



## CHRA Congress Session Series 2020

# Non-Market Housing Development: Aligning Resources, Creating Partnerships and Maximizing Social Outcomes

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**Canadian Housing and  
Renewal Association**  
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**BC HOUSING**

# Non-Market Housing Development:

## Aligning Resources, Creating Partnerships and Maximizing Social Outcomes

This is a summary of the webinar “Non-Market Housing Development: Aligning Resources, Creating Partnerships and Maximizing Social Outcomes”, which took place virtually during the Canadian Housing and Renewal Association’s Congress Webinar Series on October 21st, 2020.

### THIS SUMMARY

This is a summary of a CHRA webinar that focuses on aligning resources, nurturing partnership opportunities, and maximizing a return on investment for a greater social outcome. The session focuses specifically on the development of housing that is not considered market housing. The session explores effective examples of aligning government resources to build capacity in the non-market housing sector by looking at the successes of Calgary Housing; non-profit housing partnerships by looking at the successes of HomeSpace Society; and maximizing social outcomes in the development process by looking at the successes of Choices for Youth.

### THANK YOU



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- Calgary Housing
- HomeSpace Society
- Choices for Youth

## **OPENING REMARKS -Irene Gannitos, Vancity and Vancity Community Foundation**

Irene kicked off this conference session by highlighting that the intention of this conversation was to align resources, and develop new ways for non-market housing development, redevelopment, and sector capacity growth. The session would focus on issues such as planning and development grants, and partnership opportunities with charities, philanthropists, municipal and provincial governments, as well as the Canadian Mortgage and Housing Corporation (CMHC).

## **NON-PROFIT HOUSING PARTNERSHIPS – Bernadette Majdell, HomeSpace Society**

Kicking off the conference session, **Bernadette Majdell** of **HomeSpace Society** in Calgary, Alberta highlighted that her organization “believes in a home for everyone” in their community. She noted that she is immensely proud of the values, dignity, innovation, and growth of **HomeSpace Society**.

**HomeSpace Society** offers *affordable and permanent housing*. Established in October 2016, **HomeSpace Society** was formerly recognized as the **Calgary Community Land Trust**. At this time, they have partnered with eighteen (18) social services providers, offering six hundred ninety (690) units at thirty (30) properties throughout the twenty-four (24) communities by year 2021.

When focusing on new development, Bernadette highlighted the successes of partnering with local home builders as part of the **Resolve Campaign**.

*The Resolve Campaign* focused heavily on what was referred to as “*purposeful site selection*”, which included significant consideration for such specifics as the location of a potential/future dwelling. Additional considerations were given to a home’s size and design. Social considerations included proximity to public transportation services and community amenities.

The target of the campaign was twenty (20) to forty (40) new units of housing, with strategic focuses on appropriate zoning, appropriate context (how the home will fit as part of the community it is being built within), and its proximity to other pre-existing non-market housing. Bernadette noted that the last detail was a crucial consideration, as there was no desire to saturate a specific neighbourhood or community with non-market housing stock.

Bernadette shared that **HomeSpace Society** is currently home to seven (7) *permanent supporting housing* projects, with three (3) additional projects anticipated to open the fall. There are also two (2) additional build project proposals currently in various stages of development.

**HomeSpace Society** has been owned and operated since 2008. The organization currently has a healthy replacement reserve that allows for fully capitalized permanent housing. To get to their current stage, the organization focused on amassing real estate through partnerships with accredited agencies already focusing on residential development. Bernadette noted that this level of partnership also allowed for a successful process of completing necessary tasks to further expedite

each project, stating that “separation of duties helps each of us to focus on what we do best.” Further highlighting that with those separations of project responsibilities, also came a more coherent opportunity for interlocking agencies to lean on each other when requiring a “good cop, bad cop” approach to dealing with difficult tenants.

She noted that their template ensures that the property manager supports the agencies responsible for delivering services to tenant communities. This includes meeting regularly with neighbours and existing community associations to ensure that things are going well, and continually address rising concerns.

Bernadette notes that this approach “gives us the flexibility to pivot to what is going on in a community and respond to their changing needs.”

Currently, **HomeSpace Society’s** permanent supportive housing (PSH) portfolios include studio apartments with specialized design elements that are targeted to complex residents. The resident selection process is done carefully, with most units being occupied under short term lease agreements that allow for property and program managers to make tenancy changes after three months if there are issues requiring direct attention. **HomeSpace Society** also maintains that they will help to relocate a challenging tenant if needed, as this is a strict requirement of the *Landlord and Tenancy Act of Alberta*, and a desired priority of the organization.

Also noted was the current construction of new permanent supportive housing, featuring multi-family developments under assisted living development permit applications in support of the Resolve Campaign. These units are to be featured in seven (7) buildings throughout Calgary. It was also clearly articulated that these types of units are not to be confused with shelters or transitional housing, as these units do not include length of stay limitations.

Each unit includes manual stove tops that are required to be turned on but will turn off automatically if no movement is detected after a period, to prevent fire damage. These buildings include elevators, common spaces, meeting rooms, and more.

Also highlighted was their “success through partnership” approach to new builds and community equity. With strong emphasis on private sector donations for capital construction, direct partnering with commercial builders, as well as fiercely established business cases that not only included positive economic results, but the greater long-term impacts of housing people, **HomeSpace Society** has been effective in inciting not only strong governmental and charity support, but also significant private donor success.

Government supports from the City of Calgary included non-profit housing land transfer agreements, a “*Housing Incentive Program*,” and expedited development approvals. Government supports from the Province of Alberta included various capital grants, and program funding to agencies that support the most vulnerable. Government supports from the Government of Canada included dollars stemming from the *Co-Investment Fund*, rental insurance programs, and seed funding opportunities.

**HomeSpace Society** wrapped up their part of the presentation by outlining some recently opened units, featuring thirty (30) units operated in partnership with **Alpha House** and twenty-six (26) units operating in partnership with the **Calgary YWCA**. They also listed multiple properties that are opening soon, and also listed upcoming projects focused primarily on youth and family supportive housing.

One interesting statistic that they did cite in their presentation was how they were able to prove that social services supports are critical to the success of each project, noting that *Housing First* and *Supportive Housing* generated an average savings to taxpayers of \$34,000.00 per person housed per year due to a forty-one (41) percent decrease in public service needs, while unilaterally increasing each housed persons' quality of life.

#### **MAXIMIZING SOCIAL OUTCOMES IN THE DEVELOPMENT PROCESS** – Chelsey MacNeil, Choices for Youth

Representing St. John's, Newfoundland and Labrador social enterprise agency **Choices for Youth**, Chelsey MacNeil gave a detailed presentation entitled "*Building Bridges: Constructing Pathways to Employment for Marginalized Youth*." The focus of her presentation was to showcase how **Choices for Youth** are supporting youth with employment potential as they are entering adulthood.

**Choices for Youth** is a well-renowned charitable organization that was established nearly twenty (20) years ago. With a distinct focus on housing and supportive housing "through innovative programming and social enterprises," Choices for Youth "works with youth and emerging adults ages sixteen (16) to twenty-nine (29) years old."

Highlighting a *Housing First* philosophy, the organization spoke to the continuum that they have mastered where housing is closely followed by family, health, and employment.

One of their newer core areas of focus is structured around employment opportunities. When speaking to this objective, Chelsey notes that "*employment is one of the key components to maintaining housing*." Introduced into their already robust gamut programming and support services approximately eight (8) years ago, the employment pillar focuses primarily on building and supporting business development, while also making labour force opportunities both safe and supportive. A core objective for **Choices for Youth** is to ensure that their youth clientele learn all things that are required for them to be successful with employment, with each learning opportunity being "*integrated in nature*." Further noting that failures multiply when unaddressed issues often compound.

Believing strongly that everyone has the potential to succeed, as well as the right to work in a supportive environment, **Choices for Youth** lends heavy emphasis to education and skills practices that allow for *personal development* and *informed choices*.



The agency runs three (3) social enterprises under their umbrella, including “**Impact Construction**,” “**The Shop**,” and clothing line “**Hi, Neighbour**”. The organization prides itself in creating an “*experiential experience*,” which Chelsey remarked has added to **Choices for Youth** becoming a notable and recognizable fixture in their wider community. Between providing young people with the opportunities to develop and hone skills, as well as build a resume’ of certifications, the agency aims to ensure that youth are ready for greater future employment opportunities.

Noting that “laziness is old hat thinking,” Chelsey highlights that there are significant barriers for young people who are attempting to access gainful employment opportunities, which is a reality that departs from the traditional thinking that young people who are underemployed lack the drive to succeed. She notes that some of the barriers to a young person’s employment may include transportation limitations, a lack of sustainable housing, barriers like sexism and racism among other prejudices, as well as a potential loss of employment supports that might make part-time or low waged jobs less attractive.

**Impact Construction** was established in 2011 and has become a driving force for much of what **Choices for Youth** has become. Training young people for future careers in trades, this enterprise also focused on the primary intervention of health by allowing for opportunities for mental and physical growth stimuli. When public funding ceased from the program seven (7) years ago, it was redesigned to be delivered as a “*social enterprise*”.

Including a crew of able-bodied workers such as a general manager, foremen, four (4) skilled mentors, and small teams of labourers, **Impact Construction** focuses on construction of new housing builds, property maintenance, and more; including within it a mix of in-class learning and outside certifications.

Successful projects completed by **Impact Construction** include “*The Lilly*” property, which employed ten (10) youths, and generated \$15,000.00 in youth employment dollars, through a mandated partnership with the **Municipal Property Assessment Corporation (MPAC)**.

Another successful project, the “*Southside*” building, which provides supportive housing in association with **Newfoundland and Labrador Housing Corporation**, employing eight (8) youth, and over twelve thousand (12,000) hours of youth employment.

The “*Rock Cliff*” building was yet another successful project, this time built on gifted land from the greater municipality of St. John’s. This project included a unique aesthetic which helped transform rock bed into *accessible housing* and has now been housing people for over five (5) years. This project was built to specifications and helped to further define the skills of Choices for Youth’s young labourers as housing builders.

The “*Cashin Avenue*” property is also a formidable success, building both homes and community, as a project that employed twenty (20) youths and two (2) youth mentors, generating over three thousands (3,000) hours of employment. This project also allowed for additional educational components, allowing for participants to attain twelve (12) additional certifications over five

hundred (500) hours of essential skills training. A design that has been heralded as “iconic,” this project allowed for more robust design scoping, focusing on the acute need for housing for single and expecting mothers.

The *Cashin Avenue* property is recognized by **Choices for Youth** as their signature “momma moment”, providing a perfect service population, with good proximity to schools, and a lower than average mortgage rate amortized over ten (10) years. Working with an *MPAC* investor from St. John’s, **Impact Construction** was able to successfully partner with the city government in a significant venture that included knocking down a previous building and rebuilding it from the ground up.

Showcasing their signature properties, Chelsey highlighted that much of their success stems from their ability to effectively set responsible and attainable goals that prioritize clients and being happy and healthy in their own community. Noting that “*the value begins the moment that we hire the youth,*” Chelsey also shared some other key contributions to their success. These contributors included such considerations as the right geographic location and knowing that their strengths are in the building and cultivating of smaller buildings. It was noted that in St. John’s (proper), there is believed to be a significant opportunity for safe and affordable housing. According to Chelsey and **Choices for Youth**, the key is in maximizing the value of partnerships, connecting the dots, and recognizing that the building values in not just the asset that they are building. While the *Social Return on Investment (SRI)* amounts to over a dollar returned on every dollar spent on their projects, they pride themselves most on building a stronger quality of life for the populations that they serve.

As this section of the overall webinar came to a close, Chelsey appealed to listeners that there is room to develop more non-market housing to “*disrupt the local housing market,*” and that **Choices for Youth** plans to prioritize this ambition, “*the ability to grow and thrive.*”

## **ALIGNING GOVERNMENT RESOURCES TO BUILD CAPACITY IN THE NON-MARKET HOUSING SECTOR**

- Sarah Woodgate, Calgary Housing

Rounding out a key panel of speakers was Sarah Woodgate. As President of **Calgary Housing**, Sarah delved deeply into how the City of Calgary partnered with the **Canadian Mortgage and Housing Corporation (CMHC)** to innovate *non-market housing land disposition*.

With an emphasis on how to scale up and grow non-profit housing providers, Sarah spoke of her dual role as both a director and employee, acting as a driving force for significant investment in non-market housing in Calgary. Focusing heavily on taking a “*customer friendly*” approach in a “*non-market friendly*” environment, a paradigm shift stemming from the 2015 municipal affordable housing strategy, Sarah that Calgary was initially in dire need of advancing their non-market housing supply. With a non-market housing supply of only 3.6 percent versus the 6 percent average seen nationally, Calgary required approximately 15,000 new units to adequately compare to the national averages.

Noting that Calgary has had booms that were counter-cyclical to market investments in housing, it was projected that the municipality would need to double their non-market housing supply overall. Meanwhile, the supply gap continued to increase across the city. With 18 percent of Calgary households in need of affordable housing, it is expected that one hundred thousand households will be in housing need by as soon as 2025. This equals an approximate shortage of one thousand seven hundred (1,700) new units per year.

With only four (4) percent of households earning over \$80,000.00 overspending according to consumer index reports, it is believed that there is sufficient room for *mixed-market housing* and *social enterprise*. Yet, even with a strong private rental market, there was still an estimated eighty-eight thousand (88,000) households in need in 2015.

Recognizing the enormity of this issue, the question became “**what are we going to do?**”

Sarah then highlighted that it was time for the non-profit housing sector to scale up. Encouraged to empower and enable, the time for transformation was now.

Even with eighty-five (85) *non-profit housing (NPH)* operators, most were only operating one building. Multiply this underutilization with seismic development barriers to growth such as land costs and development fees, Sarah expressed that Calgary Housing was eager to change the traditional template, noting that the goal was “*not to shuffle deck chairs around,*” but rather to ask “*how do we shift the narrative long term?*” Especially while municipal citizen satisfaction surveys consistently saw affordable housing investment sit alongside public transportation, atop their results each year.

Focus shifted to providing leverage for additional funding resources. Municipal land contributions (below market value) became a successful tool that shifted away from basic grants. Grants were now used towards offsetting development fees. Advanced providers began to figure out how to manage all building permitting in under six (6) months, eliminating many of the barriers that smaller stock created. If access to land was a barrier, then more property meant more leverage to capital financing.

Spelling out the complex steps to development that included not only land, but land use agreements, development permits, establishing rents and target income levels, accessing the housing registry, and ensuring properties were energy efficient, Sarah explained that by maximizing available funding streams and targeting a more municipal-friendly in-house approach to proposal approvals, the template began to shift. Calgary City Council approved a *Non-Market Housing Land Disposition policy (NMHLD)* that allowed for up to ten (10) parcels of land to be sold at below market value every two (2) years.

*Site Selection* was accomplished via sorting sites using Calgary’s **Geographic Information Systems (GIS)** that managed preferences. This was updated and orchestrated every two (2) years. Surplus land was then identified and scored for affordable housing sustainability. By the second round of funding, they had developed one single application for both the City of Calgary and the **Canadian**



**Mortgage and Housing Corporation (CMHC).** Calgary would couple their below market value sales and expedited planning applications with a *Housing Incentive Program* and city fee rebates. While **CMHC** would provide seed funding, *Co-Investment* dollars, financial analysis expertise, and underwriting.

What was once an ad-hoc, less transparent and “chaotic” process for land acquisition and development had morphed into something modernized through a single policy process.

To round out her presentation, Sarah showcased properties where these tools had been successfully leveraged. One included a pilot in 2017, where six (6) sites housed one hundred sixty-six (166) housing units, serving unique populations. This site leveraged a 460 percent return. In this example, the city now has title to maintain housing stock to “*serve the public benefit.*” This project saw a \$6.4 Million dollar investment by the City of Calgary, \$8 Million raised through philanthropy, and \$22 Million in provincial and federal contributions.

Another success included a land sale to a local **Habitat for Humanity** in May 2019, which created four (4) units in two (duplexes). This small project is heralded as a success due in part to its proximity to such essential services as rapid transit. Funding for this project stemmed from a municipal funding reallocation for a road widening that was scrapped. Noting that 25 percent of new homeowners are former residents of **Calgary Housing**, Sarah shared that Calgary is “seeing a revitalization as a result of this partnership.”

Finally showcasing the “**Homes for Heroes**” *tiny home* development, which provided nineteen (19) new units this year, it was noted that this development is the first of its kind in Canada, and there are already duplication efforts being planned in other cities across the country.

Proclaiming that “*every two (2) years, we can have several hundred units developed, and this is only the beginning,*” Sarah still noted that even in spite of progress, these new builds are not keeping up with the existing demands, but it is moving in the right direction at a significant speed.

## **CONCLUSION**

With a focus on innovation, proactivity, transparency, and expediency, this session showcased a variety of proven examples how non-market housing can be expanded responsibly, and with efficiency, with the goal of creating a more equitable society.