

Manchester Futures: Innovative Housing Provision Precedents



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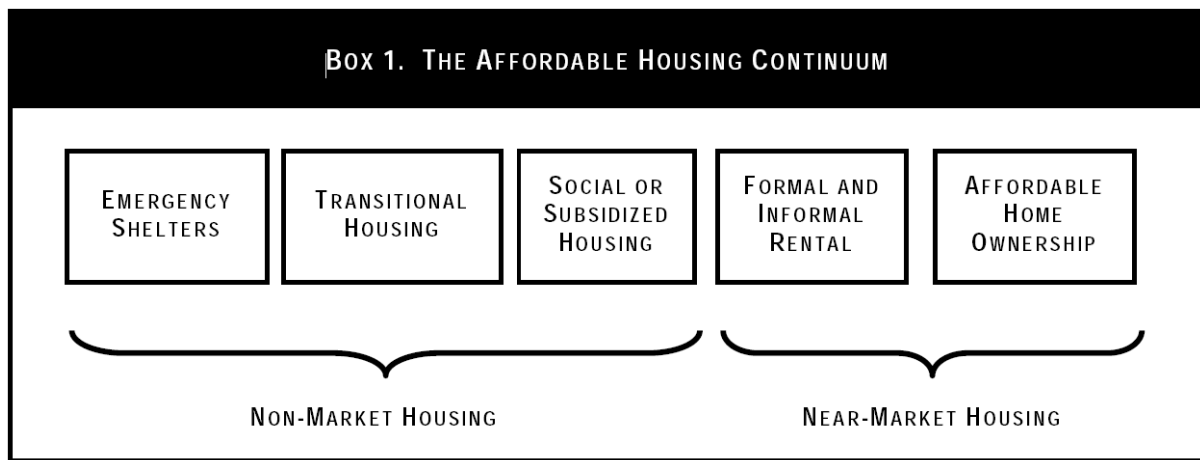
1. INTRODUCTION

This report is intended to highlight six case studies from North America and Europe in a high level overview of potential precedents for affordable housing within the Manchester neighbourhood of Calgary. These particular cases were chosen because they address barriers and accomplishments under key themes that are of relevance to the provision of affordable housing in Manchester. The key themes are: policy, development strategy, financing and design. Each case study is described using a number of categories that relate directly to the research themes: background, key features, initiator, land ownership, institutional framework, development plan, partnership model, key policy, financing, outcomes (including: housing type, target group, design features, and land use patterns), strategies that work and barriers and lessons.

A few key pieces of background information are required in setting the stage for each of the case study precedents. First, the definition of affordable housing was taken from the City of Calgary (2008) to ensure that the context remained relevant and consistent when referring to affordable housing types in North American and European contexts.

“Affordable housing adequately suits the needs of low- and moderate-income households at costs *below* those generally found in the Calgary market. It may take a number of forms that exist along a continuum – from emergency shelters, to transitional housing, to non-market rental (also known as social or subsidized housing), to formal and informal rental, and ending with affordable home ownership. Affordable housing projects are targeted to households with 65 percent or less of the area median income.

Provided below is the City of Calgary’s definition of affordable housing continuum:



Source: The City of Calgary, Community and Neighbourhood Services, Social Research Unit, 2008

Second, the consultants gathered basic information about Manchester to set the context for the study. Key features of Manchester include:

Commercial and Industrial: Auto body shops, textile stores, storage units, trucking and container storage, retail show room, coffee shops and restaurants make up the major non-residential aspects of Manchester.

Residential: Few residential areas exist in Manchester today. Some of the postwar housing has been converted to live/work and an affordable housing complex has been built on the old school site.

Density: The overall density of the commercial, residential and industrial areas of Manchester are low to medium density, and most structures are only one story.

Highlighted case studies and key features:

Case Name	Creighton Gerrish	Helensview Heights	SW Montreal & St. Henri	Arabianranta	Thames Gateway	St. Lawrence Neighbourhood
Location	Halifax, NS	Portland, OR	Montreal, QC	Helsinki, FI	London, UK	Toronto, ON
Key Features	Process Finance Design	Design Finance	Process	Policy Design	Policy Finance	Design

Following the case studies this report highlights several key policy and financing features of various affordable housing models. Finally the report provides a synthesis of the transferability of these features and the case studies to the Manchester context. There are also a number of papers not cited here that may also be of interest to city staff which can be found in the Policy and Finance sections of this paper and the attached annotated bibliography. In particular, the provision of alternative financing and policy strategies, as well as ways to attract and sustain an artistic community.



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2. CASE STUDIES

2.1 Creighton Gerrish Affordable Housing and Neighbourhood Renewal Plan, Halifax, Nova Scotia

Key Features:

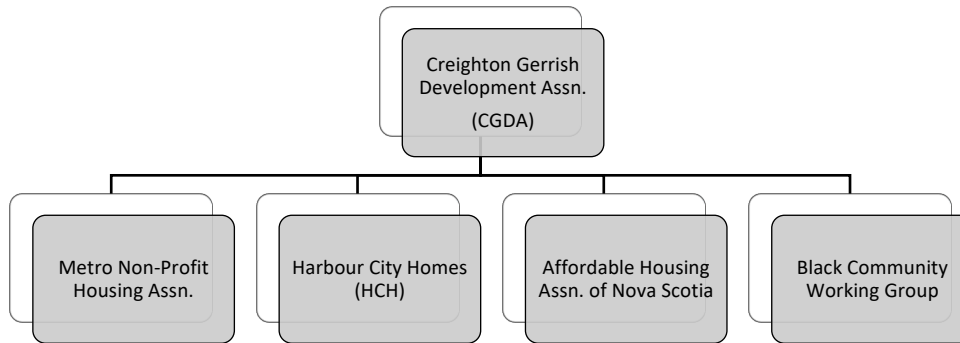
- Feasibility study
- The revised scope and the development of the private public partnership was integral
- Separating the project into staging and more manageable components
- CGDA used a method of ratcheting, a set of interlocking commitments to leverage land acquisition, development and financing of the project.
- Financing the 5 projects separately
- The land was acquired from the city tax free, and thus project costs were limited only to operational costs of the building.
- The project was expected to return considerable additional tax revenue to the municipality.

Background: The North end of Halifax Peninsula had been a focal point for community development and housing regeneration for 40 years. It had been known as the epicenter of urban blight, with a series of rundown buildings, vacant lots and high rates of unemployment, crime and drug abuse (Word Works Communication Services, 2003). A feasibility study was conducted to assess current land uses and the feasibility of an affordable starter home project. It was found that the developer didn't have enough money to build the starter homes. They partnered with a number of organizations (see below) and revised the plan to develop a two-acre site.

Initiator: Harbour City Homes (HCH), a private developer in Halifax, Nova Scotia received a grant from Affordability and Choice Today (ACT) to undertake the planning and implementation of affordable starter homes on the corner Creighton and Gerrish, thus instigating a process of renewal to increase the stability of tenancy in the blighted area.

Land Ownership: The land was owned by the City of Halifax and Sobeys' grocery chain. Sobeys owned the largest vacant lot. Acquisition of the lot was key to the redevelopment of the two acre property. The C/GDA provided Sobeys with three potential options, in which they sold the property out right. The C/GDA negotiated with the city to provide their part of the land tax free.

Institutional Framework:



Development Plan: Since a demonstration housing project was unable to kick-start rejuvenation of the Creighton Gerrish intersection, due to lack of funds, HCH broadened the scope to develop five separate, but integrated projects on two acres of land. The new goal was to incorporate residential (all affordable housing), commercial and recreational areas. To do this, HCH entered into a public-private venture with three other organizations: The Metro Non-Profit Housing Society, The Black Community Working Group and The Affordable Housing Association of Nova Scotia. Each was responsible for the development and financing of one or more projects, making up the development of the whole scheme. All partners and projects were governed under a sole development association – The Creighton Gerrish Development Association (C/GDA).

Partnership Model: Public Private Partnerships – The revised scope and the development of the public private partnership was key in the development of the project. C/GDA used a method of ratcheting—a set of interlocking commitments—to leverage land acquisition, development and financing of the project. Having the C/GDA assume full responsibility of overseeing financing and legalities facilitated an easier process for each developer.

Key Policy: Regulatory Reforms – Based on the feasibility study and the creation of the C/GDA, a business plan was presented to the City’s Planning Advisory Council to remove impediments to make it feasible to build affordable housing. Regulatory reforms included:

- Rezoning major commercial areas into minor commercial areas to encourage residential development. Zoning for major commercial areas encourages owners to keep properties for future profit, thus making the land difficult to buy at prices consistent with affordable housing.
- Loosening residential land use designation to allow infill, retrofits and extensions. Specifically, HCH requested zoning to permit smaller lot sizes, greater lot coverage and limits setbacks (Word Works Communication Services, 2003)

Financing: The C/GDA was able to reduce development costs by a number of strategies, listed below:

- Breaking the project into five components allowed for financing to be sought separately by each of the partners, while leveraging the finance from each of the other partners’ sources.
- The land was acquired from the city tax free, and thus project costs were limited only to operational costs of the building. The only land purchase cost that was considered was the amount to buy the Sobey’s land. In addition, the project was

expected to return considerable additional tax revenue to the municipality due to the home ownership component.

- Land contamination clean up costs presented a significant barrier to development of the project. However, a Federal grant provided by the HRD Supporting Communities Partner Initiative program (SCPI), covered the cost of building a dam to stop contamination.
- The CMHC's Public Private Partnership program provided an interest free loan allowing the C/GDA to hire a team of experts to develop the plan.

Outcomes: Housing variety and community services – From the beginning, the C/GDA saw the importance of including home ownership as part of the development. The idea was that home ownership was important to empower people, secure tenancy and provide an opportunity for a stake in the community. The housing variety provides a model demonstration for the provision of home and secure tenancy for a variety of low-income individuals, as well as homeless people.

Detailed design strategies are available from the Canadian Architect Article, Eastern Promises.
<http://www.canadianarchitect.com/issues/story.aspx?aid=1000337454&type=Print%20Archives>

Strategies that Work:

- Partnerships and leveraging
- Housing variety
- Ways to lower financing
- Feasibility study – context

2.2 Helensview Heights, Portland Oregon

Key Features:

- The use of green building materials
- Reducing cost for families to operate
- Providing choice between eight different floor plans

Background: Helensview Heights is a 52-unit development in an infill site in Portland Oregon. The goal of these homes is based on principles of sustainability. The development meets the rating of Gold LEED for Neighbourhood design and a Silver rating in LEED for Homes. “There’s a better chance that low-income homeowners will stay in their homes if it doesn’t cost as much to operate” (Binsacca, 2009). The homes were built in close proximity to public transportation, schools and public services, which eliminated the need to include garages in the design. Durability, efficiency and flexibility were incremental in the design of these units. The developer, Housing One Street at a Time (HOST) provides eight different floor plans, which goes beyond the call of affordable housing. Specific sustainable design features of the house are included in ECOHOME article (see annotated bibliography).

Initiator: Non-Profit developer Housing One Street at a Time (HOST).

Partnership Model: HOST aims to avoid government subsidies if at all possible and instead partners with corporate foundations and strives to lower construction/development costs by securing pro bono services. For this project, HOST sought out a number of financial grants, including support from the Home Depot Foundation and Enterprise Community Foundation's Green Communities' program (Binsacca, 2009). Funding from these corporate sponsors allowed for a community design charrette and the opportunity to pay for green building elements.

Financing: Without the Home Depot grant, getting LEED certification might not have been an option. The \$1,500 grant was key for the developer then to provide a price point that made sense for the homeowners while keeping the green mission in mind. Other ways of reducing financing costs are:

- The builder used in-house crews instead of subcontractors, which allowed a high level of expertise in green building and also allowed HOST to control the cost.
- The project team developed a wish list of green building options that would benefit the buyer. The flexibility of options allowed the project to remain within budget and provide long-lasting materials.
- The homes are \$186,000 to \$244,000 and are built 24% - 42% smaller than typical houses. HOST used the sizing as a way to negotiate this development within the Urban Growth Boundary.

Outcomes: The housing development is made up of 40 detached units and 12 condominiums, as an affordable home ownership program. HOST uses strategies of green building design, and leverages low-interest financing to provide low-income renters with homes that reduce utility costs, improve indoor air quality and higher resale value (Binsacca, 2009). The homes target single-parent and minority families and seek to convert existing renters in the neighbourhood into buyers to increase housing tenure security therefore decreasing the risk of gentrification. The deed requires that the homes are always owner-occupied, which maintains neighbourhood stability and housing values

Strategies that Work:

- Partnerships
- Home ownership as stabilizing force
- Ways to lower financing

Barriers and Lessons:

- The article did not provide enough information about land ownership, how it was acquired and who paid for it.

2.3 Southwest Montreal and St. Henri

Key Features:

- State level involvement in the redevelopment process.
- Transformation process from industrial to residential.
- Public private partnership
- Location of the project in terms of proximity to work place and amenities, which was attractive for families and people to live there
- Waterfront development - Integration of public spaces, economic security, housing affordability, and a community role in the planning decision.

Background: Southwest Montreal - This area used to be a unique historic place and an industrial hub for the city. Several industries like textile, metalworking, transportation, food and beverage used to be located in this area. The main reason for the industrial concentration in the area was its proximity to the city center and the nearby Lachine canal and the St. Lawrence River, which are key transportation infrastructures.

In 1970, the industrial enterprises were relocated and the canal was closed to navigation. As a result the whole area was in a crisis of unemployment and the overall population declined. The unsupportive role of the state and the municipality's urban policies in comparison to other cities also aided to the crisis. In 1980s the federal government gained ownership of the canal in an attempt to improve the landscape and reuse of its bank. The municipality also took action for investing in public infrastructure and initiate programs for housing renovation and revitalization of the commercial zone. The waterfront development and canal activation triggered private investors in the conversion of the industrial buildings into condominium apartments, and reuse of lofts to attract new inhabitants to the area. Thus, the industrial area started to transform into a residential area.

Strategies that Work: SW Montreal transformation

- State level involvement in the redevelopment process.
- Long term and rational planning policy and decision-making - in the case SW Montreal the canal reactivation and waterfront development policy.
- Public private partnership model.
- Heritage building preservation, rehabilitation and re-purposing.
- Location of the project in terms of proximity to work place and amenities.
- Mixed-use policy in land use planning.
- Integration of public spaces, economic security, housing affordability, and a community role in the planning process.
- Affordable housing strategy - for all new housing projects over 200 units 15% should be sold at an affordable price of \$165,000 for childless households and at \$200,000 for family households. Another 15% should be social or community housing.

Barriers and Lessons: SW Montreal

Despite the affordable housing strategy of the City of Montréal, the proposal to transform the Imperial Tobacco factory faced community protest. Community groups claimed that the type of urban development occurring in the area was mainly condominiums and only suitable for middle class people, and would contribute to social displacement of lower income households. They requested the municipality to increase the amount of social housing.

- Local authority concerned about the residential development and physical revitalization process rather than job creation.

Background: St. Henri Co-ops - The project located in a former inner city industrial neighborhood in the region of SouthWest Montreal where several tanneries, textiles, and industry buildings were situated. In 1950 some of the industries were closed due to economic crisis and some others were shifted to other locations. As a result, unemployment occurred and population decreased in the area. In 1980s the federal government took initiatives to redevelop the area into a mixed-use development. Couvent de Saint-Henri Housing Co-op contains 48 affordable rental units in a four-storey apartment building that has been converted from an old school building. The project is located in a mixed-use neighborhood with some industrial and residential uses. There were significant site-contamination issues, including asbestos in the buildings as well as hydrocarbon and heavy metals in the soil. However, funds from the province and the municipality as well as different organizations made the project possible.

Initiator: AccèsLogis Québec a government program that subsidizes community housing.

Land Ownership: Donated by the City of Montreal. The total land area is 0.8 acres.

Institutional framework: The project is developed under a policy of the City of Montreal, where the general framework of the policy is – all new developments should include 30% affordable housing, where 15% would be the social and community housing.

Developer / Co operative - Grt Bâtir son quartier (Build Your Neighborhood Technical Resource Group)

Partnership Model: Public- private partnership model was used in this project, where the public sector (The municipality of the city of Montreal) supported the project by providing a grant, donating land and the building and the private sector renovates the building and redevelops the site through quality design practice.

Key Policy Implemented:

- Under the general framework of affordable housing in the city, developers created a strategy exploiting the *rent subsidy* policy by the government. According to this strategy, 50% of the total units would be occupied by the lower income people who are eligible for rent subsidies that will allow rent reduction to 25% of their income. This subsidy will also provide rent security (no rent increases) for the next few years.
- The other 50% of the units will be occupied by middle-income people who can afford the offered rent and are not eligible for rent subsidy.
- A committee of co-op members set up for the selection of tenants from a list of applications. This mixing up of tenants along with the *rent subsidy* policy have made it possible to provide affordable housing with no rent increases over the next few years.

Finance:

- Grants from the Government of Quebec and the city of Montreal.
- The provincial Urban Contaminated Sites Rehabilitation (Revi-sols) program paid 50% of the total cost (\$360,000) of soil rehabilitation and removal of the asbestos from the building.
- The AccèsLogis community-housing program.

Outcomes**Housing Type:**

- Co-operative housing with 48 affordable rental units.
- Four and two storey units ranging from 634 sq. ft. to 1,600 sq. ft.
- Market and no- market housing stock balance, 50%~50%

Target Group:

- Single person
- Families
- Persons with disabilities

Land Use:

- Convenient location of the project is one of the success factors. There are two metro stations- west Lionel Groulx and Saint Henri - as well as several bus routes and bike paths are located near to the neighborhood.
- Proximity to city center (workplace), school, bank, church and post office as well as amenities like shopping centers, park, and community center are in walk able distance from the project.

Design Features:

The developer involved a city planner, architect and landscape designer in the development of the site and the building design. Some key features are:

- Building appearance and quality improved by adding balconies, terraced window wells in each unit. Large windows were kept for maximum light exposure but the glass was replaced to improve the energy efficiency factor.
- Reuse of the existing form and design features of the building such as window openings and concrete ceiling.
- A small office space and 1200 sq. ft. common room designed for the members of the co-operative and administration.
- 16 designated parking spots -11 indoor and 5 outdoor. The indoor spaces cost \$15 month in addition to the rent.
- Most of the units are designed for people with physical disabilities.
- A 6750 sq. ft. yard was landscaped with grasses, shrubs, and mature trees at the rear of each building for residents to use.

Strategy That Worked:

- Policy - rent subsidy for low-income group. (payment allowing rent reduction to 25% of their income)
- Public private partnership model.
- Study the feasibility of the site (Location of the project.)
- Co-operative structure of the project allows community participation in decision making and management of the building.
- Reuse of the existing building.

Barriers of the project:

- Funding was difficult.
- Site Contamination.
- Approval of the project was complex because according to the regulation the area only allows industry, warehousing and wholesale trade development. But because of the project's high potential it was approved.

2.4 Arabianranta, Helsinki, Finland, located on the west of the Baltic Sea region.

Key Features:

- Innovative housing policy
 - Promote artistic quality – setting the rule where 1%-5% of the building costs are earmarked for artistic cooperation
 - District-wide broadband service (cheapest package available)
- Cost control housing - All waterfront sites are reserved for the cost quality controlled housing where the concept implies that developers cannot increase flat prices without increasing the quality of construction.
- Context specific design – hired an architect to involve students of Art and Design Centre Helsinki to work with the developer to incorporate artistic elements into the project
- Contributed to the uniqueness and character of the space
- Adaptive reuse of existing industrial factory building for conversion into an art gallery

Background: Public policy on housing in Finland is recognized by the dual nature of the buildings – a dwelling is considered both as a *public good* and as a *private commodity*. Adequate housing is a public good in the sense that it is a basic requirement for the well-being of everyone. The availability of well-designed housing at varying prices and tenures made for attractive, socially mixed neighborhoods is the fundamental goal of Finnish housing policy and city planning. Private commodity household is something that is bought and sold on the market according to people's preferences. Nearly 60% of the dwellings in Finland and 42% of the dwellings in Helsinki are owner occupied. Thus in Finland home is often considered as an investment; many people consider this as a secure capital that can be transferred to the next generation.

The Finnish government employs two basic mechanisms to achieve housing affordability - subsidized rental housing for the least well-off households, and subsidized home ownership for all households purchasing their dwelling. Under this two mechanism the following housing profile is found in Finland.

Available Housing profile in Finland:

1. 64% home ownership
2. 17% government subsidized
3. 15% private housing (rental)
4. 1% right of occupancy housing and social rental housing

Background: Project “Arabianranta”

The project is located in a former industrial site where once the biggest porcelain factory in Europe named Arabia was founded. Today the factory is no longer operational, but the area is being redeveloped as Arabianranta art and design city and is transforming from an industrial area into a mixed-use development. In 1986 the university of Art and Design Center Helsinki was relocated to the area. The aim was to assemble the leading center of art and design in the Baltic Sea region in Arabianranta. In 1990, the planning of the area was started by the Helsinki city-planning department. They planned to redevelop the area in a mixed-use development complex on the theme of *art, design, and cultural city*. The City of Helsinki designated this waterfront site to host 12,000 residents, several hundred IT companies, 8,000 jobs, and enough universities to educate 6,000 students. The construction began in spring 2000, and is taking place in phases until 2012.

Initiator and Landownership: The City, which owns 70 percent of land in the capital, initiated and assembled the property for the project.

Institutional Framework and Partnership model: The city of Helsinki controls the whole project and the local governance is attributed to an entrepreneurial approach and incorporated participants into a process of policy-making. It incorporates several sectors such as the Art and Design center (ADC), the Ministry of Trade and Industry, private developers, the City of Helsinki energy company “Helsinki Energy”, thus effectively forming a successful private public partnership.

Key Policy Implemented:

- According to the project plan 40% of the total 3,400 planned housing units are social rental housing.
- All waterfront sites are reserved for the cost quality controlled housing where the concept implies that developers cannot increase flat prices without increasing the quality of construction.
- Allocating land for office construction only on sites that are not suitable for housing due to pollution.
- Promote artistic quality by setting the rule where 1%-5% of the building costs are earmarked for artistic cooperation which covers high quality building design, use of materials and public art in different locations, both inside and outside the buildings. During the implementation of the policy the city also hired architects to coordinate artists and students with the contractors for this purpose.
- All of the new houses must be connected to a unified local broadband network (MAN-Metropolitan area network) with the aim of accelerating local networking to create jobs, economic growth and wellbeing.
- The waterfront development is being implemented as a part of long-term housing and office development strategy.

Development process: The project is being completed through different phases. First, the City Real Estate Department allocated all development sites in Arabianranta to private contractors and developers through open 'site competition'. The public sector then have provided the funding and the policy framework under which the private sector would provide services in the development process. The City Council also assigned the City's energy company, Helsinki Energy to build a district-wide fiber optic cable network in Arabianranta in collaboration with the Public Works Department in Helsinki.

Financing: The whole project is funded by the City of Helsinki.

Outcomes

Type of Housing:

By 2012, for a total 10,000 residents the project would provide:

- Social rental housing
- Co-operative housing
- Senior housing
- Owner occupied and rental apartments
- Cost-quality control housing
- Student housing apartments including workspace (connected to apartments).

Market and Non-market housing stock shows a balance of 60% - 40% for this project.

Target Group:

- The project covers residents from lower to higher income including families, single persons, and seniors.
- University students of the Art and Design center Helsinki.
- IT companies and professionals.
- Artists' community of the University of Art and Design center Helsinki and the Art and Craft center of Arabia near the complex.

Land use pattern:

- A mixed land use development planned mainly for residential, institutional, and commercial with a light industry of art and craft.
- A large campus area is designed with various educational units for 15,000 students of the university of Art and Design, Helsinki.
- A recreational urban Park near the shore for the community.
- The project provides 280,000 m² of office space in the complex.

Proximity to workplace and Amenity:

- The bus routes and tram facilities are accessible from the site. A bus ride takes 12 minutes to the city center while tramway will take 16 minutes. The whole complex has pedestrian connectivity to promote walk-ability.
- The housing area is also located next to the Arts, crafts and design center of Arabia.
- The area is surrounded by a seaside green belt to provide great opportunities for urban hiking in the nearby historic places and the old town bird nesting area.

- An urban park is also designed on the bank of the seashore to provide recreational facilities in the complex.

Design Features:

- Promoting artistic quality in design of the buildings in the complex where students of the Art and Design center of Helsinki participated with the developers and contractors for the purpose.
- Adaptive re-use of the old industrial factory building where the building is converted to Arabia museum and gallery with shops, library and services.
- Proper landscape design and waterfront development by the City of Helsinki planning department.

Strategies that worked:

- Extensive services are the heart of the *Finish model* in the context of urban regeneration and technological development. The initial interest of the city for the project was motivated by the employment concern. Later an innovative policy by the city made the project successful in terms of affordable housing solutions in Helsinki.
- Private-public partnership as a development model.
- Town plan regulation, large public landownership and long term land use planning practiced by local authorities proved successful for the project.
- The Arabianranta model for broadband service provision is an innovative solution in urban redevelopment process. The model shows how the aspect of social welfare can be incorporated to technologically advanced high profile waterfront development with viable condition for business development.
- Feasibility study for constructing a district wide fiber optic cable network.
- Variety of housing mix and the quality design to attract different class or groups of people.

Barriers and Lessons: Strong landowner and control over the housing market by government in Finland provides less opportunities for free market, as a result there are still affordable housing shortage observed there.

2.5 Thames Gateway, UK

Key Features:

- Involvement and support from various levels of government
- Driven by Southeast regional policy plan and Section 106 of the 1990 Town and Country Planning Act – this is similar to Vancouver and to the real estate transfer tax model in the U.S.
- Planning obligations set to ensure developers contribute to infrastructure and services (affordable housing, schools and roads)
- Parameters on area development policy that has to provide affordable housing or the initiator has to pay

- The obligations may be met by the developer within the development or sometimes in cash that will then be contributed to these services by the municipality.

Background: Thames Gateway refers to a 70-kilometer area of land from inner East London to the Thames Estuary. Much of the land is brownfield industrial and has been designated as a national priority for urban regeneration. The redevelopment projects are the result of a partnership between regional development agencies, special purpose development corporations and local agencies. The Thames Gateway currently houses around 1.6 million people and much of the area is known for being low-income. There is a significant lack of accessibility to transportation, services, employment and affordable housing. The Thames Gateway encompasses both sides of the river that were formerly used for land-intensive industries that have since declined leaving derelict buildings and contamination. However, this same area is thought by the government and by planners to possess the potential to be effectively regenerated. This case study will focus specifically on the area of the Thames Gateway which is located within London that includes: the Isle of Dogs, Stratford, Lower Lea, Royal Docks, Barking Town Centre, and London Riverside. (Poynter, 2008)

Initiator: The Thames Gateway project was initiated in 1990 by the South-East Regional Policy Guidance Plan and championed by the then Secretary of State for the Environment. Since 1997, various developments within the larger area have been supported by governments at the national, regional and municipal levels (Poynter, 2008). The Thames Gateway project development is coordinated by, the Department for Communities and Local Government and three regional development agencies within each of the three regions. It is also overseen by English Partnerships that is the national regeneration agency. Within London the London Thames Gateway Development Corporation (LTGDC) has responsibility for the redevelopment areas of the Thames Gateway. The LTGDC is sponsored by the Department for Communities and Local Government and since October 2005 has been given power over certain planning functions from the councils of the local boroughs in the designated redevelopment areas (Poynter, 2008).

Land Ownership: Because the area encompassed by the Thames Gateway project is so large, it is a fragmented landscape owned by a variety of different stakeholders. The London Port Authority owns part of the land. Parts of it fall under municipal land trusts. Pieces are owned by local boroughs and some of it is privately held by various companies and developers.

Development Plan: Numerous private developers, Registered Social Landlords, phased over time.

Partnership Model: Public-private partnership

Key Policy: One of the key policies used in the Thames Gateway project to ensure the development of affordable housing by the private sector is Section 106 of the 1990 Town and Country Planning Act. This policy has been adopted at a municipal and borough level to allow local governments to enter into an agreement with developers about specific planning obligations. Under the act, these planning obligations can be sought when “planning conditions are inappropriate to ensure and enhance the quality of development and to enable proposals that might otherwise have been refused to go ahead in a sustainable manner.” These planning

obligations ensure that developers contribute to the infrastructure and services needed within a proposed development area such as the provision of affordable housing, schools or roads. The obligations may be met by the developer within the development or sometimes in cash that will then be contributed for the provision of these services by the municipality. For example, if a developer does not wish to provide the required amount of affordable housing, they are then required to provide an agreed upon amount of cash instead which will then be passed on the municipal agency charged with providing affordable housing to use on other projects.

Financing: The Thames Gateway project is being delivered by a number of private developers who work under various public policy frameworks such as Section 106 of the Town and Country Planning Act. There is also a certain amount of affordable housing being developed by Registered Social Landlords who will own the developments and rent them out. Individual developers then privately finance most of the project under the policy framework set up by the various levels of government.

Outcomes

Housing Type: The developments within the Thames Gateway have been a mix of condos, apartments, townhouses and single-family homes. There is a target goal of 35% affordable housing within the 120,000 -160,000 new residences that are predicted by 2016 (Bernstock, 2008). Individual developments usually possess between 15% and 50% non-market housing to meet these goals and the planning obligations of Section 106. Affordable housing is mostly in the form of non-market rather than near-market or affordable homeownership, due to the Registered Social Landlords.

Target Group: Mostly singles and couples, as the project is overall lacking in sufficient numbers of family housing options.

Strategies that Worked: Section 106 of the Town and Country Planning Act. It is similar to the Real Estate Transfer Tax. (see Financing section for further details)

Barriers and Lessons: The 30 units per hectare guidelines (Bernstock, 2008) caused a tendency towards less family housing within the Thames Gateway development projects. Since 2000 there has been a marked trend towards one and two bedroom condos and apartments that leads to a mismatch between type of housing built and type of housing needed. If one of the goals of the development is to keep workers and their families living near inner-city jobs then the development needs to provide housing that is both affordable and meets the needs of a family with children. (Bernstock, 2008) However, this goal is countered by the current policy that 20% of all developed units have to be social housing and are given over to the State or Registered Social Landlords. This policy often translates into a number of small units on the side of the property to be developed so that the market housing can be more spacious. A related issue raised within the context of the Thames Gateway project is isolation of high-density affordable housing tower style developments rather than integration with other types of housing. The Institute of Public Policy Research did a study which argues that people will not want to move into these regenerated areas unless there is a good mix of high-quality social housing, commercial developments and local facilities. (Bernstock, 2008)

2.6 St. Lawrence Neighbourhood, Toronto

Key Features:

- The high rise apartments are placed along the road to create a buffer zone for the lower density developments
- A variety of housing tenures for low income groups and families (condominiums, non-profit cooperatives and private non-profit rentals)

Background: The St. Lawrence neighbourhood is a 56-acre municipally organized inner-city redevelopment in downtown Toronto. It was built to provide affordable inner-city housing. This high-density and socially mixed community is often considered a successful example of adaptive reuse of formerly industrial brownfield sites. The area was initially redeveloped in the 1970s as a response to shifts within federal, provincial and municipal housing policies. At this time the city of Toronto was facing a declining population and a housing crisis that acted as a catalyst for the city to become involved in housing again.

Initiator: The City of Toronto initiated this project and the site was chosen because of its proximity to downtown and to transportation corridors, the reasonable cost of the land and the minimal disruption to the city's employment base.

Land Ownership: The formerly industrial land was used for parking, truck depots, warehouses and scrap yards as well as other light industry. Half of the land was already owned by the public sector, therefore assembling the site was easier than if the entire area had been fragmented ownership. Due to the fact that the land was under utilized as an industrial site, most private owners were willing to sell for market value to the city. The city also acquired 12 acres through expropriation.

Development Plan: The city partnered with 16 development agencies and 25 architects to create a diverse, yet cohesive plan and physical manifestation. The City of Toronto's Housing Corporation and the Metro Toronto Housing Authority also participated in the development process.

Partnership Model: Public-private partnership between developers, architects and all levels of government.

Key Policy: The process was intended to be transparent and democratic with high levels of community participation. The project itself was planned and implemented by the City of Toronto Housing Department in cooperation with provincial and federal levels of government. The site itself was developed in three distinct phases, which took place over two decades.

Financing: The land acquisition was funded through loans and subsidiaries provided by the federal and provincial government and via a 25-year mortgage provided to the City of Toronto's Housing Department by the federal government's Canada Mortgage and Housing Corporation. The land remained titled to the City of Toronto and was sold and leased to the private sector so that the project became self-financing.

Outcomes

Housing Type: The St. Lawrence neighbourhood has 4,310 units on 56 acres and houses approximately 10,000 people. There is a mix of housing types.

Target Group: The focus of the project was to provide affordable housing for low to middle income families in the inner-city.

Land use pattern: There is a mix of commercial and residential uses in the neighbourhood currently with options to rent or own various types of housing.

Strategies that Worked: Partnerships and unique process

Barriers and Lessons: The phasing for the project was not ideal as neighbourhood had to wait a long time to get services.

3. KEY POLICY

Community Land Trusts (CLT) is a strategy associated with transferring land ownership from the market to individuals and families to create equity through home ownership (Heisler, 2009). It is considered an alternative land tenure model, where the community owns the land and it is leased back to the individual that owns and manages the land. This model takes the form of land ownership out of the sphere of municipal management, by providing local land control. Examples of community land trusts are now becoming a strategy to create affordable housing. The land can be held by a non-profit corporation in order to financially acquire the land on behalf of the community to provide secure affordable access to housing and the land (Heisler, 2009). According to the Institute for Community Economics, community land trusts aid communities to:

- Gain control over local land use and reduce absentee ownership
- Provide affordable housing for lower income residents in the community
- Promote resident ownership and control of housing
- Keep housing affordable for future residents
- Capture the value of public investment for long-term community benefit
- Build a strong base for community action ([Heidler, 2009](#))

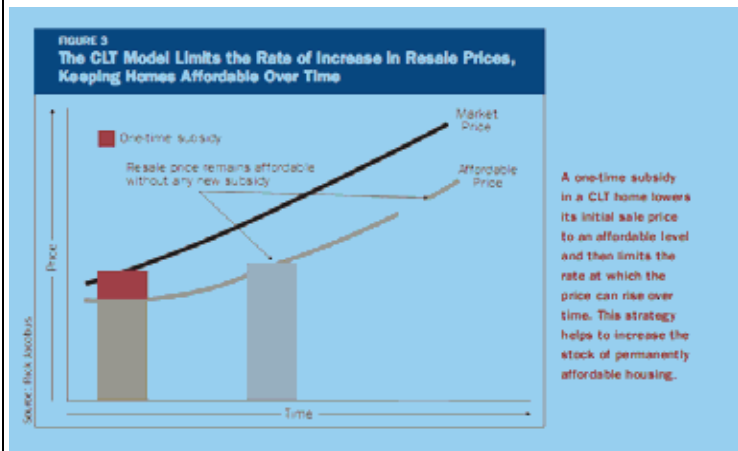
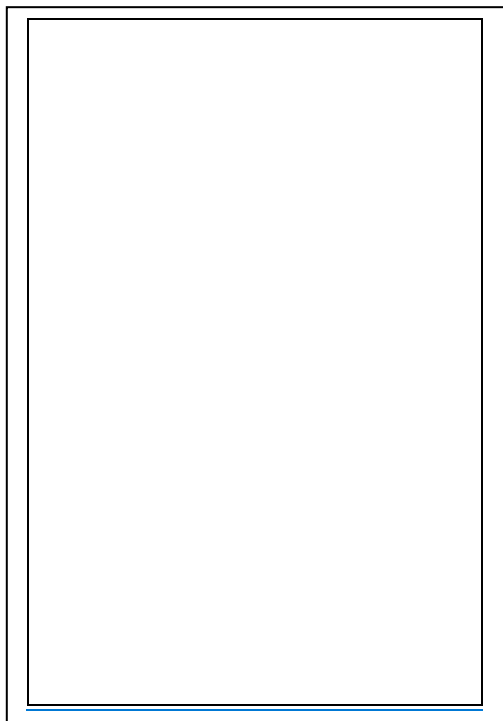
The most important component is redefining the property not by housing ownership, but by the ownership of property i.e. land. The theory is that affordability in housing can be achieved in perpetuity if the land is held in trust by the community, or by an organization that operates under principles that will benefit the community (Heidler, 2009)

Benefits

- Prevents housing from becoming unaffordable through redevelopment and gentrification
- Controls the resale value of the dwelling and land therefore ensures it will remain affordable
- Improves the stability of tenure

Recommendations

- Suggest that CLTs consider public private partnerships for donation of land to avoid the value of the tax receipt not being able to offset capital gains a donor must pay
- Government involvement in developing and managing the land through donation of long term lease (as opposed to traditional government subsidy model) – see diagram of difference to traditional model below. This works best as a temporary arrangement until a CTL is firmly established.



The two charts above show a comparison between government subsidized affordable housing versus the CLT model. The point of the chart is to demonstrate that the use of CLTs can keep houses affordable over time and are better than long term government subsidy models.

The city of Newcastle-Gateshead in the Ouseburn area of the UK is in the process of regeneration strategy where part of the process is to “increase attractiveness of the Lower Ouseburn valley as a place to live by improving residential quality, affordability and access to jobs and facilities”. As part of the plan, local residents have indicated the need for affordable

housing, shared home ownership and live/work facilities for artists and IT workers. The city is exploring whether the community land trusts is a viable option.

For more information please see:

- 1) Heisler, K. (2009). *Alternative Land Tenure And The Social Economy Literature Review*. Alberni, B.C. : Canadian Centre for Community Renewal (CCCR) on behalf of the B.C. – Alberta Social Economy Research Alliance, pp 20- 28
- 2) Paterson, E. & Dunn, M. (2009). Perspectives on utilising Community Land Trusts as a vehicle for affordable housing provision. *Local Environment*, 14 [8], 749-764.

Subsidized Artist Housing: Some cities in the United States have had a certain degree of success in regenerating industrial neighbourhoods through the use of subsidized artist housing. This type of subsidy encourages artists to move into future regenerated areas in the city. This provides a way for artists to stay in the community that they helped renew rather than being priced out once the area begins to draw higher-income residents.

For more information please see: Strom, Elizabeth (2010). Artist Garret as Growth Machine? Local Policy and Artist Housing in U.S. Cities. *Journal of Planning Education and Research* 29; 367

Policy to Discourage Gentrification: This article chronicles the development of Brockton and South Riverdale in Toronto as examples of community led urban regeneration of an industrial site. The authors argue that several of the key factors, which inhibited gentrification in these two neighbourhoods, could be translated into policy that might produce similar results. These factors are: security of tenure; community embeddedness; unappealing housing stock; progressive local government; the maintenance of significant industrial employment lands; neglect on behalf of city officials towards nuisance uses and environmental externalities; and, reliance on alternative/ ethnic forms of housing finance capital.

For more information please see: Walks, Alan and Martine August (2008). The Factors Inhibiting Gentrification in Areas with Little Non-market Housing: Policy Lessons from the Toronto Experience. *Urban Studies*. 45; 2594.

Affordable Housing Policy in Ottawa (This case was written in 2005 for the City of Calgary by Greg Sauer from EVDS)

The policies that are considered relevant to the discussion of housing affordability in Calgary include: land acquisition and dedication, inclusionary zoning, secondary dwelling units, height and density bonusing and incentives, cash-in-lieu of parking, condominium conversion, demolition, down-zoning and alternate development standards.

For more information please see: Sauer, Greg (2005). *Affordable Housing in Ottawa, Ontario: A Case Study of Land Use Policy and Transferability*. City of Calgary, Community and Neighbourhood Services, Social Research Unit.

4. FINANCING

Financing is often the biggest barrier for private and non-profit developers to undertake affordable housing projects. This is due to the costs associated with land acquisition, coupled with the fact that the return on investment in constructing affordable housing is not sufficient to cover mortgage payments or return profits (Sauer, 2005). Therefore, a few alternative financing methods were presented throughout the literature and case studies, where typical affordable housing financing was not sufficient. This list is not extensively detailed; however, it could provide a starting point for further investigation to determine whether these mechanisms would be suitable for funding affordable housing in Manchester. Typical methods of financing mechanisms can be found in the document “Mechanisms for Financing Affordable Housing”

Corporate and Private Foundation Sponsorship – Small and large developers are now beginning to turn to corporate sponsorship and foundation support to supplement costs.

Examples included:

- Payment for construction material to meet LEED criteria (ex. Helensview Heights in Portland, OR);
- Funding to supplement land acquisition and building costs and
- Donation from large corporations or foundations into a city-wide Affordable Housing Fund. For example, in Boston the Riley Foundation donated more than \$10 million to inner city projects (source: Dillon, 2006 and Binsacca, 2009).

Real estate transfer tax – Cities in the United States are recommending this strategy to pool a significant amount of funds to be allocated towards affordable housing development. Each city operates this differently, however the general idea is to increase the land transfer tax on property developments over a certain amount (i.e. over \$500,000 in Illinois), in order to filter the additional percentage into an Affordable Housing Trust Fund. Illinois and New York are cities that have reformed their transfer tax laws to accommodate this type of initiative (Dillon, 2006 and Churchill, 2006)

Green Affordable Doable – Green Communities Strategy: The Enterprise Green Communities program in the United States offers a number of ways that costs can be reduced throughout the development process. Some ideas include:

- Find opportunities to offer employment to low income residents to participate in the development of projects. This creates an opportunity for employment while decreasing costs.
- Use green experts’ knowledge to develop a menu for developers of lower-cost green building technologies, for example a 95% gas furnace vs. a more elaborate radiant floor heating systems (Enterprise, 2008).
- The Enterprise Foundation has conducted a study on the return on investment for green affordable housing. This study indicated that return on investment varied from three to nine years depending on the type of green building design. The study also found that the development costs of implementing green building techniques were a mere 1 – 2% (Bourland, 2010).
- Investigate the possibilities of a cap and trade system: The City of Portland has developed a system where buildings with lower energy efficiency pay a premium, which is then allocated towards more environmentally efficient projects (Enterprise, 2008).

5. TRANSFERABILITY

The following chart can be used as a map to locate particular cases of interest. This data should be used as a reference of potential areas of transferability rather than as a recommendation of principles.

Site	Location	Housing for families	Housing For Immigrants	Former Industrial Site	Live-Work and/or Proximity	Artistic Community	Affordable Housing Model	
							Home Ownership	Multiple Types
Creighton Gerrish,	Halifax	X	X		X		X	X
St. Lawrence	Toronto	X	X	X	X		X	X
Arabianranta	Helsinki, Finland	X		X	X	X	X	X
Thames Gateway	London, UK			X			X	
Helensview Heights	Portland, OR	X	X		X		X	X
SW.Montreal	Toronto	X		X	X		X	

Transferability Factors: Halifax

- Regulatory reforms that provide for densification
- Low density development
- Process of development
- Family and live-work aspect

Transferability Factors: Portland

- Low density development
- Design
- Corporate sponsorship for green development
- Family home ownership aspect

Transferability Factors: St. Henri

- Rent Subsidy as a strategy.
- Reuse of the existing building and materials.
- Sensitive design features (disability and design features)

Transferability Factors: Helsinki

- Innovative housing policy.
- Extensive service provision as a housing strategy.
- Employment opportunity.
- Adaptive re-use of the factory buildings in creative way.

Transferability Factors: Thames Gateway

- Credit transfer for affordable housing
- Mixed market and non-market housing in developments

Transferability Factors: St. Lawrence

- Unique partnership model
- Phasing of development

Presenting the data in general terms of transferability is often a challenge because of the variety of government structures, timing of the project and context between the cases and Manchester. However, there are some overall lessons that can be extracted from a high level analysis. There appears to be no one key issue, but rather a combination of factors can contribute to successful precedent of affordable housing. In determining the most important aspects consider the context, the community, what is currently on site and the desired outcome for the site. Some key considerations from the cases are:

- Whether or not home ownership is the anchor factor (Halifax vs. Portland)
- The needs of families – in terms of space, proximity to jobs/transit and services
- Adaptable reuse of buildings – Arabianranta (Helsinki) and St. Henri (in Montreal) are examples of how existing buildings can be reused and converted into affordable housing

- Partnerships are important – for financial backing or knowledge base
- Consider community needs early in the process
- Design – think about the communities' needs

One of the most applicable case studies presented in this report is the Creighton Gerrish Redevelopment in Halifax, because it is set in a Canadian context and highlights successes in all the key themes finance, policy, process and design. This report found overall that it is the interactions between these key factors that create success in an affordable housing project.