Promising practices in affordable housing:
Evolution and innovation in BC and Quebec

Canadian Housing Policy Roundtable
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About the Canadian Housing Policy Roundtable

The Canadian Housing Policy Roundtable (CHPR) is a group of leading housing thinkers committed to working across sectors to develop shared solutions to strengthen Canada's housing system.

It comprises perspectives from across the housing continuum, community organizations, foundations and academics and researchers. It is an independent table with diverse membership. Its members work together to advance the policy, research, and practices necessary to achieve the vision of Canada's National Housing Strategy. It contributes to and helps sustain the national conversation on housing system policy.

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Executive Summary

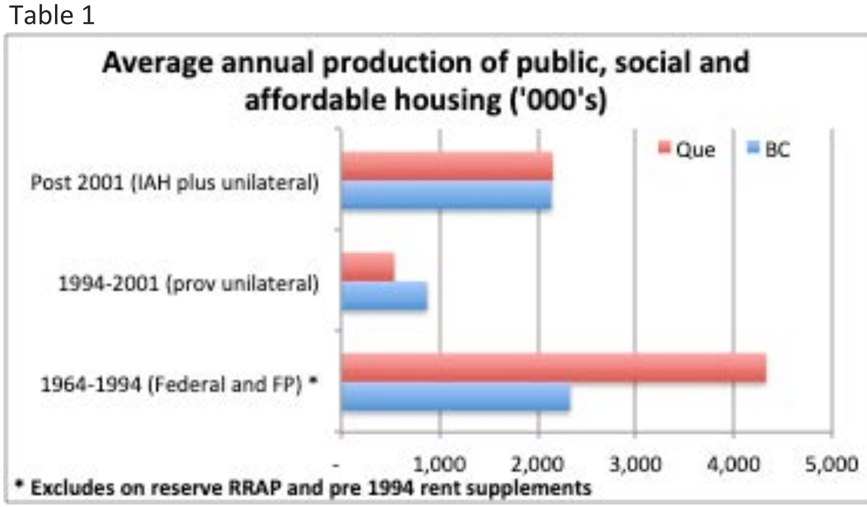
This report was undertaken by the Canadian Housing Policy Roundtable to document the practices used, both historically and more recently, in the provinces of BC and Quebec in the provision of social and affordable housing.

BC and Quebec are recognized as leaders and have consistently been frontrunners in new affordable housing production. Since the federal government's funding re-engagement in 2001, BC and Quebec have contributed over three-quarters of all new affordable housing supply in Canada: Since 2001, Canada has produced a total of 91,000 affordable housing units and together, BC and Quebec have contributed over 70,000 of these.[1] Both provinces have managed to consistently produce new affordable and social housing even when federal government involvement and funding fluctuated.

Across the country, there are three main eras of assisted housing development:

- The pre-1994 public and community housing period, starting roughly in the early 1960s, initially with public housing in partnership with provinces, and subsequently with community based non-profit and co-op programs from the mid-1970s on with the federal government leading much of social and affordable housing development alongside emerging provincial roles, especially after 1985.
- The 1994-2001 period when federal funding for new production was absent, following the federal government's termination of all new funding for social housing development. This impacted all PTs, who were cost sharing these programs. As a result, many PTs also ceased to fund and deliver social housing. However, BC and Quebec (and initially, until 1995, Ontario) continued to invest in new social housing - initially at their same share amount, then at increased levels as they were unilaterally funding programs.
- The post-2001 federal-provincial affordable housing period, following the reengagement of federal cost sharing in the 2001 Affordable Housing Framework Agreement.

Table 1



[1] Estimated by Greg Suttor in his 2016 book *Still Renovating*.

This paper examines BC and Quebec's success in delivering affordable and social housing across these three eras and the mechanisms that have enabled this success. It examines the ecosystem as the critical context and basis for these results.

Part 1 of this report first examines and describes the ecosystem for social and affordable housing and the key formative elements of the institutional infrastructure that has gradually evolved in each province. While specific mechanisms are profiled, it is important to identify the context and circumstances that underpin the design and implementation of certain initiatives. The expertise and capacity of key actors, both in government and in the community sector, is identified as a critical aspect in the subsequent initiation and implementation of creative and effective mechanisms.

From this review, specific mechanisms, or "promising practices," have been identified. Part 2 of the paper describes in greater detail some of the more significant promising practices in each of the two provinces. It is hoped that this documentation of promising practices, together with the institutional framework and context that enabled these, may provide insight and lessons to other jurisdictions.

Part I: Background and evolution of the institutional infrastructure and context for affordable housing

- BC
- Quebec

BRITISH COLUMBIA

Introduction

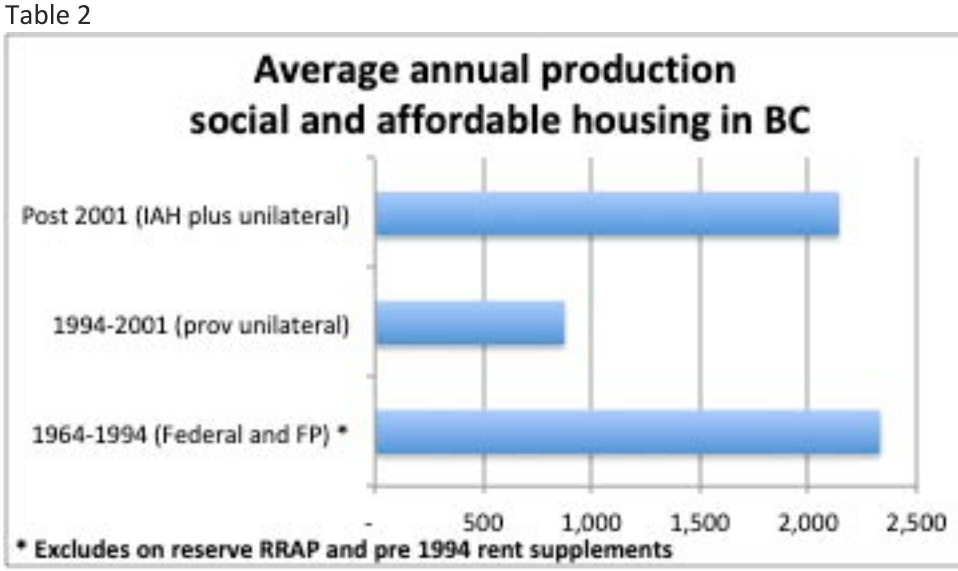
Across the three main eras of social housing development in Canada, BC has developed more than 113,000 social-affordable housing units. This compares to a national total approximating 700,000 homes.

As seen in other PTs, a significant portion of BC's social-affordable housing units were created prior to the termination of federal subsidy programs in 1993. However, while affordable housing production declined elsewhere after 1993, BC maintained modest but consistent production levels throughout this period. Since 2001, BC's production levels have almost matched those of the pre-1994 era – a result not achieved in any other jurisdiction.

The affordable housing ecosystem that exists today in BC is characterized by, and built from, a combination of factors:

- A strong and capable community-based sector, comprised of providers, sector organizations and, in the formative years, a strong network of intermediaries (technical assistance development consultant resource groups), originating from the 1970s creation of community based housing models;
- A strong specialist public sector entity – BC Housing, the provincial housing agency, with an increasingly broad mandate and unique organizational structure compared to other PTs;
- A relatively uninterrupted period of growth and expansion in capacity and competencies across the system (unlike other jurisdictions where much of this atrophied through the 1990s in the absence of funding); and
- Relatively consistent political support and funding, despite changes in the government in power.

Table 2



Pre-1994: The formative years

Prior to the creation of a provincial agency to oversee social and affordable housing, BC's affordable housing stock was produced through federal support to municipal or provincial governments to build primarily public housing. The province's role was first expanded with the creation of the British Columbia Housing Act in 1960, which clarified BC's responsibilities in the delivery of Canada Mortgage and Housing Corporation (CMHC) programs. However, as in other provinces, it wasn't until the creation of a provincial-level, legal entity that could own assets that BC's role was formalized and public housing commenced. The province created this entity in 1967 as the BC Housing Management Commission (BCHMC).

Since its creation, BCHMC has been a central piece in the organizational structure of BC's housing ecosystem. The way BC has centralized the management of public housing in a provincial agency with a broad mandate is a key difference compared with other large provinces, where it is more common to decentralize the management of public housing to local public housing authorities.[2] In BC, the concept of a stand-alone agency, separate from the ministry and focused solely on the provision of housing, was established early and has created a foundation for building capacity and expertise. Centralizing responsibility for social and affordable housing in a special purpose operating agency with a gradually expanding mandate has enabled BCHMC to take a systems-based approach, consider the housing portfolio holistically, and achieve a level of coordination among the various activities in the ecosystem that has deepened their impact.

What is the BC Housing and Management Commission (BCHMC)?

BCHMC is a provincial Crown corporation responsible for developing, managing and administering a range of subsidized housing programs throughout the province. Initially created to build and manage public housing, BCHMC's mandate has gradually expanded to include a wide range of functions, including:

- Managing and delivering public housing
- Rent subsidies
- Homelessness services
- Asset management and redevelopment
- Loan underwriting (construction financing)
- Builder licensing
- Research and education

BCHMC has played a central role in BC's social and affordable housing ecosystem, partnering with the provincial government and diverse community sector actors. It was later rebranded as BC Housing.

Initially, as in other PTs, BCHMC's role was focused mainly on building and managing public housing. Its mandate gradually expanded, initially drawing on expertise in constructing or acquiring housing for group homes, to facilitate a policy of deinstitutionalization of patients from mental health hospitals – a critical inter-ministerial relationship, which also became more important in later years.

BCHMC's role was further expanded in the mid-1980s, when the federal government's approach to promoting affordable housing production shifted from direct CMHC program delivery and administration to re-engaging PTs to take on a

[2] Other provinces also established separate housing corporations (required to hold public housing assets), but in most other cases, their mandate was more narrowly focused on delivering and managing public housing.

more active role in delivering and sharing costs for social housing programs. This shift effectively terminated CMHC's direct role in delivering community based non-profit and co-op housing, while PTs expanded into this area and began to ramp up their delivery capacity and expertise.[3]

However, BC differed from other PTs following this shift in that it chose to centralize this delivery role in BCHMC, thus expanding the role of BCHMC from primarily managing public housing. In contrast, most other provinces retained separate public housing management corporations, while the delivery and administration of programs was carried out separately within housing ministries. BC's decision to centralize program delivery in BCHMC broadened BCHMC's mandate and the portfolio it administered. By consolidating delivery and management in a focused operating agency, BC was able to reinforce and retain expertise, whereas in other PTs mobility within the public service often means expertise is not retained. With a broadened mandate and growing expertise, BCHMC has been able to exercise leadership in adopting creative mechanisms to support social and affordable housing providers.

Support for community sector housing providers through technical resource groups

The role of the community sector in BC's affordable housing ecosystem also emerged during the 1970s, when the federal government was still closely involved in affordable housing provision. During this time, the federal government adopted a new, more community based approach to addressing low-income housing need, while phasing out public housing.[4] To facilitate this community based model, CMHC created the Community Resource Organizations Program (CROP), which funded the establishment of technical resource groups across the country. These resource groups acted as development intermediaries to help community-based organizations develop non-profit and co-operative housing.

In BC, a number of resource groups were established and immediately had an important impact in ramping up activity under non-profit and co-op programs. These resource groups quickly established competencies and capacity and were key leaders in the community and co-op housing sector. By the early 1980s, BC was leading the country in community-based non-profit and co-op

What is a technical resource group?

Technical resource groups are non-profit community based entities that provide technical expertise and services to support co-op and non-profit housing providers. In 1978, they were established throughout the country with funding under CMHC's Community Resource Organizations Program (CROP). Resource groups have played a key role in facilitating community-based housing projects and supporting the community sector in BC. While resource groups were established throughout the country, in BC they were partly sustained during the 1994-2001 period in the absence of federal funding.

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[3] CMHC continued to deliver some programs such as the Rural and Native and RRAP programs when PTs elected not to take on the full suite of programs. CMHC also delivered a new federal cooperative housing program from 1986 through 1992) and retained responsibility for on-reserve housing programs. Delivering some 470 co-ops nationally, the federal co-op program had a cost-sharing element as the provinces delivered a cost shared rent supplement program to deliver between 30% and 50% RGI units to each co-op.

[4] Territories and smaller provinces that had been utilizing NHA section 40 public housing programs were able to continue through to 1985, but this excluded BC. A separate cost shared rent supplement program (under then sec 44/now 82) was also available from 1974 to co-ops, non-profits and private landlords to increase affordability for lower income residents.

housing development on a per capita basis.[5] Arguably, in BC the co-op sector was more proactive in this regard than the less organized and more diverse range of actors in the non-profit area, mainly because the co-ops took a sector development approach, while no similar coordinating entity initially existed for the non-profit sector.

Most significantly, while these resource groups were created in other PTs, in BC they were partly sustained through the absence of federal funding from 1994-2001. Although most have subsequently disappeared, they played a crucial role in building capacity in BC's community housing sector. As we will see later, resource groups have also played a key role in facilitating affordable housing development in Quebec.

1994-2001: Sustaining the system

While affordable housing production essentially ceased in other provinces after the federal government's termination of funding for new development in 1993, BC successfully maintained modest unilateral programs from 1994 to 2001. BC's ability to maintain housing production across the period was the product of two key developments.

First, the province responded to federal disinvestment by creating new provincial programs. These programs themselves produced a modest number of units, but were significant as they helped BCHMC to retain capacity and expertise. When the federal government resumed funding for social and affordable housing in 2001, BC was better positioned to draw on this sustained capacity and expertise to add new units than other PTs, who had to rebuild capacity after much of their ecosystem atrophied during the 1994-2001 period.

Secondly, BCHMC supported the continued growth of the non-profit sector during this period by taking on an expanded role as lender and facilitator.

Retaining capacity and expertise

Following the federal government's funding withdrawal, BC responded with the creation of new housing programs, in line with recommendations from a report from the BC Commission on Housing Options (a special task force). The federal funding withdrawal overlapped with the release of this report in December 1992, which reviewed a full continuum of programming and roles and made a number of recommendations to reinforce BC's role in cost shared programs. A sympathetic government responded by creating a suite of unilateral provincial programs branded as Homes BC, which were designed and delivered by BCHMC.

Inevitably, without the larger funding from a federal partner, the volume of activity declined from the pre-1994 era. However, the modest scale of unilateral programming under Homes BC helped to sustain the internal expertise and capacity of BCHMC. This is a critical and distinct difference from other jurisdictions: In the absence of funding for new supply, ministry staff in other jurisdictions typically moved out of housing and expertise was lost. Although the amount of housing produced through BC's unilateral programs in this period was modest, these programs were significant for retaining expertise in BC's provincial housing agency. The provincial decision to respond to federal disinvestment with its own unilateral programs thus had long-term, strategic significance for BC's social and affordable housing ecosystem.

[5] In other jurisdictions, notably Ontario and Quebec, non-profit development was via municipal non-profits rather than truly community based.

BCHMC loans for affordable housing financing

When the provincial government broadened BCHMC's mandate to lead in the delivery of non-profit housing in the mid-1980s, BCHMC's role in reviewing and approving new developments was expanded. This included underwriting review of associated loans. Under the 1986 social housing global agreements, all PTs executed Loan Insurance Agreements, to indemnify the CMHC Mortgage Insurance Fund from any claims in default of Sec. 95 social housing.[6] This effectively transferred risk, and thus primary due diligence reviews to the PTs. All PTs consequently gained experience and expertise in this loan underwriting area. However, BC was the only one to build on this expertise following the 1993 termination of federal social housing programs.

While BCHMC's capacity was being sustained during this period, the capacity of BC's co-op housing resource groups was declining in the face of the cancellation of the federal cooperative housing program in 1992 and the low volume of new housing developments. At this juncture, BCHMC saw an opportunity to draw on the expertise in loan underwriting it had built up since the mid-1980s and stepped forward to compensate for resource groups' diminished capacity to support non-profit housing providers.

In the early 1990s, BCHMC sought and obtained National Housing Act (NHA) approved lender status. BCHMC took advantage of this status to take on a direct lender role in construction financing and as a facilitator of CMHC-insured financing for the long-term project mortgages.[7] By acting as the initial underwriter and approving loans with NHA insurance (expanding on the earlier indemnification agreement), BCHMC could be the entity that provided mortgage loans to providers, as a coordinated part of the provincial funding programs, and then package and sell the loans at completion of construction to investors in the market through a competitive bulk lending program.[8]

This was a cost-effective measure, as the provincial government-borrowing rate was lower than commercial mortgage rates. In addition to securing competitive rates, this measure achieves efficiencies for the borrower, both at the construction and take-out loan stages, as borrowers have a one-stop, highly specialized housing lending shop for their borrowing requirements and do not have to search for willing and suitably knowledgeable financing partners in the private lender market. This measure thus facilitated lending to relatively unsophisticated community non-profits. Many small non-profits were infrequent borrowers, so lacked understanding; and similarly, post-1994, few lenders had experience with social-affordable housing loans.

While these tools were originally designed to support the growth of the non-profit sector, more recently they have also been made available to private developers willing to meet certain affordability requirements. BCHMC's role as direct lender has thus been a useful mechanism for expanding the social and affordable housing (and now the intermediate private market rental) supply in BC, both during and after the 1994-2001 period.

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[6] Distinct from a provincial guarantee, which would impose a contingent liability on the province, this simply specified that any claims against the MIF would be reimbursed by the province – and essentially charged against current program spending. To date there have been no claims in BC.

[7] Drawing from a crown borrowing facility, it was not necessary to have this status, as BCHMC could have acted as a lender regardless. The NHA status, however, provided a way to minimize risk to the province and more importantly, by establishing the loans as NHA approved, this facilitated sale of the loans to private lenders to create liquidity. Thus the line of credit that BC Housing has from the treasury became a revolving loan fund.

[8] This model is described more fully in a separate program case study.

Summary

During the 1994-2001 period, the BC provincial government and BCHMC responded to the federal government's withdrawal by using it as an opportunity to strengthen capacity and expertise in other areas of the ecosystem. This occurred in the following ways:

- Rather than withdrawing itself, the provincial government created new provincial programs that maintained modest but consistent production levels.
- More significantly, these programs helped to retain expertise and capacity, making BC well positioned to take advantage of renewed federal funding in 2001 to more quickly expand housing supply.
- BCHMC produced a useful financing mechanism for non-profit housing providers by taking on a direct lending role in construction financing, and subsequently facilitating long term financing via a bulk tendering process. BCHMC has pre-approved flexibility from the provincial treasury that establishes nimbleness to perform this financing role, and is able to make decisions more quickly than if it were in a ministry setting.

2001 – present: Continued growth and partnership

When the federal government re-engaged in 2001, BC drew on the new federal funds and completed projects much more quickly than was the case in other jurisdictions, which by this time had lost much of their program delivery expertise (e.g. erosion and disappearance of resource groups outside of Quebec). Since 2001, BC's housing programs have expanded substantially, with a combination of provincial unilateral programs and some cost shared programs with the federal government. During this period, BC has added over 36,000 new units of assisted and social housing targeted across the housing continuum, including homelessness emergency spaces, transitional and supported living, and independent living (social housing). BC has produced an average of 1,700 assisted and social housing units annually, with a substantial increase in 2017-18 that saw over 6,000 units added.

These production levels are not simply the result of renewed federal funding after 2001, which remained modest, but also reflect initiative and creativity on the part of BCHMC to position itself as a key partner in housing delivery across different political climates and funding eras, as well as to build on its role as lender to housing providers. These expanded roles and activities are discussed below, and for the more significant practices, profiled in the case studies.

Provincial partnering in policymaking and program delivery

In 2001, BC also had a change in provincial government that paused the growth trajectory of BCHMC and its programs as the new government undertook a comprehensive program and expenditure review. Despite the 2001 FP funding agreement, the new provincial government was cautious about expanding the non-profit program and about the role of BCHMC. However, the new government had run on a platform of creating 5,000 new intermediate care beds and sought to deliver on that promise.

BCHMC used this commitment as an opportunity to earn the trust and respect of the new provincial government, drawing on the expertise and important inter-agency relationships it had gradually built up since the 1970s. With a long track record building group homes and supportive housing, as well as existing relationships with the health ministry and regional health authorities that had built up over two decades, BCHMC created a cost-effective proposal to build new supported independent living units, which the provincial government accepted.[9] Using a community based housing model was less expensive than building care facilities.

BCHMC also showed initiative in 2002 that increased the provincial government's willingness to collaborate and partner with BCHMC and support its leading role in BC's housing ecosystem. In 2002, the provincial government announced a new housing-for-health initiative called Independent Living BC. The program was a housing-based model that provides support to low-income seniors and adults with disabilities who can no longer live completely independently, but do not need the level of assistance provided in a residential care facility. While BC's health ministry had expertise in delivering health services, it lacked capacity and expertise in delivering housing. BCHMC was available to contribute that specialized expertise, and by delivering the units for Independent Living BC, earned the trust and respect of the new government.

BCHMC's ability to be flexible and creative and contribute expertise the provincial government needed to deliver programs reflects its status as a stand-alone operating agency with a broad mandate. In BC, there has been a virtuous cycle between a provincial willingness to empower another entity to take a leading role and this entity's own initiative and innovation, making the provincial government more inclined to engage in collaboration and partnerships. We will see that this virtuous cycle has also played out in Quebec between the provincial housing department and the municipal and community sectors.

Expanding supply via cost sharing with new partners

In 2001, BC Housing built on its NHA-approved lender status with the creation of the Community Partnerships Initiative (CPI), a new program to facilitate affordable housing development through a combination of its own financing and local-level contributions from diverse partners. The CPI can also be used for homeownership, typically for construction financing, which is taken down as each unit is closed. Financing for the entire project is up to the developer, not to individuals. Recognizing that subsidy funding was very limited, BC Housing sought to create a program to support the construction of moderate rent units with little or no subsidy. To do this, BC Housing designed the CPI to be funded by a combination of its own low-rate financing and contributions from partners.[10]

Through the CPI, BC Housing provides interim construction financing and/or arranges long-term financing through private lenders for eligible non-profit project partners to create self-sustaining affordable housing developments. To be considered self-sustaining, affordable housing models must not require any grants or ongoing operating subsidies from BC Housing. Instead, community partners, including non-profits ('societies'), municipalities, and others, contribute equity that enables these developments to be self-sustaining while providing some level of affordability.

The CPI has also been an effective mechanism to build partnerships with municipalities and engage them in expanding supply. In addition to adding to the supply of modest market rate and affordable units, the CPI has effectively engaged municipalities to contribute resources (such as land, or waiving fees and charges) as a way to

[9] In 2000, building on the desire to strengthen partnerships, BC Housing executed the first-ever memorandum of understanding (MOU) with the City of Vancouver and the Vancouver/Richmond Health Board regarding the development of new supported affordable housing in Vancouver.
[10] The approach pioneered under the CPI has now been adapted into the new HousingHub model – the mechanics of which are profiled in a case study describing how the partnership with the United Church leveraged additional support to enhance affordability.

support development of modest-affordable housing in their communities.

In 2009, the scope of the CPI program was expanded through a change in the regulations governing BC Housing, which enabled the CPI's financing approach to be extended to private developers. This has enabled BC Housing to strengthen partnerships with private developers and nudge them into building units at moderate market prices (especially as affordable entry level ownership).

By engaging community, municipal and private sector partners, the CPI has helped strengthen the affordable housing ecosystem in BC. The CPI is thus both:

- A funding mechanism that enables non-profit housing providers to operate without ongoing subsidies; and
- A way of engaging diverse actors as partners in the ecosystem.

The CPI set a realistic supply goal and targeted only moderate rents as a basis for sustainability. It was then possible to enhance affordability to lower income levels through the various partnerships.

This model of encouraging partnership cost sharing has also been vital in Quebec for both financing new units and building capacity among other players outside the province as key partners in the ecosystem.

Taking a portfolio-based approach

BC's success also reflects its shift towards a portfolio-based approach – evident in the HousingHub/United Church partnership (see appended case study) and the CHF BC Community Land Trust Formation (also profiled as a case study).

In 2018, after 17 years of success, the funding concept behind the CPI was folded into a new broader initiative called the HousingHub. A specialized unit within BC Housing, the HousingHub draws on the low-rate financing and partnership model pioneered under the CPI, as well as the expertise of BC Housing, to facilitate the development of units for affordable rental and entry-level ownership without requiring a subsidy. Through the HousingHub, BC Housing partners with non-profit and for-profit sectors, faith groups, and other levels of government to create innovative approaches to locate, use or repurpose land in communities where affordability is an issue.

The HousingHub has implemented a portfolio-based approach to affordable housing development through a partnership with the United Church of Canada.[11] Recognizing that its land assets are becoming greater than those required for traditional congregational purposes, the United Church has contributed land for affordable housing development on church sites in four BC lower mainland municipalities. These land contributions are coupled with financing from BC Housing, thereby facilitating modest affordability without requiring subsidies.

This portfolio-based approach allows these sites of varying value to be leveraged into greater development value and outcomes than would be the case with a single-site development of a lower value asset. Using the portfolio-based approach takes advantage of one significant benefit of the public housing model – control of multiple sites by a single corporation – while avoiding the poor social outcomes of low-income concentrations that have long characterized public housing.

This portfolio-based approach has also been applied in a partnership between the Co-operative Housing Federation of BC (CHF-BC), the City of Vancouver, and various non-profit, development and social finance sectors to establish the

[11] Details of this partnership are expanded on in case studies.

Vancouver Community Land Trust.[12] Each partner made important financial contributions, while the City has provided land on four different sites to the Land Trust, leasing it at a nominal cost of $10 each for 99 years. Alongside the strengths of the portfolio-based approach, the Vancouver Community Land Trust illustrates how innovative partnering and upfront rather than continuing pubic contributions can facilitate affordable housing developments that are sustainable.

Broadening the mandate and capacity of BC Housing

Throughout the 2000s, BC Housing's expertise and role in delivering housing programs continued to expand as it began to play a more active role in addressing homelessness and took over several programs that were previously overseen by CMHC or provincial ministries. As BC Housing's mandate has expanded, it has gained the capacities needed to carry out several initiatives that have made important contributions to BC's affordable housing supply.

In 2006, BC concluded negotiations with CMHC to transfer administrative responsibility over former federally funded non-profits to BC Housing through the bilateral Social Housing Agreement (SHA). The SHA also transferred lands in joint FP properties and facilitated asset renewal and redevelopment activity.[13]

This period of expansion culminated in 2010 with the consolidation of a range of existing programs into BC Housing that previously existed within other departments and ministries. These included Shelter Aid for Elderly Renters (SAFER) program (transferred earlier in 1997), emergency shelter programs, and programs for women and children fleeing violence. In addition, activities related to home warranty and consumer protection, which had previously been managed through a separate provincial crown corporation called Homeowner Protection Office (HPO), were also merged into BC Housing, bringing responsibility for home warranty system and builder licensing, research and education under the mandate of BC Housing.[14]

In contrast to other jurisdictions, where responsibility for homelessness programs is spread across various health and community service ministries, in BC primary responsibility for programs addressing homelessness has been consolidated in BC Housing. The Premier's Task Force on Mental Health, Homelessness and Addictions led to a 2004 Provincial Homelessness Initiative, which expanded BC Housing's role in responding to homelessness, as did the 2006 provincial housing strategy, *Housing Matters*, which made responding to homelessness one of six core objectives. This expanded mandate drew on BC Housing's earlier involvement in group homes and supportive housing. *Housing Matters* also expanded BC Housing's activity in addressing Aboriginal need, supporting affordable ownership, and strengthening the housing and building regulatory system.

Together, these developments assigned to BC Housing the administration of a range of funding vehicles and provided BC Housing with more direct control over the goals set out in the 2006 *Housing Matters* strategy. This broad and consolidated mandate has enabled BC Housing to implement a number of innovations and initiatives.

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[12] This initiative is described in more detail in case studies.

[13] The execution of the SHA in BC came much later than in other provinces, where agreements were mainly executed in 1997-99, in part because the terms of the transfer were not considered favourable to the province. The underlying federal joint ownership of older FP public housing sites, which were ripe for redevelopment, was a key element that made the agreement more beneficial to BC. It is also noted that federal co-ops were excluded from the SHA, and these remain under CMHC administration via the Agency for Co-operative Housing.

[14] In 2017 the HPO was fully integrated into BC Housing and was renamed as Licensing and Consumer services, expanding BC Housing's mandate into areas of builder education, licensing and certification.

Taking a systems-level approach

Whereas responsibilities for homelessness and housing are more scattered in other jurisdictions, the consolidation of responsibilities for housing and homelessness in BC Housing has enabled BC Housing to lead a systems-level approach to meeting the needs of homeless individuals. While other ministries have also been engaged in efforts to address homelessness, this engagement has taken place in partnership with BC Housing.

With substantial control over assets, BC Housing has been able to provide real estate for new supportive housing developments (as have some municipalities, notably Vancouver, and some charities), complementing this with strategic partnerships with health and community service providers to operate these housing developments and provide supports to tenants. BC's broadened mandate has thus positioned it to take the lead on meeting the housing needs of homeless individuals through supportive housing, by creating real estate solutions and coordinating frontline non-profits to provide essential services and supports.

Preserving the existing stock of affordable housing

BC Housing has also led a renewal initiative to preserve an important point on the housing continuum for individuals experiencing or at risk of homelessness in Vancouver's Downtown Eastside: Single room occupancy (SRO) units. SROs are rooming house "hotels" originally built to house single male workers in the resource sectors, which have served as housing for individuals who would otherwise be homeless since the 1970s. While SROs meet an important need on the housing continuum, many SRO buildings are aging properties, many over 100 years old, and have been notorious for their untenable living conditions.

In 2007, BC Housing began buying or leasing these properties to prevent the loss of these buildings due to numerous building code and occupancy bylaw violation citations, such as pest, elevator, or safety violations. In 2011, BC Housing announced the SRO Renewal Initiative (SRORI), a public-private partnership to renovate and restore 13 of the 24 SRO buildings it had purchased since 2007, with the objective of extending the life of these buildings by at least 25 years.[15]

The province contributed the bulk of the funding for this P3 project, alongside significant contributions from the federal government, while the risks associated with the development have been assumed by the private sector contractor. The SRORI initiative was BC Housing's first experience using a P3 approach instead of traditional procurement practices and provides a model for government intervention to revitalize substandard housing without displacing tenants.

Community sector coordination

In addition to having a strong provincial agency with the capacity and expertise to deliver a range of housing programs, the BC affordable housing ecosystem also benefits from a coordinated community sector. Two organizations have played a key role in creating coordination and alignment across the community sector: CHF-BC, which is comprised of housing co-ops and associated organizations, and the BC Non-Profit Housing Association (BCNPHA), which serves as the umbrella for the non-profit housing sector with nearly 600 members comprised of non-profit housing societies, businesses, individuals, partners, and stakeholders. Together, BCNPHA's non-profit housing societies manage more than 60,000 units of long-term, affordable housing. These two organizations have brought about a level of collaboration between the co-op and non-profit housing sectors that is unique in Canada. In 2015, CHF-BC and BCNPHA joined together to form Housing Central, a partnership that has expanded the capacity and reach of both

[15] This initiative is expanded on in more detail in case studies.

organizations. Housing Central is not a merger of the two organizations, but rather, a partnership with both organizations sharing office space and staffing resources, alongside related organizations. This arrangement has built up the capacities of both organizations by facilitating logistical support and collaboration.

This coordination has also propelled a virtuous cycle of provincial and community sector collaboration. CHF-BC and BCNPHA have served as a valuable sounding board in collaborative policy and program development with BC Housing. While BC already respected each organization in its own right, the creation of Housing Central produced a truly authoritative, unified voice on behalf of the community housing sector. The coordination CHF-BC and BCNPHA have created, both within the community sector and between the community sector and the province, has further contributed to the systems-level approach that has strengthened BC's housing policy and programs.

Transferring assets to community sector

The role of the community sector in BC's affordable housing ecosystem also reflects a willingness on the part of the provincial government to trust and delegate responsibilities to the community sector – an orientation that we will see has also been important in Quebec's housing ecosystem. The provincial government has transferred housing assets into the community sector based on this view of the community sector as a key player in the social housing system, as well as a recognition that the community sector has stronger incentives to invest in social housing when it owns assets itself.[16]

Many co-op and non-profit housing developments were originally developed on lands purchased on their behalf by the province, with long-term leasehold for the provider. Aware they would give up these properties at the end of the lease. In the absence of any explicit renewal options and terms, co-op and non-profit providers lacked the incentive to invest in capital renewal and sound asset management as these developments aged. Moreover, even if they were motivated to undergo capital renewal, it was difficult to secure financing with only leasehold interest that would soon expire.

To overcome these issues, the province designed an asset transfer program and provided financial assistance to enable societies to purchase the residual freehold title. Most non-profit leasehold interests have now been transferred. The province implemented a second initiative to transfer assets to the community sector by selling provincially owned properties to existing housing societies. The main objective of these transfers was to help small societies grow the scale of their work and build professionalism and capacity at the same time.[17] It also generated immediate capital receipts for the province, used to fund current new development.

These two transfer initiatives highlight the potential role that community non-profit ownership can play in strengthening and sustaining a competent and capable sector, especially when providers are incentivized to scale up into larger, more professional organizations.

The provincial government has also used this approach of transferring the ownership of social housing into the community sector with regard to Indigenous housing. In 2004, B.C. became the first province in Canada to transfer the management of Indigenous social housing to the Indigenous community. The province transferred 189 units of social housing to the Aboriginal Management Housing Association (AHMA), setting a precedent for the future devolution of Indigenous housing. These units were owned and operated by four

[16] Transfer of assets from public to community ownership has also been an important feature in strengthening the housing association sector in the UK, and more particularly in enabling financial leverage of underlying property assets.

[17] More detail on these asset transfer programs in case studies.

different Urban Native Societies, all of whom were well established and functioning soundly. This initial transfer of administrative responsibility for the provincially developed Indigenous properties provided a useful pilot and enabled AHMA to mature and demonstrate its capacity to oversee social housing.

In 2012, AHMA's role and mandate were significantly expanded through the Aboriginal Social Housing Agreement, whereby the province transferred to AHMA administrative responsibility for all existing (42) off-reserve urban native portfolios in BC. All subsidies to Urban Native Providers now flow through AHMA. AHMA has full responsibility for portfolio and subsidy administration and provides mentorship and support to its member associations.[18] While the funding agreement provides a small administrative fee to cover AHMA's operational costs, AHMA operates with a fixed subsidy and acts as custodian of the member societies.[19] As a result of this provincial delegation of responsibility to AHMA, BC is relatively unique in having an independent Indigenous organization to both manage and support and advocate for off-reserve housing providers.[20]

Together, these asset transfers have strengthened the capacity of community sector housing providers and helped preserve the existing portfolio of social and affordable housing by providing community sector providers with both the incentives and the tools to invest in existing units as owners of this portfolio.

Summary

Since 2001, BC Housing's own expertise and capacity has expanded as the provincial government has added new responsibilities to its mandate. BC Housing's position as a well resourced, single-purpose operating agency working at the provincial level has enabled it to take the lead in developing creative mechanisms for producing new units and in coordinating and empowering other actors as partners in the ecosystem. Some of the key mechanisms and partnerships in this period include:

- Using a systems-level approach to meet the housing needs of homeless individuals, facilitated by BC Housing's partnership with frontline service providers to provide both housing units and supports
- Provincial cost-sharing with local level partners, which serves as both a funding mechanism and a capacity building mechanism by establishing these diverse actors as partners in the ecosystem
- Coordination and scaling up within the community sector, led by CHF-BC and BCNPHA
- The purchase and renovation of SRO buildings to preserve an important point on the housing continuum, facilitated by a P3 partnership
- Taking a portfolio-based approach, thereby maximizing the impact of each development while avoiding the poor social outcomes of low-income housing concentrations
- Transferring assets into the community sector, which contributes to both preserving the existing housing portfolio

[18] AHMA also administers a small number of Rural and Native housing units across the province. This administrative role is somewhat similar to that played by the Agency for Cooperative housing, except that unlike the co-ops, the annual budget is fixed and allocated to AHMA and AHMA must manage all society subsidy with a fixed budget, not indexed to inflation.
[19] The agreement is currently being renegotiated with a view to expanding funding to enable AHMA to assist and facilitate capital planning and asset renewal as federal subsidy expires.
[20] Ontario also has a specialized indigenous organization the Ontario Aboriginal Housing Services. It was, however, created both as an advocacy organization and province-wide provider, rather than an administrative entity.

and building up the capacity and expertise of community housing providers.

Conclusion

Since its creation, the mandate of BC Housing has been gradually expanded and now extends across the full housing continuum, from homelessness to the regulation of the building industry. What is significant about BC Housing, in contrast to parallel entities in other PTs, is the organization's broad mandate and significant capacity and expertise. The provincial government's decision to consolidate such a wide range of programs and responsibilities in this separate operating entity has given BC Housing the flexibility and capacity to design and implement innovative initiatives. While notionally an operating agency, BC Housing has also directly contributed to policy development and provided expertise to BC's housing ministry and to BC's housing industry.

The gradual transfer of responsibilities and programs into a special operating entity represents a somewhat unique approach in Canada. In most other jurisdictions, responsibilities within the housing ecosystem remain more divided, while policy and program development activities tend to be located within ministries rather than arms-length operating entities. As discussed later, in Quebec, SHQ also has a broad role encompassing operations and policy.

BC has also been unique in its ability to retain expertise within the housing sector. It is common for staff in the civil service, especially those at the executive level, to cycle through different ministries. In contrast, BC Housing's broad and uninterrupted mandate has contributed to the organization's ability to retain a core executive team that has accumulated knowledge, expertise and a corporate memory, in some cases over more than 20 years.

The evolution of BC's affordable housing ecosystem has also been underpinned by strong and fairly consistent political will at the provincial level, regardless of the party in government.

The CPI/HousingHub model has also been an important plank in nurturing and strengthening partnerships across various actors, including providers, municipalities, private developers and sector organizations. Compared to many large municipal non-profits that dominate in other jurisdictions, the true community-based private non-profits in BC tend to have a more entrepreneurial culture (perhaps because municipal non-profits, due to local political oversight, are more risk adverse, less flexible and bureaucratic).

Having sound expertise and understanding across the government and community sector, in an environment of collaboration, trust and respect, creates the foundation for creativity and innovation. It is also characterized by practical responses to the prevailing challenges (e.g. BC Housing's adaptation to direct its energies into supported independent living in the early 2000s; the purchase of SROs; the design of the CPI as a way to sustain a production pipeline in the absence of subsidy programs; and the more recent land trust models being undertaken in partnership between the sector organizations and the City of Vancouver).

In BC, research has been used as a tool to develop and build stakeholder relations (e.g. work with BCNPHA on the Expiry of Operating Agreements guide, which was adapted by Housing Services Corporation into Ontario) – and to develop evidence that is used by the ministry in requesting additional funding from the Treasury Board (for example, how much it costs to house a homeless person versus health care spending, demonstrating benefits of supportive housing, and going forward, an evaluation of the modular housing program, new construction practices and technologies). The research and industry regulatory role performed by BC Housing have yielded additional benefits including embracing use of modular housing forms and exploring passive house construction and tall wood buildings.

BC Housing has also lent its expertise and understanding of the housing system to help create new institutional frameworks at the national level – they were instrumental in helping to create Housing Partnerships Canada (a partnership to share practice among large housing providers nationally) and in designing and advocating for the creation of a national housing sector finance authority, to extend the type of financing role in BC to other parts of the country.

QUEBEC

Introduction

Like BC, Quebec has also delivered impressive levels of social and affordable housing across the three eras of social housing development in Canada. The Quebec social and affordable housing portfolio has now grown to more than 170,000 units.[21] Like production trends in other PTs, the majority of these units (almost 130,000) were produced in the pre-1994 era.[22] However, since 1995, Quebec has produced an impressive 40,000 social and community housing units. The following table shows Quebec's production of social and affordable housing across each era. Most notable is that some 4,300 units were produced between 1994 and 2001, the period when there was no federal funding support.[23]

Table 4 shows tenure-based data from various stakeholders' websites. The overall picture is quite comparable and it shows the respective weight of the public, private and community housing providers. What characterizes Quebec's housing ecosystem and has enabled much of this affordable housing production is a unique relationship between the provincial government, the larger municipalities, and numerous community organizations, including local co-operatives, non-profit organizations, municipal agencies, federations and resource groups.

Table 3[24]

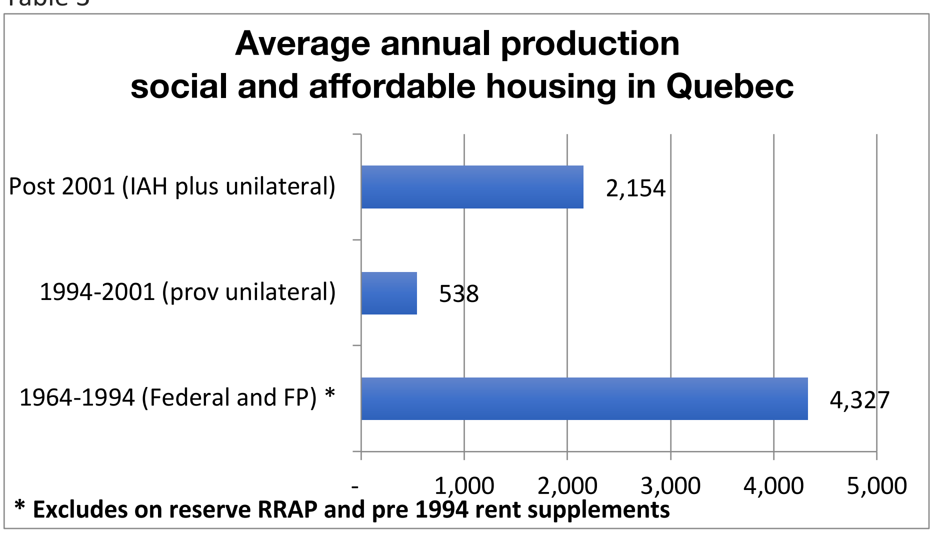

Table 4

Tenure	Units
Public and municipal housing	74 040
Co-operative housing	30 000
Not-for-profit housing	53 000
Private affordable	10 830
Total social and affordable	**167 870**

[21] Including over 10,000 private affordable units created with government funded programs.
[22] They were produced under the various FP agreements and unilateral programs before 1994 (excluding Rent Supplements, On-Reserves and Rental-RRAP programs).
[23] For a breakdown of Quebec's social and affordable housing portfolio by tenure, see Table 2 in Appendix 3.
[24] Data for FP agreements managed by SHQ, and federal social housing portfolio managed by CMHC extracted from *Canadian Housing Statistics* 1993 and 1994, not counting Rent Supplement, On-Reserve and Rental-RRAP.

Partnerships and collaboration among the province, municipalities, and the community sector have been key to Quebec's ability to sustain affordable and social housing production across different provincial parties in power and varying levels of federal investment. This model of partnerships and collaboration has been reinforced through a virtuous cycle, as municipalities and the community sector have demonstrated initiative and expertise and the provincial government has recognized their unique capacities as partners in the housing ecosystem.

A unique feature of the Quebec ecosystem is the structure of the key umbrella organizations representing the community sector. In the case of the non-profit and co-op providers, these are organized in smaller local-regional federations, which provide a more regional focus. Rather than the individual providers having membership in the provincial associations for non-profits (Réseau québécois des OSBL d'habitation, RQOH) and for co-ops (Confédération québécoise des coopératives d'habitation, CQCH), providers join the federation and the federations then form the provincial association.[25]

Even though the province did not show a significant political commitment to social housing until the end of the 1960s, over the following decades a consensus slowly emerged and there is a now more consensus around the importance of social and affordable housing. And for the last two decades, citizens, municipalities and the province have demonstrated a consistent political commitment. Social and community housing is seen as an important element of Quebec's infrastructure, like hospitals, schools and roads. The home-owners' housing co-op movement of the 1940s (whose federation transformed itself into a rental housing Fédération Coop-Habitat), the veterans' housing era (notably the federally funded Benny Farm project in Montreal), the construction of Habitations Jeanne-Mance in Montreal in 1958 (a property co-owned by CMHC and the City of Montreal), and the creation of the SHQ in 1967, are considered as important milestones. Although many public debates on the opportunity of promoting state intervention in housing were conducted for many decades, these achievements have inspired many institutional and individual actors. The following section discusses how political commitment has been translated into programs and initiatives that have helped Quebec sustain affordable and social housing production across the three eras.

Pre-1994: The formative years and the central role of the Société d'habitation du Québec

The pre-1994 era was a significant period in the development of Quebec's social and affordable housing ecosystem: Programs that ended in 1994 have been responsible for funding the majority of Quebec's social and affordable housing portfolio. It was during this time that the province began to take a clearly defined role in the provision of social and affordable housing, while also laying the foundation for municipalities and the community sector to become key players in the social and affordable housing ecosystem.

The Société d'habitation du Québec (SHQ), the provincial governmental organization responsible for social and affordable housing, was created in 1967. During the pre-1994 period, the SHQ played a pivotal role in translating Quebec's early political commitment to social and affordable housing into the key elements of its social and affordable housing ecosystem.

[25] Note: Readers who are not familiar with French terminology or Quebec organizations may want to consult Appendix 1 Glossary and Appendix 2, which briefly presents the main umbrella organizations that were active in the evolution of the ecosystem.

What is the Société d'habitation du Québec (SHQ)?

The SHQ is the provincial governmental organization responsible for the design and management of the government's housing programs. It owns the majority of Quebec's public housing portfolio, while municipal housing agencies manage the properties. The SHQ's original mission was to support municipalities with urban renewal initiatives, facilitate access to homeownership, and provide low cost housing, mostly in the form of HLM units. In the 1970s, the SHQ took on a more direct role in constructing, delivering and directly managing public housing. Since then, the SHQ has played a leading role in facilitating partnerships and building capacity within the municipal and community sectors.

Since its creation, the SHQ has fluctuated between a centralized and decentralized approach to social and affordable housing provision. Rather than directly build and own public housing, as was the case in other provinces, in its early years, the SHQ helped build municipal capacity. Its mandate was focused on supporting municipalities in building HLM (low rent, public housing) projects rather than building its own portfolio of affordable housing. Many Quebec municipalities created municipal housing offices and the SHQ provided advice, technical assistance, and funding to municipalities to build HLM projects, which enabled municipalities to produce 16,465 HLM units by the end of 1973.

However, the mandate of the SHQ changed in 1974, partly due to a change in federal policy and partly to address gaps in the municipal provision of HLM housing. New federal programs under the 1974 NHA amendments required that financing and subsidy flow to the project operator, not to the province. To avoid being leapfrogged with a direct federal-municipal arrangement, the SHQ took on direct delivery and management and began to build its own portfolio.

As a result, the SHQ decided to play a more important role in the planning, development and construction of HLM. The takeover of the construction process allowed the SHQ to devote most of its resources to expanding its SHQ-owned housing portfolio. It was during this time that the SHQ built up its expertise in social housing development and construction. This expertise was cultivated by hiring people with first-hand experience in community housing, particularly those who had worked in resource groups known in Quebec as *groupes de ressources techniques* (GRTs, or resource groups).[26] It must be noted that the local municipal offices d'habitation (OH) also manage the SHQ-owned portfolio as well as their own properties, in compliance with operating agreements with the SHQ.

Over the pre-1994 era, the SHQ also helped build community sector capacity by providing support to housing co-operatives and non-profit providers, who produced approximately 3,000 units in the same period. The SHQ's support included funding the short-lived Fédération Coop-Habitat, which was responsible for the construction of 1,500 co-op units in various regions.[27] The construction of these co-op projects was made possible by a loan provided by the Mouvement Desjardins and loan guarantees provided by the SHQ. The bankruptcy of the Fédération Coop-Habitat was followed by a new wave of grass-root housing co-ops funded by CMHC.

The 1976-86 period is still considered Quebec's "golden era" in the production of social and community housing. By the end of 1986, the SHQ had produced 52,120 HLM units, while co-operatives and non-profits had built or renovated

[26] As explained further, resource groups (GRTs in Quebec) are organizations dedicated to the development of social and community housing.
[27] Lapointe, Diane (Not dated). *1964-1971 – Co-op Habitat Estrie : une bonne leçon*.

more than 14,000 units mostly with unilateral federal funding.[28]

Under the FP agreement of 1985, which shifted the delivery and administration role for new cost shared non-profit housing from CMHC to the SHQ, the expansion of the public HLM stock continued up to its current level of more than 66,000 units.[29] Local community housing providers would then submit their new projects to the SHQ which would approve them instead of CMHC. The impact was significant: between 1986 and 1994, co-op and non-profit groups were responsible for the construction of more than 8,000 units under various sections of the private non-profit program.

The federal government also made contributions to Quebec's housing stock during this period. CMHC unilaterally financed projects such as the Federal Co-op Housing Program (which used the index-linked mortgage or ILM), responsible for the addition of more than 4,600 co-op units.[30]

The centralized approach the SHQ used during this period to build its own portfolio may have had a long-lasting effect on the organizational culture and its relations with partners. The programs implemented by the SHQ after 1994 needed more flexibility to allow the local community stakeholders' full participation. Although the decentralized delivery system was a built-in component of the program, there always existed a tension between the values of local providers and municipalities' autonomy and centralized compliance control by the SHQ.

Expanding the community sector through provincial funds

While Quebec did actively participate in the earlier public housing programs, it started late and as a result on a per capita basis had a low share of the national portfolio, especially compared to neighbouring Ontario. By the mid-1970s Quebec was lagging behind by 15,000 units in order to maintain the same number of units in proportion to its population as Ontario.[31] The first step in addressing this gap was the creation of the provincial Ministry of Housing and Consumers Protection.[32] The second step was the creation of the Logipop program in 1977.

The Quebec government created the Logipop program in recognition of the need to increase the production of social housing, diversify housing solutions for various populations, and build capacity in the community sector.

The Logipop program had two components:

1. A start-up subsidy for co-operatives and not-for-profit organizations, as most of those projects were being solely funded by the federal government. This subsidy became more generous after a few years in order to complement federal programs or to improve capitalization of SHQ funded purchase and renovation projects.
2. An annual operating grant for the technical resource groups

[28] A short-lived program, Programme intégré québécois (PIQ), which subsidized the purchase and the renovation of a few hundred units, was also made available to community housing groups between 1984 and 1986.
[29] Including the Regular and Inuit section of the HLM program.
[30] Gaudreault, Allan (2004). *Le potentiel de financement autonome des coopératives d'habitation du Québec*. Confédération québécoise des coopératives d'habitation, p. 29.
[31] Deslauriers, Jean-Pierre et Marie-Noëlle Brassard (1989). *Pouvoir Habiter*. Collection développement régional. Groupe de recherche et d'intervention régionales, Université du Québec à Chicoutimi, p. 31. In 1986, Ontario had the largest share of public housing units in Canada (43%) followed by Quebec (22%), (McAfee, quoted by Deslauriers and Brassard).
[32] This ministry was abolished in 1985 by the liberal government and the parameters of the GRT subsidies were reviewed. The SHQ was then put under the responsibility of the Ministry of Municipal Affairs.

The GRT support component was probably inspired by the Community Resource Organization Program (CROP) created by CMHC in 1973, to support resource groups in various provinces, including Quebec where the program was very popular.[33] The critical difference in Quebec was the additional provincial funding, which strengthened the growth of these important intermediaries.

Support for community sector housing providers through technical resource groups

Through the Logipop program, the provincial government helped expand the role of GRTs in Quebec's housing ecosystem, who in turn were able to make significant contributions to building up the housing portfolio and capacity of the community housing sector. The annual operating grant created through the Logipop program, which came three years after the first GRTs were formed, led to a total of 40 GRTs. In addition to being the period when the SHQ was building up its expertise, the 1976-86 "golden era" is also when the core capacity and expertise of the GRTs' network developed and expanded.[34]

The creation of the first Quebec resource groups in 1974 was supported through CMHC's CROP program – the same program that established resource groups across all PTs. GRTs in Quebec were also formed through various urban and regional revitalization initiatives and the efforts of concerned citizens and community groups. While many resource groups were born in the context of urban struggles and renewal initiatives, others were formed by regional federations of housing-co-operatives or non-profit groups. Some were also associated with university schools of architecture or social work.

A significant portion of Quebec's social housing portfolio has been made possible through the activities of the resource groups, who in turn have been able to carry out these activities through support from the province. Support from the Logipop program also expanded GRTs' capacity to collaborate with federal programs to contribute to hundreds of federally financed projects.

GRTs have now been organized under the Association des groupes de ressources techniques du Québec (AGRTQ). The role of GRTs, the creation of their provincial association to reinforce and support its network (which is unique in Canada) and the province's investment in the community sector through GRTs are critical elements of the Quebec social housing ecosystem.

Acquisition of private sector assets

The annual operating grant created through the Logipop program also allowed GRTs to expand the scope of their work. With reliable funding, many urban resource groups began to create *sociétés acheteuses* (acquisition corporations) during the 1980s. The mission of these corporations was to help preserve the supply of affordable market housing by facilitating acquisition of existing (often modest rent) apartment buildings in the market and transferring ownership to co-ops. The buildings were generally occupied by potential members of a housing co-op formed by the residents. The corporations would purchase existing apartment buildings for temporary ownership and eventually transfer ownership to co-ops, after firm funding commitment from the

[33] SCHL-CMHC (1989). *Rapport de l'étude préparatoire d'évaluation des programmes fédéraux des coopératives d'habitation.* P. 6. SCHL-CMHC (1983). *Évaluation des programmes de logement coopératif et sans but lucratif de l'article 56.1 de la Loi nationale sur l'habitation*. P. 37. Note: The CROP program (PODRC in French) was created in 1973 (before Logipop); its objective was to provide financial support to resource groups involved in the new 1973 co-op program, as a complement to this program. It was abundantly used in Quebec even after the creation of Logipop.

[34] In 2011, the AGRTQ and the SHQ agreed on a *Cadre de reconnaissance*, a document that recognizes the contribution of the GRTs and establishes parameters of collaboration.

municipality (renovation subsidies), from the SHQ or from CMHC.

Many acquisition corporations are still in operation and manage a significant portfolio that is still growing. This model of purchasing apartment buildings for housing providers has been a useful mechanism for expanding Quebec's supply of social and affordable housing and building capacity and skills among providers – an approach less frequently used in other jurisdictions. Quebec is also known for the successful transformation of non-residential buildings into social housing.

In Montreal, this model of purchasing buildings for housing providers was also financially supported by the City of Montreal and the Société d'habitation et de développement de Montréal (the Montreal Housing Development Corporation, or SHDM). Between 1988 and 1995, the SHDM delivered the Programme d'acquisition de lodgements locatifs (PALL, a rental housing acquisition program) and Programme d'acquisition de maisons de chambres (PAMAC, a rooming houses acquisition program).[35] These programs would help purchase apartment buildings, renovate them, and transfer ownership or management to existing or newly created social housing providers. The SHDM would hire GRTs to bolster these programs with education and training services, as well as to support the creation of new entities, local not-for-profit corporations or co-ops when needed. Under these programs, the SHDM acquired and renovated 3,478 units, with approximately 25% of these being owned by social housing providers, while 75% are still owned by the SHDM and managed by social housing providers.[36]
A new fund, which operated until the middle of the 1990s, was named Fonds d'investissement social en habitation (FISHA). Through this fund, providers benefited from low cost loans made possible by contributions by the SHDM and other institutions and helped acquire and renovate more than 400 community housing units.

In 1986 in Quebec City, GRTs partnered with the regional federation of housing co-ops and the municipality to jointly create the Réunid fund. The development support role of the Réunid fund increased in 1994 with a $1 million interest-free loan by the City. The fund provided temporary loans and guarantees to housing co-ops and not-for-profit providers during the pre-development stage and 350 units were financed during the 1994-2001 period.[37]

Provincial support for municipal programs

A key element of Quebec's social and affordable housing ecosystem is a heightened role for municipalities in administering and funding programs. This is the result of both a provincial approach to supporting municipalities as key players in the ecosystem and of municipalities' own initiative. There has been a virtuous cycle between this provincial approach and municipalities' own initiative.

Despite the leading role of the SHQ, the provincial government has also faced difficulties in addressing the complexity of issues at the local level and the development constraints of Quebec's main urban centers. Recognizing that municipalities are uniquely positioned to identify and meet local needs, the SHQ eventually gave the municipalities of Montreal (1997), Quebec (2002) and Gatineau (2009) a special status as *villes mandataires*. This status gave these municipalities both responsibilities and resources for delivering services on behalf of the SHQ, including:

- Annual municipal allocation of units
- Responsibility for locally managing SHQ programs, including confirming the

[35] Source: SHDM.
[36] See Appendix 2 for details.
[37] Gaudreault, Allan (2004). *Le potentiel de financement autonome des coopératives d'habitation du Québec*. Confédération québécoise des coopératives d'habitation. P. 107.

eligibility of social housing applicants, verifying plans, authorizing disbursements, confirming conditional commitments, authorizing start-up funding, and preparing operating agreements

For housing providers and citizens, as opposed to other municipalities, this arrangement with the *villes mandataires* provided a unique interface with housing program administrators (assistance with project approval process, compliance verification to urban planning and funding approval), improved perception of local need, and increased opportunity to participate in local economy and urban renewal strategies. For these municipalities, this arrangement allowed them to develop municipal expertise, facilitated compliance with municipal regulation, and integrated participation in municipal strategies and plans.

As *villes mandataires*, the municipalities of Montréal, Québec and Gatineau share a history of ongoing intervention in preserving and developing affordable housing. Since the 1970s, they have made important financial contributions to social and affordable housing initiatives. These leading municipalities have implemented strategies and tools that have benefited and strengthened the work community housing organizations in many regions during the past 40 years. These strategies and tools include:

- Municipal capital contributions to provincial housing programs, notably AccèsLogis Québec (ACL) and Logement abordable Québec (LAQ) programs
- Extensive use of municipal and provincial renovation grants
- Decontaminating sites
- Offering land at a reduced price to community housing providers
- Affordable housing inclusion strategies (a form of inclusionary development)[38]
- Integrated urban and housing renewal operations
- Creation of land reserves
- Creation of municipal investment funds or revolving loan funds

The SHQ has further supported municipalities and grown their role in the housing system by creating the Programme Rénovation Québec (PRQ, also known as Programme de rénovation des vieux quartiers). The PRQ is a framework agreement that allows municipalities to design and fund a variety of initiatives in areas undergoing revitalization, including renovation, new construction, social housing, and homeownership. The PRQ matches municipal financial contributions and helps municipalities leverage revitalization initiatives to create new social housing, notably by complementing the AccèsLogis program when possible.

Municipalities' initiative and the province's support for municipalities' role in the housing system have been mutually reinforcing. The SHQ has recognized the housing expertise of Montréal, delegating responsibility for HLM development to the City of Montréal as early as 1976 – the period when the SHQ was still using a relatively centralized approach and taking the lead in HLM construction. As a result of this delegation, the Office municipal d'habitation de Montréal (OMHM) now manages a portfolio of 23,000 units, in addition to 10,400 units receiving rent supplements, on the territory of the island of Montreal.[39]

With provincial support to play an expanded role in the housing ecosystem, various administrations in the City of Montreal have consistently championed the community sector's efforts in the development of social and affordable housing. For example: the municipal strategic intervention "Opération 10,000 logements" of 1979, which

[38] For example, see the City of Montreal affordable housing inclusion strategy as described in Part 2.
[39] OMHM website consulted on September 8, 2018: http://www.omhm.qc.ca/omhm-en-chiffres .

became "Opération 20,000 logements" in 1982. While these important initiatives initially aimed at retaining families, attracting new homeowners, and limiting urban sprawl, they eventually expanded to include social and affordable housing projects. These projects contributed to neighbourhood revitalization and benefited from various municipal incentives mentioned previously which were implemented under various administrations.

Montreal also adopted a policy to facilitate access to individual and collective homeownership with its own funding. With this objective in mind, the City of Montreal created municipal corporations, notably the Société de développement de Montréal (SODEMONT) and the Société municipale d'habitation de Montréal (SOMHAM). These merged in 1988 to form the SHDM – the same entity that carried out Montreal's housing acquisition programs. The SHDM was responsible for the construction of hundreds of units for community groups and for the construction of many projects in its own portfolio. Many of these projects were financed under the federal Section 95 NHA program and the SHDM still owns 2,066 units built with this funding.

Summary pre-1994

The pre-1994 period in Quebec's social and affordable housing ecosystem was shaped by the emerging roles of the province, municipalities, and the community sector (particularly the role of resource groups). Federal programs were the main source of funding for the social housing sector during that period, but there were several useful mechanisms that enabled these actors to make significant contributions to Quebec's social and affordable housing stock:

- A provincial start-up subsidy for co-operatives and not-for-profit organizations that contributed to the expansion of the community sector.
- A provincial annual operating grant, complementing a federal start-up program (CROP) that led to the creation of new GRTs in all regions and allowed them to expand the scope of their services to housing providers.
- Leveraging revitalization activities to create affordable housing through the PRQ program in particular by acquiring rental buildings in the private market – where a majority of low income citizens live – or transforming non-residential buildings into social housing.
- In Montreal and Quebec City,[40] the creation of municipal corporations with sufficient resources to lead affordable housing development and creation of specific investment funds to support community housing development, notably FISHA and Réunid.

These actors and mechanisms formed a foundation that would help sustain the ecosystem through the 1994-2001 period.

1994-2001: Sustaining the system

While the production of social housing declined elsewhere in Canada following the federal government's withdrawal of new funding for social housing at the end of 1993, Quebec was successful in producing some 4,300 units during the 1994-2001 period despite the absence of federal funding for development.

Quebec's ability to sustain social housing production across this period was the product of two main developments. First, like BC Housing, the SHQ responded to federal disinvestment with the creation of new provincial programs – the PARCO (Programme d'achat-rénovation pour coopératives et OSBL) and AccèsLogis Quebec (ACL) programs – which have acquired or produced more than 40,000 units between 1994 and 2017. The province funded these programs itself until 2001, when the new federal Affordable

[40] There is no similar municipal corporation in Gatineau.

Housing Initiative became a form of cost-sharing for these Quebec programs (although much lower than pre-1994 funding levels). Like in BC, these provincial investments represent a very exceptional contribution in the Canadian universe of social housing – in the absence of federal funding, the province expanded its own investment in social housing.

Second, the federal withdrawal was leveraged as an opportunity to bring together a variety of sector players into collaboration and partnerships that have been key to creating a coordinated, coherent sector. While the SHQ showed leadership in creating the PARCO and ACL programs, it was also during this period that it shifted from its more centralized approach towards engaging municipalities and the community sector to play a greater role as partners in Quebec's housing ecosystem. The significance of partnerships between the province, municipalities and the community sector emerged as the province responded to municipalities' and community organizations' own advocacy and initiative – particularly during the 1996 Sommet de l'économie et de l'emploi (Summit for the Economy and Employment).

The Sommet de l'économie et de l'emploi - A turning point in collaboration and partnerships

The 1996 Sommet de l'économie et de l'emploi (Summit) was a defining point in the 1994-2001 period that helped Quebec's capacity to deliver social housing to increase rather than diminish in the absence of federal funding. The Summit brought together representatives of trade unions, public and private sectors, and the social economy in discussion about the future of Quebec's economy and employment. In addition to facilitating a successful petition for the province to make the PARCO program permanent, the Summit created an opportunity for diverse housing sector actors to coordinate their efforts and fill the gap created by federal disinvestment with new partnerships.

The Summit resulted in five key developments in terms of social housing financing and partnership:

- Creation of the Résolution Montréal program
- Extension of the PARCO program into a permanent program
- Creation of the AccèsLogis Québec (ACL) program
- Creation of the Fonds d'investissement de Montréal (FIM) by private, philanthropic and institutional investors
- Creation of the Fonds québécois d'habitation communautaire (FQHC) by the SHQ, as proposed by the co-op confederation (CQCH)

Cost-sharing with new partners

The Résolution Montréal, PARCO and ACL programs were each made possible by bringing in new funding partners to share costs for programs in the absence of federal funding.

After the 1994 federal withdrawal, a coalition of municipal and provincial organizations, spearheaded by the City of Montreal, came together to form the Résolution Montréal program, with the aim of building 1,000 new low-income units annually in Montreal. This proposal was based on a previous initiative involving 100 units of social housing, which demonstrated that it was possible to create social housing without ongoing operating subsidies, compared to previous federal programs requiring long-term commitments. The projects which were purchased and renovated were viable because of the cumulative impact of capital grants and renovation grants which reduced the debt service and made the projects viable and affordable for the majority of in-situ residents. With the support of several key actors in the municipal and community sectors, the coalition successfully petitioned the federal and provincial governments to adopt this program at the Summit.[41]

The Résolution Montréal program included multiple components that address a range of affordable housing need:

- A capital grant for renovation
- An additional capital grant
- A rent supplement program to support low-income tenants
- Community support for tenants in need of services
- Complementary contribution from the community network.

The unique feature of the Résolution Montréal program was that it made funding contributions from the community sector an essential element of the program's funding structure. This model of cost-sharing between the local and provincial levels inspired the Quebec government and influenced the design and partnerships structure of two other programs: The PARCO and ACL programs, both being the result of a co-creation process between social housing actors from the municipal, community and provincial networks.

The SHQ launched the PARCO program prior to the Summit in 1995. Initially created as an experimental program, the PARCO program was another purchase and renovation program. It became permanent through the efforts of another coalition of community housing organizations and the municipalities of Montreal and Quebec, which had used the Summit to obtain a commitment from the province to compensate for the loss of federal subsidies.[42] The coalition successfully proposed a cost-sharing model that partly replaced federal contributions with local-level contributions.

Typically, a Quebec funded project obtains a SHQ capital contribution covering 50% of the costs and a second contribution – at least 15% of the costs – is provided by the community at large, including a municipal share. The housing provider has to contract a mortgage which is equivalent to 35% of the costs (except in projects serving a population with special housing needs).

The success of both the PARCO and ACL programs in delivering more than 40,000 units since their creation has been facilitated by this built-in cost-sharing, based on partnership between the leading government agency, the SHQ, municipalities, community groups, and the social housing sector provincial organizations. These programs have also been supported through formal collaboration by stakeholders, in particular leading municipalities and community-based organizations in order to achieve co-construction of programs and improved management practices. These programs have also utilized and benefited from the services of a network of development-oriented resource groups.

While municipal and community contributions to social housing have always been necessary, the programs implemented by the government of Quebec after the 1996 Summit made these financial contributions mandatory. Initially, many stakeholders felt that provincial cost-sharing with municipalities and the community at large was a set-back in terms of provincial housing policy. But gradually, the obligation to confirm the financial contribution of local communities has stimulated local participation, and broadened the number of citizens involved in housing development and promotion. Municipalities, in particular, now realize that social and affordable housing is a collective asset, an instrument of social inclusion, and a factor of economic development.

[41] These included the Association des GRTs du Québec, the Fédération des coopératives d'habitation de l'Île de Montréal, the Fonds d'investissement social en habitation, the Front d'action populaire en réaménagement urbain and the Office municipal d'habitation de Montréal.
[42] Community organizations involved included the AGRTQ, the CQCH, the Chantier de l'économie sociale (CES), and the Front d'action populaire en réaménagement urbain (FRAPRU)

Fonds québécois d'habitation communautaire

Another concrete result of the 1996 Summit is the creation of the Fonds québécois d'habitation communautaire (FQHC), a new entity to help the provincial government finance the ACL program. The FQHC's initial mandate was to act as a consultation instrument, to advise the government, and to manage the funds invested by the government in the ACL program. In 2007, its mission was modified: it became a financial instrument and started to gather financial contributions from all housing providers that used provincially funded programs.[43]

By the end of 2017, the FQHC had accumulated a total of more than $200 million.[44] This capital will likely be invested in renovation and construction loans to housing providers. It will be managed by the SHQ, with the collaboration of an advisory committee formed with representatives of the following provincial organizations: Confédération québécoise des coopératives d'habitation (CQCH), Réseau québécois des OSBL d'habitation (RQOH) and Regroupement des offices d'habitation du Québec (ROHQ).

Securing private funding through shared value

The Summit also led to the creation of a new private investment tool: The Fonds d'investissement de Montréal (FIM). The project presented at the Summit was to purchase and renovate 50,000 privately owned apartments over ten years, through financial contributions from various private and institutional actors with a vested interest in housing renovation and improving Montreal neighbourhoods.

The FIM eventually chose to provide local providers with loans secured by second mortgages to be used as down payments, instead of purchasing its own portfolio. The FIM now provides patient capital loans for purchase and renovation projects initiated by community housing providers and has been successfully carried out in three investment phases. This has resulted in the purchase and renovation of 746 units in various neighbourhoods in the Greater Montreal area, which have been removed from the private sector and converted into community housing ownership. A fourth phase was announced in 2018.[45]

What was significant about the FIM was that for the first time in Quebec, private and public institutions, as well as labor organizations, invested substantial amounts of capital in viable community housing projects, generating a reasonable return: 5.5% (see case study) with no losses. Those who invested in and supported the FIM did so with the hope that the renovations would have a positive effect on neighbourhood revitalization, citizens' empowerment, crime reduction, job creation, and the real estate value of renovated and nearby buildings.[46]

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[43] Providers funded under the PARCO program must make yearly contributions (roughly $10-15 per unit per month) to the FQHC. In addition, the ACL and LAQ operating agreements require a mandatory refinancing of the paid capital after the first 10 years of operation with a transfer of the accumulated equity to the FQHC. The loan amount after ACL and community contribution is usually only 35% of cost, so it is financially possible to refinance and re-amortize this loan after 10 years and make a contribution to the FQHC, subject to not creating viability problems for the project.

[44] SHQ (2018). *Rapport annuel de gestion 2017-2018*. P. 111.

[45] See Appendix 2 for details.

[46] Gaudreault, Allan et al. (2004). *Le Fonds d'investissement de Montréal – Monographie*. Co-publication ARUC-Économie sociale et Chaire de coopération Guy-Bernier, p. 9. The first investors were Claridge Investment, Fonds de solidarité FTQ, Hydro-Québec, Mouvement Desjardins, National Bank of Canada, Royal Bank of Canada; the Fondation Lucie et André Chagnon has also been a significant investor since the FIM foundation.

This form of socially responsible capital and securing private investments in social housing projects that create shared value has influenced the creation of various initiatives, such as the Fonds d'acquisition québécois (a limited partnership entity) and CRENEAU projects for seniors.

Summary 1994-2001

While capacity diminished in other jurisdictions during the 1994-2001 period, in Quebec the federal withdrawal was used as an opportunity to strengthen the system through new partnerships. Quebec's social and affordable housing ecosystem was built up during this period in three key ways:

- Following the Sommet sur l'économie et l'emploi, the province stepped forward with the creation of new housing programs– replacing operating subsidies with rent supplements, capital grants and community contributions – which have contributed nearly 41,000 social housing units since their creation. [47]
- Collaboration and partnership between the province and diverse community and municipal sector players became a pillar of the ecosystem, contributing to a more coordinated and coherent sector.
- A new funding model was developed that facilitated cost-sharing between provincial and local levels by making municipal and community sector contributions mandatory.

The 1996 Summit was a landmark in terms of program co-creation. In a period of federal absence in new development, it opened a new era of social housing development based on partnership, dialogue and concerted action. Since then the SHQ's programs have been modified with partners from municipalities and community housing organizations. Many observers share the opinion that AccèsLogis extended the life of the SHQ. Indeed, the Groupe de travail sur l'examen des organismes gouvernementaux recommended the abolition of the SHQ in 1997, stating the Crown corporation had completed its mandate.[48]

2001 – Present: Continued growth and partnership

By making municipal contributions to provincial programs mandatory, the Summit resulted in strengthening and expanding the role for municipalities in the Quebec housing ecosystem. Since 2001, municipalities have made significant contributions to the province's affordable housing supply by contributing to these programs and through their own initiative at the local level. Similarly, Quebec's community housing sector has also contributed to the province's affordable housing supply by collaborating with the province and developing its own initiatives, particularly through partnerships within the community sector.

As municipalities and the community sector have demonstrated their unique expertise and capacities to contribute to Quebec's affordable housing system, the province has created legislation and agreements that strengthen their roles as partners in the system. The province's willingness to treat municipalities and the community sector as partners, and the leadership on the part of municipalities and the community sector, have created a virtuous cycle of collaboration and partnership and has led to innovative initiatives.

Provincial partnering in policymaking and program delivery

The province has invited community-based housing providers to participate in the

[47] Low-income residents are eligible for a rent supplement program which is available for a variable proportion of tenants, between 20% and 100%, according to the population served by a project; rent supplements are subject to five-year renewable agreements.

[48] Groupe de travail sur l'examen des programmes gouvernementaux (1997). *Rapport*. Septembre 1997, p. 82.

policymaking process through the Cadre de référence sur le soutien communautaire en logement social (Cadre). The Cadre is a joint effort by the SHQ and the ministère de la Santé et des Services sociaux (MSSS, or Ministry of Health and Social Services), and an invitation to community housing to participate more actively in public policies affecting people in need of supportive housing.[49] Its purpose is to help define and support the various activities of public and community housing providers that serve vulnerable populations and it clarifies the clienteles eligible for community support and the type of services that should be provided under the accepted definition. Through the Cadre, the provincial government has recognized the community sector's expertise and its vital role as a partner in the housing ecosystem. This necessity of collaboration with the community sector is recognized in the SHQ's 2017-2021 strategic plan.[50] The financial contribution attached to the Cadre was established at $5 million per year.

The social housing and health and social services networks share a common clientele of people living with physical and mental health issues, aging and discrimination and people who struggle for inclusion. The SHQ's 2017-2021 strategic plan indicates that "At least six government actors have a common clientele, notably those dealing with health and social services, employment and social solidarity, families, elderly, and Indigenous affairs. At least 11 ministries have an incidence on housing and on the specific responsibilities of the Corporation."[51]

Basically, community support includes activities that facilitate social inclusion and develop tenants' autonomy, such as:

- Reference and assistance with public services
- Intervention in conflict management between tenants
- Psycho-sociological intervention
- Crisis ntervention
- Support to tenants' associations and committees and community organization

The community support activities target residents who have all the rights of a permanent tenant, unlike a patient in a health care facility. The activities of support are not conditional to a specific diagnosis, to a protocol of care or to participation in any program. In 2018, the four provincial organizations representing the social housing sector advocated that the community support envelope be increased to an annual contribution of $30 million.

Empowering municipalities

In Quebec, the role of municipalities in the affordable housing ecosystem has been extensive and comprehensive – engaging and drawing on a wide set of municipal functions, including planning, finance and real estate. Much of municipalities' capacity to take a leading role in the ecosystem was built up in the pre-1994 period, when the government delegated responsibility for managing HLM development to Montreal and funded projects developed by municipal corporations in Quebec City and Montreal. Later the provincial government assigned to leading municipalities the villes mandataires status for many programs including AccèsLogis Québec. Since 2001, the province has further expanded municipalities' capacities in two important ways.

In 2016, the Quebec government and the municipality of Montreal signed the "Réflexe Montréal" agreement, which grants new powers to the municipality in terms of housing

[49] The initial efforts for a more permanent funding of community support had happened in 1996, after the Summit. The MSSS had then agreed to pay the sum of $1,000 per unit to projects targeting senior people with loss of autonomy. This agreement was renewed during ten years.
[50] SHQ (2018). *Plan stratégique 2017-2021*.
[51] SHQ (2018). *Plan stratégique 2017-2021*. P. 10, our translation.

development, addressing homelessness, and newcomer integration. Within the parameters of the agreement, Montreal will be able to develop its own programs, for example AccèsLogis Montréal, and to report to the provincial government as a responsible level of government.[52]

In 2017, the province passed Bill 121,[53] which recognized Montreal as an independent local government. This creates significantly more municipal autonomy. The new legislation has created a framework for municipalities to take on greater responsibilities from the provincial government and has the potential to facilitate enhanced partnerships.

The Réflexe Montréal agreement and Bill 121 have reinforced municipalities' role as partners in the ecosystem. Taking on a broader mandate with support from the province has enabled both municipalities and community sector organizations to drive important programs and come up with creative solutions to housing challenges.

Utilizing municipal corporations

Beginning with initial activities in public housing, Quebec's municipalities have been actively involved in planning, finance and real estate functions related to social and affordable housing. And in many cases, these are integral elements of the municipal structure.

In addition to the OMHM, which manages more than 33,000 units funded by numerous programs, Montreal's housing and development corporation, the SHDM, owns and manages 4,700 units created through the Section 95 NHA program and the PALL and PAMAC housing acquisition programs.

Quebec City's municipal housing corporation, the Office municipal d'habitation de Québec (OMHQ), manages a portfolio of more than 7,000 units.[54] The OMHQ also houses the Société municipale d'habitation Champlain (SOMHAC), a municipal non-profit, whose role is to provide slightly lower than market rate housing and has developed more than 1,000 units under the Section 95 NHA program and provincial programs.[55] These municipal corporations have been able to deliver important programs as agencies with both a specific mandate for social housing and the resources to carry out this mandate.

Municipal programs to provide land to housing providers

Municipal contributions to the creation of new social and affordable housing often takes the form of selling land for a reduced price. In 2002, Montreal was facing a housing shortage crisis, when hundreds of families were unable to find a home and homelessness was spreading. Montreal responded by launching "Opération Solidarité 5,000 logements," which aimed to help social housing providers produce 5,000 new units over three years. It did this by adopting a policy to provide land to social housing providers at a lower price. These reduced land costs enabled social housing providers to achieve the target of 5,000 units and a second operation of the same magnitude was implemented from 2006 to 2009.

To complement this land price policy, which is currently under review, Montreal has recently adopted a ten-year plan to invest $50 million in a special fund to purchase land that will be reserved for social housing. This is part of the City of Montreal's new commitment to create 12,000 new units of social and affordable housing.

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[52] *Entente-cadre sur les engagements du gouvernement du Québec et de la Ville de Montréal pour la reconnaissance du statut particulier de la Métropole*, signed in December 2016.
[53] *An Act to increase the autonomy and powers of Ville de Montréal, the metropolis of Québec.*
[54] Source: OMHQ.
[55] Source: OMHQ.

This practice of creating a land reserve for social housing providers has also been adopted in Gatineau, to support the City's target of producing 300 new social and affordable units annually. Until recently, Quebec City has also provided social housing developers with low-cost land and buildings.

Securing affordable units in private developments

The SHDM has worked with private developers to facilitate access to homeownership through the Accès Condos program. Since its creation in 2003, the Accès Condos program has served as a tool to revitalize neighbourhoods and facilitate the inclusion of affordable housing in new private developments. It allows homebuyers to buy a condo unit with a $1,000 down payment and a purchase credit of 10% or 15% from the SHDM, guaranteed by a shared appreciation mortgage. There is a purchase credit refundable to SHDM with an addition of 10% of accrued value. In addition to collaborating with developers on a marketing strategy for these units, the SHDM also guarantees to developers that it will buy any unsold units after a certain period of time. To date, the Accès Condos program has produced more than 3,600 units for affordable homeownership.[56]

In 2005, the City of Montreal adopted an affordable housing inclusion strategy, which made the inclusion of affordable units a condition of development approvals by the municipality. The strategy – soon to evolve into a mandatory regulation in 2019 – is arguably a form of inclusionary zoning. For now, it applies to all residential projects of 100 units and more which require regulation amendments. Modifications to the urban plan have been announced by the City. If approved, a new inclusion regulation will be applicable to all residential projects and will require the inclusion of 20% social housing, 20% affordable housing, and 20% family housing. The 2005 strategy has had a profound influence on the future of urban planning and social housing development in Quebec.[57] By the end of 2015, it had led to at least 70 agreements with private developers. This involves sites with potentially 44,000 units, including 13,000 social and affordable housing units.[58]

Quebec City has also worked to integrate social and affordable housing developments in urban renewal activities in the city's downtown neighbourhoods and historical zones. The current Quebec City housing policy explicitly states that the municipality will have annual provisions for the construction of social housing and various measures for facilitating inclusion of affordable housing. The municipality has recently initiated a consultation process to renew its vision of housing. It is supported by a municipal vision of social development whose objectives include assuring an offer of quality and affordable homes, and which proposes to facilitate homeownership, to maintain municipal commitment to social and community housing, to facilitate the development of family housing, as well as housing for people with mobility challenges, and to support projects exploring new solutions in terms of social diversity.

The Gatineau housing policy also encourages the development of social and affordable housing. It

[56] Accès Condos is an adaptation of the original Options for Homes model. This Toronto based innovative enterprise partnered with SHDM to design a new affordable homeownership model that complies with the Quebec legal environment. The discounted price is based on achieving savings notably in marketing and development expenses, so that units are sold below full market price. It is this saving that is recaptured downstream via a shared appreciation second mortgage arrangement.

[57] In 2019, the City of Montreal will hold a public consultation on a new inclusion regulation. This would be an important instrument for the new administration to support the production of 12,000 new social and affordable units. A 2017 amendment to the *Loi sur l'aménagement et l'urbanisme* (Bill 122) allows municipalities to impose the inclusion of social affordable and family housing to new private residential projects.

[58] See Appendix 2 for details.

aims to prioritize the population whose housing needs are most urgent. According to its 2016 housing policy, the municipality plans to support the construction of 300 units of social and affordable housing per year, in collaboration with the provincial and federal governments. Many tools have been put in place by the municipality to facilitate social and affordable housing, including a financial contribution for the ACL program and a land reserve, financed by its own social housing development fund. Gatineau also wishes to implement an affordable housing inclusion strategy.

Community sector funds for housing providers

In Quebec, an extended network of health and social services and grassroots organizations are important financial contributors and partners to numerous projects. Quebec's community housing sector has made significant contributions to the province's social housing supply through two funds for housing providers.

The first of these is the previously mentioned Réunid Fund, created in 1986 in Quebec City. The second initiative is the Fonds d'acquisition québécois (FAQ), which provides loans to social housing providers to buy land. This financial instrument was developed by the province-wide Association des groupes de ressources techniques du Québec with financial support from the Fonds immobilier FTQ, the real estate development arm of the Fédération des travailleurs et travailleuses du Québec (FTQ). Since its creation in 2009, the FAQ has distributed a total of $35 million in loans to social housing providers across eight Quebec regions to help them buy land. This has led to the production of 1,225 new social housing units, which have a total capital value of $207 million.[59]

Preserving the existing stock of affordable housing

The province has also implemented two initiatives aimed at renovating and preserving Quebec's social and affordable house portfolio.

To preserve the social housing portfolio after the expiration of operating agreements, the provincial government has made important changes to the *Loi sur les cooperatives,* the provincial legislation covering co-ops.[60] These changes stipulate that housing co-ops are legally obligated to create an adequate capital replacement reserve, to undergo a professional building inspection every five years, and to implement and budget for five-year maintenance and repair programs.

Significantly, the law also imposes restrictions on the resale of co-op properties, requiring ministerial authorization of these sales. These measures do not apply to the not-for-profit portfolio. However, they address a common challenge other jurisdictions in Canada face in preserving the portfolio of public housing after operating agreements expire and are thus an important contribution to the preservation of community housing assets in Quebec.

The provincial government has also contributed to the preservation of Quebec's social housing portfolio by funding renovations. Since 2007, funding through the Plan québécois des infrastructures (PQI) has renovated public and private HLM properties developed under various federal-provincial programs.[61] In 2008, the total amount of the renovation funding was estimated at $1.2 billion over five years. Between 2011 and 2017, more than $1.9 billion was invested in the

[59] See Appendix 2 for details.
[60] *Loi sur les coopératives*, articles 221.2.3 and 221.2.4.
[61] PQI investments are planned in a wide number of public installations and properties such as roads, bridges, public transportation, schools and hospitals. Social and community housing was included in the program for various reasons, notably the amount of public funding that the portfolio had required in the past and also to assure long-time preservation of the community-based assets.

renovation of the HLM portfolio.[62] This investment, funded in part by the federal government, reflects the provincial government's view of social housing a valuable part of Quebec's infrastructure and a part of the province's heritage for future generations.[63]

Taking a systems-based approach – facilitating renovation and amalgamation

The impact of these provincially funded renovation programs has been augmented on the technical level by a unique model: the creation of Centres de services, which serve the entire province. In contrast to the traditional model of public housing renovation based on yearly governmental allocations and ad-hoc funding requests, the Centres de services use an "asset management" model, where renovation needs are holistically considered in the context of the entire housing portfolio. Centres de services were formed on a regional basis or multi-regional basis and on a tenure basis: various Centres de services serve mostly public housing providers while other Centres de services serve mostly community housing providers. They perform building condition assessments and cost evaluation. They also provide technical support during the planning and execution phases of the renovations.

The creation of Centres de services is the product of leadership and innovation at the municipal level. The portfolio-based approach used by Centres de services was first implemented in a 2004 pilot project by the Office municipal d'habitation de Montréal. It was then extended to the entire provincial HLM portfolio.

Quebec has also been moving towards a systems-based approach with regards to municipal housing agencies. The Quebec government is mandating the grouping of smaller agencies into entities that match the scale of regional municipalities, to improve the quality and coordination of their services and promote their sustainability as larger entities with greater capacity.[64] To date, 15 new agencies have been formed from 100 original entities. The SHQ reports that there are another 29 grouping projects involving 169 local agencies under review.[65]

The provincial orientation towards municipal mergers is also manifest in the *Loi sur la Communauté métropolitaine de Montréal*, the provincial legislation that established the Communauté Métropolitaine de Montréal (CMM). The CMM is a regional planning organization of 82 municipalities in the Greater Montreal area. [66] The municipalities in the CMM have adopted a shared development plan to advance social and affordable housing. The CMM also has a unique funding framework, wherein its 82 municipalities share costs for social housing. All municipalities pay an annual contribution that is proportional to their wealth, and the collected funds are distributed to individual municipalities, which support new social housing development. The CMM also contributes to rent supplements and public housing according to current needs.

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[62] SHQ (2017). *Rapport annuel de gestion 2016-2017.* P 3.
[63] SHQ (2008). *Rapport annuel de gestion 2007-2008*. P. 10
[64] Three options are considered:
- -- One is the merger of a number of municipal corporations into one bigger agency.
- -- Another is the creation of a new corporation following declaration of competence by a regional municipality in compliance with the legal framework (Loi sur la Société d'habitation du Québec) passed by the government.
- -- The last one is a government decree.

[65] SHQ's Web site consulted on September 21, 2018: http://www.habitation.gouv.qc.ca/regroupementoh.html.
[66] In addition to the municipal initiatives, the political orientations of the provincial government, especially the impulse for municipal mergers and the legal framework that was passed – notably the adoption of the *Loi sur la Communauté métropolitaine de Montréal* – have impacted on the perception and the funding of social housing, especially in the Montreal region.

There is also an initiative currently underway in Quebec to develop a provincial network of residences for middle-income seniors able to live semi independently: the Créneau model, which aims to provide these units without relying on subsidies for the housing component of the rent. It is expected that not-for-profit operation matched with access to patient capital and donations will contribute to reduced debt service and operating expenses and thus provide affordability for middle income tenants, who are "too rich for social housing, but too poor for private seniors' residences."[67] The Créneau model is based on a partnership agreement between the provincial association of resource groups (AGRTQ) and the Fédération des coopératives de services à domicile et de santé du Québec (FCSDSQ).[68]

Summary 2001 – Present

Since 2001, Quebec's supply of social and affordable housing and the ecosystem responsible for it have been built up through the following mechanisms:

- Utilizing the full potential of municipal corporations
- Making land available to housing providers through a municipal discount on land sales to housing providers, a municipal land reserve, and GRT financing initiatives to help providers buy land and develop affordable housing for seniors
- Leveraging revitalization into opportunities to create affordable housing
- Empowering municipalities and the community sector: The province has formalized municipal and community sector roles. There is a virtuous cycle between this and municipal initiative and innovation.
- Taking a portfolio-based approach (Centres de services) and scaling up (municipal agencies grouping together)
- Preserving the existing stock of social housing through adequate funding for renovations and measures to limit the re-sale of buildings after the expiration of operating agreements

In many ways, the trend towards partnerships and local initiative has continued. The Réflexe Montréal agreement of 2017 allows the City of Montreal to develop its own programs – using provincial allocations and its own funds – and to report to the provincial government as a responsible level of government, providing a model that may be replicable in other municipalities.

Conclusion

Since 1995, many of Quebec's achievements in producing social and affordable housing have been the result of increased partnership and collaboration. Since its creation, the SHQ has fluctuated between a more centralized approach in delivering housing programs itself and a more decentralized model, empowering other actors to take on greater responsibilities. Over time, the SHQ has adapted its management practices and learned to work with municipalities and community groups.

The centrality of partnerships in Quebec's ecosystem was cemented following the 1996 Summit, when local-level contributions became mandatory components of provincial housing programs. While capacity diminished in other jurisdictions during the 1994-2001 period, in Quebec the federal withdrawal was used as an opportunity to strengthen the system with new partnerships. The partnership-based funding model created at the Summit has not only facilitated the logistical financial requirements to carry out these programs, but has also formalized the role of municipalities and the community sector as equal partners in the ecosystem.

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[67] Temporary branding.

[68] See Appendix 2 for details.

This has created a virtuous cycle, where more formalized roles for municipalities and community groups have led to more local-level initiative and innovation. Under "villes mandataires" status, Quebec municipalities have been able to take bold steps to increase the supply affordable housing, from making land available to housing providers and ensuring affordable housing is integrated in private developments, to pioneering the portfolio-based model of the now province-wide Centres de service. Meanwhile, the provincial government has supported smaller municipalities to scale up into networks that can deliver affordable housing with more coordination and tenacity. Local initiatives such as these have also been supported by Quebec's GRTs, whose central and enduring role in the housing ecosystem was enabled early on through the provincial Logipop program.

While the last two decades have brought many innovative partnerships and significant growth in Quebec's social and affordable housing portfolio, the sector is currently facing several challenges:

- Financial maturity related to the expiry of federal operating agreements and the potential for using equity and reserves for financial leverage
- Investment of the funds accumulated by the Fonds québécois d'habitation communautaire in actual projects
- Long-term preservation of the portfolio
- Organizational maturity among local providers, which need to grow in order to become more stable and more viable
- Renewed partnership between community groups, municipalities and governments

The Quebec ecosystem has benefited from broad, shared recognition that successful program delivery can best be achieved by sharing resources and by working collaboratively. This has hinged on a commitment to the co-creation model, privileging the capacity to influence partners and the willingness to be influenced by them over compliance management.

An example of this new collaboration is the recent creation of the Alliance des propriétaires d'habitation sans but lucratif de Montréal (Alliance). The mission of the Alliance is to help these organizations build financial and organizational capacity, as well as share resources and local neighbourhood development initiatives. The Alliance members manage a total of more than 40,000 units. However, they face the same challenges seen elsewhere of asset preservation, asset leverage and improved livability of the housing projects. The Alliance members expect to share expertise and resources and scale-up in order to be more efficient and influence the quality of life in the properties they manage.

Another example of self-development and scaling up is the Coopérative d'habitation des Cantons de l'Est founded in Sherbrooke in 1975, which now owns 45 properties and 254 units. This portfolio has been acquired and renovated over the last four decades. Recently, the co-op partnered with Coopérative d'habitation Rive Gauche, which manages more than 190 units, to found another co-op project. The two co-ops have invested $100,000 and internal staff resources to construct a new 54-unit co-op property to house aging members of both co-ops.

Appendix 1 – Glossary of principal Quebec acronyms

ACL AccèsLogis Québec: The principal provincial program to fund new social housing development since 1997.

AGRTQ Association des groupes de ressources techniques du Québec: Provincial association of 25 resource groups known as GRTs.

CMM Communauté métropolitaine de Montréal: The Montreal Metropolitan Community is formed of 82 municipalities of Greater Montreal. It is responsible for the administration of a metropolitan social housing fund.

CQCH Confédération québécoise des coopératives d'habitation: A confederation of 6 regional federations of housing co-ops.

CS Centre de services: Service centers managed by a certain number of OH or by Federations, which are responsible for assessment of building conditions of the HLM portfolio. They also provide technical services related to the renovation of the portfolio.

FAQ Fonds d'acquisition québécois: Fund providing temporary loans to acquire land and existing apartment buildings.

FIM Fonds d'investissement de Montréal: Montreal Investment Fund created by private sector investors, providing loans to social housing providers to purchase and renovate properties in the market.

FISHA Fonds d'investissement social en habitation: Revolving fund to support acquisition of properties in the private market.

FQHC Fonds québécois d'habitation communautaire: Fund created to accumulate contributions from providers whose projects were made possible by the PARCO, ACL and LAQ provincial programs.

FTQ Fédération des travailleurs et travailleuses du Quebec: Quebec Federation of Labor. This union has invested in numerous initiatives such as FIM and FAQ through its real estate development entity.

FRAPRU Front d'action populaire en réaménagement urbain: A coalition of 148 organizations working in defence of tenants' rights.

GRT Groupe de ressources techniques, or technical resource groups, which offer various professional services to develop or operate social housing projects.

HLM	Habitation à loyer modique or low rent housing, which forms the essential component of the public housing portfolio.
LAQ	Logement abordable Québec: Provincial program launched in 2002 to fund affordable housing.
Logipop	1976 provincial program to fund new social housing and resource groups.
OH	Office d'habitation: Municipal or regional entities responsible for the management of public housing.
OMHM	Office municipal d'habitation de Montréal: Agency responsible for Montreal's public housing portfolio.
OMHQ	Office municipal d'habitation de Québec: Agency responsible for public housing in Quebec City.
PALL	Programme d'acquisition de logements locatifs: Municipal program delivered by SHDM (1988-1995) allowing acquisition of rental housing, renovation and transfer of property or management to community providers.
PAMAC	Programme d'acquisition de maisons de chambres: Municipal program delivered by SHDM (1988-1995) allowing acquisition of rooming houses, renovation and transfer of property or management to community providers.
PARCO	Programme d'achat-rénovation pour coopératives et OSBL: Experimental renovation program (1995) for co-ops and non-profit organizations.
PIQ	Programme intégré québécois: 1984 provincial program funding renovation and transformation projects.
PODRC	Programme d'organisation des ressources communautaires or CROP, a CMHC program funding resource groups.
PQI	Plan québécois des infrastructures: Provincial financial framework for the renovation of public infrastructures including renovation of the HLM portfolio.
PRQ	Programme rénovation Québec: Provincial renovation framework program administered by the SHQ and cost shared by municipalities.
ROHQ	Regroupement des offices d'habitation du Québec: Provincial association of public housing providers known as OH.
RQOH	Réseau québécois des OSBL d'habitation: Provincial association formed by regional federations of non-profit organizations.
SCHL	Société canadienne d'hypothèques et de logement: Canada Mortgage and Housing Corporation.

SHDM Société d'habitation et de développement de Montréal : A municipal development corporation, mostly active in affordable housing.

SHQ Société d'habitation du Québec: Provincial crown corporation responsible for the design, funding and administration of provincial housing programs, including operating agreements with municipal and community housing providers. The SHQ owns a portion of the HLM public housing portfolio.

SOMHAC Société municipale d'habitation Champlain: Municipal corporation responsible for housing development in Quebec City, now under the umbrella of the OMHQ.

Appendix 2 – Description of main umbrella organizations in Quebec

This section presents the non-governmental housing organizations/networks that share leadership in the development and management of social and community housing in Quebec. In the past, these five entities have formed broader coalitions and initiatives in favor of continuing public investments in social housing. They have influenced municipal, provincial and federal housing policies and also participated in numerous consultations with government agencies in order to improve the delivery and management of community-based housing.
Three provincial organizations are tenure-based: CQCH, RQOH and ROHQ. They offer a diversified combination of member services and representation, and when relevant (RQOH and CQCH) the regional federations provide services to local providers. The membership information is mostly based on their respective websites.

Association des groupes de ressources techniques du Québec (AGRTQ)

http://agrtq.qc.ca/

The AGRTQ is comprised of 25 GRTs which are present in different regions of Quebec. Several GRTs are associated on a permanent basis with federations of providers (co-op or non-profit housing). The association assures public representation of its members but also works with public agencies in order to improve programs and to promote social housing development.
The principal mission of the GRTs is social housing development. They also provide a wide combination of services to the social housing providers:

- Technical and organizational support through the various phases of project planning and development
- Land research, negotiation of land price and financing strategy
- Project coordination, technical advice and administrative support
- Education and training of volunteers
- Building management and book-keeping

Réseau québécois des OSBL d'habitation (RQOH)

https://rqoh.com/

The RQOH groups eight regional federations of non-profit providers. This movement includes 851 providers which represents 72% of the 1,215 identified providers in Quebec.

- Fédération des OSBL d'habitation des 3 L (FOH3L)
- Fédération des OSBL en habitation du Bas-Saint-Laurent, de la Gaspésie et des Îles (FOHBGI)
- Fédération des OSBL d'habitation de Montréal (FOHM)
- Fédération régionale des OSBL en habitation de Québec et Chaudière-Appalaches (FROHQC)
- Fédération régionale des OSBL en habitation des Régions Saguenay-Lac-St-Jean, Chibougamau-Chapais, Côte-Nord (FROH-SLSJCCCN)
- Fédération régionale des OSBL d'habitation de la Mauricie/Centre du Québec (FROHMCQ)
- Fédération des OSBL en habitation de la Montérégie et de l'Estrie (FROHME)

- Regroupement des OSBL d'habitation avec support communautaire de l'Outaouais (ROHSCO)

Confédération québécoise des coopératives d'habitation (CQCH)

http://www.cooperativehabitation.coop/

The CQCH includes six regional federations regrouping 479 housing co-ops, which represent 37% of the 1,300 co-op providers identified:

- Fédération des coopératives d'habitation de l'Estrie (FCHE)
- Fédération des coopératives d'habitation de la Mauricie et du Centre-du-Québec (FECHMACQ)
- Fédération des coopératives d'habitation montérégiennes (FÉCHAM)
- Fédération des coopératives d'habitation de Québec, Chaudière-Appalaches (FECHAQC)
- Fédération intercoopérative en habitation de l'Outaouais (FIHAB)
- Fédération des coopératives d'habitation du Saguenay-Lac-Saint-Jean (FECHAS)

The housing co-op sector also includes the Fédération des coopératives d'habitation intermunicipale du Montréal Métropolitain (FÉCHIMM: http://fechimm.coop/fr) which is now separated from the CQCH and includes 460 members, representing 35% of Quebec housing co-ops. FÉCHIMM is formed of housing co-ops from the Greater Montreal area, including co-ops from the island of Montreal, Laval, Lanaudiere and Laurentides.

Regroupement des offices d'habitation du Québec (ROHQ)

https://rohq.qc.ca/

The ROHQ is formed of 443 municipal housing agencies (offices d'habitation). They manage 90,000 units including public housing and a portfolio of various community housing.

Front d'action populaire en réaménagement urbain (FRAPRU)

http://www.frapru.qc.ca/

The FRAPRU has been active since 1972 and is formed of 148 organizations. It has participated in innumerable demonstrations in defense of the right for housing and in favor of social housing development. For many years it has put forward a well-documented demand to build 50,000 new social housing units in Quebec

Part 2: Detailed case studies

The historical review of each province has described the way that the capacity of the key governmental and community stakeholders have evolved and how they have each been to differing degrees instrumental in initiating and implementing new approaches reflect the circumstances and resource available at the time. Specific mechanisms and models are highlighted and briefly described.

This section now provides a more detailed description of a selection of what have been identified as promising practices that may be relevant and useful as other jurisdictions seek to expand their activities and roles in addressing persisting affordable housing need. Please note that the "Transferability" section of each case study highlights the strengths and the adaptation potential of the various initiatives and programs. The reader must consider that transferability is dependent on creating the right context, establishing partnership and finding the resources in various jurisdictions. These are elements that we cannot prescribe.

In each province seven programs or initiatives have been identified and case studies prepared. These cover the following mechanisms:

BC cases

1. BC Housing's role in affordable housing financing
2. Community land trust formation
3. HousingHub Partnership with the United Church of Canada
4. Single Room Occupancy Renewal initiative (SRORI)
5. Non-profit asset transfer program
6. Temporary modular housing partnership
7. Regional Housing First Program (RHFP)

Quebec cases

1. Société d'habitation du Québec (SHQ)– AccèsLogis Québec program (ACL)
2. Société d'habitation et de développement de Montréal (SHDM) – Programme d'acquisition de logements locatifs (PALL)
3. Fonds d'acquisition québécois (FAQ) – Temporary loan for the acquisition of a property
4. Fonds d'investissement de Montréal (FIM) – Patient capital investment
5. Communauté métropolitaine de Montréal (CMM) – Fonds du logement social (FLS)
6. City of Montreal – Affordable housing inclusion strategy
7. Association des groupes de ressources techniques du Québec (AGRTQ) – Projet Créneau

In the BC ecosystem, the portfolio approach was highlighted in relation to the private non-profit and now co-op providers (larger municipal corporations and provincial housing corporations in other provinces also deliver as a portfolio).

In the words of Kristin Patten of the UBC School of Community and Regional Planning, a portfolio approach refers to "a single organization owning and operating (multiple) sites as a portfolio rather than single sites held by different organizations." In some cases, this model has been followed by private non-profit housing organizations: Victoria Park Community Homes in Ontario and Affordable Housing Societies in BC are examples, and both have the advantages of relative scale and control of multiple sites. However, these have been among the few exceptions to the single-site/single provider model. A portfolio approach to future affordable housing growth offers a way out of the limitations that model imposes.

A retrospective critique of community housing delivery leads to the reconsideration of the single-provider-single-site model that became dominant in social housing development in the post-public housing era. In retrospect, while this approach to community housing development may have been strong on the community side, it continues to present limitations with respect to future development and operating/financial efficiencies. The single-site model provides no opportunity for cross-support from other developments and limited or no opportunity for future redevelopment. The so-called portfolio approach to provider development has strong potential in both cases, as will be seen from two of the BC case studies: Case 2 - Community Land Trust Formation and Case 3 - The HousingHub Partnership with the United Church of Canada.

While these fourteen cases have been described in more detail, a number of other initiatives were also noted in the ecosystem review. These are briefly described in Appendix 3.

BC Case Study 1: BC Housing role in affordable housing financing

Organization: BC Housing	**Program / Initiative**: BC Housing role in affordable housing financing
Description • Construction and take-out financing for affordable housing construction and renovation through BC's Crown Housing Agency, BC Housing.	
Background and needs • The development and operation of affordable housing depends, among other things, on a reliable and affordable source for construction and long-term financing. • To help meet this need, in the early 1990s BC sought and gained National Housing Act (NHA) approved lender status. BC took advantage of this status to take on a direct lender role in construction financing and as a facilitator of long-term, CMHC-insured take-out financing. These roles were taken on to support the need for growth in the non-profit housing sector. • More recently these tools have also been made available to private developers willing to meet certain affordability requirements.	**Actors** • BC Housing, financing co-ordination and facilitation • Community and private sector developers of housing meeting affordability criteria • BC Provincial Treasury (for construction financing using the crown borrowing facility) • Commercial lenders for takeout financing tendered in tranches by BC Housing
Mechanisms • BC Housing borrows from the provincial treasury, using the province's triple-A credit rating to obtain construction financing at provincial borrowing rates; the loan is secured through a mortgage on the project land title. Interest rates are at short-term rates; interest due on the construction loan is capitalized and only paid when take-out financing is in place. • On completion, BC Housing packages with other new or rollover loans to create a larger pool of loans and tenders on behalf of the provider(s) for long-term (35-year) take-out financing. • Low interest rates on the take-out financing are possible through an agreement between BC and CMHC for mortgage insurance at a nominal cost to the provider of $5,000. As this effectively eliminates lender risk, the interest rates obtainable from private lenders are less than 100 basis points above 10-year GOC bond rates. • Take-out financing and end-of-term renewals are tendered to lenders in tranches, in which BC Housing aggregates loans and loan renewals. Whichever lender wins the tender must take all the loans in any given month, with BC Housing keeping the total tranche under $100M unless notice is provided to potential lenders well in advance.	

<table>
<tr><th>Organization:
BC Housing</th><th>Program / Initiative:
BC Housing role in affordable housing financing</th></tr>
<tr><td>Benefits / Success factors
Competitive financing rates are available at the construction and takeout stages.
Efficiencies for the borrower are achieved, both at the construction and take-out loan stages, as borrowers have a one-stop, highly specialized housing lending shop for their borrowing requirements and do not have to search for willing and suitably knowledgeable financing partners in the private lender market.
Strong lender liquidity is enhanced through CMHC's mortgage securitization programs.</td><td>Challenges / Limits
BC Housing's financing tools do not create affordability at all levels of the income spectrum, though they can certainly bring down affordability thresholds in the rental market.
To be effective across a broader affordability spectrum, the tools need to be used in partnership arrangements with community sector actors and municipal levels of government.</td></tr>
<tr><td>Outcomes
36,000 units of housing since 2001.
Value of loans to-date: Close to $2.262 billion.
Lender security through BC/CMHC insurance
Creative Partnerships developed with community and commercial actors (see also HousingHub case study on this report).
BC role in tendering long-term mortgages creates efficiencies by relieving providers of the task of finding lending partners individually.</td><td>Transferability
Initiative is transferrable; highly so in jurisdictions where there is a public intermediary such as a crown or other government housing corporation.</td></tr>
<tr><td colspan="2">Additional information
A key source for much of the financing detail is a 2013 report, Affordable Housing Financing in British Columbia by Dan Maxwell, CFO and Vice-president, Corporate Services at BC Housing.
Note that strong lender liquidity, necessary at the takeout financing tendering stage, is enhanced through CMHC's mortgage securitization programs (MBS, CMB and covered bond products) that crate a continuous source of funding for approved lenders. responding to BC Housing tendering.</td></tr>
</table>

BC Case Study 2: Community Land Trust Formation

<table>
<tr><td>Organization:
Co-operative Housing Federation of British Columbia (CHF-BC)</td><td>Program / Initiative:
Development of mixed income, mixed targeting multiple site rental housing using a land trust as the land-holding entity.</td></tr>
<tr><td colspan="2">Description
• Development of 358 rental housing units on four sites with multiple housing and financing partners on land leased by VCLT for 99 years at nominal cost from the City of Vancouver
• Housing to be operated by non-profit and co-operative organizations</td></tr>
<tr><td>Background and needs
• To help address the shortage of affordable rental housing in Vancouver, the City leased 4 city-owned sites at nominal cost to the VCLT for the development of affordable housing. CHF-BC, which had experience with land trust formation from the 1990s, created VCLT for this express purpose. There are three operating entities for the housing (see Actors section). The housing will serve a range of affordability needs from under 25% to 90% of market, with a portfolio average of 76%.
• Housing targeted to different needs: affordable market rental; low income housing; and housing for those with mental illness and addictions</td><td>Actors
• Tikva Housing society, committed to housing low-income Jewish adults and families
• Sanford Housing Society, providing supportive housing to those with mental illnesses and / or addictions
• Fraserview Housing Co-op, a new co-op established by CHF-BC within the umbrella of the VCLT
• City of Vancouver, land leasing
• Vancity Credit Union, seed funder
• BC Housing, construction financing and equity partner
• Housing Investment Corporation (HIC), probable take-out lender
• Newmarket Funds, project equity partner
• Terra Consultant, project development resource group
• CHF-BC, VCLT founder</td></tr>
<tr><td colspan="2">Mechanisms
• City leases four sites to VCLT for 99 years at $10 each (value $25M) to create affordable rental housing.
• Vancity provides non-refundable seed funding ($2M) to VCLT to support the development of affordable housing, which it sees as aligned with its community mission.
• Post construction financing is layered: BC Housing and Newmarket Funds remain equity (patient capital) partners; will eventually be taken out through refinancing; HIC becomes long-term (30-year).
• Between them Sanford and Tikva housing societies will contribute close to $5 million in equity.
• VCLT remains the leasing entity and is responsible for project financing responsibilities and overall asset management; This VCLT “portfolio” model for all sites provides lender comfort and is expandable in the future to take on more sites for development.
• The housing societies and the housing co-op responsible for day-to-day property management
• No operating or rent subsidy supplied; net income from higher rental development allows for affordable rents for low-income households.</td></tr>
</table>

Organization: Co-operative Housing Federation of British Columbia (CHF-BC)	**Program / Initiative**: Development of mixed income, mixed targeting multiple site rental housing using a land trust as the land-holding entity.
Benefits / Success factors • VCLT-controlled portfolio model a key success factor; provides for lender confidence a single-site provider might not win; offers professional asset management and benefits of scale with 358 units. • Model permits expansion within the same entity. • CHF-BC's strong staff team and its previous experience with land trust both positive factors. • Patient capital and equity contributions from BC Housing, Newmarket Funds and Sanford and Tikva housing societies makes financing and debt service manageable.	**Challenges / Limits** • Negotiation with the City lengthy and subject to delays with City official changes. • Projects are subject to the limitations of non-profit organizations to absorb predevelopment costs. • There could be challenges in sustaining affordability with no continuing assistance.
Outcomes • 358 units of affordable rental housing created in one of Canada's most expensive rental markets. • Due to demonstrated capacity of CHF-BC and VCLT to deliver, the City of Vancouver, through its recently formed Vancouver Affordable Housing Agency (VAHA) is already in discussions with CHF-BC to develop a further seven sites using the land trust model. • CHF-BC is now exploring opportunities to expand the land trust model, through a federated structure across other communities in BC.	**Transferability** • Although a large number of actors have come together to make the VCLT housing a reality, the model, in different forms as necessary, is transferrable. Already, CHF-BC is working with other municipalities to deliver affordable housing using the land trust model. Two co-op sector-owned sites with distressed properties and the co-ops at risk of financial failure will become land-trust assets and redeveloped. • The VCLT model demonstrates how innovative partnering and upfront rather than continuing public contributions can make continuing affordable housing feasible. • Jurisdictions with land they can make available for affordable housing are looking at the VCLT as a potential model that preserves public land for community housing without the need for public control of the land assets.
Additional information • With further land trust formation continuing, CHF-BC will now re-organize the land trusts under a single umbrella organization. • For a fuller description of the model and partnerships, see Kristin Patten's *Vancouver Community Land Trust Foundation*, UBC School of Community and Regional Planning report from April 2015. Although events since then have overtaken the report to some extent, the fundamentals of the model are accurately described in detail in the Patten report. http://scarp-futureofpublichousing.sites.olt.ubc.ca/files/2016/07/Vancouver-Community-Land-Trust-Foundation.pdf	

BC Case Study 3: HousingHub Partnership with the United Church of Canada

<table>
<tr><td>Organization :
• BC Housing (through HousingHub)
• United Church of Canada, BC Congregation</td><td>Program / Initiative:
• Redevelopment of four church sites</td></tr>
<tr><td colspan="2">Description
• Redevelopment of four church sites to deliver 411 units of affordable market rental and new congregational space
• BC Housing provides financing and development expertise
• United Church provides lands, using a portfolio approach for the operation of the four sites
• No continuing subsidy provided by BC Housing</td></tr>
<tr><td>Background and needs
• HousingHub is a division of BC Housing focused on partnerships and targeting middle-income households; looking for partnering opportunities for housing development without the need for continuing financial assistance.
• HousingHub is modelled on and is a successor to BC Housing's Community Partnership Initiative (CPI).
• BC Housing has stated that housing partnerships will benefit people, communities, and partners. Middle-income households will be able to live in affordable homes. Supply will increase in the high-demand areas that need it most, and all housing will be built according to high-energy efficiency standards, which will improve quality of life for residents and lower operating costs.
• United Church has congregational space in excess of its needs and wants to use church land for housing development for middle-income rental housing.</td><td>Actors
• BC Housing as technical development resource and financing partner
• BC Conference of the United Church of Canada as landholder and redeveloper
• BC Provincial Treasury for construction financing using the crown borrowing facility.
• Commercial lenders for take-out financing tendered in tranches by BC Housing.
• New non-profit corporation created by United Church will manage rental properties.</td></tr>
<tr><td colspan="2">Mechanisms
• Through the partnership with the province, project development financing of close to $12 million is provided through BC housing's construction financing capacity (see case 1) to advance the redevelopment of these sites. Each development will include an affordable rental housing component and the redevelopment of the existing church facilities, offices and other programming space.
• BC Conference of the United Church of Canada partners with BC Housing through the HousingHub to develop some 400 units of housing at united church sites in four BC lower mainland municipalities: Coquitlam, Nanaimo, Richmond, and Vancouver.
• Four sites are developed as a portfolio with a single operator.
• In some cases, additional municipal in-kind contributions will be made (waiving fees and development charges).</td></tr>
</table>

Organization:	**Program / Initiative**:
• BC Housing (through HousingHub) & United Church of Canada, BC Congregation	Redevelopment of four church sites
Benefits / Success factors • Development costs are considerably reduced due to the United Church land contribution, BC Housing's financing programs and municipal contributions. • Portfolio approach allows leveraging of sites of varying value to create greater development value and outcomes than with a single-site single-provider development of a lower value asset. In the words of the United Church, "the portfolio approach means land-rich congregations enable the redevelopment of congregational sites that wouldn't otherwise qualify for financing" (i.e. on individual basis). • Allows for growth through adding to portfolio through future site redevelopment • BC hopes to use the HousingHub model to develop 4,000 units using similar partnerships.	**Challenges / Limits** • The United Church-HousingHub offers no specific challenges beyond normal housing development and achieving successful partnerships. • Limitation is the inability of the partnership to reach across the full housing affordability spectrum.
Outcomes • Initially 411 units created through United Church partnership. • BC Housing hopes to co-deliver 4,000 homes. • Lender security through BC/CMHC insurance. • Creative Partnerships developed with community and commercial actors. • BC Housing's role in tendering long-term mortgages creates efficiencies by relieving providers of the task of finding lending partners individually.	**Transferability** • Given the national scope of the United Church, initiative is transferrable if a housing actor such as a crown corporation is willing to partner using crown borrowing and tendering capacity, or other sector long-term lender (e.g. Housing Investment Corporation).

Additional information

- The Community Partnership Initiative (CPI) was introduced in 2001. Since then BC Housing has partnered with non-profit societies, government agencies and community organizations through the CPI to facilitate the creation of affordable housing for low- and moderate-income households in communities across British Columbia. Through the CPI, BC Housing has provided interim construction financing and/or arranges long-term financing through private lenders for eligible project partners to create self-sustaining affordable housing developments.
- As with HousingHub, CPI was targeted at the affordable market point on the housing continuum, with the requirement that no continuing financial support for operations (i.e. ongoing subsidy) would be required. The difference between HousingHub and the CPI is that the former is a divisional structure within BC Housing, while the latter was a program initiative. https://www.bchousing.org/partner-services/housinghub

BC Case Study 4: Single Room Occupancy (SRO) Renewal initiative (SRORI)

Organizations: BC Housing	**Program / Initiative**: Single Room Occupancy Hotel (SRO) Renewal initiative (SRORI)
Description • Restoration of 13 provincially-owned SRO hotels in Vancouver's Downtown Eastside (DTES) • Support and facilitate revitalization of Vancouver's DTES through job creation, safer streets, healthy communities and improved living conditions.	
Background and needs • SROs are rooming house "hotels" located in the (DTES) and surrounding neighbourhoods. • The hotels have been a fixture in Vancouver for a century or so, built originally to house single-male workers in the resource sectors, (e.g. logging and the fishery). • No longer needed for this purpose, they have been under-maintained, with owners retaining the residential component solely for the purpose of sustaining liquor licences for street-level taverns. • Since the 1970s they have become housing of last resort for the DTES population. • In very poor condition under private ownership. • Despite poor conditions they are essential housing assets in DTES and many have heritage designation. • In 2007 BC Housing purchased or leased 24 SROs to preserve the housing. • In 2011 BC Housing announced SRORI to begin renovation and restoration of 13 provincially-owned SRO hotels (900 units) starting in 2012. All 13 are heritage-designated. The goal was to increase the useable life of the SROs by at least 25 years.	**Actors** • BC Government: Funder, $87.3M. • P3 Canada: Funder, up to $29.1M. • BC Housing: Purchaser/owner. • Ameresco: Design and construction. • Black and McDonald: Facility maintenance. • Various NP societies: Building operators.

<table>
<tr><td>Organizations :
BC Housing</td><td>Program / Initiative:
Single Room Occupancy Hotel (SRO) Renewal initiative (SRORI)</td></tr>
<tr><td colspan="2">Mechanisms
The project was delivered through a P3 partnership. The fiscal advantage to BC of P3 is long-term cost certainty through the private sector P3 lifetime contracts, which are subject to meeting performance standards.
P3 partner Ameresco assumes cost risk as partner selected for design and construction.
P3 partner Black and McDonald assumes ongoing facility maintenance risk as partner to a bundled contract for the life of the asset.
Renovation funding is provided by BC Government through BC Housing and Government of Canada. BC Housing finances net operating costs.
Heritage consultant hired at planning stage to work with City of Vancouver on requirements.
Resident engagement implemented early in process.
Resident relocation expert engaged to manage tenant relations.</td></tr>
<tr><td>Benefits / Success factors
BC's cost risks contained through P3 approach; private sector assumes risk.
P3 proved to offer good value for money.
Bundling of projects under 1 P3 team allowed learnings from earlier projects to be applied to later ones.
BC Housing's unfunded liabilities reduced.
Smooth process assured by careful preplanning, early stakeholder engagement and in-process flexibility.</td><td>Challenges / Limits
Words like "good/excellent" were used to describe the condition of some heritage features, but upon on-site examination these features were in poor condition and not reflected accurately in original inspections.
Time constraints during procurement only allowed visual examinations.
Heritage components can be difficult to source.
Balancing heritage restoration with overall project costs is challenging.
In some cases, more durable materials may have been better.
Funding may still be required to cover wear and tear beyond scope of facility maintenance contract.</td></tr>
<tr><td>Outcomes
All 13 SROs successfully renovated, resident satisfaction high.
Stock now health/safety hazard free and pestilence free.
Success led other neighbourhood owners to restore heritage features.
Useable life of buildings extended for 25 years.
900 homes saved for tenants at-risk of homelessness.</td><td>Transferability
The case study, while specifically designed to address untenable living conditions in the DTES SROs, is a model for government intervention (purchase and renovation) in substandard multi-residential rental housing that does not displace or render marginalized populations homeless (and can be a housing-first tool for homelessness mitigation beyond shelters and slum-level accommodation).</td></tr>
</table>

Additional information

- The initiative was the first P3 project through the P3 Canada Fund under the Brownfield Redevelopment infrastructure category.
- According to P3 Canada, P3s are a long-term, performance-based approach to procuring public infrastructure, where the risks associated with the development are taken on by the private sector. The private sector assumes the risk because they are partners to a bundled contract for the life of the asset and are responsible for ongoing operations and maintenance to ensure the quality of the original construction. Governments do not pay for the asset until it is built and operational. A substantial portion of the contract is paid over the long term, and only if the asset is properly maintained and performs well. The lifetime cost of the asset is known upfront, so taxpayers are not responsible for costs that arise unexpectedly during the contract period. Refer to the following link for information on other P3 Canada projects.:
  https://www.infrastructure.gc.ca/prog/fond-p3-canada-fund-eng.html

BC Case Study 5: Non-profit Asset Transfer program

<table>
<tr><td>Organizations:
BC Housing</td><td>Program / Initiative:
Non-profit Asset Transfer program</td></tr>
<tr><td colspan="2">Description
Transfer by sale of provincially-owned land leased by non-profit housing societies (NPs) to NP ownership</td></tr>
<tr><td>Background and needs
• NP housing societies in BC are operating aging assets of declining quality and suitability for tenant groups. Most do not own their own lands. There is a need to ensure that these assets are not lost as 40-year provincial leases expire, especially given the shortage of affordable housing in BC. There are 350 NP sites across the province.
• To respond to this reality, in 2014 the BC Government, through BC Housing, introduced the Non-profit Asset Transfer Program (NPAT), under which provincially owned land would be offered for freehold sale to the NPs at fair market prices.
• The intent of the program is twofold. First, to give the NPs access to equity they can leverage, to permit them to refinance for reinvestment in their aging housing stock and possibly redevelopment of the stock to create new affordable housing, in order to continue to meet their affordable housing mandates and missions. With lease expiries nearing, there is no incentive for the NPs to reinvest in the stock.
• Second, through the program, the province raises cash and leverages federal funding through cost-sharing arrangements for investment in new affordable housing.</td><td>Actors
• BC Housing, as vendor and funder.
• Non-profit housing societies, as leaseholder, operator, purchaser of freehold.</td></tr>
</table>

<table>
<tr><td>Organizations:
BC Housing</td><td>Program / Initiative:
Non-profit Asset Transfer program</td></tr>
<tr><td colspan="2">Mechanisms
Non-profit housing societies purchase, at fair market value, the land on which they currently lease to operate social housing.
The purchase of previously leased lands is facilitated through a new subsidy agreement that covers the principal and interest payments of a CMHC-insured mortgage, amortized at 35 years.
The province offers mortgage loans to the NPs to purchase the lands with assistance to them with their loan payments in the aggregate amount of $30 million a year.
$505M in cash generated for the province, $150M of which was leveraged to secure $150M from the federal government under the Investment in Affordable Housing funding program.
The total F/P $300M generated will be invested in affordable housing unrelated to the asset transfer program.
Balance of $355M invested dollar-for-dollar to create more affordable housing.
A covenant in the new operating agreement restricts use to NP purposes as long as the mortgage loan for the land purchase remains in place.</td></tr>
<tr><td>Benefits / Success factors
Land assets in the hands of front-line NP providers.
By transferring freehold interest, the societies are more motivated to invest and upgrade properties (which they would not have done under the leased arrangement).
NPs develop business plans that are more self-sustaining than traditional government housing expenditure programs.
NPs can continue to support their core resident constituencies through creative estate development choices.
BC raises cash for further housing investment.</td><td>Challenges / Limits
BC liable for $30M per year in support for NP mortgage payments on the lands.</td></tr>
<tr><td>Outcomes
Ownership of 350 NP sites transferred throughout the province
NPs can use equity to finance redevelopment and regeneration.</td><td>Transferability
Transferable where community housing is operated on publicly owned land.</td></tr>
<tr><td colspan="2">Additional information
There has been some disagreement on the effectiveness and accountability of the program, notably by the province’s auditor-general, whose report questioned whether:

“The ministry has entered into this program without demonstrating that the sales will result in better outcomes for social housing, or those that depend on it.”

The program was strongly supported by the BC Non-profit Housing Association (BCNPHA), the representative body that speaks for non-profit housing societies in the province. In a position paper of the same year, BCNPHA stated:</td></tr>
</table>

"*(The) BC Non-Profit Housing Association strongly supports the program as a key capacity building endeavor for our sector, and as a way to help preserve affordable housing stock. We believe the program is an important step forward for a sector currently at a crossroad between the termination of decades-old funding agreements and re-envisioning a new model for developing affordable housing in the absence of new, large-scale government programs*.".
See the following link for more on BCNPHA's position:
https://bcnpha.ca/news/bc-housings-non-profit-asset-transfer-program-bcnpha-position-paper/

BC Case Study 6: Rapid Response to Homelessness: BC-Vancouver Temporary modular housing partnership

Organizations: BC Housing City of Vancouver	**Program / Initiative**: Initiative to address the challenges of homelessness through the BC-Vancouver Temporary modular housing partnership
Description • BC Housing launches a province-wide initiative to address the challenges of homelessness through the use of temporary modular housing.	
Background and needs • The Province is investing $291 million to build over 2,000 modular supportive housing units across BC for people who are homeless or at risk of homelessness. • Initiative will deliver a mix of permanent and temporary units and is a response to the growing issue of homelessness in communities throughout BC. • People living on the street and those in shelters will get priority for this initiative. • Initiative is a response to the growing issue of homelessness in communities throughout BC, with a concentration in urban centres. • Initiative will deliver a mix of permanent and temporary units. • Aim is to house homeless and at-risk persons in acute housing need without delay. • Use of prefabricated modular housing significantly reduces the timeline for providing housing for homelessness populations compared to traditional construction model.	**Actors** • BC Housing as funder and partner with the City • City of Vancouver as landowner • Commercial landowners as lessors

Organizations:
BC Housing
City of Vancouver

Program / Initiative:
Initiative to address the challenges of homelessness through the BC-Vancouver Temporary modular housing partnership

Mechanisms

- The housing is factory-constructed and transported to site locations.
- Land is sourced from the public domain (City of Vancouver) or from private landholders.
- In the case of private landholders, BC Housing enters into 5-year leases with the landlords, in some cases with an option for a 5-year extension. In the case of publicly held land, leases can be for a longer term.
- Program takes advantage of "fallow land" not ready for permanent development, and therefore is a cost-effective source for temporary sites (enabled by the mobile nature of the modular units).
- The housing consists of furnished self-contained and serviced units with private bathrooms and access to community support services.
- In Vancouver the modular housing is intended as temporary accommodation (provincial guidelines allow for a permanent solution as well), with support provided to ready tenants for moving into longer-term housing.
- Tenants are given two meals a day and opportunities to connect with community groups, volunteer work, and social events.

Benefits / Success factors

- 11 sites occupied to-date with over 600 units
- The housing can be ready for occupancy within six months (rapid response).
- Housing can be moved, avoiding the threat of permanent eviction of in-situ tenants when land-use agreements expire.

Challenges / Limits

- Although clearly superior to shelter solutions or rough sleeping, not a permanent housing solution
- Availability of privately-owned sites dependent on the supply of fallow lands.

Outcomes

- As part of the program, BC Housing has announced a funding commitment of $66 million towards 600 units of temporary modular housing in the City of Vancouver.
- Tenants have their own homes which can be provided without delay.
- Modular housing a stepping stone to permanent housing solutions for homeless and at-risk populations.
- Residents have supports, such as life skills training, health and social services and meals.

Transferability

- Transferability dependent only on a policy decision and availability of suitable sites.
- Modular housing can be sourced in any location provided any applicable planning and zoning issues can be addressed.

Additional information

- From a policy perspective, the temporary modular solution is a breakthrough and a real step forward from (although clearly not a full replacement for) temporary shelters as a solution – tenants have their own homes which can be provided without delay. BC Housing has identified other locations in the lower mainland, coastal BC and Vancouver Island, where temporary modular housing can be an equally applicable solution. And as noted, it secures land much more affordable than would be the case with freehold purchase. For more information, follow this link to the program:
  https://vancouver.ca/people-programs/temporary-modular-housing.aspx.

BC Case Study 7: Regional Housing First Program (RHFP)

Organizations: BC Housing, BC Capital Regional District (CRD), CMHC	**Program / Initiative**: Regional Housing First Program (RHFP)

Description

- In May 2016, BC's Capital Regional District (CRD), together with the Capital Regional Hospital District (CRHD) and the Vancouver Island Health Authority (Island Health), partnered with BC Housing and the Provincial Rental Housing Corporation (PRHC) to facilitate the creation of sustainable affordable rental housing in the capital region (Victoria), with an emphasis on the needs of individuals experiencing homelessness.

Background and needs

- There is a concentration of homelessness in southern Vancouver Island.
- Through the RHFP, the CRD aims to eliminate chronic homelessness through a mixed-income and not a 100%-targeted approach.
- RHFP aims to meet meets a broad range of housing needs while moving at-risk individuals from streets or shelters into long-term, tenant-based, supported housing to enable recovery and integration into society.

Actors

- BC Housing: Funder, partner.
- Capital Regional District: Funder, partner, owner.
- Provincial Rental Housing Corporation (PRHC): Also as alternative owner.
- Capital Regional Hospital District (CRHD): Program support.
- Vancouver Island Health Authority (Island Health): Health support.
- CMHC: Agreed to participate with assistance from the Innovation Fund.

Mechanisms

- BC Housing, CRD and CMHC each contribute $30M to create the RHFP.
- BC Housing and CRD invest program funding to develop and acquire new affordable housing units to be owned by CRD or PRHC and operated by successful project proponents and non-profit partners.
- Proponents, in order to be eligible for the available funding, present development proposals targeted toward the independent range of housing options with a portion of units in each project targeted to addressing the challenge of homelessness in the CRD.
- PRHC or CRD owned units may comprise 100% of the project, or be located within a larger project that includes units owned by partners (i.e. strata units).
- Projects developed through RHFP must be able to operate without any ongoing operating subsidies from the CRD or BC Housing.
- By purchasing units up-front, the CRD and BC Housing will reduce the proponents' need for debt financing, which frees up funds that can go toward operating costs. Proponents will also be able to access low-interest construction financing via BC Housing. Revenue from all units will cover the operating and maintenance costs.

Organizations: BC Housing, BC Capital Regional District (CRD), CMHC	**Program / Initiative**: Regional Housing First Program (RHFP)
Benefits / Success factors • The mix of rent levels will meet a variety of housing needs. The formula is: 20% shelter rate, 31% affordable rate and 49% near market or market rate. • Mixed rent targeting avoids ghettoization of projects • Island Health role supports transition to permanent housing	**Challenges / Limits** • Projects developed through RHFP must be able to operate without any ongoing operating subsidies from the CRD or BC Housing. This limits what can be achieved with the tripartite $30M contributions. • To further increase the supply of affordable rental housing within the capital region, CRD and BC Housing will need to find further partnership opportunities for leveraging additional contributions. • This particular model for income and tenant mixing could present community challenges that may require support.
Outcomes • It is anticipated that the RHFP will create more than 2,000 new rental units, worth approximately $400 million. A Request for Proposals (RFP# 1070-1819/80) for the Regional Housing First Program (RHFP) was issued August 09, 2018. See https://www.bchousing.org/partner-services/funding-opportunities-for-housing-partners/regional-housing-first-program.	**Transferability** • RHFP is an initiative requiring a partnership of willing actors with financing capacity and community support services. Otherwise there is nothing about the program that could not be duplicated in other jurisdictions where there is similar need.
Additional information • The overall RHFP design and implementation plan represent an innovative approach to the avoidance of "ghettoization" generated by 100% targeted approaches. Rather, it helps empower individuals, reduces stigmatization and creates more options for individuals seeking supported housing. Moreover, it represents a balanced tri-lateral partnership with costs falling equally and affordably among three levels of government.	

Quebec Case Study 1: Société d'habitation du Québec – AccèsLogis Québec program

<table>
<tr><td>Organization:
Société d'habitation du Québec</td><td>Program / Initiative:
AccèsLogis Québec Program (ACL)</td></tr>
<tr><td colspan="2">Description
• AccèsLogis Québec (ACL) provides funding for the creation of community and affordable housing for low- and moderate-income households and for people with special housing needs.</td></tr>
<tr><td>Background and needs
• Following termination of federal funding and a successful experimental PARCO program, the SHQ launched AccèsLogis Québec in 1997 as a five-year pilot program after the Sommet sur l'économie et l'emploi driven by the Quebec government.
• The program serves 3 aggregates of population:
o Volet 1: Permanent housing for families and small households, singles, autonomous seniors;
o Volet 2: Permanent housing for seniors with slight loss of autonomy, needing services;
o Volet 3: Permanent or temporary housing for people with special housing needs.</td><td>Actors
• Société d'habitation du Québec (SHQ): Responsible for program administration
• Villes mandataires: Municipalities with special mandates to administer a housing program in the name of SHQ. For the ACL program, Montreal was mandated in 1997, Quebec City in 2002, and Gatineau in 2009.
• Groupes de ressources techniques (GRT): Responsible for the coordination of the project's development and hired by local developers. SHQ strongly recommends working with a GRT for project development.
• Developers: Housing co-operatives, not-for-profit corporations and municipal housing agencies.</td></tr>
<tr><td colspan="2">Mechanisms
• In terms of program design and implementation, ACL relies on the participation of many stakeholders of the social economy and pooling of public, community and private resources to produce social and community housing.
• In comparison with previous federal programs (Section 95, for example), ACL projects require no long-term operating subsidies. The cumulative effect of pooling is a reduction of the debt service, which brings rents to an acceptable level of affordability, defined as 95% of the median market rent in Volet 1 and 2. The typical financing structure of a project reflects that orientation:
o 50% of authorized capital costs provided by ACL subsidy (specific projects may obtain up to 100%);
o 15% of authorized capital costs covered by the local community – for example, land donation, tax rebate, professional services, fee exemption and infrastructure contribution;
o 35% of costs as a conventional mortgage loan from a financial institution; the loan repayment is guaranteed by SHQ; 35-year amortization period;
o Approximately 50% of units benefit from a rent supplement program.
• Start-up funds are available for community developers and all types of projects are eligible: new construction, purchase-renovation and transformation of non-residential buildings.
• Two ACL features are mandatory capital contributions which are eligible capital costs:
o Sector contribution: 1% of the capital costs is collected by the SHQ and distributed among provincial/regional federations and organizations;
o Fonds québécois d'habitation communautaire (FQHC): Mandatory contribution to the FQHC for the expansion and consolidation of the sector. So far, $200M has been accumulated.</td></tr>
</table>

Organization: Société d'habitation du Québec	**Program / Initiative:** AccèsLogis Québec Program (ACL)

Benefits / Success factors
• ACL is a very flexible program in terms of financing structure, clientele and regional penetration:
  ○ A wide variety of partners have an opportunity to contribute to the viability of the projects;
  ○ It houses families as well as people experiencing homelessness and seniors needing minimal care;
  ○ All Quebec regions have been covered.
• No long-term commitment from governments since the operating subsidies have been replaced by up-front capital contributions.
• The mandatory community contribution of 15% was initially received with scepticism, but became a very efficient instrument of mobilization. It is well known and appreciated in the municipal world because it helped make social housing a benefit for the whole community, notably as a tool for economic development and social inclusion.
	Challenges / Limits
	• Housing co-ops, NPs and municipal housing agencies are eligible for the program. Residents must be represented on the board of directors of all eligible developers. Private developers do not have access to ACL.
	• Authorized maximum costs have not been indexed since 2009. Observers believe that a revised version of the program will be made available in 2019.
	• Program managers are responsible for monitoring projects' viability and compliance, requiring developers or operators to meet verification standards.
	• Annual budgeting of the program limits the developers capacity to secure land deals and prevent various cost increases.

Outcomes • Most recent data confirm that 31,142 ACL units have been produced and projects have been developed in all regions. • After 20 years of existence, ACL "has become the public policy of a variety of governments and political parties. It has become a policy of the Quebec state and of a great variety of stakeholders, organizations, and social movements in Quebec society" (Ducharme and Vaillancourt, 2011).	**Transferability** • The flexibility of the program, in particular its penetration in various housing markets and populations suggest that other jurisdictions would be interested in its adaptation. • Jurisdictions who wish to mobilize local communities and get actors from the social economy involved in the program design, construction and delivery would also be inspired by the ACL potential.
Additional information • ACL funding: In its 2017-2018 annual management report, the SHQ specifies that ACL is a program of which a portion of the dossiers are eligible for cost sharing with the Government of Canada. • Société d'habitation du Québec: http://www.habitation.gouv.qc.ca/ • Information on maximum authorized capital costs per unit: http://www.habitation.gouv.qc.ca/fileadmin/internet/documents/partenaires/acceslogis/guide_elab_chapitre_7.pdf	

Quebec Case Study 2: Société d'habitation et de développement de Montréal – Programme d'acquisition de logements locatifs

Organization: Société d'habitation et de développement de Montréal (SHDM)	**Program / Initiative**: Programme d'acquisition de logements locatifs (PALL)

Description

- Municipal program funding the acquisition of rental housing properties in the private market by the Société d'habitation et de développement de Montréal (SHDM, a municipal housing corporation) and renovation of these properties. The program was active from 1988 to 1994.

Background and needs

- The City of Montreal housing policy aimed at increasing collective and individual homeownership and the PALL (rental housing acquisition program) was an important tool for the municipality.
- The program's objectives were:
    - To increase the availability of quality and affordable apartments;
    - To encourage household stability in their neighbourhoods;
    - To encourage citizens' control and empowerment over their housing conditions;
    - To create a municipal portfolio of modest and affordable housing.
- The PALL was used as a community revitalization instrument; as the program was used in many districts chosen by new immigrants, the program facilitated their integration.

Actors

- City of Montreal: Provided the subsidy program for the projects' acquisition, municipal renovation grants and financial guarantees for SHDM.
- SHDM: Responsible for the identification, purchase and renovation of the properties.
- Groupes de ressources techniques (GRT): Hired by SHDM to perform feasibility studies for the management transfer, to create new community housing corporations and to support volunteers' training and coaching.
- Tenants' advocacy groups and community coalitions: Information to the residents of the properties purchased by SHDM and support for the citizens' mobilization and participation in the program.

Mechanisms

- The acquisitions were made possible by a municipal monthly contribution, between $75 and $125 per unit, for 10 years. For the renovation of the properties, SHDM used a program which subsidized up to 90% of the authorized costs.
- Following the property acquisition, a dedicated team (new acquisition department) took over the building management, including the relocation of the tenants during the renovation process.
- The GRTs were hired and paid by SHDM to make sure that the residents, under a co-operative or a non-profit structure, would assume the building management after the renovation period. Eventually, many projects were purchased by these housing co-ops or NPs.
- A standard operating agreement has been designed and the responsibilities of the parties have been distributed as follows:
    - SHDM: Assumes debt service, building insurance, property taxes, major renovation and financing.
    - Building manager: The co-op or the NP operator is responsible for rental strategy, lease management, complaints management, including with the Régie du logement (rental board), rent collection, maintenance and minor repairs, in compliance with budgets.
- The standard operating agreement has been adapted over time, in collaboration with the managers.

<table>
<tr><td>Organization:
Société d’habitation et de développement de Montréal (SHDM)</td><td>Program / Initiative:
Programme d’acquisition de logements locatifs (PALL)</td></tr>
<tr><td>Benefits / Success factors
• In terms of program penetration, the success of the PALL and PAMAC in several districts is based on partnership agreements with coalitions of local community groups which could help target acquisitions and increase community outreach.
• The division of responsibilities between SHDM and its management partners is a factor of security and stability for residents and for the community-based groups: the managers are able to focus on stewardship – serving residents and taking care of the properties on a day-to-day basis – while SHDM assures long term asset management and financing.
• The rents of the PALL properties have remained very affordable after the renovations and 30 years after the first renovations, the average rent stands around 70% of the market rent.</td><td>Challenges / Limits
• The renovation program did not allow for the replacement of all building components; the impact for SHDM was to have a permanent strategy of renovation and financing. For example, it had to invest $24M on a renovation operation for 2012-2016.
• For the first years of the program, the portfolio viability was a challenge with extremely deteriorated properties, double-digit interest rates and high vacancy rates. But the situation has substantially improved with the various renovation investments, building improvements and affordable financing.
• The management agreement allows SHDM to monitor the performance of the management partners. It can also terminate an agreement when necessary.</td></tr>
<tr><td>Outcomes
• Under the PALL program, SHDM was able to purchase 3,080 units and in parallel, purchased 398 additional units with a similar program for the acquisition of rooming houses (PAMAC for Programme d’acquisition de maisons de chambres).
• The operation was made possible with limited financial contribution from the City, compared with other programs.
• SHDM still owns 2,283 PALL and PAMAC units and all are operated by community-based managers.
• The presence of PALL buildings in numerous districts assures the continuity of municipal interventions. It also contributes to the consolidation of a network of competent community-based managers.
• The population of many districts benefits from the PALL projects, which house at an affordable or nominal rent numerous organizations which offer support, services and cultural activities to the residents and to the community at large.</td><td>Transferability
• The PALL success was the result of political leadership, vision, consistent policies and the community consensus on the importance of neighbourhood revitalization and citizens’ mobilization.
• In many neighbourhoods across Canada, the housing stock needs renovation and according to many sources, only a public intervention based on property acquisition and renovation could have the desired impacts in terms of improved housing conditions, affordability and social inclusion.
• The low-income citizens are mostly living in the private market housing properties that should be targeted for acquisition and renovation.
• The PALL experiment is inspiring for communities where the preservation of the existing rental housing stock is an issue.
• The costs will likely be higher than in 1988, and new partners would be necessary to share the burden of funding and financing.</td></tr>
<tr><td colspan="2">Additional information
• More information on SHDM and its community partners, in English
https://www.shdm.org/en/partners/housing-npos-and-community-based-organizations/</td></tr>
</table>

Quebec Case Study 3: Fonds d'acquisition québécois – Temporary loan for the acquisition of a property

Organization: Fonds d'acquisition Québécois (FAQ)	**Program / Initiative**: Temporary loan for the acquisition of a property

Description

- The Fonds d'acquisition québécois (FAQ) is a "société en commandite" (limited partnership) which allows community housing developers to secure properties with a low interest temporary loan before firm commitment of public funding.

Background and needs

- The SHQ's programs are available in all Quebec regions. Even in remote and rural municipalities where the housing market is weak, properties of interest to social and community housing developers are often in limited number and expensive.
- It is difficult to negotiate a purchase offer which will be valid (or extended) for the duration of the predevelopment and development period.
- Seed money is sometimes used to secure such transactions but it is not always available in a timely fashion.
- Private financing is also available for the purchase of land by community developers, but the interest rates are high and substantial guarantees are required.
- Many projects have been abandoned or modified because of the difficulties related to securing land or existing rental properties within the project approval time constraints.

Actors

- The Association des groupes de ressources techniques du Québec (AGRTQ) and the Fonds immobilier de solidarité FTQ partnered to create the FAQ in 2009.
- Groupes de ressources techniques (GRT): The AGRTQ's membership is made up of 25 GRTs and the community developers, which are their clients, are eligible for a FAQ loan.

Mechanisms

- The FAQ is managed by the AGRTQ.
- FAQ loans are underwritten by a first-mortgage.
- The financial parameters are as follows:
    - Interest rate: equivalent of Canada savings bonds for a ten-year term plus 2%;
    - Management fee: 1% of loan value;
    - Property purchase price, property transfer taxes, professional fees, detention expenses are eligible costs.
    - Maximum loan duration of 24 months.
- Other requirements:
    - Provide a valid purchase offer;
    - Provide an environmental study;
    - Provide a certified assessment of the property value;
    - Reimbursement of loan, accrued interest and fees when hard commitment is confirmed.
- In cases of default, the FAQ has the ability to exercise all recourses including taking possession of the property.

Organization: Fonds d'acquisition Québécois (FAQ)	**Program / Initiative**: Temporary loan for the acquisition of a property
Benefits / Success factors • The FAQ is not a last recourse lender. A community housing developer can access a FAQ loan at various phases of the development process, including unit reservation and conditional commitment. • A FAQ loan is very useful when it is necessary to extend a purchase offer but where the public funding still needs to be confirmed. • A FAQ loan is available for the purchase of vacant land, or existing residential and non-residential properties. • In exceptional situations, the FAQ can be used to buy a property directly and eventually to transfer the titles to a community developer. • The various costs involved, including interest and fees, have no negative impact on the project viability, since most of the costs would also be covered by the interim financing. • It is also applicable at various development stages of a project and developers should consider such a loan as a regular instrument and not a last recourse measure.	**Challenges / Limits** • Only community developers that have a contract for professional services with a GRT are eligible for a FAQ loan. • Developers must demonstrate that their project is supported by the community. • The community developer, with support from the GRT, must demonstrate that the project's financing structure is complete and credible. • Maximum loan: equal to or less than the market value of the property (excluding GST and PST), with a maximum of $1,250,000 per property. • Based on the viability study, a financial contribution of the developer may be required to complete the financing structure. • All FAQ loans have been granted to developers whose projects were funded by the AccèsLogis Québec program.

Outcomes
• The first loans were granted in 2009. As of November 2018, the FAQ has participated in the financing of 1,225 social housing units in 8 regions of Quebec:
  ○ FAQ loans' contribution: $35M
  ○ Capital costs of all projects: $207M
• The FAQ has not lost any project in 9 years of activity and the loans have generated interests between 3.57% and 4.46%.
• The model seems adaptable to projects which are not related to government-funded projects.
	Transferability
	• A funding vehicle like the FAQ would be of interest to all provinces facing the possibility of losing existing relatively affordable rental housing and for whom an acquisition option can be valuable.
	• Its contribution is best appreciated when municipalities or traditional lenders are not able to help secure properties within the parameters of the existing programs.
	• The FAQ is trying to expand its loan business to more regions and to develop opportunities.
	• The FAQ capital endowment originates from a unique source, but the model can easily be adapted, notably if the recruitment of many investors is required.

Additional information • Association des groupes de ressources techniques du Québec http://agrtq.qc.ca/outils-financiers/faq-2/	

Quebec Case Study 4: Fonds d'investissement de Montréal – Patient capital investment

Organization:
Fonds d'investissement de Montréal (FIM)

Program / Initiative:
Patient capital investment

Description

- The FIM is a private limited partnership entity – formed of trade union-based, private sector societies, philanthropic and financial institutions – whose purpose is to invest in the development of social and community housing in Montreal.
- It grants interest-free loans to community housing providers, allowing them to make a down-payment on the purchase of a property and find conventional financing with a lender.

Background and needs

- Initiated in response to the termination of federal funding and serious limits on municipal funding in the middle of the 1990s.
- Housing situation: Indicators of high vacancy rate (close to 7%) double-digit interest rates, dramatic drop of residential investments and construction activities.
- Important housing stock in a bad condition and needing immediate intervention, in particular the post-war walk-up buildings.
- Many devitalized neighbourhoods at risk of desertion and increased risk of foreclosure of numerous properties.
- Opportunity provided by the *Sommet sur l'économie et l'emploi* to create new alliances and partnerships and to propose a new deal: to replace lost governmental subsidies with private investments.
- The FIM was created in 1997 and started its activities in 1998.

Actors

- The initial investors were Claridge Investment, Fonds de solidarité FTQ, Hydro-Québec, Mouvement Desjardins, National Bank of Canada, Royal Bank of Canada; the Fondation Lucie et André Chagnon has also been a significant contributor in various investment phases; the J.A. Bombardier and J.W. McConnell foundations have recently joined for a fourth cycle of investment.
- GRT Bâtir son quartier (BSQ), a GRT in Montreal, has the mandate to coordinate the activities for the FIM.
- BSQ is also responsible for the identification of the properties in collaboration with potential providers and for the design and the execution of the development and financing strategies.

Mechanisms

- FIM investment used as a down payment guaranteed by a second mortgage.
- Possibility of partial payment of interests in case of operating surplus (limit of 75% of surplus); unpaid interest is capitalized and paid at the end of the 15-year period.
- Financial institutions provide first mortgages based on conventional business practices.
- Loan refundable after 15 years – capital and interests – by refinancing the property with a new mortgage loan; after 15 years, the equity serves as a leverage.
- The financing structure of a typical project does not require subsidies; however, rent supplements have been used to help low-income residents.
- Viability parameters have been established following private investment criteria.
- An advisory committee makes investment recommendations to the board of investors. When a project is validated, a request for capital is received by the investors and the funds are released.

Benefits / Success factors

- The FIM experiment shows that collaboration between community-based

Challenges / Limits

- For now, the FIM is only active in purchase-renovation projects; one FIM objective is job

Organization: Fonds d'investissement de Montréal (FIM)	**Program / Initiative**: Patient capital investment
GRTs and providers and private investors is not only possible but also viable. • The risks are shared between partners in proportion to their contribution. • In addition to a fair rate of return, investors find their own interest in social housing investments: financial institutions improve the areas where they already have loans and mitigate their risks, the trade union organization creates jobs, Hydro-Québec encourages sustainable development and the private foundations find a new way to reach their target population. • Rents after renovation at 80% of median market rent. • Many projects in revitalized districts show a good track record at preserving a stock of affordable family housing. • Purchasing properties needing less renovation is faster and represents a safer investment. That option increases the number of community-based properties faster and at a lower cost.	creation, so at least 10% of the capital costs must be invested in renovations. • A typical FIM project needs only minor repairs so as not to use major renovation subsidies. But it has recently become more difficult to purchase properties because of excessive sale prices and higher interest rates. • Using more renovation subsidies in addition to private patient capital may be required in more challenging buildings and more support from the City would then be needed. • Offering a return of 5-6% may be considered low in the field of risk capital. The investors have to balance their own interests with those of the tenants.

Outcomes
• So far 3 successful phases of investment have been completed (1998, 2007, 2009) totaling 746 units.
  ○ Total loans: $16.8M or 38% of capital costs
  ○ Total capital costs: $44.2M
  ○ Rate of return for investors: 5.5%
  ○ Phase 4 announced in 2018: $20M
• 100% rate of success: no default on any property and all loans have been repaid according to agreements.
• Initial investors are still present for phase 4 and new actors have been recruited.
• Relationship based on trust between private investors and community organizations.
• Development of expertise for the GRT and the providers, especially in asset management.
	Transferability
	• Key informants believe the legal structure of the FIM ("société en commandite" in French) is replicable and adaptable in other jurisdictions.
	• It is also possible to replicate the FIM experiment on a very local scale when the community and the private enterprises see a common interest in housing development.
	• A Quebec-wide investment fund is under discussion among various partners who are satisfied with the FIM's achievements.
	• Private patient capital, paired with other financial instruments, could also be attractive to new construction projects.
	• Development of government-backed financial products could benefit from growing interest in ethical investments and patient capital.
	• In healthier districts, the actual rate of return may be better, making patient capital more attractive.

Additional information • To reach GRT Bâtir son quartier: http://www.batirsonquartier.com/	

Quebec Case Study 5: Communauté métropolitaine de Montréal – Fonds du logement social

Organization:
Communauté métropolitaine de Montréal – Fonds du logement social

Program / Initiative:
Fonds du logement social (FLS)

Description

- Mandatory contribution of all municipalities to a social housing fund created by the Communauté métropolitaine de Montréal (CMM) and distributed to the municipalities, which are involved in funding the development of new social housing and the operation of the existing portfolio.

Background and needs

- The CMM comprises 82 municipalities which represent 48% of the Quebec population, but 65% of the core-need population. Portfolio of 74,000 social housing units.
- The CMM was founded in 2001 at the beginning of the housing shortage crisis. The mandatory contribution to a social housing fund was incorporated in the provincial legislation.
- The CMM has a five-year action plan for social and affordable housing with 3 objectives:
  - Assure financing of programs for the sustainability and the development of affordable and social housing;
  - Make social and affordable housing the foundation of an attractive, competitive and sustainable Greater Montreal;
  - Achieve a greater metropolitan cohesion with regards to social and affordable housing interventions.

Actors

- Quebec Government: Passed the enabling legislation to create the CMM (*Loi sur la Communauté métropolitaine de Montréal*) and its social housing fund and modified the *Loi sur la Société d'habitation du Québec*.
- Municipalities (82): All participate in the Fonds du logement social (FLS or social housing fund).
- SHQ: Responsible for the administration and funding of the AccèsLogis Québec (ACL) program as well as Logement abordable Québec program (LAQ), when it was available, except when responsibilities are assumed by the City of Montreal.

Mechanisms

- All 82 municipalities must pay a share of the Fonds du logement social (FLS), whether they have social housing or not in their jurisdiction, and whether they are involved or not in social housing development. Each municipal contribution is proportional to its tax wealth.
- The funds are then distributed to the municipalities who support social housing in different ways:
  - Existing portfolio: Compensation of municipal payment for the public housing deficit and the rent supplements managed by municipal housing agencies (offices d'habitation).
  - New development: The CMM reimburses the financial contribution that municipalities pay for the development of new ACL and LAQ projects.
- The approach is flexible. It respects the choice of municipalities who wish to invest more than the 15% basic program requirement, but the difference is not reimbursed by CMM.

Benefits / Success factors

- The mechanisms are simple and very transparent, and no negotiation is required to obtain reimbursement.
- All municipalities who are members of the CMM share the costs of the FLS. It is an incentive for all municipalities to develop new projects. Municipalities that do not wish to develop social housing pay a share of the costs of actual projects created in more motivated municipalities.

Challenges / Limits

- Disbursements from municipalities do not follow a regular pattern, even though contributions are quite stable.
- The FLS was easily accepted by the community, although the compensation for capital contributions to new developments received some temporary resistance. The ongoing issues are more related to the general

<table>
<tr><th>Organization:
Communauté métropolitaine de Montréal – Fonds du logement social</th><th>Program / Initiative:
Fonds du logement social (FLS)</th></tr>
<tr><td>Municipalities that do not have municipal housing agencies also pay their share for the existing public portfolio.
• The CMM is a powerful political instrument where all municipalities speak as one for social housing.
• More municipal actors get involved in urban planning and housing issues and get recognition for their contribution to the community.
• Contributions to the fund are equitable since they are based on the wealth of municipalities. For rural and isolated municipalities, social housing is a way to optimize local benefits.
• As a counterpart for participation in collective financing, any resident in a CMM municipality is eligible to submit a request for subsidized housing in any municipal housing agency of the territory.</td><td>ACL administrative mechanisms such as:
○ The ACL budgets are established on a yearly basis by the Quebec government. The CMM would prefer a multi-year planning approach which would accelerate the delivery and increase the production of new units.
○ Indexation of maximum unit costs to maximum authorized costs.
○ More social housing projects to be developed in TOD areas in compliance with CMM action plans.</td></tr>
<tr><td>Outcomes
• From 2001 to 2017, close to $620M has been invested in social housing by the CMM.
• Included is a $305M contribution which helped to fund 16,000 ACL and LAQ units. The remaining $315M was allocated to the operation and renovation of thousands of existing public housing units and 13,000 rent supplements.
• The CMM 2018 annual budget indicates that social housing reimbursements will reach $48M, representing 37% of its overall budget.
• Indirect outcomes include the creation of the Observatoire du Grand Montréal, which provides numerous and reliable information on the status of housing and social housing and which includes a scoreboard on the achievements of the action plan.</td><td>Transferability
• This is a mechanism to ensure that even municipalities that do not themselves develop social housing still contribute. Those jurisdictions that are active can extract more than they invest in terms of units created.
• One factor of the CMM’s fund success is that the provincial government has taken on the responsibility for the design and the creation of the CMM and the FLS.
• This action was consistent with the policy for municipal mergers that the government was implementing.
• Regional municipalities or associations of rural and small municipalities would be interested in sharing funding in order to develop political influence on regional development and planning by using social housing as an economic and social leverage.</td></tr>
<tr><td colspan="2">Additional information
• Social and affordable housing action plan: Plan d’action métropolitain pour le logement social et abordable 2015-2020
http://cmm.qc.ca/champs-intervention/logement-social/plans-en-logement-social/plan-action-logement-social/
• Information on fund collecting and distribution mechanisms
http://cmm.qc.ca/fileadmin/user_upload/documents/pamlsa_cahierInfo2013.pdf
http://cmm.qc.ca/fileadmin/user_upload/documents/Budget2018.pdf</td></tr>
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Quebec Case Study 6: City of Montreal – Affordable housing inclusion strategy

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<tr><td>Organization:
City of Montreal</td><td>Program / Initiative:
Affordable Housing Inclusion Strategy</td></tr>
<tr><td colspan="2">Description
• The strategy assures the development of social and affordable housing in private initiative residential development.</td></tr>
<tr><td>Background and needs
• The affordable inclusion strategy is consistent with the 2004 Urban Plan which proposed that 30% of housing produced until 2014 would be affordable.
• The affordable housing inclusion strategy was implemented in 2005. It was aimed at stimulating mixed residential development and producing private and community-based affordable housing.
• The inclusion strategy also contributes to family households’ retention and the development of homeownership, in a city where 64% of households are tenants.</td><td>Actors
• City of Montreal: Provides funding and manages the AccèsLogis Québec program as a “ville mandataire.”
• Société d’habitation du Québec: Provides funding to community housing developers through a special management agreement with the City.
• Private developers: Must include social and affordable housing which comply with the municipal regulations and the various programs’ parameters. These private developers partner with community developers to achieve the inclusion.
• Community developers: housing co-ops, not-for-profit corporations, Office municipal d’habitation de Montréal (OMHM) are eligible developers of social housing projects within the inclusion strategy.
• GRTs: Coordinate the development of social housing projects and assure interface with stakeholders.
• Société d’habitation et de développement de Montréal (SHDM): Supports the development of affordable homeownership through the Accès Condos program.</td></tr>
<tr><td colspan="2">Mechanisms
• The current strategy is an incentive: it applies to all projects of 100 units and more that require modifications to the regulation (height, density or usage).
• The objective of the initial version of the strategy had the following target:
    ○ 15% of new residential units built in Montreal to be social and community housing;
    ○ 15% of new housing to be affordable privately initiated housing, under the form of purpose-built rental housing or homeownership.
• A new regulation – subject to a public hearing in 2019 – would apply to virtually all residential projects. It proposes 20% social housing, 20% affordable housing, and 20% family housing.
• Social and community housing developed in compliance with the strategy have been funded by the AccèsLogis Québec or Logement Affordable Québec programs and the City has used a variety of financial incentives and regulatory instruments.
• Three social housing development options are possible:
    ○ Option 1: Inclusion of social housing on the site;
    ○ Option 2: Inclusion of social housing on a different site;
    ○ Option 3: No inclusion of social housing but financial contribution in a municipal compensation fund, which will be used to finance other social housing projects. The third option is considered</td></tr>
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<tr>
<td>Organization:
City of Montreal</td>
<td>Program / Initiative:
Affordable Housing Inclusion Strategy</td>
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<tr>
<td colspan="2">
when developers, the borough and the City agree that the inclusion of social and affordable housing components is not possible on a particular site. A financial compensation calculation formula has been designed by the City.

Community developers may choose between two land procurement techniques:

Technique 1: Buy land from the private developer at a price that is compatible with the AccèsLogis program and then hire their own builder.
Technique 2: Negotiate the price of a turn-key project, based on a detailed description of the project (including construction plan and other documentation).

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<tr>
<td>Benefits / Success factors

Inclusion is a more affordable and easier way to access land for community housing developers.
The status of “ville mandataire” brings added value and the municipal services facilitate relationships between many partners, including private and community developers as well as boroughs.
A wide set of development solutions and combinations of social, community and private housing has been implemented. Many private developers share the objective to serve a diversified client base.

</td>
<td>Challenges / Limits

Inclusion of social housing is dependent on the availability of social housing budgets and annual allocations by the City and by SHQ.
Some GRTs are not very familiar with the process of inclusionary project development and need to develop their own expertise.
The particular location of the social or affordable housing projects, the neighbourhood relationship and social acceptance all are issues that need to be addressed in each project.
The private developers must balance their financial contribution to the social housing components with the viability and profitability of their own on-site projects, notably rents and unit sale price.
Developers must adapt to the municipal strategy and to the particularities of the different boroughs’ version of the strategy.

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<tr>
<td>Outcomes

From 2005 and 2018, the strategy has generated a potential 6,750 social housing units and the equivalent number of affordable housing units.
A compensation fund of $16M has been accumulated which will help the creation of more social and community housing and private affordable housing as well as family housing.
Developers from both sectors and the municipal administration expand their expertise and their capacity to respond to a variety of housing needs.

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<td>Transferability

Affordable housing inclusion is a way to develop lasting private-public-community partnership.
Availability of funding for the social units (albeit with restriction of the land cost) would help other jurisdictions provide compensation to private developers to incent inclusion.
Demand for and applicability of this model among other municipalities is evidenced by the fact that many boroughs have adopted their own inclusion strategy, and in 2017, the Quebec government passed Bill 122, modifying the Loi sur l’aménagement et l’urbanisme to allow all municipalities to design their own inclusion regulation, as a way to include social, affordable and family housing in private residential projects.

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<tr>
<td colspan="2">Additional information

New Inclusion proposal
http://ville.montreal.qc.ca/portal/page?_pageid=9337,143039283&_dad=portal&_schema=PORTAL
Loi sur l’aménagement et l’urbanisme modified by Bill 122: See articles 145.30.1 to 145.30.3 :
http://legisquebec.gouv.qc.ca/fr/ShowDoc/cs/A-19.1

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Quebec Case Study 7: Association des groupes de ressources techniques du Québec – Projet Créneau

Organization: Association des groupes de ressources techniques du Québec (AGRTQ)	**Program / Initiative**: Project Créneau

Description

- The Association des groupes de ressources techniques du Québec (AGRTQ) and its partners propose to create a network of community housing projects serving middle income senior citizens and offering a continuum of care.

Background and needs

- The demographics:
  - In Quebec, 25% of the population will be 65 years old or older by 2031;
  - The 75-year-old segment will grow by 77% and reach 1.2M individuals;
  - The seniors' housing portfolio must double between 2016 and 2031.
- The government policies encourage living at home as long as possible but the private sector and the institutional supply are not adapted to the diversified and evolving needs or aspirations of the elderly:
  - The private supply targets autonomous elderly and those with a loss of autonomy but who have financial capacity;
  - The public lodging ecosystem is saturated and the population needs keep growing.
- The Créneau project offers affordable continuum of care and affordable rents for seniors who are "too rich" for subsidized housing and "too poor" for private residences.

Actors

- The Association des groupes de ressources techniques du Québec (AGRTQ) and the Fédération des coopératives de soins à domicile et de santé du Québec (FCSDSQ) have partnered to launch the Créneau project.
- Groupes de ressources techniques (GRTs): The GRTs who are members of the AGRTQ will be promoting the new model and provide development and management services on the local level.
- Ministry of Health and Social Services: Would guarantee that public services will be available in the residences which will be developed in all regions.
- Investors: Ethical and responsible investments from various sources will replace subsidies.
- Local community housing network: Housing co-operatives and NPs will provide property management services and co-ordinate the delivery of other services, in collaboration with the existing network.

Mechanisms

Services

- Non-residential services will be delivered either by the homecare co-operatives or by local health and social services institutions. Affordable fees and current public programs will finance services.
- Special arrangements with partners, for example the availability of space for consultations and for professional use, will be offered on the premises.

Local level responsibilities

- Property development: Services rendered by a local GRT.
- Building management: Project management and services' coordination subject to an operating agreement with a local co-op or NP or with a GRT offering management services.
- Non-residential services: Performed by local homecare co-op and by local health institutions.

Provincial level responsibilities

- A portfolio approach will be implemented for the development, ownership and financing dimensions of the project. A new not-for-profit provincial entity will be created to drive the development of the residences' network, to own the properties and to finance the new ecosystem.

Organization: Association des groupes de ressources techniques du Québec (AGRTQ)	**Program / Initiative**: Project Créneau

- The Créneau network does not rely on the AccèsLogis Québec nor other capital funding program for the construction of the installations. Investments from a variety of partners, land donations and various contributions will contribute to a balanced financing structure and lower the debt service. Accumulated equity – which needs to be centralized to be efficient – will be re-invested into the network development on a continuing basis.
- A new provincial investment fund will be put together and it will centralize contributions (shares or bonds) from various partners, including union investors, faith organizations, philanthropic foundations, corporate and individual investors (including families of potential residents), as well as housing co-ops and NPs that wish to house their senior residents. Investments from the new fund will provide the down payment enabling the project to obtain construction and long-term financing from conventional sources.

Benefits / Success factors	**Challenges / Limits**
• The viability of the new portfolio approach is conditional on a fast deployment of properties in different regions. • The creation of a specialized fund will assure the availability of risk capital for many projects and will facilitate financing or individual projects which will not rely only on local resources.	• Co-ordination between the various public and community-based networks (housing organizations and homecare co-ops) is an essential component of the Créneau model. • A master agreement with the provincial government is a requirement for successful local collaboration with the local health institutions. • Within a short period, the new network must define its quality requirements and standards and assure that the all managers and partners will comply.
Outcomes	**Transferability**
• So far two pilot projects have been identified in the Lanaudière and Eastern Townships regions, with occupation planned for 2019 and 2020. • Conceptual discussions are being pursued in 2 other cases.	• The needs for services and affordable seniors' housing have been well established in all regions of Canada and hybrid financing – including municipal and institutional donations, patient capital and innovative financing – has been successfully implemented in various projects, as it has been mentioned in the present study. • The model can be adapted to the regional strengths and availability of social enterprises which are specialized in homecare.

Additional information

- The Créneau project is one result of the Quebec Government action plans for the social economy of 2015-2020. It originates from the works of the *Créneau d'entreprises collectives en services aux personnes âgées* (Créneau). More information: http://agrtq.qc.ca/

Appendix 3: Brief description of additional mechanisms and programs

(Not developed as full case studies)

BC Programs

Programs / Initiatives	Short description	Mechanisms
• **Community Partnering Initiative (CPI)** Note the CPI has been incorporated within the HousingHub and is described there.	• Builds on BCH financing expertise and program as way to facilitate partnerships. • Provides advice, referrals to partnership opportunities to help non-profit societies create self-sustaining, affordable housing developments.	• BC Housing partners with non-profit societies, government agencies and community organizations to facilitate the creation of affordable housing for low and moderate income households in communities. • Targeted at the affordable rental and ownership market. • BC Housing financing tools available. • Partners must contribute equity; must not require ongoing operating assistance from the province.
• **Rental Assistance Program (RAP); Shelter Aid for Elderly Renters (SAFER)**	• Seeks to address affordability issues, separate from supply issues. • Rental support programs to help make rents affordable for BC tenants in the private rental market. • The programs provide eligible low-income working families and seniors respectively with cash assistance to help with their monthly rent payments. • 35,000 households served by the two programs.	• Direct application to BC Housing based on detailed eligibility criteria including income levels, residency requirements, and age and income restrictions. • RAP applicants must have dependent child(ren) and be beneath asset value ceilings. • Both programs require applicants to be currently paying over 30% of gross income in shelter costs. • Program has multiple eligibility requirements but no waiting list obstacles for applications.
• **Homes BC Program**	• Unilateral BC supply program running from 1994-2001 • Mixed income development program targeted at affordable market shallow and deep core need households programs.	• Program delivered by resource group network; budget approval required by BC Housing. • RGI assistance provided by BC Housing. • 35-year mortgages • 60-year operating agreements
• **Independent Living BC (ILBC)**	• ILBC is a subsidized, assisted-living program that provides housing with	• Provincially delivered, ILBC is a financial and resource partnership between BC

Programs / Initiatives	Short description	Mechanisms
	support services to seniors and people with disabilities. • Qualifying applicants live in own unit in an assisted living residences located in communities across BC. • Residences have private units, shared dining and social areas, housekeeping services, personal care services and emergency response. • The program's assisted living units provide a middle option between home care and residential care, so individuals can continue to live independently.	Housing, provincial health authorities, CMHC) and non-profit and private-market housing providers.

Quebec Programs

Programs / Initiatives	Short description	Mechanisms
• **PAMAC: Programme d'acquisition de maisons de chambres**	• City of Montreal program delivered by SHDM – 1988-1995. • PAMAC: acquisition and renovation of rooming houses by SHDM. • Program available from 1988 to 1995.	• Initial municipal monthly subsidy. • Municipal renovation grant • Limited rent increase attached to the renovation program • Corporate financing with various instruments • Management agreement or sale of property to non-profit groups
• **Reduced municipal land price policy**	• City of Montreal policy – launched in 2002 and currently in place. • Reduced sale price of municipal land to eligible social providers. • Objective to increase viability of projects which are funded by programs.	• Projects for families and small households or singles: Price set at 75% of market value to a maximum of $12,000 per unit. • Projects for seniors with loss of autonomy: Price set at 75% of market value to a maximum of $8,000 per unit. • Projects for people with special housing needs: Price set at 50% of market value to a maximum of $5,000 per unit.
• **Accès Condos**	• Affordable homeownership program by SHDM, launched in 2003 and still available.	• Homebuyer benefit: Capacity to buy a condo unit with $1,000 down-payment and a purchase credit of 10% or 15% (new option) by SHDM, guaranteed by a shared appreciation mortgage. • Purchase credit refundable to SHDM with an addition of 10% of accrued value. • Builder benefit: SHDM provides accreditation of project under the Accès Condos brand and

Programs / Initiatives	Short description	Mechanisms
		collaboration with marketing strategy. • SHDM guarantees to buy all the unsold units from the builder after a certain delay.