants and some additional capital from the HOP fund to complete renovation work. Homes were then sold to moderate-income buyers with proceeds going to replenish HOP.

The WREB initiative is distinctly different from the other efforts in Winnipeg. It reflects the involvement of a business group, focuses more on physical rehabilitation and immediate ownership, and targeted neighbourhoods that were on the fringe of distressed areas, rather than those in deep distress. Arguably, this is a more paternalistic approach with less emphasis on community development and it may ultimately contribute to gentrification rather than revitalization. That said, the objective of attracting some moderate-income households to create more of a mixed-income community is an element that should be considered in any revitalization strategy.

As a third variant, in West Broadway, a community group is exploring the concept of a Community Land Trust (CLT), with land held in trust and a rehabilitated house sold to residents on a rent-to-own program based on the value of the building only. There have been some difficulties in conceiving the CLT and developing the lease-to-purchase formula, with the result that many residents remain as tenants of a nonprofit property owner.

A critical issue that has challenged the community group is how to reconcile mixed objectives. On the one hand, there is a desire to enable residents to acquire a housing asset and share in the appreciation of the asset over time (numerous studies have identified asset building as a key step in escaping the poverty trap). At the same time, the purpose of the trust is to remove the land from the market and thereby preserve affordability over the long term.

The Saskatoon approach emphasizes counselling and support

While similar in many ways to the approach taken in Winnipeg, Saskatoon and other Saskatchewan cities differ in one critical respect – the way the transition to ownership is facilitated and managed. Although modelled on an earlier pilot instigated in Prince Albert by the Canada Housing and Renewal Association (CHRA) in 1999, this approach has been implemented on a more widespread basis in Saskatoon under the management of the Quint Community Development Corporation.

This model incorporates an ongoing peer support group of assisted ownership, structured as a co-operative. Assisted homebuyers qualify based on low income and are assisted in incorporating as a co-operative, with a target of ten members. The co-op holds title to all ten homes with a blanket mortgage and each family is required to pay a pro-rated portion of the mortgage. The province and City contribute grants up to 35 percent of the house price (within a maximum price ceiling) to help cover the down payment.

The residents then earn equity as they are credited with the principal portion of the mortgage. They have the option of taking over title during the five years. As a co-op, the residents collectively undertake training and education in budgeting and home maintenance. Each co-op member contributes to a peer-based loan fund to maintain mortgage payments in the event of employment and income difficulties.

Residents help each other with repairs and, unlike other rent-to-own models where residents operate from the mindset that they do not own their properties, this co-op model engages participants as owners, collectively, from the outset. It establishes a degree of self-reliance and responsibility when compared with renters who call the landlord when something needs to be repaired.

The Saskatchewan government has expanded the program to cities across the province. But it targets specific low-income neighbourhoods with the intent of supporting broader CED and neighbourhood revitalization efforts.

Montreal Domi-cible program seeks to attract mixed tenure as part of inner-city revitalization

Montreal is known for its terraced homes complete with curving wrought iron exterior stairs. This feature is typically associated with a building form that involves two to five units within a single structure – colloquially known as “plexes” (as in duplex, triplex). Traditionally, a property owner occupied one of the units. Over time, many such structures have become owned by absentee landlords and have deteriorated, contributing to general neighbourhood decline.

The *Ville de Montréal* has been trying to revitalize its downtown area by attracting families back into the core, upgrading the dwellings and increasing the proportion of resident owners as a way to stabilize and improve declining neighbourhoods.

The *Domi-cible* (Target: home) program was created in 2001 and targets eight under-privileged inner city neighbourhoods. The program provides grants to new owners to help with down payment or renovation costs. *Domi-cible* also organized a unique training program, assisting the new owners to take responsibility for being both owners and small landlords, and to help them avoid situations such as rental arrears.

This approach achieves two related objectives: expanding ownership opportunities and preserving relatively affordable privately owned rental opportunities. Almost 600 households have become homeowners (86 percent are first-time owners) and two-thirds earn less than \$50,000. The ownership component is not targeted to very low-income earners because owners must have some capacity to manage the fluctuating costs associated with running a rental property.

Halifax's Creighton-Gerrish redevelopment builds on broader public investment

A recent initiative in the north end of Halifax effectively demonstrates the benefit of careful planning and comprehensive strategies. A 1994 report by Harbour City Homes Non-Profit Housing Society highlighted the limited impact of uncoordinated public investment “... *more than three decades of government-subsidized interventions in Peninsula North had failed to ignite self-sustaining regeneration and had attracted scant private sector interest*” [ACT 2003].

Reflecting this lesson, Harbour City Homes (HCH) concluded that piecemeal interventions were insufficient. Rather, a comprehensive and strategic investment was required to effectively fill in the gaps of earlier revitalization efforts.

Together with other nonprofit partners, HCH formed a coalition group named after the neighbourhood streets that they planned to revitalize – the Creighton-Gerrish Development Corporation (CGDC). Their objective was to create new affordable housing, with a mix of opportunities and incomes, and to trigger a broader process of revitalization, building on earlier investment across the community.

They selected a large block that was strategically located and suffered from visible blight – abandoned and boarded-up properties. CGDC struggled to secure land ownership from the City and a private owner to obtain planning approval and to find the necessary financing required to invest in the area's revitalization. It took much longer than planned (the first units were constructed in 2001, seven years after the initial report), but the initiative is now well under way.

A critical issue in the land assembly was that the existing zoning was commercial and, despite the distressed nature of the property, land owners were reluctant to sell at prices that would allow affordable residential development. Subsequent successful lobbying to the City to rezone the area to residential mixed use was critical to shift this perception (and land values).

To overcome financing and funding constraints, the redevelopment of the block was separated into discrete phases and buildings. The first phase, completed in 2001, was an 18-unit apartment property operated by a nonprofit provider to assist former homeless singles. The second phase was composed of six, for-purchase, semi-detached three-bedroom homes with full basements to facilitate home offices or rental suites. The remaining phases will add extra rental units as well as a condominium property so that there will be a diversity of tenure and unit types across the block.

A number of support and employment services already exist in the community and are accessible to residents as required – the missing element in the community was affordable housing.

Housing as a CED tool

The opportunity to integrate affordable housing with employment is reflected in the Winnipeg and Saskatoon examples. This concept was also used effectively in a youth initiative in Hamilton. Although not specifically focused on changing or revitalizing a neighbourhood, it does illustrate an approach that can be used in a distressed area.

The City Roots Youth Co-op, for instance, was undertaken in the late 1990s prior to the re-engagement of the federal government in funding new affordable housing. Many community groups were struggling to find ways to create or preserve affordable housing and they explored new and creative ways to secure funding. City Roots Youth Co-op was one result of these efforts. Under the sponsorship of a union-based housing advocacy group, a property was acquired and renovated to provide eight units of shared accommodation. The youth who were recruited for the initiative participated in a 10-week labour skills training program at a union education centre.

The project involved the acquisition and conversion of an existing rooming house as a youth residence operated on a co-op basis. The creative element was in harnessing funds that were not targeted to housing – it was an employment program. Funding from a Human Resources and Skills Development Canada youth internship program was used for training costs and living expenses during the training period, and to cover the salary of a construction supervisor/contractor.

Prior to undertaking the rehabilitation of the acquired home, the youth were engaged in a process of community involvement. They visited neighbouring residents, explaining that they had received training in renovation skills and offered to assist residents, free of charge, with small fix-ups or repairs in their homes. These visits helped build a base of community support and positive relationship with neighbours, and thereby avert the neighbourhood resistance that is often evident in affordable housing initiatives.

In Montreal, in partnership with the provincial government, the City has spent the last two years developing an integrated revitalization program, which includes housing but also economic and social development. It is called *revitalisation urbaine intégrée* (RUI) and is linked to the additional responsibilities in the new charter for the amalgamated city, the *2002 Sommet de Montréal*. Funding is available through two joint municipal-provincial initiatives, *Plan d'interventions dans les quartiers ciblés*, now terminated, and *Renouveau urbain*.

A key element of this initiative is similar to that of the Action for Neighbourhood Change – it seeks to actively engage residents and community members in the process and, concurrently, to

improve coordination and collaboration across a wide variety of agencies and stakeholders (community and private sector).

Initiated in 2003, this initiative has involved three pilot projects to date, concentrating on three distressed or disadvantaged neighbourhoods. These have used a process of community engagement/consultation to develop concrete plans of action that are trying to establish models for intergovernmental and interagency coordination and for better targeting of municipal interventions.

The overall objective is to improve conditions and the quality of life of individuals living in these three neighbourhoods – including improved service, labour skills development and physical housing conditions in the neighbourhoods. The initiative will draw on existing revitalization and new investment in social and affordable housing, funded under recent provincial and federal-provincial cost-shared affordable housing agreements. This initiative is now just beginning an implementation phase, which will take three to ten years and incorporate ongoing evaluation.

Large-scale public housing regeneration in Regent Park

Regent Park, located just northeast of the central business district in Toronto, is home to 7,500 people in 2,100 dwellings. It is euphemistically described in Toronto Community Housing Corporation publications as a vibrant place with families, schools and community spirit. In reality, the district has deteriorating buildings, poorly planned public spaces and few facilities to celebrate this spirit. Built in two phases on 69 acres of land between 1949 and 1959, Regent Park is one of the oldest publicly funded housing communities in Canada.

The thinking at the time (the late 1940s) was to create a ‘garden city’ – a place where buildings are located in park-like settings, streets are removed and the community is set apart from the fabric of the city. Today’s Regent Park is rapidly deteriorating and its buildings urgently need repair and upgrading. Most planners recognize that the community’s design is obsolete and creates serious challenges to maintaining a safe and healthy neighbourhood. Issues of poverty and disadvantage permeate this community.

While numerous efforts have been undertaken and a wide variety of community development initiatives are ongoing, its owner – Toronto Community Housing Corporation (TCHC) – in close consultation with the existing residents and City council, has determined that these pervasive symptoms of distress cannot be addressed without major physical revitalization of the area. Regent Park’s comprehensive redevelopment plan is intended to be a part of Toronto’s overall urban renewal and will contribute to the city-building agenda.

It [Regent Park] will physically reconnect the community with the surrounding neighbourhoods and bring new vitality and business to the whole of the east downtown area. The Regent Park redevelopment vision is broad, framed by the idea of community building rather than simply real estate development [TCHC 2005].

The Regent Park Redevelopment Plan is based on the principle of fostering a healthy community and reintegrating it with the surrounding city. The plan recommends introducing streets, creating large new park spaces and recreational facilities, aligning buildings along the streets and providing opportunities for employment, education, culture and community facilities.

The plan further describes how the existing 2,087 rent-geared-to-income units will be rebuilt in phases in a mixed-income, mixed-use neighbourhood. TCHC is committed to retaining the current number of units as rent-geared-to-income affordable housing, but within a more diverse mixed income community. Another 2,500 market units are proposed, including 500 affordable ownership units. Shops, community services and space for economic development activities are also planned.

The opportunity to redevelop Regent Park with more housing units and a mixture of incomes is facilitated by the unique features of this site, located within kilometres of Toronto's financial district. The land values and higher-density development opportunities will enable TCHC to cover part of the revitalization cost through revenues generated in the market developments.

Regent Park is the largest major redevelopment of public housing in Canada. Other small developments, such as Uniacke Square in Halifax, have undergone some renewal, but not at this scale.

In the US and UK, there is a much more extensive history of regeneration and redevelopment – in some cases, involving similarly well-located sites with potential for the integration of market units. Other examples in less favourable locations present greater challenges for community development due, in large part, to isolation and lack of employment opportunities in the adjacent areas.¹² (The experiences in the US and UK, both in terms of how policies, programs, mechanisms and institutional structures have evolved and how they are being used to support positive urban change and regeneration are discussed in a separate paper.)

Some Concluding Observations

Framing the issue:

- Housing is a central part of neighbourhood fabric – both as a physical feature (as a house) and as part of the social infrastructure (as a home).
- Housing is influenced by both market and public policy at all levels of government. Moreover, both market and public policy can have either negative or positive influences and can change over time. Changes may be planned or inadvertent.
- Neighbourhoods are dynamic entities which experience a multitude of ongoing processes. One set of processes influences decline – e.g., deindustrialization, depopulation, inflows of

lower-income and often visible minority residents, absentee landlords, drugs and crime. Another set of factors influences success or renewal – e.g., comprehensive community development and employment initiatives in collaboration with affordable housing opportunities.

Key lessons:

Across cities and, in particular, in the five neighbourhoods participating in the ANC project, the factors that have contributed to decline vary, as do the degree and intensity of decay. The illustrative housing strategies described above may not be applicable to all cities or circumstances. Strategies and approaches must be tailored to the particular conditions in any specific community. Strategies will be very different in cases where there is widespread decay (e.g., the inner-city neighbourhoods of Winnipeg, Regina and perhaps the North end in Halifax), versus where there are more contained pockets (e.g., Surrey and Toronto). When the pockets of decline are in close proximity to more vibrant neighbourhoods, the challenge is often management of the process of gentrification to ensure that opportunities for lower-income households are not eroded – e.g., the successful initiatives in Montreal.

Some specific lessons that may be applicable in the five ANC communities include:

1. These examples all involve place-based approaches – emphasizing rehabilitation or new construction. Where physical blight is pervasive, such physical place-based interventions are critical.
2. Although concentrated poverty is a key characteristic of distressed neighbourhoods, simply providing income support or shelter allowances is unlikely to promote physical transformation of decayed areas. However, there is a place for person-based assistance, which has been used quite effectively in the US as a way to dilute concentrated poverty and enable disadvantaged households to access housing in ‘better neighbourhoods.’ In these cases, consumption constraints, such as maximum rent and maximum assistance, limit the potential benefit.¹³ The US Housing Choice Voucher Program and Moving to Opportunity Program are discussed in a separate review of international practices.
3. This brief review has found that efforts to stabilize and revitalize distressed communities have employed housing policy, programs and investment with varying degrees of success. When delivered as stand-alone initiatives, housing interventions have had limited or, in some cases, unintended negative consequences (e.g., large-scale public housing). However, when developed with comprehensive strategies and when integrated with other programs that invest in and build upon human capital, housing initiatives have been more effective as agents of positive neighbourhood change.

4. An inevitable consequence of any neighbourhood initiative to stabilize and improve an area is that property values are enhanced and market pressures come to bear. It has proven very challenging to manage these market dynamics effectively and to manage the process of gentrification. Carefully designed development control or a coordinated policy of inclusion is necessary to implement this type of management and to ensure that opportunities for low-income housing are included in the redevelopment/regeneration process.
5. While planning tools can help, such as designating prescribed percentages of an overall site for affordable housing (as implemented in the Montreal Angus redevelopment), these must be accompanied by investment programs that facilitate the development of affordable housing.
6. Partnerships with the business community can be effective in leveraging new sources of investment (e.g., Winnipeg Realtors), but these must include an ongoing process of education and awareness-raising to ensure that partners share community development goals.
7. Distressed neighbourhoods are usually associated with undervalued properties. These can be both a liability (reinforcing a spiral of decline) or an asset (a source of affordable housing). The key for revitalization strategies is to capture this inherent value for the benefit of disadvantaged households while balancing a process of managed gentrification to preclude an over-concentration of poverty. The Montreal success with *endogène* (incumbent upgrading) may be a useful model to retain upwardly mobile existing residents (and avert their exodus to newer suburbs) as a way to achieve this balance.
8. Different mechanisms and combinations of mechanisms will be required at various times and in different cities. In communities with relatively lower housing costs, such as Regina and Thunder Bay, assisted ownership acquisition rehabilitation is likely to have greater potential than in higher-cost urban centres like Toronto.

Endnotes

1. The concept of 'system' is used here to refer to inextricably linked sets of interactions. Use of this concept is not intended to suggest that a coordinated public policy network of programs and interventions has been created. While not necessarily designed as a comprehensive system, many public policy influences inevitably function as systems – though not always in a coordinated or predetermined manner. The system also includes naturally occurring processes, such as population and household growth, economic growth and decline, and the interaction of the man-made and natural environments.
2. As discussed later, this dynamic has shifted over the past two decades, especially in the larger metropolitan cities. These older areas are now often the focus of higher-income migration and gentrification.
3. An aspect that applies particularly to the US is the migration of minority and often Afro-American households into the declining areas in the northern US, especially in the 1950-1970 period. The issue of race and the associated tensions have been far more prominent in the US and, as a consequence, addressing race issues permeates many policy directions in the US. In significant contrast, there has been greater tolerance and less friction around this phenomenon in Canada.
4. Decline is also evident in small towns that similarly have experienced depopulation, due to loss of their economic *raison d'être* as well as the pull from other areas. This form of depopulation and decline is not examined here as the focus is on declining neighbourhoods within metropolitan areas.
5. It should be noted that there is a very rich literature on urban decline and revitalization in the US. The literature in Canada is much thinner and there is thus a tendency to rely on US literature. This must be treated with caution. As Goldberg and Mark [1983] and Goldberg and Mercer [1986] have observed, there are some critical differences between US and Canadian cities. In particular, compared to the US, Canadian cities tend to have remained more compact and stable, have not experienced such a dramatic income disparity between central city and suburbs, were not influenced to the same degree in the 1960s and 1970s by race issues and segregation, and have not been subject to the scale of federal investment in urban highway infrastructure that has been a critical factor in the US.
6. For example, large minimum lot sizes tend to preclude building smaller, more affordable homes. The exclusion of structures with more than one dwelling similarly limit opportunities to include more affordable secondary apartments.
7. This process of 'suburban flight' has stalled and, in some cases, reversed with the emergence of a 'back to the city' trend in the 1990s, which is associated with redevelopment and intensification in inner-city areas, including gentrification and displacement.
8. It has been argued that Canadian cities have evolved in a fundamentally different way than those in the US. In a seminal study published in 1986, Goldberg and Mercer reinforced this perception with a detailed analysis of US and Canadian cities. They noted that Canadian cities have remained more compact and the central cities did not exhibit the same rate of population and job loss to the suburbs as that found in the US. Later research [Ewing 1992] repeated the factor analysis undertaken by Goldberg and Mercer and determined that Canadian urban systems are not necessarily immune to the characteristics of growth and decline evident in US metropolitan areas. Rather the same phenomena are evident in Canada but have taken longer to emerge and are evolving more slowly.
9. Like much urban renewal, there were tensions and controversy in the Africville urban renewal. On the one hand, the housing was in poor condition. However, the displacement and bulldozing of the area were not popular options. In addition to removing poor housing, the renewal process eroded existing strong social fabric and networks.
10. There is a handful of organizations such as the Downtown Eastside Residents Association in Vancouver, Quint in Saskatoon and New Dawn in Cape Breton which emulate the broader features of Community Development Corporations, but these are the exception rather than the rule. The US CDC model has not taken hold in any serious way in Canada.

11. The extensive experience, practices and outcomes of the US experience in urban regeneration using assisted ownership and associated counselling/mentoring will be discussed in a separate paper for ANC.
12. The UK has extensive experience in initiatives to revitalize declining areas as a result of past practice that often located public housing on the periphery of cities – resulting in social and economically isolated ‘peripheral estates.’ This has not been a prominent issue in Canada as, in most cases, public housing was developed in existing inner-city areas, often as part of renewal initiatives.
13. The US Housing Choice Voucher Program and Moving to Opportunity Program are discussed in a separate review of international practices.

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