

**THE ROLE OF INCREMENTAL PLANNING
FOR COMMUNITY DEVELOPMENT:
A CASE STUDY OF THE NORTH END HOUSING PROJECT**

BY

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A Practicum
Submitted to the Faculty of Graduate Studies
in Partial Fulfillment of the Requirements
for the Degree of

MASTER OF CITY PLANNING

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Winnipeg, Manitoba

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**The Role of Incremental Planning for Community Development:
A Case Study of the North End Housing Project**

BY

Gordon McIntyre

**A Thesis/Practicum submitted to the Faculty of Graduate Studies of The University
of Manitoba in partial fulfillment of the requirements of the degree
of
Master of City Planning**

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ABSTRACT

This work showcases the complexity and involvement of community development. It focuses primarily on the creation of a community-based housing corporation called the North End Housing Project and the community economic development (CED) elements incorporated into the initiative. North End Housing and its community development partners face a large number of obstacles, ranging from social problems to a huge stock of old and deteriorating housing. The methodology of this study is described as participant observation and research.

The purpose of this practicum is to show how planning theory can be applied in the context of community development. A planning theory called Pragmatic Incrementalism is explored in this regard. Incremental planning theory works well with the variety of social theories that are embodied by community development. It is found that community development often proceeds through trial and error, making incremental gains towards its goals. Pragmatic Incrementalism recognizes these realities and prescribes a means to clearly identify, justify and maintain chosen goals. This process includes a communicative tool called the Wide Reflective Equilibrium (WRE) which can help structure debate within the community development process and help to bridge the class and value divide that may separate the practitioner and community members.

ACKNOWLEDGEMENTS

There have been many community and non-community members involved in the housing project, however, special acknowledgement must be given to Tom Simms and Betty Edel of the Community Education Development Association for their leadership in a bold and innovative revitalization process.

I would like to thank Dr. Tom Carter for his support and advise during the writing of this document. Also thanks to Dr. Ian Skelton and Farley Cates for their valuable feedback on this document.

Special thanks to my partner Karen Ridd for all of her love, support, and patience over the last five years.

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1.0 INTRODUCTION

This practicum is about a challenging and ambitious community development project in Winnipeg's Old North End neighbourhood. I use the word "ambitious" for two reasons. One is the complexity of the project: a housing development project modelled on community economic development (CED) guidelines. The second reason is the impoverished socio-economic make-up of the neighbourhood, and all of the consequent problems. This practicum will follow the CED developments more than the latter issue. I was directly involved in the technical and developmental aspects of the CED project and can present and analyze this experience in-depth. The dynamics of the socio-economic conditions, on the other hand, are more difficult to explain and clearly require a sociological analysis. To understand the housing project fully, however, it is important to shed light on the social and economic conditions of this, one of Winnipeg's poorest communities. Consequently, many of these details are covered in the body of this practicum. In addition to research and secondary sources, I have been a resident and homeowner in the subject community for six years and so some of the information about the community is based on experience, firsthand knowledge, and intuition. The important lessons that should be taken from this practicum revolve around the CED elements and the difficulties that a planning practitioner encounters in this environment.

The purpose of this practicum is to show how planning theory can be applied in the context of community development. A planning theory called Pragmatic Incrementalism is explored in this regard. This work also showcases how complex

and long involved community development actually is. The role of Incremental planning in facilitating ongoing involvement, therefore, becomes a key question. The practicum itself focuses primarily on the creation of a community-based housing corporation called the North End Housing Project. North End Housing and its community development partners face a large number of obstacles, ranging from social problems to a huge stock of old and deteriorating housing. The analysis of this housing project covers a period of approximately 4 years, to a point where the housing corporation is starting to show signs of stability with an accumulated asset base of close to \$0.5 million.

The format of this practicum will be to first briefly explore the nature of the housing industry and governmental responses to support that industry and social housing programs. At this point in time Canada is at a crossroads. The social housing program has been all but abandoned and there has been a void in housing policy ever since. Some alternatives that can fill this void will be introduced in this section. Next, planning and community development theory will be explored. Within this chapter, there will be a brief examination of community development theory and in particular, community economic development. The role of the professional in this field is also examined. This leads into a discussion around planning theories and practices that have attempted to adopt a community development approach. The section ends with an introduction to Pragmatic Incrementalism which, it will be argued, can provide a planning procedure for community development practice.

The final two chapters are a case study of the housing project itself. Chapter 4 is an account of the North End Housing Project up to the time of this publication. Chapter 5 uses Pragmatic Incrementalism to examine the project and the decisions

that have been made along the way. While it is difficult to marry professional planning practice with community development, it is hoped that this work will shed light on the complexities of this field and a planning theory that can become an effective guideline in this practice.

The methodology of this study can be described as participant observation and research. My first involvement with the housing project was as a volunteer. As a local resident I attended Board meetings of the North End Housing Project. I later completed an internship with the Community Education Development Association and its demonstration project *Just Housing*. Approximately a year later I was hired as Project Co-ordinator for the *Just Housing* project and was later seconded to the North End Housing Project. My involvement, therefore, goes beyond simple “observation”, but this is a good description since this study does look at responses to the broad forces at play. The study also includes literature research in areas of history as well as in planning and community development theory.

Before I launch into the body of this work, I would like to further comment on the social complexity of this community. The Old North End is a difficult community to work in. It is home to the poorest and most deteriorated housing stock in the city. As a result, the “poorest of the poor” often end up here since it is difficult to afford housing in other parts of the city. But this is more than about being “poor”.¹ The Old North End is, in many ways, “a last resort” neighbourhood for many individuals and families from all walks of life. Communities like the North End are the “bottom of the cracks” (author’s description) in the proverbial “fallen

1 . The writer of this practicum grew up in a large “working poor” household and knows firsthand about poverty, oppression and ridicule.

through the cracks” analogy. As a result there is a multiplicity of social problems in the North End, and this makes community development exceedingly challenging.

The social problems in the North End are many. Aside from the poverty there are problems such as youth delinquency, teenage prostitution, violent crime, transience, alcoholism, various forms of drug and solvent abuse and parental delinquency. As mentioned above, to tackle these issues would require a sociological discourse. Why people have fallen into these patterns, what life experiences have caused them to fall, and what vices or forces keep them victimized are large questions. There are no easy answers to such questions, but the questions remind me of a conversation that I once had with a homeless man in Toronto. At the time I was working as a caretaker of a church/community centre on Bloor Street, bordering the trendy and wealthy Yorkville community. The “homeless” man had a locker in the church basement and so we talked often.² He would sit in a doorway on the north side of the street and would do little more than water the flowers for the merchants on the block. The people in the neighbourhood enjoyed his presence. People would often stop and chat with him, buy him a snack or a coffee, or share cigarettes with him.

He was an interesting man. He grew up in Quebec, was bilingual, had been married, was trained in architecture and had worked in a provincial Ministry of Housing. Something came undone and now he prefers to sit on Bloor Street, smoke cigarettes, and watch the world go by. I never did probe to ask how he

2. I say “homeless” because while he had characteristics of a street person, he apparently paid for his shelter, a rooming house, and despite sitting on the street all day he did not panhandle.

ended up where he was; I didn't feel I knew him well enough. Yet one day, almost out of the blue, he commented that the reason there were so many people who were "screwed up" was because many people "never really had a real family." We talked about it briefly, and the analysis of this street person was that there were too many people alone and unloved.

I raise this, not as a challenge for the work set out here, but to name an almost insurmountable dilemma that complicates society. And I feel that, as a marginalized community, we in the North End have a higher proportion of those who are alone, neglected, abused: unloved. I would further venture to say that this community also has a higher proportion of those who are 'somewhere in-between' this destabilized state and the "normal" or stable life that most people take for granted.

In a general sense I am talking about Abraham Maslow's (1970) theory of hierarchy of needs, where love and nurturing form a basis for personal development. Without such a basis self-esteem and personal advancement are hampered or even prohibited. In a competitive capitalist society, self-esteem and personal advancement carry great rewards. However, those in society who are victimized by poverty *and* oppressive treatment, be it physical, mental or sexual abuse, do tend to "fall between the cracks". These marginalized people often don't look for help (other than financial) nor do the helping professions know how or when to treat this human suffering. And because these people constantly confront personal or family problems, they will likely be evasive about participating in community development. If they are involved, then they will tend to be "high maintenance", requiring a considerable amount of energy and patience to keep them motivated and involved in the project.

As an economically marginalized community, the North End is home to more people who are victims, who haven't come to terms with their victimization and/or seek some sort of diversion that allows them to escape their daily reality.

However, this only characterizes one part of a community which is very large and has many positive aspects. It remains a very diverse community that respects and protects the various cultural identities within it. By and large it is a very friendly community. People are generally frustrated by the various problems that plague the neighbourhood, but many are determined to turn things around. In particular, people who are "survivors", who have fought adversity and victimization, are amongst the most determined to improve their living environment.

The whole reason for this introduction to the social and economic aspects of the community is to simply underline the dynamics and complexity of undertaking community development here. Aside from simply being "poor", the North End has social factors that cause greater destabilization. In many cases people within the community need healing themselves, and so to talk of community or social development without first addressing some root problems seems quite backwards. The obstacles can be great, and many or most people prefer not to become involved in community organizing.

Whether or not the initiative studied here will ultimately succeed is still "up in the air". I have recently come to describe community development practice as a "leap of faith", where there are good intentions but no guarantee that the immediate community or even the wider community will "buy in". In this context, it is hard to talk about community development in relation to planning theory or the

planning profession. In reality, it is hard to “plan” community development, for it often tends to take on a life and direction of its own.

This study of the North End Housing Project provides an interesting and informative example of community economic development. It isn't exactly exemplary of the ideals of CED or how CED practice ought to be undertaken. However, it is a project that has made major achievements among many challenges. Ideally, there should be more analysis of the community outreach process and attempts to foster community control. Implementation of this process was delayed but is underway at the time of writing. Human resources in this project have been minimal, and so community work to date has been more focused on organizational development.

Working in marginalized communities with limited resources creates unique challenges which theory alone cannot predict or even prepare the practitioner. This study will look at the evolution of the housing project and hopefully provide some insight to the complexities of community work. To help explore this work I am introducing Pragmatic Incrementalism as a planning theory that can be applied to community development practice. Incrementalism is largely a descriptive theory of how our working environment and daily reality affect the decisions we make, and it works well in the unpredictable realm of community development. Pragmatic Incrementalism is also a normative theory, which provides a valuable structure for the practice of community development. This is key as there is a great need to allow the community development to proceed without the burden of unrealistic expectations or the delays of crisis management.

As mentioned above, there are many challenges in creating a housing project in Winnipeg's inner-city. Aside from the community development process there is a need to understand housing development itself. The next chapter will provide a brief history on housing development policy in Canada and some insight into the uncertainty facing non-profit housing providers today.

2.0 HOUSING AND URBAN REVITALIZATION: CONTEXT AND ISSUES

Housing policy and urban revitalization strategies have undergone many changes since World War II. This chapter will briefly introduce some of the macro issues involving housing, in both economic and social policy. How some of these policies and programs affected the North End will also be introduced, with a more detailed history in the following chapter. Also examined here are several housing models that have influenced the North End Housing Project (NEHP).

Contemporary Canadian housing policy, and the sustained involvement of the senior levels of government, began with the establishment of the Canada (then Central) Mortgage and Housing Corporation (CMHC) in 1945 and the implementation of the National Housing Act (NHA) of 1944. Although there had been earlier senior government initiatives in housing, the provision of urban planning and housing for the poor had been left primarily under municipal control (Carroll: 1990). While CMHC's main focus has been to support private-market housing, the agency did make, particularly through the 1970s, strong efforts in social housing policy and provision.

Today, Canada ranks among the best-housed countries in the world. However, since the mid-1980s, senior governments have been in retreat from the provision of or support for housing. Predictably, problems of affordability and adequacy will deepen over time. According to Steve Pomeroy (1996), without active government intervention in the housing market, the volume of affordable supply that can be produced annually will be negligible in relation to the level of need. As a result,

he argues, Canada runs the risk of permitting a housing crisis of such a magnitude that solutions will seem beyond reach.

The roots of the predicted housing crisis have long been evident. According to David Hulchanski (1992), there has been a dualism in Canada's housing system in which a primary part and a secondary part each has its own distinct and unequal range of government activities and subsidies. The primary part comprises about 80 percent of all households, including most homeowners and those tenants who live in the higher end of the rental market. It also includes households that live in the co-operative sector and some that live in non-profit and public housing. Basically, these are households that have secure tenure in good quality housing that is appropriate to both their needs and ability to pay. The secondary part comprises everyone else, including tenants in the lower half of the rental market, residents in poorly managed subsidized housing, and impoverished homeowners in both rural and urban areas.

Hulchanski argues further that the development of the modern welfare state provided two forms of welfare. The first form is *social welfare*: assistance to those most in need. The means of this targeted welfare has varied. The targeting of social welfare was most innovative during the 1970s when governments supported a non-profit approach to housing delivery, combined with policies that encouraged mixed incomes within communities along with community development supports.

The other form of welfare can be described as *market welfare*: direct financial support for the private sector that is intended to provide stabilization for the economy and its emerging middle class. It has been designed and redesigned to

meet the vagaries of the free market. Arguably, it has never been intended to provide subsistence to the poor.

The problem the market welfare state seeks to address is the maintenance of a high, or at least stable, level of consumption. In the past, wage stabilization was one of the goals of market welfare, and the economic production linkages of the housing industry was a primary focus of this strategy. Housing typically has had preferential treatment since it is a major contributor to the overall growth of the economy and provided many people with well-paying jobs. This aspect of housing policy has nothing to do with helping impoverished households obtain adequate housing: that's the function of the social assistance part of the welfare state (ibid.).

Strong national lobbies, effectively representing everything from housing industry giants to individual homeowners, have shaped the nature of Canadian housing policy and have encouraged this dualism (ibid.). Often during recessions governments have introduced short-term programs, most often assisting tenants in the high end of the rental market, and particularly those who could buy or who actually owned a home. Some of the better known programs were the multiple-unit residential building tax incentive (MURB); the Registered Home Ownership Savings Plan; the Assisted Home Ownership Plan; and the Assisted Rental Program. While some of these incentives were introduced within the context of a government wanting to assert its federal role, the main intent was to affect the economic conditions of the day by assisting middle-income earners.

Households in the secondary part of the housing system have little political clout. The housing options for these households are limited to the low end of an ageing and declining private rental market and a very small non-market social housing

sector. The approximate size of Canada's social housing sector, some 661,000 units (Bruce and Chisholm: 1999), represents approximately 5 percent of Canada's housing stock. This is small compared to most advanced Western nations. In Western European countries, the social housing stock is much higher: 43 percent in the Netherlands; 24 percent in France and the United Kingdom; 21 percent in Sweden (with another 15 percent in the co-operative sector); 17 percent in Denmark; and 16 percent in Germany (Hulchanski: 1992).

Canada's attempt to develop a social housing model now seems to have collapsed. Early efforts included the Limited Dividend Program which provided loans for up to 50 years to private companies building accommodation for households of low- or fixed-income (Rose: 1980). In 1954, Federal funding was expanded to provide 90% loans to provinces, municipalities, or their public agencies for public housing schemes, and up to 50% of operating losses on such schemes (Oberlander: 1992). The most concerted effort for social housing came in the early 1970s, shifting away from entrepreneurial and public housing towards provision of housing through non-profit housing corporations. Additional supports and services often created an underlying community development strategy for the various housing programs. Numerous projects were initiated by neighbourhood groups in renewal areas, or in areas approved under a federal/provincial revitalization program called the Neighbourhood Improvement Program (NIP)(Patterson: 1993).

The Neighbourhood Improvement Program overcame most of the criticisms of earlier urban renewal programs but did not achieve its ambitious community development objectives. There were general achievements with regard to physical changes, including the addition of amenities, rehabilitation or reconstruction of housing, and infrastructure improvements. But assessments were mixed with

regard to resident participation, community planning, integration and targeting of other government and non-government resources, and the long-term municipal and resident commitment to older areas (Lyon: 1986).

While experience with income mix in the non-profit and co-operative housing programs was generally positive, continued support for this objective was tempered by politics. Since low-income tenants often comprised only one-quarter of a housing complex, many argued that the middle income households within these projects were also being subsidized. These middle income households did not receive rent-geared-to-income but rather paid lower-end-of-market rents. Political opposition increased as the building industry lobbied the federal government to replace its housing programs with a shelter allowance targeted to those households most in need (Patterson: 1993). The lobby was effective. Policies around income mixing were the first to be cancelled followed by the entire non-profit program.

As will be discussed later, income mixing had its benefits. Non-profit housing and in particular, co-operative housing has provided stability without the stigmatization typically associated with low-income housing. The stability of this combination was effectively bringing low-income households - households on social assistance - into the "primary part" of the housing system; the realm of secure tenure and good quality housing. This wasn't just a housing service, but rather co-operatives and other non-profits sought to build community through self-governance and management and to provide collective benefits and supports for all.

2.1 HOUSING STRATEGIES IN THE NORTH END

Winnipeg's North End has struggled more with housing issues than perhaps any other neighbourhood in the city, and over the most active years of governmental support there have not been any clearly successful revitalization strategies. While various housing programs have injected new life into parts of the North End, there haven't been any programs that have created a sustainable solution for renewal.

Rapid suburban development through the 1950s and 1960s resulted in an exodus from the inner city that contributed to its deterioration. With more money available for "urban renewal" and slum clearance programs, the option of tearing down became the preferred alternative to rehabilitation (Yauk: 1973). The urban renewal target in the North End was the Lord Selkirk Park community. Bordering industrial lands, rail yards, and home to a then-famous farmers' market, the condition of the neighbourhood was described as a slum. Approximately two-thirds of the neighbourhood was razed in order to make way for public housing. Not unlike other public housing complexes throughout Canada, Lord Selkirk Park would become known as a "high-density ghetto" that destroyed a community and dislocated its population (see Yauk: 1973).

Later attempts at revitalization tended to focus on the rehabilitation of existing housing. Rehabilitation programs delivered through initiatives such as the Core Area Initiatives, Neighbourhood Improvement Programs and the Manitoba/Winnipeg Community Revitalization Program have undoubtedly helped to slow the overall decline of the housing stock. As well, a number of non-profit rental housing corporations also specialized in housing rehabilitation. These groups included the municipality's Winnipeg Housing Rehabilitation Corporation

(which eventually specialized in apartment block rehabs), and a couple of Aboriginal groups: Kinew Housing Inc. and Aiyawin Corporation.

Another notable housing revitalization strategy from the first Core Area Initiative was the Infill Housing Program. From 1982 to 1986 the Initiative subsidized a home building program for vacant lots throughout the older neighbourhoods of the city. The subsidized homes were sold to prospective homeowners on a lottery basis. However, for many newcomers to the North End, the neighbourhood was too inhospitable. Many of the infill residents ended up selling and moving out.

With the withdrawal of senior government funding, the once dominant form of housing intervention, new construction by public and non-profit corporations, has since ground to a halt. Low-end-of-market rents by themselves simply do not provide enough revenue to cover the costs of land assembly, construction costs, and interest charges of new housing projects. This is the case in Winnipeg, even with its depressed land values in the inner city. A more viable approach in today's political climate has been to look towards the existing housing stock rather than building new housing. In many areas of the country acquiring and improving existing housing stock is significantly less expensive than building new units (CMHC: 1994).

Various community groups in Winnipeg are now taking this route. It should be noted, however, that the impetus for these groups has been to improve the image and safety of their neighbourhoods and to provide adequate housing in the process. The initiatives may not have been primarily based on the need for affordable housing. Within the North End Housing Project there has been considerable emphasis on job creation and as a result the nature of the project has tended to

reflect the market welfare approach to housing. The “deep” subsidies that are required to build and operate within the social housing model were not sought in this case. Planning around the initial demonstration project assumed that there would be limited accessibility to public subsidization, let alone deep subsidies. Political climate, therefore, constrained the decision-making process of this project and precluded the chance of providing housing for “the poorest of the poor”.

North End Housing Project, nonetheless, is still able to provide affordable housing to low-income families and, in special arrangements, to families on social assistance. This is largely due to existing depressed market values in Winnipeg’s inner city, a situation that is perhaps unique in this country. Perhaps nowhere else in Canada can you find such a stretch of urban decline. And with the retreat of governments since 1992, there have been no means to intervene, to arrest the decline. The year 2000 marked the return of governmental funding for housing in Winnipeg (other than marginal funding by the Federal government’s Residential Rehabilitation Assistance Program) but with much smaller commitments than the funding levels of the 70’s and 80’s.

The combination of serious inner city decline, an absence of comprehensive public policies regarding housing, and the marginal funding commitment for housing sounds reminiscent of the experience south of the border some 30 or 40 years ago. Many U.S. cities have seen such a high degree of urban blight that they have still not recovered. However, in some areas there have been successes. In the 1960’s Community Development Corporations, with a combination of public and private funding, started to work on the revitalization of inner city areas. Other innovative models were created, such as the community land trust, which also relies on similar funding streams. Often included in such housing initiatives are various

forms of co-operative housing. These community-based models of redevelopment have recently received more attention here in Canada since the governmental retreat from housing. As a result Canadian housing policy, programming and response is quickly becoming more and more “Americanized”. There is a major difference, however, in that federal and state governments in the U.S. still participate in the creation of housing. In Canada, except for certain circumstances, there is little participation.

These U.S. models have figured prominently in the way that the North End Housing Project has shaped its redevelopment plans. While the project has considered co-operative housing (one of the strongest traditions of community housing in Canada), the development of the North End Housing Project has proceeded as a hybrid of various models. The three most influential housing models for North End Housing are examined in more detail below.

2.2 CO-OPERATIVE HOUSING

The North End Housing Project didn’t explore the establishment of a housing co-operative in the traditional sense, but there was some exploration of adopting a co-operative model renewed by Quint Development Corporation in Saskatoon, Saskatchewan. This model had some similarities to a “home buyers’ co-op”, where a group of people enter the home-buying experience at the same time, but with collective professional and financial support in the process. Ownership in the Saskatoon model, however, has to pass through a 5-year qualification period. Groups of ten households each, scattered throughout Saskatoon’s inner city, were incorporated into co-operatives. If after 5 years a household didn’t qualify to assume its own mortgage, or if they chose not to enter home ownership, then they could simply carry on in the form of a rental housing co-operative. What becomes

of these co-operatives after five years is still to be seen. The North End Housing Project eventually discarded the concept of incorporating each 10 households as co-operatives, but did borrow the 5-year lease-purchase concept.

Personally speaking, it is unfortunate that the co-operative model fell by the wayside, but the desire of people in the community to take up home ownership simply flew in the face of the traditional co-operative model. The general model for housing co-operatives in Canada is the ideal that each household is a member of the co-op and therefore a co-owner of the development. Each household holds a unit through a lease that can be terminated only when membership is terminated. Co-ops subsidized by public programs - and unsubsidized "equity co-ops" - are constituted on a not-for-profit basis by which resigning members are reimbursed only the amount they spend to buy shares (CMHC: 1990).

The old national co-op program is intended to provide affordable housing with security of tenure on an income-mixed basis to households with low and moderate incomes. They are primarily targeted toward families and, like other social housing, have been heavily accessed by single-parent families. Single parents form about 30 percent of co-op households and somewhere between 30 and 50 percent of income-tested members, depending on the province (CMHC: 1990). Co-ops provide solutions to many family problems - not only in costs, but security, safety, a home designed for children, and a community where one can share child care, where one's children can make friends, where one can get involved and have a say (Doyle: 1992). Another perception that is repeatedly confirmed anecdotally is that once single parents have been established in a co-op for some time, they usually take the opportunity to upgrade their qualifications and eventually find jobs (ibid.).

The stabilizing nature of this form of housing remains a goal for the North End Housing Project. A major difference for North End Housing is the fact that its rehabilitated houses will be scattered throughout a large neighbourhood. Typical co-operative roles and responsibilities are weakened when the housing is dispersed. The strength of a co-operative community in large part relies on the physical structure of the co-operative which are, typically, housing complexes.

The only other form of housing co-operative that was briefly considered for North End Housing was the "equity co-operative". Equity co-ops are financed entirely or partially from the equity of their members. The possibility of developing co-operatives on the basis of member funds rather than based on government grants has stirred debate within the co-operative housing sector. For several years the equity co-operative concept was rejected by most of the members of the co-operative movement, largely due to the Co-operative Proclamation which stipulates that housing must constitute collective property which does not seek individual accumulation of capital (Poulin: 1991). For Winnipeg's North End community, the possibility of this type of co-op is severely limited simply due to the inability of households to bring forward initial equity.

2.3 COMMUNITY DEVELOPMENT CORPORATIONS

Community Development Corporations (CDC) had their start in the United States, products of the Democratic administrations of the 1960s. Their main functions are identical to the stated goals of the North End Housing Project: to foster urban revitalization, often using housing as an economic development and job creation vehicle. Housing development is the predominant activity of CDCs, as 88 percent of the CDCs create affordable housing (NCCED: 1991). CDCs in the U.S. target their programs to low-income people and economically distressed areas and

respond to ethnic diversity. Economic development has focused increasingly on supporting micro-enterprises, in addition to continued involvement in commercial and industrial development projects and job creation and retention. Canada's first CDC, the New Dawn CDC in Cape Breton, has followed closely in the tradition of the U.S. model, while other models established here have tended towards centres for small business training, development and loans.

Given the long history of the CDC structure in the United States, there is a great deal that can be learned from this approach. CDCs in the U.S. are being increasingly heralded in media reports as success stories in turning around blighted inner-city neighbourhoods. Generally, CDCs are more likely than for-profit developers to meet the needs of the poor and to raise expectations that will lead to political pressure for social change (Stoecker: 1996). Some critics counter though, that no matter how much housing CDCs produce, they have not reversed social decay, empowered community residents, nor changed the balance of power at any political level. Constrained by their funding, CDCs cannot take the risks necessary to produce empowering community organizing. They manage projects, but within the constraints set by their funders. They try to be community-oriented while their purse strings are held by outsiders (Stoecker: 1996).

One of Stoecker's (1996) arguments that most overshadows current revitalization efforts in Winnipeg is the question of adequate resources. He argues that attempts at comprehensive redevelopment without sufficient resources will often lead to victim blaming. Since CDCs are community-based alternatives to government programs, only about half of CDC operating budget needs are met through government sources (as is the case in the North End Housing Project). Governments are also reluctant to commit funds to CDCs because of their lack of

productivity. While lack of productivity is caused by lack of funding to begin with, these non-profit developers are believed to fail or succeed based on their skills, not their circumstances. When neighbourhoods continue to decline, CDCs and their associated communities, rather than corporate divestment and government neglect, are left to take the blame. He concludes that organizing groups need to be independent of CDCs, to develop effective levers over the developer, and that community planning is key to this process.

2.4 COMMUNITY LAND TRUSTS

The community land trust (CLT) model was instrumental in the initial organisational development of the North End Housing Project. While the organization has decided not to pursue a land trust structure at this time, its organizational structure and subsidy retention policies largely reflect those of the CLT model. A community land trust is a non-profit and democratically structured organization which provides affordable housing, usually to disadvantaged families. This is typically done by buying land and buildings, holding the land portion in trust, and selling the buildings. The basic premise is the separation of land and housing. The land is removed from the real estate market so its value does not escalate. CLTs serve the surrounding community's long-term interest by creating a stock of housing that remains permanently affordable without requiring repeated infusions of public funding. The CLT has proven to be a particularly effective way to both empower residents of low- and moderate-incomes, and to address the roots of the housing crisis in their communities (Hahn: 1993).

Land held in trust are administered by a CLT board. Under the model promoted by the Institute for Community Economics (ICE), typically one-third of the board consists of lessee representatives, one-third consists of representatives of

non-lessee members (local community groups), and one-third consists of representatives of the “larger public interest.” Homebuyers enter into a long-term lease with the CLT and agree to a limited appreciation or limited equity provision, should they decide to sell the home. Homeowners cannot sell, rent or lease the land to others without the consent of the CLT board. Some ground leases provide that either a family member or the CLT has the first option (pre-emptive right) to purchase the building when the homeowner decides to sell.

As a “land trust,” CLTs in the U.S. take on an aggressive role as housing and land developers. They appear more as community development corporations covering a wide range of economic and social development objectives. They are also often combined with co-operative housing projects as the principle form of housing tenure.

What is most exciting about the community land trust movement are the spin-offs that such an initiative can create. The CLT provides a crucial forum for community-building by providing a direct participatory mechanism for members of the community. Additionally, the flexibility of its structure allows for an incremental growth that can help create or strengthen other community-based institutions. That is to say, CLTs can work in coalition with other neighbourhood groups, and even help “house” them.

In its initial efforts to try and adapt to a CLT structure, North End Housing did try and define its role to include “housing” for other community-based institutions. However, during NEHP’s application to Revenue Canada for charitable status this provision had to be deleted from the organization’s by-laws. In fact, entire references to “trust” terms in the by-laws were held as suspect by Revenue

Canada, and the organization didn't have, nor could it find, the legal representation to properly illustrate how the CLT would function within Canadian law.

Charitable status was eventually granted, but only on the grounds of a typical non-profit rental housing corporation. North End Housing would eventually amend its status to include home ownership, but not as a land trust. Much of the process for deciding these issues is addressed in Chapter 5.

2.5 CONCLUSION

The North End Housing Project is situated in a unique but far from perfect situation. The organization, among others, is carrying out a long term revitalization project in a neighbourhood that has a large, old and deteriorating housing stock. Organizers have seized upon housing as a means to provide a solid base both for community and economic development. The initiative to date provides quality housing and secure tenure, but is generally only accessible to low-income earning families. The strategy employed is more indicative of market welfare delivery of housing, but with a twist: here there is direct financial support for the non-profit sector that is intended to provide economic and social stabilization for a community and its working class families..

The project itself is one of many efforts trying to chart new ground with respect to affordable housing in Canada. With the withdrawal of senior governments, particularly in the area of social housing, there has been a void with respect to policy and programming. North End Housing's decision not to pursue a social housing model had more to do with resignation to prevailing policy (or lack of) than it had to do with preference. The alternative is to follow financing and development models that have long been in existence in the United States, where

each project is assembled by a combination of public and private subsidy with a significant portion provided by private lending.

North End Housing considered a number of housing models including the community land trust (CLT) and cooperative housing. It has borrowed considerably from the CLT model but basically provides a low-end-of-market rental with a lease option to pursue ownership. The organization is also similar to a community development corporation in terms of goals for overall community and economic development. With CED and self-management at the base of the community initiative it is hoped that this type of community-based response can be sustained over the long-term. Past neighbourhood improvement initiatives generally achieved the rehabilitation and infrastructure goals for “renewal” but lacked in the social organizing and networks. The North End initiative will perhaps have a better chance of ensuring resident participation, community planning and the long-term municipal and resident commitment to the area.

The stabilization and revitalization of the North End neighbourhood will require the integration and targeting of other government and non-government resources, including the reintegration of social housing programming. The model that North End Housing has begun with will not solve all of the housing problems, however, the home ownership aspect may become an important tool to bring about genuine community control.

Empowering poor communities is no easy task. Nor is planning within a community development context. The following chapter will look specifically at theory and some of the challenges facing the practitioner.

3.0 COMMUNITY DEVELOPMENT, PLANNING THEORY AND PRACTICAL PROBLEMS

The term “community development” is most often tossed around when there is talk of revitalizing low-income, working-class communities, or communities that are under distress due to divestment in the local economy and/or a crisis in social cohesion. Winnipeg's North End has all of these characteristics: problems that compound themselves.

Many community development projects will focus on housing, since housing is a need that can significantly change quality of life, and therefore improve the stability of a community. A high incidence of poor or “slum” housing, for example, can contribute to instability in any number of ways. Historically, there have been statistical associations between poor housing conditions and health, linking inadequate heat, sanitation and ventilation, to the prevalence of germ-borne diseases. The common understanding of health has further broadened to include mental and social health. Poor housing conditions have been found to be associated with depression (particularly among women), the poor school progress of children, and the prevalence of violence and other social ills (Doyle: 1992).

The health of a community can be traced in other ways. Instability, for example, is often marked in terms of “mobility”: the number of times that individuals and families change residences. Doyle (1992) argues that frequent change of homes, friends, schools, and neighbourhoods will lead to ill health, behavior problems and poor school performance for children and to worry and stress-related illness for parents. Having to move again and again deprives children not only of their

present health, comfort and sense of security, but also of their future, which depends in part on a stable home and a good education.

Not surprisingly, recent studies have established that social network ties are the strongest determinant of mortality and morbidity. Reviews of the evidence linking social and environmental circumstances to health have noted that increased rates of disease are found when: 1) supportive ties between people are interrupted; 2) people occupy low positions in a hierarchy resulting in feelings of low-esteem, less opportunity for meaningful participation and less control over conditions affecting their lives; and 3) people are disconnected from their biological, personal and historical past (Lindheim and Syme: 1983). Put more directly, health is related to social identity in terms of having a respected place in the social world, receiving feedback that tells us we are contributing actors, and that we belong (Doyle: 1992).

3.1 COMMUNITY DEVELOPMENT

Although community development has become an elastic term, now used by various sectors for varying reasons, it has traditionally been very much grounded in the search for social identity. Community development, with its goals of community empowerment, participation and self-reliance, has long been promised as an answer to powerlessness and isolation. Nozick (1992) stressed social identity, reclaiming social history, and the building of a community culture as important elements for sustainable community development. Nozick's work explores a holistic approach to community development based on community economics, co-operative ideals and ecological sensitivity. And as with many community development and sustainability theorists, the vision is often utopic:

stressing the potential of self-determination, self-reliance and self-sufficiency for communities.

The evolution of community development theory itself has drawn specifically from such broad fields as community organizing, economic development and social development. However, while the promise and scope of community development is great, achievements are often elusive. Empowerment, the central aspect of community development, is often difficult to foster. It requires that the community develops a critical analysis of “the world”, and its place in it. This is often achieved by entering into an intentional consciousness-raising process or by directly challenging the source of perceived problems and learning from these challenges. Ultimately, the central notion of empowerment is to build the “people’s willingness to challenge formal authority in order to do things for themselves” (Rubin and Rubin: 1986; 21).

3.2 COMMUNITY ECONOMIC DEVELOPMENT

As a process in community organizing, community development has a greater history of practice in developing capitalist and socialist economies. Until lately, its attraction in developed capitalist economies has not been so pronounced. However, due to demands for less governmental intervention in the economy, and a desire for more autonomy by community groups, Community Economic Development (CED) has become the favoured form of community development in recent years. While still not an assured means to empowerment and self-reliance, CED processes have shown to be a substantive approach to community development.

There are two competing approaches to CED. The first is described as the “liberal” perspective, and the second as the “progressive” orientation. The liberal approach is often simply “economic development” at the micro level, typically for-profit, with little or no concern for social development or community empowerment. Often called Local Economic Development, it is really “trickle down” theory where the attainment of economic security (i.e. employment) is to lead to positive social change for the community. The progressive approach is really the opposite: a belief that community empowerment is needed first in order to ensure economic improvements. This is the traditional CED approach which focuses on poor and powerless communities, but “does not seek to make the existing conditions more bearable. Instead, community economic development seeks to change the structure of the community and build permanent institutions within the community” (Swack and Mason: 1987; 327).

The housing project which this paper studies is largely aligned with the latter. One of the project’s main goals is to help “plug the leakages” in the inner-city economy, reflecting a self-reliance or convergence theory of development. The objective of convergence theory is to reverse the outflows of profits, rents and other incomes in an economy where local property and skilled jobs are often held by outsiders (Loxley, 1986). New housing construction and renovation, in this case, represents a ‘basic good’ which can generate many backward, forward and final demand linkages in economic production. A range of products are channeled into the building and furnishing of a house, creating an expanded demand for products that CED initiatives may be able to exploit. For the housing project, a long term goal is to create a “sheltered market” where there can be a systematic approach to development that allows for the creation of employment and related

demand linkages. A sheltered market would effectively limit or target normal economic competition in order to launch and “incubate” locally based businesses.

To provide a broad summary of CED, the following “best practice characteristics”, as defined by the Canadian CED Network (2000: 4), are provided here:

CED in its most effective form embodies the following features:

- 1) It is always a multi-functional, comprehensive strategy or development system, in contrast to an individual economic development or business development project or other isolated efforts at community betterment.
- 2) The basic range of functions includes specific operations (or partnerships) for:
 - a) strengthening community ownership and creating community equity for investment in venture and property development, including enlarging the asset base owned by low income people;
 - b) securing access to credit for business, for commercial development and for affordable housing;
 - c) building human resources through leadership development, literacy and pre-employment supports, skills training, job and career development services, entrepreneurial development supports, etc.;
 - d) local capacity building through planning, research, advocacy, strategic networking and partnership development.
- 3) It specifically integrates or merges social and economic goals in order to make a more powerful impact for community change and revitalization.
- 4) It involves activities that empower the broad range of community residents for the governance of the CED organization and their community as a whole.
- 5) It is a process guided by strategic planning and analysis, in contrast to opportunistic choices and unsystematic tactics. This strategic orientation is coupled with a strong orientation to achieving results, both qualitative and quantitative.
- 6) It uses a businesslike financial management approach that builds ownership of assets and a wide range of financial partners and supporters.
- 7) It employs a core-organization format that is non-profit, independent, and non-governmental, even though for-profit and governmental entities are linked to its work. This format is frequently referred to as a community development corporation (CDC) or a community economic development organization (CEDO).

While the North End Housing Project embodies most of these characteristics, its contribution is only a piece of a larger strategy that is required to bring about revitalization. The North End Community Renewal Corporation (NECRC), established in 1998, will play a key role in co-ordinating the goals outlined above. Modelled after *Le Regroupement pour la relance économique et social du sud-ouest* (RESO) in Montreal, the NECRC is a timely and much needed addition to the broad based efforts currently at work in the North End.

3.3 TASK VERSUS PROCESS

The popularity of CED is understandable; it is easier to gain tangible results (i.e. job creation), sometimes in a relatively short period of time. However, there are intangibles which are imperative to the development of the community. It may therefore be said that community development, as a process, “assumes an idealist ontology, accentuating a need for a change in... ideas and values as a prerequisite to any substantial change of the social structure” (Chekki: 1979; 13).

According to Chekki (1979) there has been ongoing debate among theorists and practitioners regarding the significance of ‘process’ as opposed to ‘task’ accomplishment goals. As a process, the primary objective of community development is to initiate, give direction to and sustain community action. “Implicitly emphasized here is a notion of change proceeding in a series of stages primarily aimed at community self-determination, so that members ally themselves and define their common needs, elucidate a plan or plans which would guarantee satisfaction of those needs, and competently administer the application of those plans” (ibid; 13). In practice, the process typically requires initial research, local recruitment, organizing meetings and discussing issues, developing strategies and

organization, and sustaining organizational maintenance and momentum (i.e. Shragge: 1979, Rubin and Rubin: 1987).

While it may be relatively easy to follow a process as outlined above, the difficulty lies in gaining momentum and sustaining it with tangible achievements. A more recent model known as *asset-based community development* is seemingly more focused on tasks as opposed to its overall process. Promoted principally by John McKnight (see Kretzmann and McKnight: 1993, McKnight: 1995) this method of community development focuses primarily on “mapping” or surveying individual and community capacities, and then linking them to other individuals or organizations in the community.

A large part of the attraction of this model is its practical and pragmatic approach. The mapping exercises stress the need to first look inside the community, and build upon the strengths uncovered there, before starting to look outside of the community to try and find solutions to local problems. The model is presented in opposition to traditional community development practice, a process McKnight labels as a “needs-driven dead end.”

The “task” that really sets the assets-based model apart from traditional community development practice is the mapping/inventory, and “connecting” aspect of the process. Otherwise, the remainder of McKnight’s process does not differ much from traditional community organizing methods. What is of real interest for this study is: 1) that passivity is almost inherent in the main task of McKnight’s process, and 2) McKnight’s critique of the professional class, which provides a logical lead-in to the discussion of the Planning profession’s attempts to be more community-based.

McKnight's task-oriented approach and his criticism of professionals have built a following on both ends of the political spectrum. For those on the Left of the spectrum, the clear process and emphasis on community assets has breathed life back into the community development movement. For those on the Right, McKnight's anti-professional critique and "can-do" theory resonated in an era of downsizing and off-loading, particularly with respect to community services. There is almost a tone of residents needing to "pull themselves up by their boot-straps": a strategy not unlike Local Economic Development which will seek to place or employ people first before further addressing any real structural or systemic problems within the community. 'Empowerment' is simply not a word that is used by McKnight. Instead, those most marginalized in a community are to be "reconnected" as "contributors to the community mainstream" (ibid; 347). How to affect and change the 'mainstream,' or at least a critique of 'mainstream' neglect, seems to be of little importance. Finding everyone a place in the existing order of things appears to be the moral of McKnight's thinking, and perhaps it is this passive strategy that has led the Right to embrace this model of community development.

3.4 THE PROFESSIONAL PROBLEM

McKnight's most forceful argument is perhaps his most disturbing: The professional class is at the root of all the social and economic injustices facing poor communities. McKnight calls it the "professional problem," a labelling tactic admittedly borrowed from the civil rights movement. In the 1960s, the black community turned the tables and declared that the central issue was a "White problem. A people declared deficient and in need unshackled their labels and attempted to lock them on their oppressors" (McKnight: 1995; 16). McKnight is trying to do the same to the professional class, and gives many examples where

clientage is fostered, and unfortunately, retained to the ongoing benefit of the service provider. This is an ethical dilemma that is probably most acute in the medical profession (which McKnight is most critical of), particularly in the United States where medical practice is a for-profit business.

The question is multi-dimensional. Undoubtedly there are many professionals who are almost entirely motivated by profit. There are others who have come to the helping professions with altruistic motives, but have assumed paternalistic roles. The ideals of individual and community empowerment are often lost or constrained within an institutionalized structure; short time-frames and tight purse-strings confine decision-making and often limit or even eliminate participation from the community base. Furthermore, the ability to foster true participation can and will often breakdown along class lines. Between the professional and the working classes, there may be a gulf in terms of values and understanding of cause and affect. Bridging that gulf is no easy undertaking, a point that has not been lost in the Planning profession:

Planning... is intrinsically limited in its potential to address organizational and social problems. These limits are set by uncertainty about the relations between cause and effect in our environment, ignorance of possible organizational and institutional behaviour and interactions, and the instability of the values, goals, and objectives of the people we are planning for. Especially the last, increasingly critical in a changing and complex society, raises the spectre of unanticipated outcomes to well-meant interventions (Alexander: 1992; 127).

Indeed the helping professions are fundamentally based in good intentions, as opposed to the crude generalization of self-service. Many professionals are motivated by social solidarity and remain committed to civic service, not simply for economic purposes, but rather for socio-political reasons. Instead of hoping for “the fall of the modernized professions and the development of new definitions

of good work” (McKnight: 1995; 21), professionals must embrace community development more seriously by engaging in forms of mutual learning (Friedmann: 1987) and critical communication that can bridge the experiential gap that exists between all of us.

3.5 PLANNING THEORY AND COMMUNITY DEVELOPMENT

There have been many attempts to link the Planning profession and the ideals of citizen participation and empowerment. Theories such as John Friedmann’s *Transactive Planning*, John Forester’s *Progressive Planning*, and Paul Davidoff’s *Advocacy Planning* come to mind. John Friedmann, for example, essentially lays out community development practice in defining the planner’s role in an early theory he called *Participant Planning*:

Professional planners at the local level, however, must... be able to rally the community around the common tasks, help its members to learn about the problems they are facing and the available methods for dealing with them, and provide a constant stream of information about those relevant aspects of the external environment (1973; 78).

Friedmann warns that while participant planning is not demanding in terms of information (most people know the environment in which they live), it is extraordinarily time consuming (the institutional constraint). Assuming such a role within a governmental bureaucracy, where the planner may oversee a large jurisdiction with dozens of communities, can lead to stress and burn-out (Needleman and Needleman: 1974). Added to this is the dilemma of divided loyalty: the desire to do more advocacy for constituents, while constrained by perceived professional expectations, or political orders.

While there is the occasional inspiring example of planners being given the political green light to implement more equitable processes for the ‘unincorporated’ of society,³ planning in the public domain tends to be a political obstacle course. Charles Lindblom’s (1959) descriptive theory of *Disjointed Incrementalism* remains largely the reality for traditional land use or other allocative forms of planning. The incrementalism is in part the result of negotiations that create and sustain a corporate planning process. Corporate planning occurs in situations where the structure of power culminates in a small number of influential organizations who represent certain sectors within the social economy. Due to the inter-corporate negotiating and acts of appeasement, corporate planning is not likely to result in long-range commitments to action (Friedmann: 1973). As Friedmann aptly notes, the corporate planning process resembles, and can even replace, the political process (ibid.).

To counter such a political process, planners have been actively engaged in finding ways to plan *with* communities. One of the first substantial efforts was advocacy planning, which evolved in the turbulent 1960s. Based on the claim that the ‘public interest’ wasn’t truly being served, advocacy planning urged city planners to mediate the demands of the urban poor vis-à-vis state agencies (Heskin: 1980). Advocacy planners assumed the role of “public defenders” of the urban poor, and like public defenders in law courts, their work was typically paid by the state. According to Davidoff (1965; 333), the advocacy planner was needed to assist “the client organization to clarify its ideas and to give them expression.” As it turned

3. There are exceptions. Krumholz, Clavel and Forester have provided many examples of innovative planners, often working in unique (political) situations, inside city hall. While uniqueness doesn't make theory, these authors do reveal systematic processes that can build systems of advocacy from 'within' (see Krumholz and Clavel: 1994; and Clavel: 1986).

out, “the notion of advocacy fit quite comfortably into the reality of pluralist politics, with planners giving the poor a professional voice to defend their ‘interests’ in an arena where other, better-endowed groups were already busy with advocates of their own contending for a share of the available resources” (Friedmann: 1987; 300).

Many advocacy planners, and the agencies that they worked for, gradually moved their practices into the field of community development (Heskin: 1980). The contradictions in both theory and practice took its toll. Advocacy planners, typically white, middle class outsiders, struggled in their work with poor communities of colour. They could get community co-operation on issues of defense, but as outsiders, they could not bring communities together to plan. “For many, who had taken up the challenge of bringing about a just society, advocacy planning had meant the learning of the limits of their professional competence” (ibid; 60). In Robert Goodman’s (1971; 181) reflection, the alternative to professional intervention would be to have professionals become part of their communities’ search for new ways of living; to be “part of, rather than an expert for, cultural change.”

Being “part of” the solution, that is, being part of community, would probably suit sustainability and community development theorists. However, it may come into conflict with the ego of professionals. Take, for example John Friedmann, who, on the one hand, is one of the more radical planning theorists, but on the other, is endlessly broadening the professional attributes that distinguish planners from all others. According to Friedmann (1987; 404), the planner must keep a “critical distance” from the group that he or she is working with. “Planners must be part of the action, but not entirely a part.”

It is difficult to see how Friedmann's radical planning would not invite the same "outsider" contradictions that advocacy planners encountered in the 1960s. The community development ideology remains present, but the presence of the planner is still ambiguous:

Because it is oppositional, radical practice (and the planning associated with it) cannot be organized and sponsored by the state. The impulse for it must come from within the community itself. Self-mobilization, however, involves gaining an awareness of the promise of emancipation and confidence in the possibilities for change. These processes may require the outside intervention of 'organizers' and others who can teach both a new awareness and the necessary skills for a self-reliant practice (Friedmann: 1987; 301).

Quite clearly, Friedmann leaves the realm of mainstream planning and lands solidly in the debate surrounding the theory and practice of community development. And he returns to a critical point: 'teaching a new awareness.' Achieving "new awareness" lies at the heart of empowerment, and can be the most political element of community development.⁴

The question of awareness is important. It was noted earlier that John McKnight's "asset-based" theory was in opposition to a "needs-driven" approach to development. However, it is unrealistic to ignore needs or systemic problems within communities. Instead, the question of 'need' must be probed in a critical way. John Loxley (1986) argues that the deprivation and lack of economic opportunities that pervade many communities in fact limits the knowledge of possibilities available to them. "People cannot be expected to want what they have no knowledge of. In addition, these circumstances of deprivation serve to constrain the ambitions and aspirations of communities" (ibid; 13). He goes on to

4. The most comprehensive study of conscienceness-raising can be found in Paulo Freire's *Pedagogy of the Oppressed* (New York: Continuum) 1970.

argue that the 'felt needs' of poor communities often turn out to be relatively few in number, relatively general in nature and very limited by the narrow view of what is possible. Challenging the perception of what is deemed 'acceptable' is the first step in developing a critical awareness of why things are the way they are.

One of the more recent planning theories that looks at perceptions and distorted information and its sources is John Forester's (1989) "Progressive Planner". Forester's work is largely derived from Jurgen Habermas' theory of communicative rationality (1984). According to Habermas, our world view - conceptual frameworks, theories, assumptions observations - is unconsciously distorted by the ideology of "Scientism": the application of "objective" scientific methods of investigation to people and society. Because this ideology systematically distorts communication, it prevents us from reaching self-knowledge and emancipation (Harper and Stein: 1993).

Progressive planning practice, Forester argues, is a refinement of traditional advocacy planning, based on the practical recognition of systematic sources of misinformation. The progressive planner seeks to anticipate and counteract misinformation that hampers informed and participatory planning. Planners can prepare participants in the planning process to face misinformation - sometimes preparing them with facts, sometimes with questions and arguments, sometimes with expertise, and at other times with just an early warning. "Anticipating the agenda-setting attempts of established interests, planners can respond through a variety of informal, information-brokering roles, keenly attuned to the timing of the planning process, its stages and procedures, and the interests and perceptions of the of the participants all along the way" (Forester: 1989; 46).

This theory of progressive planning doesn't differ greatly from Friedmann's Participant Planning, except in that it is more clear that the planner can control information and assist the client group through a bureaucratic system. It may not be an ideal example of the professional and non-professional interplay of community development, but it is a normative and more realistic description of how planning may interact with community, particularly disempowered communities.

3.6 PRAGMATIC INCREMENTALISM AS A MODEL

Forester's theory is based largely on practical experiences of attempting to solve real problems. Similarly, if we are to look for an appropriate model for planners in relation to community development, we should also consider practical experience first as a means for prescribing the planner's role. Incrementalist theory can be incorporated in this endeavour, and more appropriately a reconstituted form of the theory known as Pragmatic Incrementalism (Harper and Stein; 1997) may serve well as a means for theoretical explorations of community development and linkages to the Planning profession.

Pragmatic Incrementalism is largely a re-work of Charles Lindblom's (1959) theory of Disjointed Incrementalism. In looking back at Lindblom's two normative arguments for Disjointed Incrementalism, we find interesting challenges and supports for the ideals of community development. The first is that incrementalism accepts the reality of constraints and works within them (Lindblom; 1959). Arguably such decisions are bound to be more effective in achieving goals than ones which ignore reality. Conversely, with respect to community development, constraints can and will complicate the development process and may be the reason why an organizing effort has started. Accepting

constraints will undoubtedly impede or diminish the emancipative goals or empowering ideals of community development. For long-term sustainable community development, maintenance and momentum for the process may rely on incremental steps that ensure small achievements towards larger goals. The sense of empowerment may be muted in the process, but this need not be considered failure. Self-esteem might be more readily achieved if done in or through incremental steps. Without initial boosts to self-esteem, empowerment over the long-term is virtually impossible.⁵

The second normative argument is that Incrementalist politics “help maintain the vague general consensus on basic values... that many believe is necessary for widespread voluntary acceptance of democratic government” (Lindblom; 1979: 520). The argument for fair play and shared basic values can take the community development process a long way. In civil society, disadvantaged communities need not be left behind or neglected. A community development process will often ask the greater community to justify its acquiescence and resultant neglect, and at what expense.

Harper and Stein’s re-work of Incrementalism puts an interesting ‘spin’ on the theory which may make it a valuable tool for analyzing and implementing community development practice. Their Pragmatic Incrementalism consists of six important elements:

1. In a democratic society, change must take place within a consensually-held framework of sameness.
2. The test of good policy is agreement (consensus).

5. Conversation with Farley Cates (reader for practicum).

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3. Consensus comes out of partisan debate through a dialogic process which has been referred to as Wide Reflective Equilibrium.
 4. Ends and means are not separately chosen; ends emerge and evolve in process.
 5. Social 'theory' is ad hoc, constantly modified by practice.
 6. Change occurs through successive incremental steps, by trial and error (1997: 12).

One the most applicable aspects of Incrementalism is its allowance for trial and error. A community development process can be a highly unpredictable activity and may require risk taking. The uncertainty with respect to supporters, allies and real or perceived opponents, the ability of the community to produce leaders, the dynamics of group building and interpersonal conflicts, all these and other factors create complex challenges for planning action. Moreover, because community development practice focuses on finding alternatives to unique problems, the search for solutions may change through trial and error. The Incremental approach is a learning system (Sager: 1997), and the same can be said of community development: "[E]ach community situation is different and much is learned from the doing. In fact, we are all learning as the field of community development evolves" (Frank and Smith; 2000: 25). The application of trial and error may in fact stimulate creativity and make it possible to exploit some of the unintended effects. Albert Hirschman (1967: 13) puts it this way:

Creativity always comes as a surprise to us; therefore we can never count on it and we dare not believe in it until it has happened. In other words, we would not consciously engage upon tasks whose success clearly requires that creativity be forthcoming. Hence, the only way in which we can bring our creative resources fully into play is by misjudging the nature of the task, by presenting it to ourselves as more routine, simple, undemanding of genuine creativity than it will turn out to be.

Aside from the results of decision-making, which Disjointed Incrementalism tends to focus on, Harper and Stein's approach focuses more on the way in which the decision is justified. "Precise predictive theory which would allow manipulation

and control of social behaviour is impossible” (Harper and Stein: 1997; 15).

Incrementalism requires no such meta-narrative, but rather bases actions primarily on experience:

‘Social theory’ attempts to give an account of the structure and functioning of society which may lead to (i.e. cause) social conditions, values, and changes in them. Its perspective is external to the society. Lindblom advocated emphasizing an internal or participant’s perspective. Then the concern is not the cause of change, but its justification.... For an external (social theory) perspective to be relevant, it must be interpreted into context by those who are situationally located. This is the only way that its application can be justified (ibid.: 15).

To evaluate and justify decisions within Pragmatic Incrementalism, Harper and Stein promote the Rawlsian (1971) notion of “Wide Reflective Equilibrium” (WRE). The WRE process is based on a coherent set of beliefs which include a number of components. First, we are asked to consider our own moral judgements and intuition. We all have personal values that shape and define our own personal world view. How these values correspond or conflict with the task at hand is often ignored or repressed. Second, a set of normative, substantive and/or procedural ethical principles need to be identified. And finally, a set of background theories are used to help evaluate and justify both judgements and principles. According to Daniels (1985), these background theories may incorporate both ethical notions (different from the normative ethical principles held), and empirical theories and observations.

Applying this framework to the decision-making process in community development may provide the best evaluative filter for a professional working in a community-based process. Justification for planned actions must align within an ‘overlapping consensus’ that is a combination of judgement, intuition, and normative ethical principles tested by external theory and empirical observations.

3.7 CONCLUSION

Working in poor communities with limited resources can present more challenges than the practitioner can deal with. The main challenge is to involve the community and foster community control of the development process; a process that often requires the community to change ideas and values as a prerequisite to any substantial change. Sustaining community participation in this process can be difficult, largely because of the intangibles involved. The wider plank of community economic development is likely to produce quicker and more tangible results for residents which, in turn, will sustain participation and momentum.

There are obvious linkages between the planning profession and the community development field. However, the planning role in community development has not been easy to theorize or practice. Since community development is dynamic, “a fixed blueprint for the perfect community development process is unrealistic. It is better to plan a framework that provides guidance and adapt it as the situation evolves” (Frank and Smith; 1999; 25). Community development and CED theory will often cite strategic planning as part of the development process, and this alone could preclude the need to identify a complementary planning theory. While there are many examples of procedural theory, a normative theory that is sensitive to the organizational and interpersonal dynamics in community development is wanting.

The theory of *Advocacy Planning* and its transformation in the field was perhaps the most interesting marriage between community development and planning. However, practitioners struggled with their roles and often found themselves as “outsiders” who couldn’t organize a sustained interest in community development.

John McKnight's work on asset-based community development provides some innovative guidelines for practice, but offers little to resolve the gulf between the professional and members of a community. It is perhaps this gap, be it cultural, class or values, that creates one of the biggest challenges to practice. Therefore, theories that promote effective communication could be the most appropriate vehicles from which to engage practice. John Friedmann's *Mutual Learning* and John Forester's progressive planning practice are some of the more practical theories regarding this.

Community development tends to be a learning process for all involved. The same is said of Incremental Planning (Sager: 1997), where learning, often by trial and error, is expected. Stanley Stein and Thomas Harper's theory of Pragmatic Incrementalism, a modification of Disjointed Incrementalism, is a planning theory that can both help explain the community development process and guide it. Incremental planning theory works well with the variety of social theories that are embodied by community development. Goals and theories regarding community control, empowerment and sustainability cannot be treated as precise predictive theory. As a result, community development will often proceed through trial and error, making incremental gains towards its goals. Pragmatic Incrementalism recognizes these realities and prescribes a means to clearly identify, justify and maintain chosen goals.

The core of Stein and Harper's theory is the use of Wide Reflective Equilibrium (WRE). The WRE process involves seeking coherence amongst ethical principles and theories and reflecting on these with one's own judgments and intuitions, as well as incorporating background theories. As a communicative tool, the WRE can be used by the practitioner to provide a structured debate within the

community development process. The starting point would be to seek agreement on an 'overlapping consensus' of shared moral principles, values and empirical facts. In this way the WRE can also help bridge the class and value divide that may separate the practitioner and community members.

The following chapter details the development of the North End Housing Project, which is largely based in CED theory. The subsequent chapter will review the project using Pragmatic Incrementalism.

4.0 LAUNCHING THE HOUSING PROJECT: AN OVERVIEW

4.1 BACKGROUND

Winnipeg's Old North End is one of Canada's most famous neighbourhoods. The North End is heralded by many as a place of working class struggle, a birthplace of Canadian radicalism, and the heartland of support for the General Strike of 1919, the subsequent career of J.S. Woodsworth, and social democratic politics. For almost the entire history of Winnipeg's municipal governance, the working class North and the wealthy South have been at odds. Still today, many "North Enders", including those who moved further north into West Kildonan, consider themselves "fighters".

The differences were once well defined. The neighbourhoods adjacent to the Canadian Pacific Rail yards were generally known as the North End of the original city. There was a class division: working class and radical politics in the North, and middle and managerial classes and conservative politics in the South. Additionally, there was an ethnic division with an immigrant population of east Europeans in the North and a white Anglo-Saxon population in the South.

During Stephen Juba's tenure as mayor, the class and ethnic conflict largely died down. This was largely due to a rapid population decline in the North End after World War II. The Old North End was changing. Between 1941 and 1996, the

population declined by 62 percent, from approximately 47,000 to 17,800.⁶ As the population moved into new suburban areas, businesses died or moved on. Today, the commercial strip on Selkirk Avenue is only a shadow of the once-vibrant community hub. Long-term home owners who have kept their houses well maintained increasingly find themselves surrounded by deteriorating housing, often boarded-up and abandoned. For many outsiders, the North End is a typical landscape of despair, “where the seedy bars of North Main Street empty into an area of poor-quality housing, low educational attainment, high unemployment, and visible poverty” (Hiebert: 1992; 92). For residents, crime, arson and youth gang violence have brought greater instability to the neighbourhood.

The North End is in transition, but remains a rich multi-cultural neighbourhood. People of Ukrainian and Polish origin continue to represent a significant proportion of the population, and more recently Filipino and other immigrants have made the North End home (see Appendix A). However, people of Aboriginal origin now represent the fastest-growing community. In 1991, William Whyte had the highest number of Aboriginal persons of any neighbourhood in Winnipeg. Aboriginal schools, churches, businesses and service centres have been increasing rapidly, both in total numbers and capacities.

The future of the North End is largely in the hands of Aboriginal communities. By and large, Aboriginal communities have experienced a greater sense of empowerment by reclaiming traditional culture, and by returning these values to their own community development and political processes. The development of

6. This is for the area bounded by the Red River to the east, the CPR yards to the south, Arlington Street to the west and Church Avenue to the north. Based on Statistic Canada Census tracts for the area.

these communities, with their distinct culture and rapidly growing labour force, may re-establish the radical political dynamic once prevalent here of a marginalized community struggling to gain equality.

4.2 HOUSING IN THE NORTH END

Prior to the turn of the century intense immigration coincided with a major extension of the CPR yards. Land around the yards attracted wholesale and manufacturing firms, but its value as residential property plummeted. With low land values, and with proximity to work, the North End naturally became the destination of poor immigrants. Since Winnipeg had no large stock of old housing to accommodate the large influx of immigrants, a great demand rose for new and cheap dwellings. To meet this demand, large tracts of land in the North End were purchased, developed and sold to newcomers. In order to make large profits, the developers squeezed the land: most lots are only twenty-five or thirty-three feet wide (Artibise: 1977). While some developers built solid housing, many houses have not stood the test of time.

Although the North End was known for its slums at the turn of the century, its quality of community did improve as the various immigrant communities settled and prospered. This prosperity arose not only from the rapid rate of growth that Winnipeg experienced in the first half of the century but also due to the North End community maturing as a whole, with a wide range of industry, commerce and services. However, along with the upward mobility of its population came the desire to “move-up” to larger and better housing in the neighbouring suburban areas. Movement out of the community started after World War II. This movement would see those families with the higher disposable income leaving, and subsequently the slow but steady divestment of a vibrant commerce.

Aside from the growing Aboriginal population, there is not an overwhelming demand for housing at the turn of this century. There is plenty of cheap and affordable housing, but it is in very poor condition. There are also a lot of bungalows and one and a half storey houses, which are exceedingly small by today's standards. Many of the larger houses have been divided into one and two bedroom rental units. The high vacancy rate combined with low market rents indicate that there isn't a huge demand for residency in the North End.

Generally, the population that chooses to move into the North End are doing so because the rents and housing prices are amongst the lowest in the city. However, people also choose to move back into the community because they have grown up here and are more comfortable with the sense of community, which is greater in many respects than in other neighbourhoods. People also move to the North End simply to be closer to family members.

The quality of the existing rental stock in the North End varies, but is generally observed to be in a continual and sharp decline. Landlords who have managed to keep up the standard of their properties seem to be in the minority. Because of the overall decline of the neighbourhood, today's market rents for the immediate area allow little or no profit margin for the private landlord. As a result, many landlords re-invest the bare minimum into their properties in order to try and realize some profit. This short term gain obviously leads to a long-term loss, as the quality and the marketability of the house deteriorates, which subsequently affects the entire neighbourhood.

In some cases, landlords known as "slumlords" can add significantly to the neighbourhood's decline. The successful slumlord will be able to purchase homes

outright, or will only need to mortgage a small amount which is amortized over a short period of time. The typical condition of slum housing will often consist of poorly laid-out living units carved out of a former single family house. Flooring, kitchen, windows, wiring and plumbing will be older and in need of replacement. Heating of these houses is most problematic, and always a contentious issue in winter.⁷ In many cases, the only new systems in a slum house are the hot water tank and the furnace. In a house with poor or broken windows and minimal insulation, if any, the furnace will run constantly in the winter. An older furnace cannot keep up with the demand, will fail, and will need replacement. Adding to the demand on the system is the likelihood that the filter of the furnace is not being replaced or cleaned. If air intake cannot easily reach the heat exchanger, then the furnace will simply burn more fuel since its intake is obstructed and heated air is not promptly returning to living areas. If the households that are in these buildings are on social assistance, and the government is paying the utility bills, then there is little concern for how much natural gas is consumed; the bill will be paid by the public purse and the landlord may be able to keep the tenants relatively warm and happy.

In the William Whyte neighbourhood, 62.5 percent of the houses were built before 1946, and another 21 percent between 1946 and 1960. Almost half of the houses are in need of repair: 16.1 percent in need of major repairs, 28.5 percent needing minor repairs, and 55 percent require only regular maintenance. Half the houses

7. Social workers at Hope Centre Health Care, a partner in the North End Housing Project, are often called-upon to advocate for tenants in substandard housing. Disputes with landlords are frequently about heating issues where the house is too draughty or where the landlord has fixed the thermostat in winter to try and minimize rising heating costs.

are single-detached while all other units, including apartments, account for the other half. Home ownership continues to decline, and was at 39 percent in 1996.⁸

In 1996, the average assessed value of houses in William Whyte was \$43,983. However, property tax assessments in the inner-city are much higher than market values. According to the Winnipeg Real Estate Board, the average 1991 selling price in the 4A area,⁹ which includes all of William Whyte, was \$32,600. That number rose to \$33,500 by 1993, but after that market value has plummeted. By 1999 the average selling price was hovering just above \$19,000.

4.3 THE BEGINNINGS OF THE NORTH END HOUSING PROJECT

The creation of the North End Housing Project was a tentative and fragmented process. The need to *do something* about the housing conditions in the north end is apparent to everyone who lives or works here. For Betty Edel, a social worker then working with Hope Centre Health Care, advocacy work for her clients often involved dealing with substandard housing. She, along with a community development worker from the Community Education Development Association (CEDA) started to hold community meetings around housing. At the time, the federal government had just pulled out of its role in providing for social housing. Non-profit groups most active in the North End using government subsidy were Kinew Housing, an Aboriginal non-profit corporation and the City's Winnipeg Housing and Rehabilitation Corporation. Other groups active in the North End

8. All figures are from the 1996 census.

9. The 4A area is bounded by the Red River to the east, CPR Yards to the south, Arlington Street to the west, and Mountain Avenue to the north.

included Aiyawin Corporation, Payuk Housing Co-op (both groups Aboriginal) and M.A.P.S. Housing Co-op.

The latter co-op came together towards the end of the 1980's and established a housing stock of 42 units before government funding dried up. M.A.P.S. Co-op, originally intended to revitalize an area within the streets of Mountain, Andrews, Parr and Selkirk, was largely a project of CEDA, and in many respects a precursor to the North End Housing Project. The M.A.P.S. project allowed for a scattered co-op that would help to revitalize a part of the North End. It renovated some houses, but largely built new two-storey side-by-side duplexes. Land acquisition for this project was scattered vacant properties, or slum properties which were acquired and demolished. Only one "typical" co-operative complex was created, a 14 unit townhouse complex which is adjacent to the Dufferin Avenue industrial and commercial area. Another "cluster" was created on Manitoba Avenue, in an attempt to turn around a deteriorated block on that street. This cluster was the most significant attempt to use the co-op program not to just produce social housing units but also to try and achieve revitalization.

Because of the cancellation of the federal programs, CEDA's administration felt it was important to find a way to continue a housing revitalization strategy. Richard Dilay, a community development worker with CEDA, was assigned to help explore a housing strategy with Hope Centre. Besides Betty Edel, the executive Director of Hope Centre Health Care, Helen Wythe, also became involved in the strategy sessions around housing. For approximately two years meetings were held at Hope Centre. Most participants were professionals who worked in the area or who had expertise in housing. At times program officers from Manitoba Housing participated in the meetings. Instructors and students from the University

of Manitoba's inner-city access programs (Winnipeg Education Centre: WEC) also participated, providing surveys and research on housing conditions. Ostensibly this group was to provide the proof and rationale for why governments needed to remain instrumental in the provision of affordable and decent housing. However, momentum waned as governments continued to announce further austerity in all sectors of public programs. Dilay was to be moved to the West Broadway neighbourhood, and Helen Wythe left Hope Centre, leaving Edel as the remaining organizer from this initiative.

Frustrated by the lack of results, Edel changed the housing forum from a professional base to a community base. Inspired by the community land trust model from the United States, Edel looked for ways that housing could be undertaken from the grassroots. At that time, Edel was also on the Board of Directors of CEDA, and was in regular contact with Tom Simms, the Executive Director of CEDA. Simms was the catalyst of the M.A.P.S. housing co-op, and urged that any new housing initiative needed to be integrated as a community economic development (CED) strategy.

After a short time of organizing a handful of residents, the North End Housing Project was incorporated in the Spring of 1996.¹⁰ The goals and objectives of the organization were still quite general in nature, emphasizing a healthy community philosophy with affordable and quality rental housing renovated by local labour. In the incorporation process the organization indicated its interest to "move into the area of community land trust", but was denied by Consumer and Corporate

10. Just before incorporation, the author of this study had moved into the neighbourhood and became active in the project as a volunteer.

Affairs as there was concern with the term “trust” and the designation of such an entity.

Overall participation in these initial years was low, with a relatively high turn-over of participants. The low participation can perhaps be attributed to a lack of promise. While the organization had good intentions, it had no real resources to actually create affordable housing. The organization struggled to maintain any momentum. Meetings that were held often only focused on small fund-raisers and strategies to get other neighbours involved. Fund-raising efforts within the community, however, produced limited results. This impeded a simple goal of purchasing and renovating just one house, financed completely on fund-raising efforts.

Meanwhile, by-laws for the structure of the Board of Directors were drawn up based on the Board structure for a community land trust. Wording in the first by-law also lay the groundwork for creating a community land trust entity. However, gaining technical expertise for the land trust was a different matter. A number of lawyers were consulted but would not commit to the undertaking of adapting the land trust model to Canadian law.

The turning point for the organization came, indirectly, with the awarding of a Samuel and Saidye Bronfman Family Foundation grant to CEDA and Hope Centre. The two organizations had submitted a proposal for a “sustainable community” demonstration project based on employment and housing for a Winnipeg inner-city neighbourhood. While Board members of the North End Housing Project were never consulted around such a proposal, it did call for an “Inner City Community Land Trust” as one component of the project. The

proposal, titled “Just Housing” and authored by Simms, laid out a number of broad and ambitious goals:

1. To strengthen the neighbourhood economy by developing community economic development strategies to stop leakages for housing expenditure, incomes and profits from an identified inner city neighbourhood in the core area of Winnipeg.
2. To develop and co-ordinate a community based working group with a local credit union, Canada Mortgage and Housing Corporation and inner city housing organizations to develop a community based financing model for inner city non-profit housing for low income families in an identified inner city neighbourhood in the core area of Winnipeg.
3. To develop and co-ordinate a community based working group with the municipal government, a local credit union, community groups and inner city housing organizations to develop a working model for an Inner City Community Land Trust in order to assemble land for inner city non-profit housing for low income families in an identified inner city neighbourhood in the core area of Winnipeg.
4. To develop and co-ordinate a community based working group with local community residents, community groups, a local credit union, provincial and federal government to develop a working model for converting an identified public housing project to a community owned inner non-profit housing for low income families.
5. To develop and co-ordinate a community based working group with local community residents, community groups, a local credit union, church groups, and service organizations to develop a working model for raising equity funds for inner city non-profit housing for low income families in an identified inner city neighbourhood in the core area of Winnipeg. (CEDA/Hope Centre: 1996; 3)

Although the Bronfman’s Urban Issues program provided up to \$30,000 per year for three years, the undertaking would take longer and would change with time. While overly ambitious in scale and scope, what probably influenced the Foundation the most was an initial tour of Winnipeg’s North End. The high need for action and the fact that housing could be acquired for less than \$10,000 presented a real opportunity for a high impact and high profile project.

The first goal of the *Just Housing* project, community economic development, is the main focus of this study. Ostensibly this goal seeks the retention of money in the local economy by employing local residents via housing renovations, and by creating ownership of property within the community, rather than seeing rent moneys flow out of the community to absentee landlords. Specifically, the job creation goal was to be achieved through renovation crews which hired local people. This goal would be achieved, but not until the year after the initial three year funding block.

The “capturing” of rents would fall to community-based housing corporations, in this case the North End Housing Project, although this too would come in the fourth year, and under circumstances that differ greatly from what was originally proposed. One of the main selling points of the *Just Housing* proposal was the cost of houses and advantages of a depressed housing market. However, the costs of rehabilitation in this strategy were underestimated:

Due to lower interest rates and a depressed housing market in the inner city, housing can be purchased at a very reasonable price. The amount of rent that people are presently paying would readily cover monthly mortgage payments given inner city housing market prices. However, most low income families are unable to come up with the initial equity requirements for mortgage financing (ibid.: 3).

The proposal further suggested that “the amount of money required to service the monthly mortgage costs of a non-profit housing initiative would be well within the rental guidelines of the social assistance programs” (ibid.: 4). The housing that has been created to date through both *Just Housing* and the North End Housing Project do not provide rents that are within the rental allowances of social assistance. To be fair, the proposed economic strategy could have been achieved, but only if the houses were to be purchased cheaply with very little costs in

renovations. Such housing is few and far between and could pose greater costs in on-going maintenance. It would also require an avoidance of the most deteriorated housing stock as rehabilitation costs would require greater mortgage loans. In terms of affordability for people on social assistance, the major problem is with Province itself, which does not provide realistic allowances for rent (see section 4.6).

I will detail the housing project further, but I will first briefly summarize the four other goals stated in the original *Just Housing* proposal. Goals number 2 and 5, the financing model and the model for raising equity, have both undergone extensive consideration. Models that were examined included the Montreal Investment Fund, which saw a combination of regular mortgage funds and second mortgage investors. To date, discussions around financing and equity have been taken up by the Inner City Housing Coalition, which is currently pursuing a foundation structure rather than an investors scheme (see Appendix B).

The third goal of undertaking a community land trust was never seriously considered by the *Just Housing* project. The model has been considered by the North End Housing Project, and more recently by a housing group in the West Broadway neighbourhood. The Winnipeg Housing and Rehabilitation Corporation, along with the City, have also been pursuing discussions around “land banking” for the purposes of setting aside properties for non-profit groups.

The fourth goal, converting a public housing project, was in reference to the Lord Selkirk Park housing developments owned and operated by Manitoba Housing. This was not addressed as part of the *Just Housing* project, however, CEDA is supporting an initiative which would see tenant management of the complex.

4.4 THE *JUST HOUSING DEMONSTRATION PROJECT*

Funding began to flow by the summer of 1996 and Richard Dilay was re-assigned to the North End as the co-ordinator of the project. The first task undertaken was the recruitment of voluntary advisors and the establishment of four working groups to explore the different components of housing development.¹¹ Adding to the complexity of this undertaking was the establishment of a steering committee which was to oversee the process. The following four committees were established:

Mortgage Financing Committee. The purpose of this group was to determine the criteria for accessing mortgage financing for the project. Much of the discussion which took place here was the need for Canada Mortgage and Housing Corporation (CMHC) to treat non-profit housing organizations the same as the private sector in order to allow non-profits to start projects with 15% equity, rather than requiring 25%.

Fund-raising Committee. This committee looked at methods for securing funding required to establish equity or downpayments in future housing projects. Absentee landlords were offering to give away properties for a tax receipt, and the immediate task at hand was to determine which organization would issue charitable tax receipts. CEDA initially volunteered this function and amended its by-laws to allow this mandate. Other questions around fund-raising campaigns and possible investor models were explored with this group.

11. The advisors were principally professionals who were currently involved in housing or financing. Residents were intended to be part of these working groups, but only the author of this study and Betty Edel attended as residents of the targeted neighbourhood.

Construction Committee. This committee was to determine the feasibility of renovation versus new construction. While there was an attempt to examine built-form and costs in this group, discussions often centred around mortgage costs for each house and whether this operating expense, among others, could be covered by the local market rents.

Planning Committee. The purpose of this committee was to identify an appropriate development model and tenure system. Employment creation from housing renovations was also discussed here. Models such as community development corporations, co-operatives, community land trusts and rental versus home ownership were covered in this working group.

This committee also debated strategy for development. Under the direction of Tom Simms, the project would ideally pick up where M.A.P.S. housing co-op had left off: principally the area that surrounds William Whyte Community School and Andrews Street Family Centre. The rationale for continuing housing development here was largely predicated on these community driven institutions and their ability to support a greater community-building process. A cluster approach would provide an easier means to organize and support residents, moving the initiative beyond just housing and towards building community. Without question there would be multiple benefits with such a strategy, but in the initial stages of the demonstration project the ability to renovate in a concentrated cluster of homes was a moot point: due to a lack of capital, the project had to take what it could get, which meant a scattered acquisition process.

Some committee members questioned the wisdom of tackling the ‘core of the rot’. For the North End, the core was roughly bordered by Main Street to the east,

Burrows Avenue to the north, McGregor Street to the west and Selkirk Avenue to the south. This area represented approximately 40% of the William Whyte neighbourhood and approximately 25% of North End Housing's boundary.¹² The west end of this area is the M.A.P.S./William Whyte School area described above, while the east end, known as Pritchard Park, became the centre of an arson epidemic. Early in the demonstration project there was nervousness around the prospect of acquiring anything within Pritchard Park. It was felt that the area was too destabilized and that the housing project would have a difficult time keeping anyone as long-term residents in this area. The high number of burnt garbage bins and abandoned garages here were only a precursor of worse things to come. The more conservative suggestion was to tackle revitalization by moving from the "outside in": to develop the organization in more stable parts of the neighbourhood and then tackle more difficult areas after a solid operational base was developed.

For a time, it wasn't clear which strategic development area would be chosen. It was clear, however, that there should not be an "either/or" approach. In particular, if a cluster target area was to be decided upon, the housing organization should still be free to take other projects when opportunities clearly presented themselves. This meant that a scattering of acquisitions would be still reasonable to expect.

While there were some good results and direction coming out of these working groups, the four meetings plus the steering committee became overkill in a short time. Too often each group would veer off its mandate and instead debate wider

12. The North End Housing Project defined its catchment areas as bounded by Main Street to the east, Mountain Avenue to the north, Arlington Street to the west and Dufferin Avenue to the south. Using City of Winnipeg definitions, the William White neighbourhood falls entirely within NEHP boundaries (covering approximately 2/3 of the area) while four other neighbourhoods share the north and south edges.

issues which almost always involved the mandates of the other committees. This redundancy, combined with the frequency of the meetings, soon led to what Simms aptly describes as “analysis paralysis”. The meetings did provide general guidelines or parameters in which to start the demonstration project, and they also flagged a number of issues which continue to challenge development to this day.

The first issue was the level of market rents in the area, and the fact that the high number of welfare recipients in the neighbourhood was in fact dictating the level of rents for the area. Furthermore, based on the experience of existing social housing corporations in the North End, it was clear that operating costs could easily out-strip the amount of rent revenue created. This led to a second looming issue, that being the need for government participation to subsidize rehabilitations. Opinions ranged dramatically, from the view that subsidy wasn't needed thanks to low house prices and ample room to mortgage renovations, to the opinion that such an undertaking wouldn't be possible without some sort of subsidy. In hindsight this debate should have been closely examined in the initial stages, as it became clear that subsidy would be required if employment was also part of the goal.

A final issue which wasn't examined thoroughly in the initial stages of the *Just Housing* project was the costs of housing rehabilitation and new home construction. The construction committee met least frequently of the five committees and was the least resourced. A more detailed examination of construction costs could have provided a basis of information that the other committees needed and lacked.

4.5 THE RENOVATION TRAINING PROGRAM

All of these issues would eventually be encountered in the launch of the demonstration project. Richard Dilay would leave CEDA within the first year of the project, after successfully creating a housing renovation training program that would train social assistance recipients in construction skills.¹³ The North End Housing Renovation Training Program (otherwise known as the *Just Housing Training Program*) was funded by Human Resources Development Canada (HRDC), one of the federal partners in the Winnipeg Development Agreement (WDA)¹⁴. The six month training program was basically a copy of a program run three years earlier by the Mennonite Central Committee and Winnipeg Habitat for Humanity. The only difference with the *Just Housing* training proposal was the placement of the trainees after graduation. The initial proposal hoped to train 15 individuals and to take several of the graduates and create an incubated renovation company. The trainees would receive small business management training as part of the six month program. The renovation company would be worker-managed, sheltered by a large flow of renovation projects, and would receive support from SEED Winnipeg (Supporting Employment and Economic Development) in establishing itself.

The business management training would not take place with this group or any of the other training sessions that followed. Three years later, with the training program still intact, the project finally launched a renovation company with a

13. With the departure of Richard Dilay, the author of this study was hired as the project co-ordinator for the demonstration project.

14. The WDA was a tri-partite governmental strategy for programs and developments in Winnipeg, effective for a five year period between 1995 and 2000. The City of Winnipeg and the Province of Manitoba witnessed slower implementation periods and therefore continued funding project beyond March 2000.

journeyman carpenter and five graduates of the training program. This enterprise isn't a worker-managed entity, as previously envisioned, but its establishment is a major achievement given all of the obstacles encountered.

The creation of the training program provided the vehicle from which strategies and practice were tested. The training courses spent only two months in a classroom, while the remaining four months were spent working on a house. CEDA acquired houses for rehabilitation and arranged building mortgages to cover material and sub-trade costs. The mortgage loans arranged were typically 75% of the estimated end value of the property after renovations. A \$40,000 value would therefore leverage a \$30,000 loan.

Project management of the projects undertaken by the training program encountered financial constraints. Out of the 8 renovations in the 3 year demonstration period, 4 projects struggled with the budgets created, and 2 projects saw cost overruns of approximately \$1,500 each.¹⁵ The fact that the training program struggled with the financing wasn't surprising. The loans not only covered renovation costs, but also had to cover legal and acquisition fees, utilities, property taxes, insurance, appraisals, engineering reports, etc. Furthermore, the fact that the demonstration project had no working capital led to some creative acquisitions. Out of the 8 projects, three houses were donations. While these project costs were easier on the front end, the ability to finance the extensive renovations were generally much more difficult.¹⁶ For houses which were

15. The training program was often kept busy by other non-profit organizations with renovation projects, however, the majority of the field work was undertaken with houses purchased by CEDA.

16. The third donated house was the least problematic, as financing included a \$12,000 Residential Rehabilitation Assistance Program grant.

acquired on the market, the credit union recognized that the training labour provided an equity position, and permitted CEDA to tap into its line-of-credit to make the initial downpayments for house purchases. In such cases, the renovation and overhead budgets were simply the size of the mortgage less the purchase price of the house.¹⁷

4.6 MANAGING THE INITIAL HOUSING STOCK

The \$30,000 debt load would become the benchmark for determining if a property could be acquired and renovated within that amount. The loan represented the largest operating cost during the rental of the house. Other operating costs included insurance, property taxes, management fees, maintenance reserve and replacement reserves. To cover these costs the housing initiative set rents between \$450 and \$500 per month with utilities to be paid by the tenants.¹⁸ These rents were average or perhaps above average for the immediate area but a very good value for the condition of the home.

As a first step in transforming itself as a housing corporation, CEDA encouraged the North End Housing Project to “manage” the new homes, and to help select the

17. In one case, Assiniboine Credit Union provided CEDA with 100% financing to take a duplex the credit union had acquired through a foreclosure.

18. In 1998 the proposed rent for a 4 bedroom home was \$500 per month plus utilities. The expenses broke down to these approximate figures: \$220 for mortgage; \$110 for property taxes, \$35 for insurance; \$25 property management fee; \$60 maintenance reserve; \$50 general or replacement reserve. The organization debated hiring a property management firm but chose not to. In the initial three years staff from the training program were called upon to attend to maintenance issues. Eventually the corporation would receive funding to train a person in this area. To date the property management fee has not been charged or executed.

families for the homes.¹⁹ While community workers from CEDA were slow to help create a hands-on process for the North End Housing Board, the undertaking itself did provide a good learning experience for community Board members. There were many discussions within North End Housing, from members who were on social assistance themselves, that the rent level was too high and not accessible for families on assistance. The counter argument for this issue was that assistance rates were too low, and that if we were to have any impact in the neighbourhood then we had to incur these debt loads and seek a rent that could cover the operation expenses. This emphasis on quality of housing was to become a prominent aspect in future funding proposals:

The project also recognizes that in order to provide decent, affordable and relatively maintenance free housing, a subsidy will be required. To simply patch and paint, to cosmetically renovate a house while ignoring other potential problems, will only lead to future financial difficulties for low-income home owners. Conversely, paying full market value for a fully renovated house may lead to a high number of foreclosures for the targeted low-income families. The viability and sustainability of long term home ownership for low-income families lies in quality housing at affordable prices (NEHP: 1998; 6).

The first family housed by the housing initiative was on social assistance but had a special rental allowance of \$500 plus utilities. Until the summer of 1999, income assistance in Winnipeg was split between the City and the Province, with the latter serving longer-term recipients. The City's welfare department allowed its workers to have discretion over certain allowances, and this was the case for the group of families housed by the initiative. However, when income assistance was

19. Up to this point, North End Housing Project's role in the demonstration project wasn't clear. When a development strategy was discussed at the planning committee level, it was usually "Just Housing" that was referred to as the housing organization. Eventually, North End Housing was referenced as the possible long-term housing corporation. The reason for the slow acceptance of North End Housing was its fragile state at the time.

amalgamated under the Provincial Ministry of Child and Family Services, such discretionary assistance was strongly discouraged. As a result, it became much more difficult for the project to house people on welfare due to the gap between North End Housing's rents and the rental allowance from Provincial assistance. By the year 2000, the Province was still using rental allowances first established in 1993:

Table 4.1
Provincial Social Assistance
Monthly Rental Allowance Schedule, 1993

Family Size	Basic Rent	All Inclusive Rent
2	\$285	\$387
3	\$310	\$430
4	\$351	\$471
5	\$371	\$488
6	\$387	\$513

N.B. Basic Rent - Social Assistance pays for hydro, gas, and water
 Source: *Government of Manitoba, Ministry of Child and Family Services*

As the project matured, the selection process gravitated towards working families. Although there was some effort to lobby the Provincial government to put in place realistic rental allowances, the Province's Child and Family Services would not make the change. In 1999, during the Provincial election, the Inner City Housing Coalition, of which NEHP is a member, drew up a 23 point platform for the political parties to endorse.²⁰ As part of the platform the coalition asked the parties to "Increase the social assistance rental allowance to reflect current market rents" and to "Increase the social rental allowance on an annual basis equivalent to the annual rate of inflation as measured by the Consumer Price Index." Both the Progressive Conservatives and the New Democratic Party (NDP) rejected large

20. See section 4.7 for a description of the Coalition and its activities.

parts of the platform, including an increase in rental allowances for social assistance.²¹ Further demands around this issue were muted perhaps because housing groups were waiting to see what program funding was being made available for inner city housing and community safety.

4.7 “URBAN RENEWAL” AND WIDER ACTION ON HOUSING

During the last few months of 1998, parts of the North End underwent "urban renewal", to quote one teenager in his statement to police. Within this time some 80 incidents of arson occurred, primarily in abandoned houses and garages. The early warning signs were the frequent torching of garbage bins that line the back lanes of the North End. Most of the arsonists arrested were teenagers between the ages of 12 and 17. Bored with garbage bin fires, kids moved on to garages and abandoned houses. According to police, the kids competed to see who could get their arson on the front of the newspaper. The tactics became more sophisticated as the teenagers chopped holes in floors so the fires could spread quickly. The fire department warned that it couldn't keep up. The media was quick to label the entire North End a "fire zone". Public demands became more clear and urgent that something had to be done to arrest the downward spiral in the inner city.

The crisis got worse before it got better. As the police and fire department managed to get more control over the arsons in the North End, "copy-cats" started in the city's old West End. Soon the entire inner city area was labelled a "fire zone" and the national media was labelling Winnipeg the "arson capital" of the nation. The response to the crisis was not unpredictable. Governments started to

21. Only the Liberal Party endorsed the platform. However, the Liberals ran a poorly organized campaign and elected only one member to the legislature.

put concrete values to the funding promises for inner city revitalization; the City mobilized special units to increase inspections and clean-ups, school assemblies were organized specific to arson education, and further funding was approved to demolish a greater number of abandoned houses. Various sectors for the city were calling for action, perhaps none as visible as the *Winnipeg Free Press*, whose editor, Nicholas Hirst, organized a forum and ordered special reports focusing on inner city issues. Hirst, a relative newcomer to the city, had little good to say for parts of the inner city:

Let no one mistake what is going on in parts of our inner city. They are not decaying. They have decayed. We have the crisis of urban blight (1999; 12).

While a forum such as a newspaper is an important tool for informing and shaping public opinion it is difficult to gauge just how concerned Winnipeggers are regarding inner-city distress. Winnipeggers have lived with inner-city deterioration for years and have largely turned a blind eye to it. There have been half-hearted attempts to improve areas through Core Area Initiatives I and II, and the more recent Winnipeg Development Agreement. Further attempts for urban revitalization are now underway, but one cannot help wondering if public support for such initiatives is a product of apathetic consent rather than emphatic concern for the inner-city population (see Yauk: 1973).

The Inner City Housing Coalition felt that suburbanites should be concerned about older neighbourhoods, if not out of empathetic concern for people, then at least for their own pocket books. The Coalition was aware, just as the media and others were, that a declining property base in the inner-city would translate into a higher proportion of the property taxes being carried by the suburban neighbourhoods.

This was one of the main warnings from the Coalition as it campaigned for greater resources and support for revitalization.

The Coalition itself is a loose affiliation of housing and development organizations that came together in 1998, several months before the arson crisis. The impetus for this coalition initially came out of the *Just Housing* project, which saw the need to create collective strength by establishing a shared resource base for inner city housing initiatives. There were two main areas that the Coalition tackled: 1) regulations and fees regarding rehabilitation of older homes; and 2) sustainable financing for inner city revitalization. The former category included a variety of standards and policies which had been adversely affecting efforts of community groups. Pressure around these concerns were largely taken up in the form of two campaigns, one for the municipal election and the other during the provincial election. During these elections the Coalition drew up "Inner City Housing Policy Platforms" and asked candidates and party leaders to endorse the platforms (see Appendix C). The campaigns met with relative success. Out of the 18 points issued for the municipal government 9 were adopted or partially adopted. The 25 points issued for the provincial election had a much more ambitious scope, however 10 points were adopted whole or in part.

To get further action out of both the public and private sectors, the housing coalition took a lead role in designing a model for sustainable financing. The plan sought support from the banking industry and from private foundations. The largest demands fell upon the three levels of government to provide direct subsidies for housing rehabilitation. Furthermore, the Coalition called for an endowment fund, funded by the governments and built up over a five year period,

which could provide an ongoing source of funding beyond the initial five years (see Appendix B).

While the Coalition and the three governments were unable to agree on an endowment fund, the governments did proceed on a tri-partite level to try and co-ordinate campaign promises and funding commitments. The result was the Winnipeg Housing and Homelessness Initiative (WHHI), a single window service office which would take proposals and assemble the funds required. During the 1999 Provincial election, the New Democratic Party proposed a program called Neighbourhoods Alive, which would inject \$8 million into the inner city over 4 years. The majority of the funding would be made available to community groups to purchase and renovate homes in targeted neighbourhoods. Other eligible initiatives included training and employment (CED) as well as community safety initiatives. While this funding was province wide, the majority was expected to be channelled into Winnipeg's inner city. The Federal and Municipal governments' commitments amounted to \$7 million each over the same time period. The City's portion provided grants which were aimed at alleviating its own fees as well as other project development fees encountered by the housing groups. The Federal portion was not all new money, but rather existing RRAP funding which was more strategically allocated.

Other funding from the Federal government was possible at the time, but complicated by competing demands. Prior to the tri-partite office on housing redevelopment, federal Liberal Lloyd Axworthy was pushing for a tri-partite urban Aboriginal strategy (Samyn and McAurthur; 1999). That initiative was soon overshadowed by the arson crisis. Further complicating the federal response were the deaths of homeless people in Toronto, and the growing concern about

homelessness across the nation. A taskforce was set up and eventually federal moneys were made available in response, but there remain questions regarding how such funding could be used in Winnipeg, which doesn't have major emergency shelter problems.

4.8 THE 'TESTING GROUND' FOR NORTH END HOUSING AND ITS CED PARTNER

During the *Just Housing* demonstration project, the organizational development of North End Housing continued to proceed slowly and at times painfully. The organization struggled to keep community members on the Board. Because the organization still had no houses, Board members struggled with their roles in the organization.

The structure of the Board of Directors was based on the Community Land Trust model. Under such a model the Board is divided into three sectors. The first sector is the Lessee members who lease or own the housing stock. The second group is reserved for general or community members who live or work in the community but do not live in NEHP housing. The final sector is for technical support; professionals who can bring specific expertise and help the organization function more effectively in the wider community. By the end of the *Just Housing* demonstration project, organizers had managed to recruit four strong and consistent members for the professional or technical members of the Board, but struggled with the community and lessee side of the Board.

A large part of the problem was the complexity of the undertaking. Specifically, the organization had to transform itself into a housing developer even though the

majority of Board members did not have any experience in this type of financial or organizational management. Through 1997 and 1998, the organization would develop in spurts, developing pieces of the framework that the organization would require as a housing corporation. There were numerous discussions around how housing could be acquired and how ownership could be transferred to tenants. A handful of housing acquisitions were examined over this period, but due to the lack of capital nothing was ever purchased. Working committees for the Board were weak and minor issues would frequently end up the subject of discussion in many Board meetings. In particular, local fund-raisers and social events often became the whole agenda for the Board, rather than the larger policy and process questions that the organization still needed to figure out. When funding for the organization did begin to flow many policy issues were tackled “on the fly” as housing acquisitions became a reality.

There were some important accomplishments in the initial years. By-laws were adopted specific to housing, and amended over time. After some negotiations with Revenue Canada, the organization managed to obtain charitable status, but as a rental housing corporation only. It was agreed that amendments would be made at a later date which would detail the homeowner model to be adopted by the organization. The ground work was also laid for resident selection and application. And a number of financial models were examined as the group considered the options available to it. Committee structure within the Board of Directors altered over the initial three years. At the time of writing, the committee structure had become more stable, largely because the volunteer Board itself had become more stable. Guidance and scheduling for the Board and its committees still needs work, however, this will be improved with the hiring of additional staff.

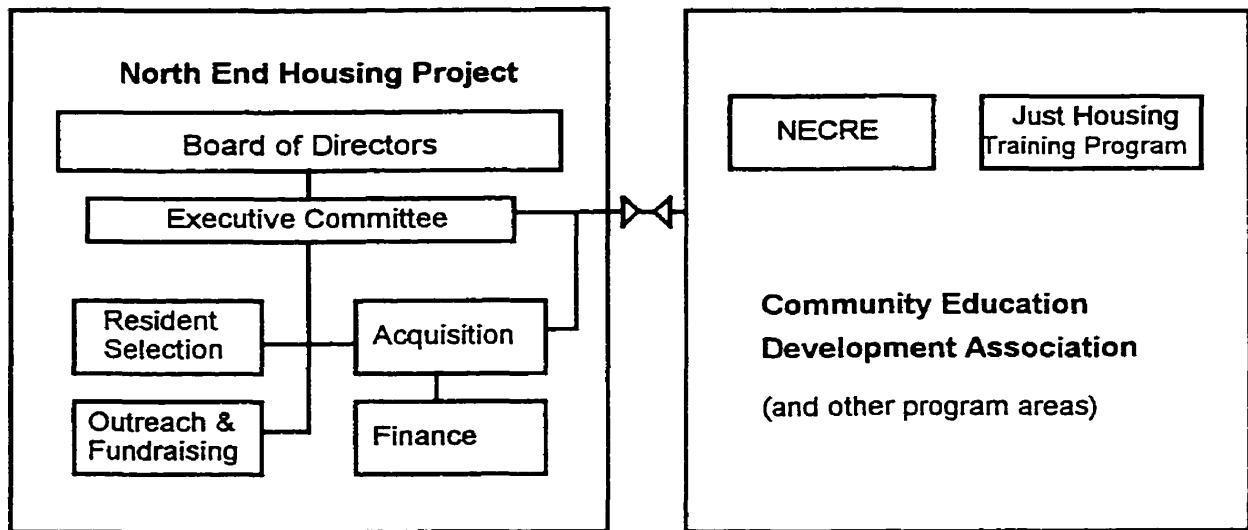


Figure 4.1: Organizational Chart of North End Housing Project and relation with CEDA (CEDA program areas not elaborated). Intra-organizational relations have largely dealt with financing issues which have involved Executive Committee members and Finance Committee members. NEHP staff regularly meets with North End Community Renovation Enterprise (NECRE) and Just Housing staff regarding acquisition and project management.

Towards the end of 1998, North End Housing made a proposal to the Winnipeg Development Agreement's (WDA) Neighbourhood Revitalization program for Lord Selkirk Park, a small neighbourhood within the North End. The approval process for the project, administered by Property and Development Services of the City, would take more than a year to complete. Meanwhile, early in 1999, in the midst of the arson crisis, both CEDA and North End Housing had approached CMHC with the possibility of funding a CED/housing pilot project for the North End. The groups had previously learned that CMHC was providing the Spence neighbourhood (West End) with 10 RRAP grants to develop home ownership in that neighbourhood.²² CEDA and North End Housing were seeking a similar project but with a different scope for home ownership.²³

22. In that initiative, a coalition of housing groups attempted to use home owner RRAPs (\$12,000 grant and \$6,000 loan) to identify potential home owners and acquire new housing. The strategy didn't work and the groups simply ended up seeking out existing home owners in need of support.

23. Through the *Just Housing* project CEDA had taken on three houses with the aim of creating direct home ownership. In all cases it was difficult to qualify the home owners-to-be. The first two candidates

Due to difficult experiences in qualifying households for immediate home ownership, CEDA and North End Housing borrowed from the experience of a development corporation in Saskatoon. The Quint Development Corporation purchased and renovated houses for families, but transferred ownership over a five year co-operative approach.²⁴ The CEDA/North End Housing proposal to CMHC was for 10 landlord RRAP forgivable loans which would be unencumbered after 5 years (as opposed to 15 years), and that within that 5 year period North End Housing would provide the supports to qualify households to assume the mortgages, if the households so chose. Furthermore, the RRAP grants would provide the basis to create an incubated renovation company made up of locally trained residents. This CED business would also be unencumbered in that CMHC would not require competing bids on the RRAP projects.

Canada Mortgage and Housing didn't respond to the proposal until the middle of 1999. When it finally did community organizers found themselves scrambling to get started. This period was marked by some urgency as CMHC indicated that the funding for the 10 houses would only be available within their fiscal calendar, which ended March 31, 2000. There was also the need to assemble the renovation crew and the initial houses they would work on. A lead carpenter was already in place, but negotiations to sub-contract the renovation crew through his employer fell through; it was decided instead that CEDA would contract the carpenter

had to overcome credit history problems, while the third had no credit history despite being employed for several years. Downpayments for these households were also problematic as the lender required a large percentage of equity or other forms of collateral.

24. In this approach, 10 houses were bought at a time and 10 families would then form a home ownership co-operative. If a family chooses not to become home owners after 5 years, then they can still remain in the rental co-operative. North End Housing basically adopted this approach, but chose not to create co-operatives.

separately and hire the crew on a wage basis. Five graduates (all Aboriginal or Metis and all from the North End) were hired from the *Just Housing* training program to staff the enterprise.²⁵ The group remained unincorporated during its initial year but would be known as North End Community Renovation Enterprise (NECRE).

The target area for the CMHC project was Alfred Avenue, one block north of Burrows Avenue and therefore just outside the more problematic areas of William Whyte. Alfred Avenue or “the Alfred Line” was seen as a strategic position to “draw the line” on the spread of absentee owners. Alfred Avenue was showing some major signs of deterioration and increasing home owner flight. It was felt that a small amount of intervention along this avenue could provide a solid demonstration of revitalization.

CEDA’s *Just Housing* training program was already renovating one house on Alfred, and North End Housing made its first acquisitions directly beside and across from the training house, and one further east in the next block of Alfred. The other benefit of working on Alfred was the relatively high degree of two storey homes. Many of these homes have been converted into inadequate duplexes. Out of the initial 8 houses acquired within a two block area, 6 were duplexes which would all be converted back into single family homes.

The “incubation” of NECRE created many challenges to the basic goal of building up affordable and decent housing stock. The undertaking was based on the simple

25. On average, three quarters of the trainees in the *Just Housing* program were Aboriginal or Metis. There was never a need for an “affirmative action” policy in hiring or training Aboriginal people. These outcomes were representative of the people that simply applied for the training program.

premise that the RRAP grant would be a sufficient amount to cover crew wages for each of the renovation projects. Given the relative success of previous renovations of the training program and the private financing that could be drawn, it was felt that \$18,000 in labour costs, above and beyond sub-trade labour costs, could be sufficient. The grants, however, would be insufficient and the management capability of the lead carpenter combined with personal and family issues within the crew created different challenges.

Overcoming financial constraints was addressed in due course. At the beginning of this pilot project the Thomas Sill Foundation was approached for support. The foundation agreed to support, but wanted to see the initiative run as close to a business model as possible. It was agreed that a line of credit would be provided for up to \$40,000 to help with acquisitions and bridge financing.²⁶ This line of credit would be instrumental in getting beyond the first four months. Within this time productivity of the crew was less than expected and the funding flow from RRAP was held up due to a lack of communication between CMHC and the delivery agent for the landlord RRAP. Because of these delays, the line of credit was quickly maximized. This in turn prohibited further house purchases, and subsequently stalled the future renovation projects available to NECRE. Making matters worse was a general goal of “no lay-offs”. Fear that such an action was a sign of failure, the full crew remained working on sites despite the fact that the amount of work at the time didn’t warrant the amount of labour. This only exacerbated the financing problems on the initial houses.

26. The foundation set the terms at an interest rate that was on par with the market, but indicated that such interest payments could be wiped out with application to a grant.

CEDA had access to a small amount of grant money that helped to offset some of the start-up costs. Application was also made to another foundation to help with equipment costs during start-up. The most timely support, however, came from the provincial government. The newly elected government advanced funding from its still proposed Neighbourhoods Alive program, giving the pilot project an extra \$7,000 per house. This intervention was sufficient to stabilize the project and to move forward on further acquisitions.

Other actions were taken to improve the renovation crew's productivity. Two workers were eventually "laid-off" and replaced by a new graduate of the training program, and a more experienced lead-hand. Both employees were North End residents. Project management also came under tighter control. The difference in cost management between *Just Housing's* manager and NECRE's manager were significant. The training manager would generally work within the confines of the set budget and would forgo some amenities to achieve this. This would often mean that the siding of a home would only receive attention where absolutely necessary. The enterprise manager put more emphasis on amenities, and as a result overspent considerably on project budgets. Nicer homes were created but the cost overruns created problems for both CEDA and North End Housing. For both managers, there was never sufficient funding to undertake landscaping.

The cost overruns also created conflict between CEDA and North End Housing. North End Housing was contracting NECRE and was therefore responsible for paying for the work done. Invoicing was handled simply on a cost recovery basis where NECRE would first pay suppliers, subtrades and labour and would then be reimbursed by NEHP for those costs. North End Housing would draw on private building mortgages, RRAP funds and Provincial funds to meet its obligations.

Negotiations were needed to convince NEHP to cover cost overruns on the first three houses, but it was agreed that future overruns would have to be absorbed by NECRE. The renovation enterprise also improved its financial position by picking up smaller jobs outside of the North End. This supplemented its operating budget and ensured a full employment schedule for its employees. The smaller “outside” jobs were more simple and lucrative than the larger rehabilitations and their limited budgets.

Shortly after the start of the Alfred Avenue project the WDA approved North End Housing’s proposal for Lord Selkirk Park. After a year of delays and changes, this proposal turned out to be a joint project between North End Housing and R.B. Russell Vocational High School. The parameters for this project were quite confined. The Lord Selkirk neighbourhood is dominated by the “developments”, a social housing complex which was built in the 1960s. The old neighbourhood to the north and west of the developments was the only area the proposal dealt with. Due to the limited prospect of acquisition and renovations, the project also proposed to build three new homes. This project is only in its initial stages at the time of this writing.

4.9 THE HOUSING PROJECT AND ITS FUTURE

At the time of writing, the Winnipeg Housing and Homelessness Initiative (WHHI) is just being established. The WHHI, the tri-partite government response to the inner-city housing crisis, promises to provide more flexibility and more accessibility to funding than what has been available in the first four years of this initiative. In comparison to the Alfred Avenue project, the WHHI funding commitment per house will see up to \$8,000 more in grants.

Throughout the experience of the *Just Housing* demonstration project and the first year with the CED renovation enterprise, many of the technical problems were worked through. A large unknown is how soon the real estate market responds, if at all. It is conceivable that the project will run into higher purchase prices as the revitalization effort grows. Another unknown is the interest rates for the mortgage loans. At the beginning of the Just Housing project a \$30,000 mortgage could be secured for payments of approximately \$200 per month. By the year 2000, the interest rates had increased a couple points, and North End Housing was securing \$28,500 mortgage loans at approximate payments of \$235 per month. If there are further increases in interest rates, then the funding strategy for this project is in jeopardy.

North End Housing's home ownership program is targeted to low-income families. Families will be supported through a five year lease-to-purchase arrangement that will enable prospective home owners to establish a positive credit history and demonstrate a commitment to home ownership.²⁷ The five year commitment is also in place for another reason: the Residential Rehabilitation Assistance Program loan. The RRAP loan is forgiven after five years, but possession must stay with North End Housing for that period of time.

Education and training support will be provided where necessary to help in the transition from rental to home ownership. The legal formulation for this type of tenure lagged behind the rest of the initiative. This was due to the lack of human resources to undertake this task. Eventually, the volunteer lawyer on the Board of

27. It should be stressed, however, that the lease-to-purchase is an option. The household is not obliged to assume the mortgage after five years and can instead simply remain as renters.

Directors was able to draw up the legal format. Further discussion of this process is discussed in the following chapter.

More immediate challenges for the housing project lie in staffing and in community organizing. The co-ordinator for the *Just Housing* project has been seconded to the North End Housing Project for continuity of the project. The *Just Housing* position covered acquisition, financing, NEHP Board and policy development, community organizing, general liaison with the wider community, and management of the training program. The NEHP position basically remained the same but with more building activity and no responsibility for the training program. The WDA provided some funding for training a local person in outreach/property management skills. The first candidate for this training was let go and the second hiring is in process at the time of this writing. North End Housing is seeking further funding to hire an additional outreach worker, which would bring the staffing up to three within the second year of operation. These latter positions will be very important as the number of “lease-to-homeowners” increase, putting more demand on program supports.

In general, the project to date has incorporated most of the CED features described as “best practice characteristics” in Chapter 3. However, while strategic planning and analysis started off strong, there was less attention towards the end of the demonstration period. As a result, the launch of the CED renovation business occurred quickly and precariously. It was often joked that it was a “ready, aim, fire” process and that it was difficult keeping up with what we created. Again, this was partly due to the lack of human resources, but it was also due to failure in, or a lack of, planning procedure.

For everyone involved, the project has been one large learning curve. For local residents, however, there needs to be more effort to bring about processes that will enhance their governance of the CED project. The strategic plan first laid out came into many challenges and momentum for the project was sustained largely from creative solutions to the organizational and financial problems faced. The theory of Pragmatic Incrementalism was not used during the period described here, however, its employment is applicable and would have provided a solid structure for both planning and operations. The following chapter will re-evaluate the project as described using Pragmatic Incrementalist theory.

5.0 A PRACTICAL ANALYSIS USING PRAGMATIC INCREMENTALISM

It is somewhat ironic that I have chosen to analyse this project with a theory that is rooted in Charles Lindblom's (1959) Disjointed Incrementalism. Disjointed Incrementalism was reviled by some planning theorists as simply being a *description* of how planning and policy-making actually proceeds, but was rejected as a normative theory (see Faludi; 1973). I, myself, tended to lean towards more radical or progressive normative planning theories and considered Disjointed Incrementalism to be too conservative and restrictive. However, in reading Stanley Stein's and Thomas Harper's reconstituted theory of Incrementalism, a consistency between the theory and the experience of the development of North End Housing Project emerged.

The theory allows for change through trial and error, and this process was experienced throughout the housing project. The "trial and error" in the case of North End Housing wasn't intentional, but rather a consequence of misjudging the tasks at hand and having to find solutions. As Albert Hirschman noted, this isn't necessarily bad since creativity occurs when we misjudge "the nature of the task, by presenting it to ourselves as more routine, simple, undemanding of genuine creativity than it will turn out to be" (1967: 13).

There are many examples of how organizers had to come to terms with some of the more naive suppositions of the project, and how solutions or creativity strengthened the means of the overall housing project. Reviewing some of the trial and error aspects of this project is one of the issues to be covered in this

chapter. The main purpose of this chapter will be to look at how decisions were justified, and what factors were influencing those decisions. To do this I will use the Wide Reflective Equilibrium (WRE) as outlined in Stein and Harper's Pragmatic Incrementalism theory. However, before launching into WRE analyses I will first provide an overview of Stein and Harper's six elements of Pragmatic Incrementalism, relating them to the general experience of the housing project.

1. In a democratic society, change must take place within a consensually-held framework of sameness.

There are a number of ways to look at this element and how it would apply to the housing project. In a general sense, the practice of community development is to bring about a semblance of social justice for communities that have been ignored and marginalized. The goal of community development is often to take a disempowered community and give it a voice; to give it a chance to thrive and have a level of stability that most communities take for granted. It can be argued that community development is an attempt to bring fair balance, to foster "equity in the social, economic, and political relationships among people as a requisite condition for a just and lasting society..." (Krumholz and Forester, 1990, 50). The North End Housing Project is about revitalization and providing opportunities to strengthen the local economy and social cohesion.

The issue of "home ownership" could also be examined to highlight a more specific example for this first element. While not everyone has a goal of "home ownership", its general acceptance as a stabilizing aspect of community life has played a prominent role in shaping decision-making in this project. The idea of home ownership has been very appealing both for prospective families and

fundes. Generally, fundes and professional resource people attending the initial steering committee meetings of the *Just Housing* project were very supportive of the idea of home ownership and the stabilizing influences of this type of tenure. In a general sense this was a product of “sameness”: the wider community encouraging the ideal of home ownership, but with special provisions to make the “dream” attainable for low-income earners.

A counter-argument to “home ownership as sameness” is the fact that not everyone will have access to home ownership, nor will everyone want it. Throughout the project there was never consensus that home ownership was the answer to the housing crisis, let alone the social problems plaguing various communities. There remains the question of housing for the “poorest of the poor”, and whether or not there is adequate provision of decent and affordable housing. This argument leads us back to the question of “social housing” or at least a stock of housing where affordability and quality can be maintained on a long-term basis. The North End and other parts of the inner-city has “affordable” housing, but much of it is unhealthy and unsafe. Housing for “the poorest of the poor” remains as a large policy issue that needs to be tackled by North End Housing and others in the public and non-profit sectors.

2. The test of good policy is agreement (consensus).

It should be noted that tenure with North End Housing allowed for the *option* of home ownership. The “option” provides both the organization and the household the opportunity to decide, over a five year period, whether home ownership will “work” for the individual household. If it is not desirable nor feasible, then the

household can simply stay on as renters. In this way, the organization can be more inclusive.

For those wishing to enter into home ownership, however, there is a 'catch' (aside from needing to financially qualify to assume the mortgage after 5 years). The 'catch' is that in order for the tenant to exercise their option to purchase, they must agree to a "Home Maintenance Agreement" as demonstration that they can learn and prepare to eventually assume full ownership. Section 9 of the NEHP Option to Purchase agreement reads:

It is agreed by the parties that the Purchaser shall comply with the Home Maintenance Agreement attached hereto as Schedule "C". If the Purchaser does not, in the sole and absolute discretion and opinion of NEHP, comply with the Home Maintenance Agreement, NEHP may cancel the Option upon given written notice to the Purchaser.

Specific to North End Housing, this policy helps to alleviate two issues. One is home owner preparation; there is consensus among community members that this is a reasonable demand to put in place. The second is that this model, if upheld, will relieve some staffing pressures on the organization in terms of property management. Since payment of bills for maintenance and replacement will remain with the organization for the initial five years staff will still have to be vigilant. The fine balance will be in helping those who need more guidance and ensuring that houses are being properly maintained.

Another "test of good policy" is currently underway. It involves the aforementioned need for rental housing that is even more affordable than what North End Housing currently provides. There is no "policy" to address this as of this writing, but solutions are being explored that can help to alleviate this concern. The role for North End Housing, at this time, is not to get directly

involved in cheaper rentals, but rather to help identify existing landlords and agencies that can make improvements while keeping rents at an affordable rate. In North End Housing's outreach and community building, workers have surveyed the immediate area where the organization is renovating, and is identifying home owners and landlords that could qualify for government grants. This is a joint effort between NEHP and the Winnipeg Housing Initiative, along with other partners. As of yet, however, it hasn't resulted in a comprehensive policy around the provision of quality affordable housing.

The reason why North End Housing has not made an attempt to create a housing stock that allows for more affordable rent requires more detail. This process will be explained later in this chapter, using Stein and Harper's third element, Wide Reflective Equilibrium.

3. Consensus comes out of partisan debate through a dialogic process which has been referred to as Wide Reflective Equilibrium (WRE).

There are a number of aspects of the housing project that can be analysed using WRE. Due to the detail of these analyses, I will place this text at the end of the chapter, in order to continue with the overview of Stein and Harper's six elements of Pragmatic Incrementalism. The WRE analyses (see section 5.1) will examine the following four issues: 1) The need for intervention; 2) The structure of the organization; 3) Renovation costs and rents; and 4) the viability of new construction (in process).

4. Ends and means are not separately chosen; ends emerge and evolve in process.

This is a particularly accurate statement when referring to community development. In community development, the ability to create change is largely contingent upon the resources and capacity to make things happen. More often than not, resources and capacity tend to be thin during initial stages, and the size of the undertaking is often underestimated. This was certainly the case in the housing project. It took at least four years to evolve to a point where most of the objectives of the housing project were being met. The components of the project, however, are considerably different than what was initially envisioned. The following are some examples of this:

- The “sheltered” renovation business is not “worker-managed” as ideally envisioned. Rather, it operates under a typical hierarchical management structure. After one year of operation, the group is still trying to determine its total capacity.
- The renovation training program, which was intended to be a short term start-up vehicle for the renovation enterprise, continues to exist. The program and the houses it renovates provide a great amount of information for the organizers regarding the requirements and obstacles of neighbourhood revitalization.
- The role of government subsidy has emerged as a critical necessity. Even after the need for public support was realized, the size of contribution was underestimated. It wasn't until the renovation company had completed its third house that the true financial need emerged.
- The proposed organizational structure for North End Housing, the community land trust, was not realized. However, a model similar to the protective function of a land trust did emerge.
- The complexity of the project was underestimated and, as a result, critical elements of the community development process were often not attended to.

The ability to staff and fund additional resources were lacking. The outreach aspect of this project continues to be only at an emergent state.

5. Social 'theory' is *ad hoc*, constantly modified by practice.

This is another applicable statement to community development theory.

Community development theory is premised on a number of social theories. The main theories deal with consciousness-raising and empowering the disenfranchised of society. There are also theories of self-reliance, self-determination, leadership development and participation. How such theories play out is dependent on the social cohesion and co-operation within each community.

As an example, the goal of "empowerment" can be elusive, or just simply hard to define. This example of social theory can mean different things to different people. My own understanding of empowerment assumed that people were "transformed" and "life is changed for the better". And I don't think I was alone in this perception of empowerment. A case in point comes from the time which I oversaw the training program. Over that three year period, a number of reporters had contacted me to do a "success story" about a trainee or about a family that had moved into one of our houses. My sense was that the reporters wanted to present a "my life has turned around" type of success story. Sometimes, these reporters would manage to portray this image. However, by and large, successes come in small incremental changes. This is often the case with the trainees that the *Just Housing* program works with. It often takes two or three or more efforts at workplaces or training programs to finally develop the confidence to become steady in the working world. For many, such confidence and determination is not

discovered overnight, but rather develops, bit by bit, with life experience. This reflects back on Stein and Harper's comment that "social theory" cannot be precise predictive theory. Each individual, each community, each situation is different, and therefore planning practice must be adaptable and flexible.

6. Change occurs through successive incremental steps, by trial and error.

The experience of the housing project has been one of incremental steps and of trial and error. Again, because the size and complexity of the project was underestimated there has been a great deal of learning in order to manage the project to this point. If this sixth element could be modified, it should read "trial, error and circumstance." In many cases the project went with alternatives, largely because circumstances demand it. A case in point was the decision to move away from the Community Land Trust model. At the time, an answer needed to be given to Revenue Canada, Charities Division, with regard to the legal instruments the land trust would employ. Despite previous efforts to locate support within the legal community, there was no means to provide the legal context required by Revenue Canada. The next best alternative was to pursue wording based on a lease-to-purchase premise. This is the policy that is currently in place, and it will likely remain for the foreseeable future.

5.1 WIDE REFLECTIVE EQUILIBRIUM (WRE)

As a process that can capture much of the Pragmatic Incrementalist theory, Wide Reflective Equilibrium (WRE) is given special attention here. To review, the components of WRE can be simplified as follows:

- First, a set of considered *moral judgements* (which may be intuitive);
- Second, a set of normative, substantive and/or procedural *ethical principles*;
- Third, a set of *background theories* which show that the set of normative ethical principles are more acceptable than alternative normative ethical principles.

A number of issues from the housing project can be examined using the WRE. The following four are amongst the more important issues in the housing project. There are many more that could be examined, but these four provide a good example and overview of the workings and decision-making of the housing project.

Each issue will be broken-down into the three areas, as described above. Adjoining the third area (background theories) will be the reflective analysis of each question. It should be noted that I have found a problem of semantics with two of the three WRE categories. The first category, moral judgements, and the second, ethical principles are virtually synonymous. It is therefore difficult to categorize the various questions that are to be examined. One attempt that I have made is to try and look at the “moral judgements” as opinions or personal values. Ethical principles are then viewed more as issues of a theoretical base, or how things ought to be done. Furthermore, WRE is used here to review how decisions were made; it was not specifically practiced within the community development process. The analysis therefore is a synthesis of opinions observed over the

course of the project. Opinions which are specifically my own will be identified as such.

Issue 1: *Is there a need for social and economic intervention in the North End?*

The need to implement community development based on a housing strategy was pretty much a foregone conclusion. The purpose of this analysis, however, is to show how WRE can be used to legitimate and create a decision-making process.

a. *A set of considered moral judgements (which may be intuitive):*

We have urban blight. The neighbourhood has deteriorated to a point where it is considered by many to be a slum. A large percentage of the housing stock is in poor condition and is unhealthy.

The growing percentage of rental houses is destabilizing the neighbourhood: As a basic moral judgement, it is argued that the higher level of home ownership in a neighbourhood will result in a more stable neighbourhood.

Make the neighbourhood more visually appealing: The neighbourhood suffers from the “broken window” syndrome, where if everything is in disrepair, then the residents (particularly children and adolescents) will have little appreciation or pride for their neighbourhood. This negative energy will be turned against the physical environment, creating more vandalism and property crimes. Improving the condition of the homes, their outward appearance and their interior design and structure, would have a major impact. To create even greater impact, the organization should acquire houses in close proximity of each other, to give the appearance of sweeping change, and to allow community development efforts to be more focused.

The neighbourhood is unsafe: As an integrated plan for revitalization, community development efforts should seek to create conditions and networks for a safer neighbourhood.

Larger families lack stable tenure and suffer more adverse affects from instability:

It is felt that large families are most disadvantaged because larger decent and affordable homes are more difficult to come by. Frequent changes of homes, friends and schools will lead to stress and poor health, behaviour problems and poor school performance.

b. A set of normative, substantive and/or procedural ethical principles:

Community Development is key to change: Many of the ethical principles of this project evolve around community development aspects of the initiative. One motto of the organization is “Working together to rebuild, revitalize and regain our community.” To “regain” the community speaks to the perception that the community has been lost, and that certain elements of the community need to be fostered in order to bring stability back to the neighbourhood. From a social point of view, this means that the effort not only needs to be about renovating housing, but also reconnecting people and fostering community networks.

Community Economic Development can be created from this activity: As a revitalization project there are CED principles that the organization can support. Encouraging local employment in the project will create more pride and sense of ownership or of belonging to the project. As part of its mandate, North End Housing should stress local employment rather than volunteerism. North End Housing should work with training organizations that train local residents in basic carpentry and renovation skills.

Let 'market forces' determine outcome of neighbourhood: An alternative ethical principle would be to allow market forces to determine the outcome of the neighbourhood. Governmental intervention (funding) into such neighbourhoods is arguably a "lost cause", and that attempted intervention is only "throwing good money after bad." If there was a level playing field, which ideally included no subsidized housing and no rent controls, then investors and entrepreneurs would have better access to the market (renters) and the improved profit base would result in a better level of re-investment in the housing stock.

c. A set of background theories and analysis to determine an acceptable set of principles:

There has been clear support and need for intervention in the North End. In fact, there was no debate within the steering committee for the *Just Housing* demonstration project as to whether or not something should be done. Put simply, there has always been a need to upgrade the housing stock, despite previous efforts to improve housing in the North End.

"Gentrification" can improve neighbourhoods. To be fair, market driven improvements in poor working class neighbourhoods can also occur, but such occurrences are most often a result of supply and demand pressures, often for lands that are close to central business districts and, over time, have become more valued for their location. Major market driven improvements in older and poorer neighbourhoods often result in "gentrification", where higher income earners will displace poorer residents who can no longer afford rents in the inflationary environment.

It is extremely unlikely that the North End will experience gentrification in the foreseeable future. The North End neighbourhood developed as a working class community on lands which were devalued by a large rail yard complex. Those rail yards still exist and the value of the surrounding lands remain low. In fact, there isn't any community in Winnipeg that shows clear indication of gentrification.²⁸ The demand for centrally located land hasn't increased largely because suburban access to the central business district is still relatively easy. In larger metropolitan areas, the factor of "grid lock" on major traffic arteries make close proximity to the central business district more valuable.

Urban slums or blight is difficult to reverse. So what would become of the North End if there were to be no intervention? It is difficult to give a predictive answer to such a question. There are at least two scenarios for this answer. The one that is feared the most is that the North End, and other parts of Winnipeg's inner-city, will continue to decline: more and more houses will be abandoned, bulldozed, suffer arson, and that this will result in more vacant lots. With further divestment, the community's social structures will come under greater stress as the area struggles with higher levels of concentrated poverty and social problems. This scenario follows a path that many cities in the United States have experienced, where entire neighbourhoods have collapsed and have become "no-go" zones.

Market forces will stabilize. A second, more optimistic, projection is that market forces will rebound and that the various ethnic communities will establish a level of commerce that will slowly economically revive the community. Rooted in this

28 . It can be said that the Wolseley neighbourhood has gentrified. The argument could be made for the West Broadway community, immediately adjacent to the central business district, but in the author's opinion it isn't certain that a trend is developing.

revitalization would be the low cost of commercial and residential property. Because properties are so cheap, more and more people will be able to afford homes and commercial properties in the area.

Based on the trend since the inception of the housing project, I would argue that the North End continues to experience the former scenario of decline. Market conditions are hampered by a number of negative forces. In terms of home ownership, it has become evident over the last five years that lending institutions are more reluctant to provide mortgages in the North End and other inner-city areas. Lending institutions have experienced a high degree of foreclosures in the inner-city, and in attempting to dispose of these properties have been forced to either hand properties over to CMHC (if the mortgage is insured) or to take a loss on the sale. Lending, therefore, has become more discriminatory. Lower income individuals who are interested in buying a home will need a large downpayment (equity position) before most lenders will offer a mortgage.

Insurance companies have also been accused of "redlining" the area, although it is not impossible to get insurance (see Redekop; 1996). The main problem with insurance is that the premiums and deductibles tend to be higher than in other areas of the city. This is a result of the higher degree of theft, property crime and arson in the area. And it is the crime and violent images that continue to reinforce a city wide mythos about the North End. It is this exaggerated image of the neighbourhood that, perhaps more than anything, hampers the market forces that are needed for recovery.

There are a number of interventions that are attempting to arrest the decline, and there continues to be a small amount of new market activity that also helps to slow

the decline. Groups such as Habitat for Humanity, Andrews Street Family Centre, Ma Mawi Wi Chi Itata Centre, North End Women's Centre, the Community Education Development Association, and the North End Community Renewal Corporation are just a few of the non-governmental institutions which are committed to stabilize and ultimately revive the neighbourhood.

The basic community development premise for this project, as outlined in Chapter 4, is solid and well-integrated. The organization contracts the majority of its projects to a CED incubator, the North End Community Renovation Enterprise (NECRE), which employs local residents. The organization will also contract other private contractors in the future, on the condition that at least one or two local residents are in their employ. For the residents and workers who have been involved in the first cluster of homes on Alfred Avenue there is already a sense of hope and a clear determination expressed by people that they are going to make it work. Other residents and people from outside the neighbourhood have also been impressed by the combination of local labour, the quality of housing and the dedication of the new residents. This is the type of pride and empowerment that community development theory seeks to foster. If this growth and commitment from local people can be sustained then it is possible that this intervention will succeed in stabilizing the community, far more so than past revitalization efforts or recent market forces.

Much of the residents' pride and determination has to do with the promise of home ownership. While not everyone will agree with the moral judgement that increased home ownership will improve a neighbourhood, it is clear that for the future home owners involved it is a strong motivator for participation. The main criticism of using home ownership as a development tool is that it will exclude

those who can't qualify or those who do not want ownership. For this reason, North End Housing has decided to make the home ownership program optional. If people choose not to participate in it, then it will not affect their tenure.

Finally, North End Housing created a mandate to target families as part of this community development process. This decision came out of a number of observations. One is that it's getting more difficult for larger families to find decent and affordable housing in the neighbourhood. Another is the apparent glut of one and two bedroom units. A large number of homes in the North End are small bungalows or 1½ storeys, and that many of the larger 2 and 2½ storey homes are divided up into smaller units. Even bungalows are carved-up into smaller units. Adding to the demonstrated need for larger accommodations was the fact that the organization has had many applicant families who were cramped into one and two bedroom units.

To briefly conclude, conditions in the North End have deteriorated in recent years and both the housing market and the retail market have effectively collapsed. There are many problems and logically it will take many different initiatives to resolve the problems facing the neighbourhood. With a macro socio-economic question such as whether to intervene or not, the WRE analysis can be difficult. Obviously, the larger the question, the larger the parameters in which there can be analysis. What is clear, however, is that market forces are weak and that location and conditions are not favourable for private re-investment in the community. At the same time, conditions are worsening and this is adversely affecting the lives of individuals and families. Since community development attempts to empower, improve conditions and foster "community control", the proposition of home ownership appears to be a good means to increase direct control over

developments in the community. Put simply, this community development strategy can create the vested interest that sustainable community development requires.

Issue 2: The structure of the housing organization

The structure of the organization has developed on an ad hoc basis. The one main thrust in terms of following a model was the initial work with the Community Land Trust model. The following WRE looks at other factors involved in the development of the organization and program delivery.

a. A set of considered moral judgements (which may be intuitive):

The organizational structure needs to be simple: Housing development is a complex undertaking and in order to take on the project and do it well, we are reminded to “keep it simple” to avoid the headaches of too much bureaucracy and too many delivery options.

The Community Land Trust model is complex: While a sound structure in terms of community housing and sustainability, the model itself is legally complex and somewhat difficult for people to grasp or appreciate.

The principle of “free market” should not be tampered with: The Community Land Trust model effectively seeks to repress market forces (inflation of land values), and therefore is seen as corrupting a mainstream value.

Have diverse tenure: Allow a choice for people. Allow a mix of rental and home ownership.

b. *A set of normative, substantive and/or procedural ethical principles:*

The organization should be community based: If the goal is to create greater community control then the structure of the Board of Directors should reflect the community.

Create a housing co-operative: A housing co-operative is one means of combining housing and community development.

Ensure sustainability for the project: The project should be financially sustainable in the long term.

Ensure a stock of housing that remains permanently affordable: This principle comes out of the community land trust model, which attempts to create permanent affordability.

Ensure that the organization upholds CED principles: The staffing structure of the organization should be trained in and knowledgeable of community development and community economic development.

Employ co-operative principles for the housing corporation: The democratic nature of the organization should seek consensus and participation.

Encourage volunteerism: An alternative ethical principle would be to encourage volunteerism and to bolster or run parallel “sweat equity” projects with groups such as Habitat for Humanity. In this scenario the sweat equity projects could focus on housing rehabilitation, as opposed to Habitat’s mandate which is new construction.

c. *A set of background theories and analysis to determine an acceptable set of principles:*

Betty Edel first introduced the community land trust model to the group. The idea to incorporate the organization as such was supported and pursued by myself. As discussed in earlier sections, gaining legal expertise to support this undertaking resulted in failure. The concept of the Community Land Trust (CLT), where the house is sold but the land remains with the community group, was generally well received by the community. People could see the benefits of lower house prices with this model. However, it should also be said that there wasn't overwhelming support for the idea. Other professionals involved in the project were lukewarm to the model, not to mention the local City Councillor who called it an affront to the rights of property owners.

There is no clear advantage in setting up a complicated structure like a CLT:

There were some reservations about a CLT, largely due to the complexity of the model. A main criticism of the model was that there was no clear benefit for the North End community. This is because the CLT model is largely premised on repressing land values and inflationary forces caused by gentrification. Within a gentrifying neighbourhood, a CLT will still be able to supply affordable housing, in perpetuity. As explained earlier, the North End is not threatened by gentrification, and likely never will be.²⁹

29. A point that I have often raised is that there may never be a major improvement in land values in the North End as long as the rail yards remain in place. There has long been talk of removing the yards. Logically, much needed green space would take their place. This would likely result in a major shift in property value.

Diversity on a community Board can provide checks and balances: Despite these setbacks, the organization went forward and borrowed the organizational structure of a community land trust. In doing so, a number of ideals and principles were incorporated. The most important among these is the structure of the Board of Directors, which includes two-thirds community people, but also one-third “outside” members who bring specific expertise to the organization. The presence of members that have a specific expertise does provide much needed stability. Housing re-development is a complex undertaking, and for some community members comprehending financial figures that run into 6 digits it is an overwhelming task. The presence of the “outsiders” does create a sense of group confidence.

Of the eight community members on the Board, only four are lessees. The lessees, who presumably have the most interest in the organization, are intentionally held to a minority. The reason for this is to eliminate the possibility of homeowners dissolving the corporation and benefiting from the equity the organization would have invested in the housing. The minority structure, therefore, is a check and balance that is intended to preserve the affordability component of the housing stock.

Scattered housing co-operatives are not easy to maintain: The only other organizational structure that was seriously considered was a form of housing co-op, or an umbrella for a group of co-ops. As mentioned in Chapter 2, there was some exploration of adopting the co-operative model created by Quint Development Corporation in Saskatoon, Saskatchewan. Groups of ten households each, scattered throughout Saskatoon’s inner-city, were incorporated into co-operatives. If after 5 years a household didn’t qualify to assume its own

mortgage, or if they chose not to enter home ownership, then they could simply carry on in the form of a rental housing co-operative. For North End Housing, the thought of managing several co-operative entities wasn't seen as a simple task. The organization did borrow the 5 year lease-purchase concept as it was a straightforward and simple program that everyone understood and preferred.

The tenure options for NEHP housing stock therefore became both rental and lease-to-purchase. As a home owner model, the lease-to-purchase is easier to implement while still being able to incorporate the subsidy retention ideals of the community land trust. Perpetual affordability, however, is not attainable since the organization forgives and foregoes all subsidies invested following 15 years of ownership by a single household. A right of first refusal will remain on the title after 15 years and in perpetuity, but mainly to pre-empt sales to absentee owners.

Since the organization has not further pursued the CLT model, it runs the risk of not having a sustainable structure. Certain elements of the current structure will retain some subsidies, but how much is unknown. There will be one to two stages that the housing stock will go through. The first is the initial five year lease-to-purchase period. This period will see its share of households that either move out or chose to simply remain on as renters (not pursue ownership). This should result in in some ongoing revenue for the organization. However, the higher the turnover within the five year period, the higher the clean-up, repair, bad debts and vacancy costs will be, resulting in financial loss if turnovers are excessive.

The second stage is the next ten years, providing the tenant has qualified to assume the first mortgage. Within this 10 year period, a "silent" second mortgage

is registered on title. This mortgage represents some or all of the subsidies that go into a house but remains “silent”, requiring no payments unless the household sells the house within the ten year period. The second mortgage is effectively structured to deter the resale of the home into the private market, and instead encourages the homeowner to resale the home to North End Housing. Ten percent of the mortgage is forgiven each year, however, an interest rate is also applied each year. The result is that, even after 9 years, there will still be a sizable mortgage that, when paid, may result in little or no equity gain for the vendor. Unless there has been major improvements in the real estate market for the area, it will likely be in the interest of the homeowner to sell the house back to North End Housing and have the second mortgage and its interest charges waived. The purchase price in this case would be the appraised value of the home less the outstanding second mortgage and interest.

The option to sell within the latter 10 year period will be governed by a right-of-first refusal, which is written into the original purchase of the home. The homeowner has the right to put the house up for sale and to receive *bona fide* offers to purchase. If the homeowner has a buyer, then North End Housing will either have to match the offer and purchase the house, or let the private sale go through. Again, if the private sale goes forward, then the vendor will have to pay all of the outstanding second mortgage. The vendor will likely have little to gain from this, particularly if they are to pay a 7% real estate commission.

Part of North End Housing’s staff component will be committed to monitoring and mentoring the lease-purchase arrangement. Other community development supports and project management positions will administer the community development and CED aspects of the project.

Finally, due to organizational commitment to CED, the volunteer or “sweat-equity” model is largely rejected by the organization. Organizations which emphasis volunteerism require specific co-ordination positions to administer such programs. Winnipeg Habitat for Humanity has a well organized volunteer co-ordination system which, when activated, can produce a large number of new homes in a relatively short period of time. Volunteers come from inside and outside the city to help a designated “homeowner” build their house. It is an outstanding experience for the volunteer, simply because they can see the tangible results almost immediately. However, as a charitable cause, these “building blitzes” will provide no local economic exchange for local businesses or residents. Paid employment is limited in these projects and it is likely that the local residents will not have participated in that employment.

Issue 3: Renovation costs and housing operations

One landlord recently told me that North End Housing was “doing too much” and putting too much money into rehabilitating homes. This has been the sentiment among other landlords, and even a few residents that I have talked to. For the landlords there is obvious resentment towards another non-profit being “bankrolled” by governments to get into the rental housing business. But there is also an underlying sentiment that the project is investing too much in a neighbourhood that has a very low market value.

The extent of the renovations, and subsequently how much the organization should be spending on housing has been an organizational debate from the beginning. This decision directly affects the operating costs of the organization and therefore the rents that need to be collected. To examine these decisions closer, the WRE can be used to illustrate NEHP’s decision-making process.

a. *A set of considered moral judgements (which may be intuitive):*

Financing the project will not be a problem: Considered as a moral judgement (and for some, an ethical principle) is the belief that the housing market is so cheap in the North End that there will not be a need for government assistance; that private lending (and gifting) can cover all costs.

Improve the appearance of the neighbourhood: To counter the “broken window” syndrome and improve the appearance of the neighbourhood so that people will have more pride in where they live.

Incorporate some form of “sweat equity”: In order for people to feel more attached to their house, they should be encouraged to take a part in its renovation.

Take precautions in screening residents: There shouldn’t simply be a “for rent” sign hung outside the door. Tenants should be carefully screened to save the organization from problems with non-payments or excessive damage to the property.

Encourage tenants to manage the maintenance of the homes: Encourage a self-management system that will foster tenant responsibility and reduce operation costs.

Repair only what is necessary: It can be argued that only the basic necessities of the renovation should be covered.

b. *A set of normative, substantive and/or procedural ethical principles:*

Make investments in homes even if the costs exceed market values: A major ethical principle is the issue of intervention in the housing market. The housing project itself is an intervention: an attempt to arrest deterioration and stabilize a community. Aside from the social intervention of community development, there are two other strategic aspects to the project: how many houses need to be rehabilitated and what quality should they be. Ideally the community needs as much improved housing as funding can allow for. The more difficult question is how much to invest in each house, when the average selling price in the neighbourhood is \$19,000. The principal put forward here is that rehabilitation costs that are above market values should be permissible as long term investments and an intervention that will ultimately stabilize or even increase market values.

Rehabilitation creates long term benefits: Directly related to the above principle, and highlighted in Chapter 4, is the condition of the houses. Due to the poor condition of the houses that are acquired, a substantial amount of work is needed in terms of rehabilitation. The principle here is to do the job right the first time, and avoid structural and deficiency problems which will occur at a later date if unchecked. To simply patch and paint, to cosmetically renovate a house while ignoring other potential problems, will only lead to future financial difficulties for low-income homeowners.

Employ CED principles in undertaking this work: Given the amount of work that will be created out of this housing initiative, it should be combined with local employment strategies. Such initiatives will have multiple impact benefits for the overall neighbourhood.

Make rents affordable to everyone: A fourth ethical principle is to make the housing affordable. The rent levels for the housing should reflect the levels that exist in the neighbourhood.

c. A set of background theories and analysis to determine an acceptable set of principles:

The intention of this WRE is to examine a conflict that exists between the costs the housing rehabilitation and the amounts that must be recovered through rents. As explained in Chapter 4, in the initial stages of the demonstration project there was an assumption that, due to the depressed housing prices, public subsidies may not even be needed. Furthermore, it was assumed that “the amount of money required to service the monthly mortgage costs of a non-profit housing initiative would be well within the rental guidelines of the social assistance programs” (CEDA/Hope Centre; 1996: 4). It didn’t take long to discover that these assumptions were wrong. The only way that the rental guidelines could be met is if the organization chose to renovate in a “patch and paint” manner. Housing costs could be lowered substantially with a patch and paint approach, or in other words, fixing only that which needs to be fixed.

As it turned out, the housing project wouldn’t have a choice. Because the Residential Rehabilitation Assistance Program was involved, substantial rehabilitations were specified as a requirement for funding. Other basic factors added to the costs of rehabilitation. Beautifying the homes, adding amenities such as front porches, also add to housing costs. Paid labour on these projects also add significantly to the cost of a house rehabilitation. Rehabilitations can be difficult and time-consuming work. For the housing project, labour would typically

amount to 40% of the renovation costs, while sub-trades and materials would account for the remainder.

At the start of the fifth year of the project, mortgage financing was averaging \$27,000 per house, while grants made up approximately \$33,000. Monthly debt servicing and operation costs for a four-bedroom house (not including utilities) broke down as follows:

Table 5.1
Example of Operating Costs

Mortgage payments @ 8¼%	\$235.00
property taxes	\$110.00
Insurance	\$35.00
Maintenance Reserve	\$60.00
Replacement Reserve	\$40.00
Management fee	\$20.00
Total	\$500.00

Provincial welfare rates set a “de facto” rent level for the area: While \$500/month for a newly renovated 4-bedroom house is clearly at the lower end of the rental market, it still doesn’t come near the Province’s expectations of the rental market (see Table 4.1). As a result, North End Housing has found itself in conflict with the community people it is trying to help. For anyone on social assistance, the rents established by North End Housing are unattainable. The result is that more and more, the only families the organization can house are working families. Aside from the occasional house that is rehabilitated by training labour, the organization is unable to uphold a key ethical principle regarding local rent levels.

Issue 4: *The viability of new house construction (in process)*

The possibility of new home construction is currently being considered by North End Housing. There is a dilemma with this issue because new house construction is more costly than rehabilitation of old housing stock. This is a decision that is still in process, and an excellent example for the use of WRE.

a. *A set of considered moral judgements (which may be intuitive):*

Create housing that reflects the community: In the design of the house recreate the style of housing that is common to the neighbourhood.

There are too many vacant lots: Infill housing can replace the large number of homes that are being demolished.

Enhance safety with front porches: In recreating the old style house, create front porches, set close to the street, which will encourage a neighbourly setting of people sitting out on their porch.

Build only basic to save costs: Because the people getting the homes cannot afford much, and because new housing will cost more than what it will sell for in the neighbourhood, only a basic design should be used.

The housing market is too weak to warrant new house construction: Again, because the house will cost more than what it will be worth, building should not even be considered. The project should just stick with renovations.

Building new houses will enhance the neighbourhood: New construction will improve the neighbourhood and the housing market. In the long term it is one intervention that will turn the area around.

Find ways to limit costs in the building technique: The way the structure of the house is designed can limit costs. For example a bi-level is effectively a two-storey building with living area on both levels. Another example would be to build on piles or a concrete slab on grade, to save on foundation costs.

b. A set of normative, substantive and/or procedural ethical principles:

Use local labour to build houses: As a CED principle, local people should be employed in the construction of new houses.

Use volunteer labour to save costs: Because of the higher costs of new construction, volunteers will help bring costs down.

Provide an opportunity for training: Using training labour will save costs. New home construction will also provide an excellent experience for the trainees.

Try out new building technology: New house construction can experiment with new and more affordable building technologies.

c. A set of background theories and analysis to determine an acceptable set of principles:

There are mixed reviews on past infill housing programs: There are a number of infill houses in Winnipeg's inner-city. In the 1980's governments funded an infill program and a number of builders took advantage of the program. I have

observed that the different builders had a wide range of styles but were generally very attractive houses. There are some basic styles such as bungalows and bi-levels, however, the most attractive houses, in my opinion, are the two storey units. In fact, some of the design features of the two storey houses are so different from the surrounding houses that the house not only stands out, but also appears to be out of place.

At the opposite end of the spectrum are the recent styles of Habitat houses. Winnipeg Habitat for Humanity, which builds homes for working poor families, have gone to a minimalist approach in order to cut costs. The typical house is a bi-level, with a side entrance and, more recently, no detail to the exterior of the house. The crudest description would be that they are small characterless rectangle boxes with low slope roofs. The design is so basic that, again, these infill houses seem out of place.

As a resident of the neighbourhood I have grown weary of this solution for the North End. Part of this weariness admittedly comes from second-hand accounts from home owners and builders that the houses have problems. I have talked to one builder who implored the Habitat organization to stop the “building blitz’s”, a form of building where the house goes up in two or three days, and is finished over the next couple of weeks. The problem of building too quickly is that the structure is not given time to “settle”. As a result, movement can cause havoc on the walls and openings for windows and doors.³⁰

30. Likely adding to this problem was the fact that Habitat built wood frame basements for a period of time. More recently they returned to poured concrete.

My biggest problem with the Habitat houses is *my* fear that they will not add value to the neighbourhood. The effort brings in home ownership, but can these houses sustain home owner appeal? Will these houses, 20 or 30 years from now, still have homeowners in them? I raise this criticism because I fear this is a pattern of history repeating itself: as at the turn of the last century, a demand to house poor working class families is being met with houses that are small and built cheaply and quickly (see Housing in the North End, Chapter 4).

The real question is, should we be building new houses at all? Should we just be encouraging property owners who are adjacent to vacant lots to take over the space, in whole or in part? This is certainly one alternative, although not all property owners could be convinced of this. Community gardens or other types of green spaces is another alternative. The North End severely lacks parks.

The answer really lies in the cost of new home construction. In the building industry the lowest end of construction costs are estimated to be \$50/square foot. This would be a very basic construction with few special details and some cost cutting features. The major cost-cutting feature would be either a bi-level design or a slab on grade foundation or crawl space. Amenities would be low cost. Flooring, windows and kitchen cabinets would be low end stock. At this price, a 1,200 square foot three bedroom home would cost \$60,000. This would be considered a medium sized house for the neighbourhood and would be a comfortable living space.

At \$60,000, and with no major surprises during construction, this size of home would be comparable to the cost of rehabilitated homes. (For our purposes, North End Housing includes acquisition and overhead costs as part of the project costs.)

Project costs for houses rehabilitated by North End Housing have reached as high as \$62,000 for a 1,400 square foot four bedroom house. If we added \$6,000 for overhead costs on new construction (and assuming that the City would donate the land), then the cost of new house construction will not be too far off the costs the project is currently facing with rehabs.

There would need to be further tests to finalize this decision. Specifically, more accurate costing will be needed, and alternative built forms should also be estimated. To date, costing has been based on a basic two storey structure with slab on grade or grade beam foundation. The design also includes an open porch concept with the house set close to the street. The pitch of the roof is considered with regard to further expansion or attic space. Cost constraints will allow only a basic gable roof (no dormers) with more detail given to facade and porch roof. The outward appearance is identical to other homes in the neighbourhood.

Ideally, in keeping with the principle of employing local people, the work would be done by a wage crew, not by volunteers. Alternatively, and undoubtedly safer in terms of costs, would be to take on an initial project with a training group. The experience with a training group would provide us with a window of the exact material costs of such a project. Other built forms could also be considered and tested. To date, North End Housing has looked at three alternatives: straw bale construction; stressed skin panel construction (pre-fabricated); and masonry block construction. If one or two of these built forms are chosen, then a training component will likely be involved.

In general, the idea of building new homes in the North End has been looked down upon, largely because the costs heavily outweigh the end value of the home.

However, the same can be said about current rehabs. New homes, if provided with a little “curb side appeal”, can be an improvement on the housing stock and therefore, raise market values for the area. New homes should also have less maintenance issues than older rehabilitated homes. Given these factors, the concept should be given further consideration.

5.2 CONCLUSION

Stein and Harper’s theory of Pragmatic Incrementalism is a reasonable process through which to examine community development and plan its processes. The various elements of the theory are a natural fit for exploring the context and complexities of community development.

The Wide Reflective Equilibrium (WRE) can be used as a decision-making process, and plays an important role in the review of goals and objectives. The only problematic aspect with the WRE is the sometimes difficult task of identifying what may be a Moral Judgement and what might be considered an Ethical Principle. In practice, it would likely be easier to illicit responses to the question of positive and negative aspects of the community, rather than asking for “moral judgements”. Nonetheless, the WRE’s importance lies not only in its role as a guide for identifying shared values, but also as a check and balance system. By using it as a review tool, we are able to note how values may have changed, or where we have simply stepped off the intended path:

A WRE process allows us to identify, agree on, and incrementally modify, shared values. When they are applied to our actual practice, it will often be evident that these values are not being followed. Pointing this out is an effective critique, from ‘inside’ our moral culture. ‘Indoctrination’ can be most effectively eliminated by this kind of incremental process (Stein and Harper: 1997;25).

With regards to the WRE processes examined above, it is apparent that North End Housing has more work to do in certain areas. For example, particular solutions or goals must be clarified in the area of sustainability. This may mean another long hard look at the community land trust and the benefits it promises. Finding a solution for even more affordable rents is another challenge that requires revisiting. While parameters and circumstance have helped to shape decisions to date, evaluation and incremental modifications can get us closer to where we want to be.

Finally, since this theory wasn't employed from the start, the logical question is 'would we have done things differently, or would things have turned out differently?' To try and answer the latter question first, I would hypothesize that the project would not have had a different outcome had the theory been employed. The project has unfolded as an incremental process, responding to the challenges and obstacles along the way. However, employing the theory would have created a difference in the way that the project was managed. By the third year strategic and participatory planning was lacking, and decisions at times were based on opportunistic choices. Throughout the project, resident participation has ranged from a consultative process to direct community control over the decisions. Often Board or committee meetings are dominated by the professionals on staff or within the Board, since they often bring important information to the discussion. However, greater community control of the project could be organized through the committee structure. The committee structure serves the Board in the maintenance and operation of the corporation. If properly co-ordinated, the committees and the regular Board meeting itself could undertake strategy sessions more regularly. This would be no easy undertaking for staff or Board members since scheduled meetings tend to be crowded with the regular business of the corporation.

However, the employment of a structured decision-making process for large policy and program related questions could provided a better opportunity for all community members to have input and dialogue on important issues. The WRE, while not all that different from other strategic planning methods, reminds us to be true to our values and to be respectful of other knowledge, theories and values.

In general, Pragmatic Incrementalism is flexible enough for community development practice, while providing some structure at the same time. It views trial and error not as haphazard, but as a process that can achieve change. It is a theory that recognizes the daily reality of organizations and as such is a very practical tool for planning and evaluating work.

6.0 CONCLUSION

Revitalization has been an issue in the North End throughout its history. Adjacent to the Canadian Pacific Rail yards and adjoining industrial district, the North End started as a working poor neighbourhood and remains so to this day. There have been many changes. In particular, the large East European population that built the North End into a thriving and radical community has moved on. The community continues to be in transition, but during this transition there has been severe divestment. Also during this period the North End's ageing housing stock has seen little improvement. The housing stock, which includes a large percentage of small bungalows and 1½ storey houses, is now the cheapest market in the city with resale values averaging only \$19,000 in 1999.

Housing conditions in the North End reached a low point in 1999. During that year there was an explosion in acts of arson, mainly committed by local youth. The arson was a symptom of many of the ills facing the North End. The number of abandoned and boarded-up houses has been rising rapidly, due to a combination of absentee landlords and unprofitable maintenance and rehabilitation costs in the depressed local rental market. Social problems such as property crime, gang violence, and drug and alcohol abuse have continued to reinforce the city-wide image of "the wrong side of the tracks", making the community one of the least attractive neighbourhoods to set down roots. The end result has been the creation of a neighbourhood that suffers from the "broken window" syndrome, where everything is in disrepair, and where residents have little appreciation for or pride for their neighbourhood. This negative energy ends up being turned against the physical environment, resulting in more vandalism and property crimes.

The neighbourhood requires intervention in all aspects of the community. Many interventions in the areas of business development, housing renewal and social services have been attempted or maintained over the years. For housing, however, there has not been a clearly successful revitalization strategy. While national and provincial housing programs have injected new life into parts of the North End, there haven't been any programs that have created a sustainable solution for renewal. Initiatives have ranged from the 1968 razing of the Lord Selkirk Park neighbourhood to make way for public housing, to non-profit and homeowner support for rehabilitation, to new home infill construction. None of these renewal attempts have been community-driven and have only marginally improved the overall housing stock.

The housing initiative studied here is attempting to avoid the re-development mistakes of the past. By employing Community Economic Development (CED) principles, the project is seeking to create multiple impacts for the community and its economy. It is an ambitious undertaking that will improve housing and create local employment, while empowering residents to exert control over their environment. These goals are not easily achieved. In particular, the fostering of community control relies on the hope and determination of the residents directly involved. As a community driven process, this initiative provides the best alternative to date for sustaining a long-term goal of neighbourhood revitalization. It is, however, only one piece of the solution to the housing crisis. The initiative does not have access to the "deep subsidies" required to create and maintain housing for the poorest of the poor.

As of this writing, elements of the CED project are still emerging and there remains much work to be done. However, this study has been more concerned about understanding the dynamics of community development than it has been about CED itself. The main challenge for this practicum, therefore, was to show how planning theory can be applied in the context of community development. In the past some planning theorists have attempted to encompass community-based participation in their theories. As well, the planning profession has embraced community development as a field of planning activity. The problem, of course, is that community development is not an easy field to embrace. Community work in poor neighbourhoods tends to be complex and unpredictable. Because of the lack of structure, and sometimes even process, it is often difficult for the practitioner to avoid “planning for” the community rather than having plans created by the community. This has often been the case for the housing project studied here, and I would argue that the ideals of “community control” and “community driven” processes cannot be taken lightly. They are difficult goals to achieve.

The main challenge of this paper, therefore, has been to identify a planning theory that could both help explain the community development process and guide it. Stanley Stein and Thomas Harper’s theory of Pragmatic Incrementalism, a modification of Disjointed Incrementalism, appears to be the best fit for this undertaking. Incremental planning theory works well with the variety of social theories that are embodied by community development. Goals and theories regarding community control, empowerment and sustainability cannot be treated as precise predictive theory. Each individual, each community, each situation is different, and therefore planning practice must be adaptable and flexible. As a result, community development will often proceed through trial and error, making incremental gains towards its goals. Pragmatic Incrementalism recognizes these

realities and prescribes a means to clearly identify, justify and maintain chosen goals.

Due to the minimal resources and uncertainty that have complicated the housing project, many tasks of the project have been underestimated. Trial and error, therefore, can characterize much of the development process of the project. The application of trial and error, however, did in fact stimulate creativity and made it possible to exploit some of the unintended effects. This occurrence is perhaps the antithesis to planning, but it shouldn't be unexpected or ignored. As Albert Hirschman argued (1967: 13) creativity always comes by surprise: "the only way in which we can bring our creative resources fully into play is by misjudging the nature of the task, by presenting it to ourselves as more routine, simple, undemanding of genuine creativity than it will turn out to be." While the housing project has stayed true to most of its goals, it has had to alter its development strategies in order to achieve these goals.

The core of Stein and Harper's theory is the use of Wide Reflective Equilibrium (WRE). The WRE process involves seeking coherence amongst ethical principles and theories and reflecting on these with one's own judgements and intuitions, as well as incorporating background theories. As a communicative tool, the WRE can be used by the practitioner to provide a structured debate within the community development process. The starting point would be to seek agreement on an 'overlapping consensus' of shared moral principles, values and empirical facts. In this way the WRE can also help bridge the class and value divide that may separate the practitioner and community members.

The WRE (and other elements of Pragmatic Incremental theory) was used in this study to review how decisions were made. It was not specifically used during the debates facing North End Housing. It is estimated that the use of the theory wouldn't have necessarily changed existing outcomes, but that its practice would have improved the management and community building process of the project. The finding of this study is that the WRE would be a valuable communicative tool for creating a more participatory and consensus-building process. Specifically, the WRE can be used to help define policy and provide the groundwork from which regular operational decisions can be guided.

In conclusion, Pragmatic Incrementalism can reflect the goals of community development and provide a means for engaging strategic planning, decision-making and evaluation. The theory is flexible enough for community development, but at the same time can provide to the planning practitioner the guidance and structure that can often be lacking in practice.

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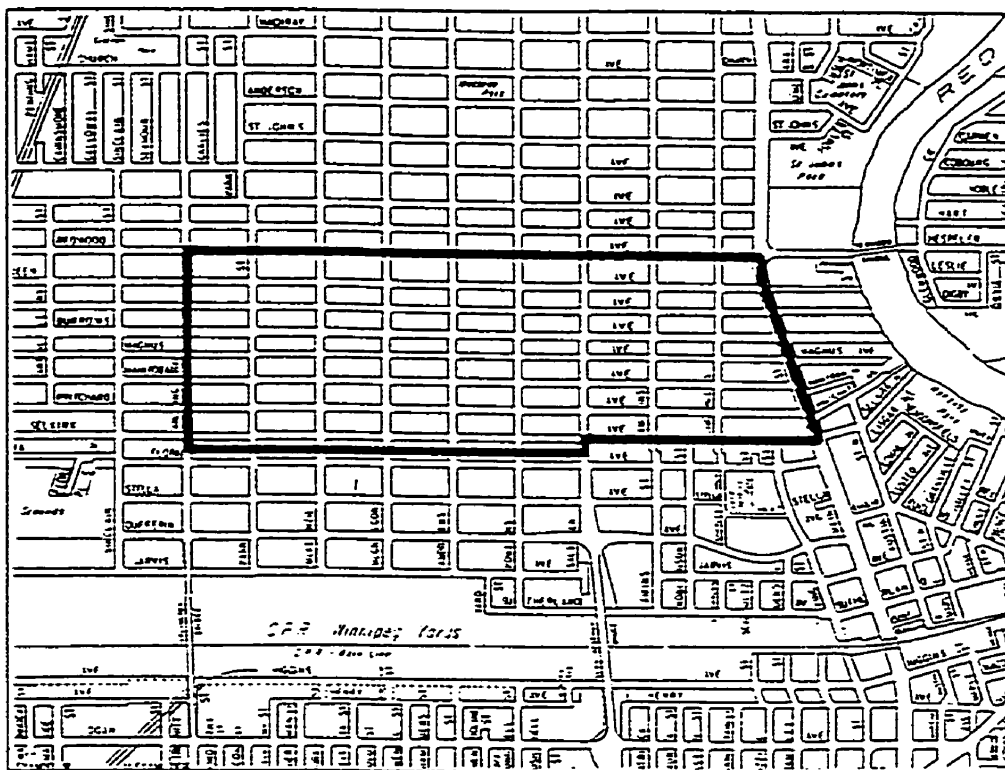
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APPENDIX A

The William Whyte Neighbourhood



**General characteristics of William Whyte,
compared with the Winnipeg CMA, 1996**

	William Whyte	CMA
Total Population	6285	613205
Ethnic origin - Single responses	4475 71.2%	54.1%
Canadian	380 8.5%	13.4%
Ukrainian	360 8.1%	10.0%
Polish	255 5.7%	3.9%
French	240 5.4%	5.9%
English	230 5.1%	10.6%
German	120 2.7%	9.9%
Aboriginal	1115 24.9%	4.1%
Metis	460 10.3%	2.0%
Filipino	590 13.2%	6.9%
Others	725 16.2%	23.7%
Average family size	3	2
65 years and older	10.4%	13.0%
14 years or younger	26.5%	20.2%
Single parent families	37.8%	16.6%
Average family income	\$23,873	\$53,201
Incidence of Low Income (Families)	65.0%	19.0%
Incidence of Low Income (Individuals)	76.0%	49.0%
Unemployment	26%	8%
Labour Force Participation Rate	37%	67%
No High School Certificate	41.7%	26.0%
Age of housing		
Before 1946	62.5%	20.6%
1946-1960	21.0%	20.8%
1961-1970	5.7%	18.5%
1971-1980	4.3%	21.1%
1981-1990	5.3%	15.9%
1991-1996	1.2%	3.2%
Condition of housing (# of units)	2,545	246,685
Regular maintenance	55.2%	63.9%
Minor repairs required	28.5%	27.2%
Major repairs required	16.1%	8.9%
Tenure = Owned	39.1%	62.1%
Had moved between 91, 96 census periods	59.5%	43.9%

APPENDIX B

Inner City Housing Foundation

Business Plan

*Toward Home Ownership
in a Community Building Context*

Proposed by

The Inner City Housing Foundation Working Group

November, 1999

1. Introduction

The Inner City Housing Foundation will be a newly established non-profit, independent, non-governmental entity which will be governed by a Board of Directors consisting of representatives from the voluntary, private and public sectors. The Foundation will act as an intermediary to mobilize social and economic investment for inner city housing renewal. Neighbourhood or community based intermediaries such as community development corporations or non-profit housing groups would submit business plans on annual basis to apply for funding for housing initiatives within their community. The community based intermediaries would have to demonstrate capacity in the areas of community development, construction management and financial management.

The Inner City Housing Foundation is not a replacement for government subsidy and support for social housing. It is not a panacea or a single solution for addressing inner city housing revitalization in Winnipeg. The Foundation will be one resource within a continuum of resources required for a comprehensive approach for inner city housing renewal.

The goal of the Inner City Housing Foundation is to procure a capital base of \$38 million over a five year period of time. The Foundation would be initially capitalized with contributions from the federal, provincial and municipal levels of government, as well as the voluntary and private sector. Starting in the fifth year, the earnings of the capital fund will finance the ongoing operational costs and the funding for the housing renewal program offered by the Foundation. The Foundation will supplement the earnings of the capital fund with an annual fundraising campaign. The Foundation will provide the inner city with an annual housing renewal resource in perpetuity in order to engage in the required long term approach for meaningful inner city revitalization.

The mandate of the Inner City Housing Foundation will be to build community, not just houses. The Foundation, therefore, will provide funding for the "soft costs" of housing renewal i.e. community development, home ownership training and resident supports as well as the "hard costs" i.e. renovation grants, construction management and financial management. The private financial sector will provide market rate mortgages to finance acquisition and a portion of the renovation costs of each home.

The Inner City Housing Foundation will have a target to provide funding for the renovation of 100 to 150 houses on an annual basis. In one model, the maximum mortgage for each home will be \$30,000 in order that the houses remain affordable for low and fixed income families and individuals. In many instances, the neighbourhood or community based intermediaries would own and manage the houses for a set period of time i.e. 5 years. During this period of time, the family or individual would be assisted to make the transition to become a home owner. After the 5 year transitional period, the family or individual has the option to take title of the home in which they live.

2. Vision Statement

In partnership with the voluntary, private and public sectors, the Inner City Housing Foundation will facilitate social and economic investment in our community by providing new, innovative sources and mechanisms for financing the acquisition and development of low-income, community based housing.

3. Background

3.1 Why is an inner city housing foundation required ?

According to 1996 census data there are 50,785 dwellings in Winnipeg's inner city of which 6,120 homes are in need of major repairs. In the north end there are 14,675 dwellings of which 2,090 are in need of major repairs; in the Spence neighbourhood there are 1,625 dwellings of which 180 are in need of major repairs; and in West Broadway there are 2,985 dwellings of which 475 are in need of major repairs. On average, there are 250 boarded-up houses in the inner city on an annual basis. In 1998, 87 homes were demolished by the City of Winnipeg. By June of 1999, 45 houses had been demolished. Arson has become an epidemic in our community. Since the fall of 1998, there have been over 100 arsons in boarded up houses in the north end. Winnipeg ranks at the top of the list nationwide when it comes to arson. In 1998, 42% of the 3,500 fires in Winnipeg were classified as arsons or suspicious. The national average is 17%.

The average monthly rent in the inner city of Winnipeg according to 1996 census data was \$463. The monthly social assistance rental allowance for a family of four was \$351. The monthly mortgage payment (p.i.t.) on a home purchased for \$30,000 is \$300. Despite the obvious cost advantages of a mortgage compared to monthly rent payments, people on social assistance and some working class families have great difficulties in securing down payments and mortgage financing, even though they demonstrate an ability to pay monthly mortgage payments.

In 1998, 241 single family dwellings were sold for under \$25,000 in the inner city Multiple Listing Service areas 4A, 4B, 4C, 5A, 5B, 5C, 5D and 9A. The average sale price of a home in the north end (Multiple Listing Service area 4A) was \$39,925 in 1988 and declined to \$19,090 in 1999; in the west end (MLS area 5A) the average sale price was \$43,945 in 1988 and declined to \$23,899 in 1999; and in the central city area (MLS area 9A) the average sale price declined from \$37,913 in 1988 to \$19,167 in 1999.

This drastic decrease in the market value of homes in the inner city results in a decline in the inner city property tax base. This in turn results in a greater shift in the property tax burden to the suburbs. The cost of neglecting inner city housing, therefore, hits suburban tax payers directly in their pockets. All residents of the city would benefit if the issue of inner city housing revitalization is addressed.

As a result of the serious decline of housing in the inner city and rapidly declining market values, there is a significant gap between the acquisition and renovation costs of a home and its actual end market value. Private housing market forces do not function effectively in low income inner city neighbourhoods. Some form of subsidy is needed in order to do the required upgrading of the housing stock.

Debt servicing costs required to upgrade housing stock in the inner city exceed existing market rents and market property values. Houses can be purchased for \$20,000, however these homes typically require a further \$20,000 to \$30,000 of major system upgrades involving electrical, plumbing, heating, roof, windows, insulation, foundation renovations.

The end result is that the total cost for acquisition and renovation of a home could be as high as \$50,000 on streets where the market value of housing could be as low as \$19,000. Unless this gap between required renovations and market values is addressed, renewal of existing housing stock will not take place in the inner city.

A strong housing policy is lacking at all levels of government. The current crisis in housing in the inner city provides conclusive evidence that the community sector and the private sector on their own are not able to maintain and improve the quality of housing in the inner city. The public sector must be a partner in any attempt to effectively address the issue of inner city housing renewal.

There is a need for a community, public and private sector partnership approach to address inner city housing rehabilitation. In particular, there is a recognized need to include housing as part of larger neighbourhood-based community development initiatives that apply a community-building approach.

3.2 What is a community-building approach ?

The community-building approach has recently been clearly defined in a report co-published by The Urban Institute and The Development Training Institute Inc., titled **Community Building: Coming of Age**.¹ The central focus of this approach is to foster attitudes of self-reliance, self-confidence, and responsibility among residents of distressed neighbourhoods. Seven themes define these efforts: a greater emphasis on building social and human capital and reinforcing values; community driven, with broad resident involvement where resident groups take a central leadership role in both planning and implementing strategies; comprehensive, strategic and entrepreneurial; asset based; tailored to neighbourhood scale and conditions; collaboratively linked to the broader society; and consciously changing institutional barriers and racism.

3.3 What project types will be supported by the fund ?

There are two types of support required for any community-building housing initiative, hard and soft. The hard supports include renovation grants, property identification and evaluation, property acquisition, planning and design, project renovation, construction management, professional legal and financial services including technical support for funding applications.

It is recognized that many potential home owners will struggle financially to purchase and maintain monthly mortgage payments on a home, in addition to needed repairs. Therefore, soft supports are an equally critical component. This includes community outreach and program promotion, recruitment and selection of participants, home ownership training including budgeting and maintenance, home renovation training, organizational development resources for home ownership support systems, long term program support for maintenance and financial trouble shooting, and linkage to other community development initiatives, strategies, programs and workshops.

The ownership model may vary according to the community-building strategy. Therefore non-profit housing organizations, home ownership cooperatives, co-housing, community land trusts, outright purchase or other ownership form that serves to move residents "toward home ownership" will be eligible for funding.

3.4 Who are targeted residents for housing ?

Any low income working family, person or family on social assistance, including two-parent families, single parent families, senior citizens, people on long term disability incomes, singles or others who demonstrate a capacity to meet scheduled monthly payments over an extended period of time are eligible for rehabilitated housing.

¹ Copies of **Community Building: Coming of Age** are available from the Urban Institute Office of Public Affairs; to order, phone (202) 857-8709.

3.5 Who is eligible for the fund ?

The goal of the fund is to generate greater local ownership and control of housing resources for the betterment of inner city neighbourhoods by improving housing and rebuilding communities; and the larger city by eventually reducing the property tax burden on suburban residents who currently shoulder the costs of inner city decline.

Neighbourhood based development corporations, neighbourhood resident associations, Aboriginal organizations, non-profit housing corporations, Winnipeg Housing Rehabilitation Corporation or other representative bodies that can demonstrate, through an effective business plan, that they are working to move residents towards home ownership, that they can provide the necessary hard and soft supports and that they are applying a community-building approach to development can apply to the fund.

3.6 Why housing ?

The importance of high quality, safe, stable and affordable housing is essential for the economic health and well-being of our community. The issue of inner city housing renewal affects the whole city. It is not just an inner city problem. The decline in the market value of inner city housing results in a shifting of the property tax burden to suburban tax payers. The 1998 City of Winnipeg property tax reassessment reduced taxes for inner city wards such as Point Douglas by 4.7% and Daniel McIntyre by 3.28%. In contrast, taxes increased in suburban wards such as Charleswood/Fort Garry by 2.86%; North Kildonan by 1.96%; St. Vital by 1.72 %; and St. Charles by 1.7%. Investment in inner city housing rehabilitation can be viewed as a contributing factor to reduce the property tax burden on suburban residents.

Police forces across the country are beginning to recognize that poor housing conditions, from sub-standard dwellings to high rates of transiency, are a contributing factor of high rates of police intervention and high policing costs associated with some neighbourhoods.

School teachers and principals are increasingly involved in discussions around stable affordable housing because of the negative consequences of inadequate housing are being felt in the classroom. Migrancy of students, the movement of students in and out of a school during the course of the year, is a major issue faced by the Winnipeg School Division. In inner city schools it is not uncommon for children 8 years of age to have transferred in and out of 10 to 15 schools. Families move from one sub-standard home to another. It is almost impossible for children to obtain an education under these type of circumstances. The Winnipeg School Division has recently adopted a public awareness campaign featuring the slogan "One School, One Year" in an attempt to educate inner city parents about the negative consequences of student migrancy. Some inner city schools have established housing registries to encourage families to move into housing accommodation within the school's catchment area if families are forced to move due to inadequate housing conditions. Educators, therefore, see direct links between student behaviour, academic achievement and high turnover rates in their classroom with the lack of stable, safe and affordable housing in the surrounding neighbourhoods.

Social service providers are realizing that welfare rent allowances are in fact supporting much of the substandard housing in the inner city simply because social assistance recipients have to find the cheapest places to live on their restricted shelter allowances. In the 1998/99 fiscal year the amount of social assistance rental allowances expended in the private housing sector in Winnipeg was \$55 million. This is a significant annual public investment that needs to be directed to safe and adequate housing, not sub-standard housing.

Health workers are realizing that the growing move towards home-based care means that many people will have a more difficult time recovering from illness because the homes that they live in are unhealthy, overcrowded or unsafe places. In fact, health professionals increasingly attribute poor quality housing as the cause of many health problems.

There is potentially a huge multiplier effect for investment in housing in our communities, including for reduction of other social costs - policing, education, health and social services. More specifically, studies have shown that for each \$1 million that is spent on housing construction, 30 person years of jobs and \$1.5 million of additional spending is generated in the community.² Studies on renovation spending show an even greater benefit to the local community, in terms of job creation, and long term community improvement. Some studies suggest that each dollar spent on renovation generates a multiplier of 14.2.³

However,

- there are few active proponents for affordable housing in our community
- those that do exist need support in order to achieve their capability to act
- while it is commendable that various community-based non-profit housing groups diligently renovate 30 houses each year, the scale of the work that they are doing is no where near what is required in order to make a meaningful impact
- there is still great difficulty in accessing funding and financing

These are the issues that the Inner City Housing Foundation intends to address through a community, private and public sector partnership.

4.0 Program Description

The Inner City Housing Foundation will look for methods to attract private and public sector equity investment. These will be developed and implemented to increase accessibility to affordable, quality housing within a neighbourhood/community development context.

The intention of the Foundation is to encourage a dramatic example of sustainable development. In doing so, the program envisions an annual acquisition of 100 to 150 homes. Efforts will be employed to insure that significant numbers of homes will be in proximity, allowing for comprehensive community development. A house alone will not suffice: a home in a community, will.

Existing and new community based groups will be encouraged to apply for resource support from the Inner City Housing Foundation. In doing so, we will attempt to maximize existing infrastructures and avoid duplication of costs and delivery services. Participant members will benefit from access to innovative financing methods; management models; technical construction expertise; and in some instances, vocational training. Each group will have, and maintain its own particular requirements.

² Economic Impacts of Residential Construction, C.M.H.C. 1993

³ "Renovation is good for the economy", Saskatoon Star-Phoenix, April 26, 1998, reporting on a study by the Saskatoon Chamber of Commerce

The community housing groups would present an application for funding on an annual basis to the Inner City Housing Foundation. The Foundation will review applications to assess the community development, construction management and financial management capacity of the groups to carry out their identified housing initiatives. If groups lack the required capacity to carry out the housing project, the Foundation will link the community housing group to technical assistance providers that can help the group develop the capacity required to successfully undertake their identified housing projects.

The role of the Inner City Housing Foundation will also be to monitor and evaluate the work of the community housing groups on an annual basis. This is an important accountability function that will serve to maintain a standard of service of the housing groups to the communities they serve as well as to the funders of the Foundation.

4.1 Innovative Financing

By definition the housing groups that will work with the Inner City Housing Foundation do not qualify for conventional financing. This is because:

- The resident members do not qualify for a mortgage due to low incomes;
- The group, through its members has little or no equity available for down payments;
- The needs of the group determine a housing product that is unconventional.

Innovative finance will allow these groups to establish solid community connections and develop an equity base from a combination of "sweat equity" and consistently managed payments. Assistance will also be provided to ensure the development of expertise required for community groups and households to become viable owners and operators of their housing.

4.2 Program Parameters

At first, acquisition and development will be within clearly defined geographic borders in the inner city. Eventual home ownership will partly determine the suitability of participants i.e. family groups that have worked to develop necessary skills and attitudes towards owning and maintaining their own house will be given priority. Total household earnings and concomitant ability to acquire conventional financing will be part of a qualifying formula. Generally, those families who have an income, but not enough, or of a nature that does not qualify for conventional finance; have not previously been able to be successful property owners; and, are willing to oblige themselves to a long term commitment, will qualify.

5. Financing Model

The Inner City Housing Foundation will build a capital endowment fund over a 5 year period with an estimated value of \$38 million (projected 6% compounded annually) and capable of supplying an average annual operating budget of \$2.25 million in perpetuity. The endowment fund would be raised from contributions from the federal, provincial, and municipal governments, along with the voluntary and private sectors. In addition to providing funding for the capitalization of the endowment fund, the three levels of government would provide start up funds for the first 5 years of operation of the Foundation in order to begin to immediately address the urgent need for housing renewal resources in the inner city

5.1 Endowment Fund

Each of the three levels of government would contribute \$7.5 million to the endowment fund over a 3 year period of time. The voluntary and private sector would initiate a fund raising campaign and contribute \$7.5 million over a 4 year period. It is projected that monies will compound at 6% per annum resulting in a \$38 million endowment fund by year 5. No funds will be withdrawn from the endowment fund until the end of the 5th year. An existing philanthropic organization would be approached to manage the endowment fund. (for example the Thomas Sill Foundation has provided effective leadership and support with regards to the issue of inner city housing)

Funder - Endowment Fund	2000	2001	2002	2003	2004	Total
Government of Canada	2.5M	2.5M	2.5M	-	-	\$7.5M
Province of Manitoba	2.5M	2.5M	2.5M	-	-	\$7.5M
City of Winnipeg	2.5M	2.5M	2.5M	-	-	\$7.5M
Voluntary/Private Sector	1.0M	1.5M	2.5M	2.5M	-	\$7.5M
Sub-Total	8.5M	9.0M	10M	2.5M	-	\$30M
Enhancement - Interest Earned					8.0M	\$ 8M
Total						\$38M

5.2 Start-up Operating Fund

Each of the three levels of government would provide start-up operational funding for the Foundation in the amount of \$1 million each for a 5 year period. These funds would cover initial administration costs of the Foundation and grants for the "soft" and "hard" housing resources required by the community housing groups in the first 5 years of operation of the Foundation. The annual \$3 million allocation of start-up operational funding from the three levels of government would involve the provision of \$500,000 for administration/fundraising costs and \$2.5 million for the actual housing program. The administration costs would include a manager, fund raiser and fund raising campaign budget; and funding in cooperation with Winnipeg Housing Rehabilitation Corporation for construction management personnel, bookkeeper and clerical staff, as well as office overhead expenditure.

Funder - Start-up Operating Fund	2000	2001	2002	2003	2004	Total
Government of Canada	1M	1M	1M	1M	1M	\$5M
Province of Manitoba	1M	1M	1M	1M	1M	\$5M
City of Winnipeg	1M	1M	1M	1M	1M	\$5M
Total	3M	3M	3M	3M	3M	\$15M

5.3 The Money Back Guarantee

Toward the end of the 5 year start-up phase, the impact of the Inner City Housing Foundation's housing renewal program would be evaluated. If the initiative is seen as ineffective or inadequate, the contributed funds and earned interest enhancement that is held in the endowment fund could be redistributed to the three levels of government. The voluntary/private sector contribution to the endowment fund could be transferred to an existing philanthropic organization to be disbursed for the benefit of the community. (for example, the United Way)

If the 5 year start-up phase is viewed to be a success, a determination would be made regarding the annual funding requirements of the Inner City Housing Foundation. At this stage in time a number of funding strategies could be explored to supplement the annual operating revenue of \$2.25 million generated by the earnings from the endowment fund. This could include continuing an ongoing annual fundraising campaign in the voluntary/private sector and/or the provision of annual grants or capital formation assistance tools from the public sector.

5.4 Financial Summary

Funder	2000	2001	2002	2003	2004	Total
Government of Canada:						
Endowment Fund	2.5M	2.5M	2.5M	-	-	\$7.5M
Start-up Operating Fund	1.0M	1.0M	1.0M	1.0M	1.0M	\$5.0M
Province of Manitoba:						
Endowment Fund	2.5M	2.5M	2.5M	-	-	\$7.5M
Start-up Operating Fund	1.0M	1.0M	1.0M	1.0M	1.0M	\$5.0M
City of Winnipeg						
Endowment Fund	2.5M	2.5M	2.5M	-	-	\$7.5M
Start-up Operating Fund	1.0M	1.0M	1.0M	1.0M	1.0M	\$5.0M
Voluntary/Private Sector						
Endowment Fund	1.0M	1.5M	2.5M	2.5M	-	\$7.5M
Enhancement						
Interest on Endowment Fund					8.0M	\$8.0M
Sub-Total	11.5M	12M	13M	5.5M	11M	\$53M
Additional Accessed Funding						
Financial Sector (Mortgages for 150 homes/year)	4.5M	4.5M	4.5M	4.5M	4.5M	\$22.5M
Total	16M	16.5M	17.5M	10M	15.5M	\$75.5M

5.5 Direct Resource Leveraging Ratios

The Inner City Housing Foundation will mobilize \$75.5 million of resources in the first 5 years of its existence. Each funding partner will leverage the following resources:

- Government of Canada - \$5 leveraged for every \$1 contribution
- Province of Manitoba - \$5 leveraged for every \$1 contribution
- City of Winnipeg - \$5 leveraged for every \$1 contribution
- Voluntary/Private Sector - \$9 leveraged for every \$1 contribution

6. Benefits

The members of the Inner City Housing Foundation Working Group believe that stable, affordable housing is essential to the economic and social well being of our community. Housing is an appropriate and beneficial focus for social investment, with the added benefit that housing stays in the community forever. Therefore, returns on investments can be measured not just in financial, but also social terms - improvement in the quality of life of the community, reduced social costs, stabilization of neighbourhoods - all intangibles that most investments overlook.

To Governments

- addressing housing needs is a primary focus for preventive health, education and social service programming, and should reduce future social costs
- investment in housing stays in the province, and increases "multiplier" of spending for jobs, materials, taxes and other household expenditure
- brings much needed private investment and involvement into affordable housing
- improves leverage of public sector spending by attracting private and voluntary sector investment
- increases "social capital", capacity of communities to tackle housing and community development needs
- enables partnership between governments, private sector, and community organizations to improve the quality of life in the whole community

To Community

- maximize the use of existing resources, housing stock and infrastructure to increase the availability of affordable housing
- revitalization of at-risk neighbourhoods by directing investment into those communities, and providing a way for invested funds to stay in the community
- sustain the social resources and networks that support individuals and households in the community
- brings both private and charitable sectors further into community development and housing arena

To Community Organizations

- greater availability of funding and financing will encourage communities to take action on housing and neighbourhood re-development
- expertise and support provided will assist developing the skills and abilities of community groups to better manage the housing resources in their community

To Participating Households

- overcome existing barriers to low and fixed income participation in ownership of their housing by offering new ways of financing housing acquisition and development
- ownership of housing brings stability to families, sense of belonging to community
- ownership in housing builds equity, creates more choices and opportunities for the future
- opportunities for skills enhancement and training within a supportive environment

6. Conclusion

The decline of the inner city impacts the city of Winnipeg as a whole - both in financial and economic terms. Winnipeg is a caring community that has a history of pulling together to face the challenges which need to be embraced - whether it be a threat such as the flood of 1997 or major world class event such as the Pan American Games of 1999. We need to build on this sense of community and cooperation in order to address a challenge in our community that threatens our well being as a city. The challenge of inner city housing renewal cannot be addressed by any one sector on its own. A voluntary-private-public sector partnership is required in order to tackle this issue. It will require a long term and comprehensive approach. This means that housing renewal must be done within a community building context. The easiest task is to build and renovate the houses. The real task, however, is to build community. The Inner City Housing Foundation provides a vehicle to mobilize interest and resources in our community regarding inner city housing revitalization. The Foundation is not a panacea for change, nor is it a replacement for the role of government in the social housing field. However, the Inner City Housing Foundation could be one resource in a continuum of resources that are required to address the issue of inner city housing renewal in our community.

APPENDIX "A"

Inner City Housing Foundation Working Group

Working Group Members:

Inner City Housing Groups

Aboriginal Council of Winnipeg	Aiyawin Housing
Kinew Housing	North End Housing Project
West Broadway Development Corp.	Lions Club Housing
Solutions To Overcome Poverty	Winnipeg Inner City Home Ownership
Winnipeg Housing Rehabilitation Corp.	Just Housing

Voluntary Sector

United Way	Thomas Sill Foundation
Social Planning Council of Winnipeg	

Private Sector

Assiniboine Credit Union	CIBC
Toronto Dominion Bank	Royal Bank
Bank of Nova Scotia	Portage Ave. Property Owners Assoc.
Bannatyne Financial	

Public Sector

City of Winnipeg - Urban Planning Branch
City of Winnipeg - Mayor's Office
Province of Manitoba - Department of Housing
Province of Manitoba - Native Affairs Secretariat
Province of Manitoba - Taking Charge Program
Government of Canada - Canada Mortgage and Housing Corporation

APPENDIX "B"

Issues that need to be addressed that will impact Foundation

(1) A broad based Board of Directors must be established to oversee the fund and to review business plan requests for funding. It is important that the Board of Directors understand and accept the community-building approach to community development.

The Government of Canada must address policies on (2) renovation grants and loans for a comprehensive community-building housing initiatives; (3) infill housing resources; (4) a tax credit program to assist in the formation of capital for inner city housing renewal; and (5) community development resources required for inner city housing renewal.

C.M.H.C. must address policies on (6) underwriting loan guarantees so that financial institutions can provide mortgages to low and fixed income people; and (7) sweat equity contributions to housing rehabilitation.

The Province of Manitoba must address policies on (8) renovation grants and loans; (9) infill housing resources; (10) a tax credit program to assist in the formation of capital for inner city housing renewal; (11) community development resources required for inner city housing renewal; (12) policies regarding liens on social assistance payments toward principal mortgage payments; (13) social assistance rental allowance rates that are currently forcing people into slum housing; and (14) amendments to the City of Winnipeg Act to expedite tax sale proceedings for boarded up houses, prevent the "flipping of property by slum landlords in order to avoid building code enforcement orders, provide community protection from boarded up houses and increase fines for landlords that do not comply with building and health code orders.

The City of Winnipeg must address policies on (15) renovation grants and loans; (16) infill housing resources; (17) community development resources required for inner city housing renewal; (18) fee waivers and tax incentives to promote inner city housing renewal; (19) building code equivalency modifications to reduce the cost of housing rehabilitation; and (20) sub-dividing and leasing City-owned vacant land to adjacent properties in order to expand yard space in inner city neighbourhoods or to permit neighbourhood based groups to use vacant lots for community gardens and tot lots.

Financial institutions need to address (21) credit history challenges of families on low and fixed incomes.

Voluntary sector funders and foundations need to address policies on (22) expanding the eligibility of funding requirements to include funding for "soft" supports required for inner city housing renewal.

Inner City Housing Foundation

Implementation Committee Report

Follow-up Considerations
Regarding Business Plan

February, 2000

Contents of Document

1. Discussion
2. Conceptual Construct
3. Name of Foundation
4. Value Added Considerations
5. Guiding Principles
6. Governance Structure of Interim Board
7. WHRC Role
8. Application Process
9. Accountability
10. Example of Existing Funds

1. Discussion

The key issues still to address, before further development of the details of the business plan can be completed, are political control and political credit. A fund such as this cannot be subject to political control (but can be subject to political and financial accountability), without politics ultimately shaping and restricting its outcomes, i.e. there is a strong possibility that if the fund remains within a political framework, the financial plan will be shaped to fit a "program" based on politically based and driven goals rather than the broader goals of community building as defined and driven by the community.

Although it is attractive to the various levels of government to spend money on projects now, just renovating houses will not address the issues of resident capacity to move toward homeownership that needs to be built over time, nor will it address the issue of the need for greater community ownership of assets. Not only will the longer term strategy provide greater sustainability of funding, it will allow the community-based groups to work directly with residents to build their capacity in a more appropriate natural time frame, as opposed to a "use it or lose it" budget driven time frame.

In order to attract funding, not only from the three levels of government, but from the private sector as well, then the resultant "partnership" model requires relinquishing a degree of control. One particular value that a foundation framework offers over a government framework is the ability to keep purchase costs down by negotiating with the sellers of existing housing stock using a combination of cash payments and charitable tax receipts.

The political credit issue may be able to be addressed by collaboratively working with a marketing specialist to define a logo, a letterhead or other advertising medium and campaign that specifically credits all of the levels of government, consistently over time, along with the private and voluntary sectors who contribute in various ways to making the Foundation model work.

2. Conceptual Construct

As stated in Part 1 of the Inner City Housing Foundation Business Plan, the goal of the Foundation is not to only promote the rehabilitation of housing for low-income residents but to foster the community building approach.¹ The central focus of this approach is to foster attitudes of self-reliance, self-confidence and responsibility among residents of distressed neighbourhoods. There are seven themes that define this approach, one of which is "community driven." A community driven approach involves residents in taking a central leadership role in both planning and implementing strategies. Such a process is never a "cookie cutter" approach as is often dictated by government driven programs. The government driven approach creates clients and consumers and success is generally measured by the number of clients.² The outcome is often dependency. Alternatively, the community driven approach manifests care and develops capacity by encouraging residents to share skills and resources. "Communities are a part of good governance, because they sometimes address problems that cannot be solved either by individuals acting alone or by markets and governments."³

This business plan is also intended to address the lack of sustainable funding and the constantly changing emphasis of governments and funders. Community building cannot be effective if the funding is not flexible enough to allow the residents to collectively identify strategies. Funding needs to be available at key times, so that decisions can be acted upon and confidence built for individual personal development to occur.

3. Name of Foundation

Discussion is on-going as to the appropriate name for the Foundation. The term "inner city" may inadvertently geographically limit low-income residents. The name "Urban Housing Foundation" has been considered but no conclusions have been reached to date. The target for the Foundation is non-profit housing for and with very low income and low income residents in a community-building context.

4. Value Added Considerations

- Social and Economic Impacts
- Private Sector Impacts
- Long Term Continuity
- Linkage to Existing and New Housing Programs
- Expertise of Community and Private Sector

¹ Kingsley, G. Thomas, J.B. McNeely and J.O. Gibson. 1999. Community Building: Coming of Age. Washington D.C.: The Urban Institute.

² McKnight, John L. 1997. "A 21st Century Map for Healthy Communities and Families." In Families and Society. 78:21, 117-127.

³ Bowles, Samuel. 1999. "'Social Capital' and community governance." In Focus. 20:3, 6.

Social and Economic Impacts

The Foundation model is strongly rooted in a strategy that looks at building community not just houses. As a result, the approach is able to achieve multiple impacts in the areas of social and economic development, employment, education and training, family support, youth development, community safety, leadership development, and the building of community institutions for strategic planning and resource development purposes.

Private Sector Impacts

The arms length, independent, non-governmental format promotes the opportunity for private sector investment from individuals, corporations and foundations. This enables the public sector to supplement funding resources through fundraising campaigns that utilize unique social marketing opportunities to mobilize interest within our community to address the housing issues in our city.

Long Term Continuity

There is no quick fix solution to address Winnipeg's housing issues. The "boom and bust" commitment of resources for inner city housing is very damaging to a community. A long term, sustainable approach is required. This would enable inner city groups to build the capacity over time to address the issue of housing renewal within inner city neighbourhoods on a scale that will make the required impact.

Linkage to Existing and New Housing Programs

The Foundation's community building orientation would serve to maximize the impact of existing government programs such as RRAP or Neighbourhoods Alive. Each neighbourhood will have innovative strategies to accomplish this objective. For example, community groups could seek resources from the Foundation to do major rehabilitation of houses on a targeted block. The community group could organize a "block club" or "block association" on the targeted street. Outreach would be done on the street to encourage other residents to identify their own housing renewal issues. The "block club" could play a role to link these residents to existing provincial and federal government renovation grant and loan programs. The whole street, therefore, could benefit from the revitalization process. Existing programs could be targeted through partnerships with community based organizations.

Expertise of Community and Private Sector

One of the strengths identified by the working group that developed the business plan for the Foundation was the synergy that was generated by an inter-sectoral approach. There was a very diverse group of people from the voluntary, private and public sectors that worked on the business plan. The diversity of the working group promoted a problem solving process that focused on addressing the issue from a broad range of perspectives. The creativity and

expertise that emerged from this process are resources that the government could utilize in developing strategies to address related issues of inner city revitalization.

5. Guiding Principles

To ensure that the goals and capacities of residents are met and built upon, certain principles must guide the process of program development, funding and evaluation. These principles are:

- A resident-centered, community building approach to homeownership that is focused on the existing and potential capacity of the residents toward greater independence and individual and community ownership of assets.
- A transparent and inclusive process that clearly provides information, defines criteria, identifies priorities, provides connections to technical assistance as required and allows for collaborative decision-making.
- A commitment to the mission and goals developed collaboratively by the community and funders.
- To build upon the existing capacity of the residents and provide them with financial and technical knowledge and support as required over time.
- Recognize the importance of equal partnerships, i.e., sharing of resources and influence, between funders, service providers, residents and other support staff.
- Increase community building skills of residents and community-based organizations.
- A flexible, innovative approach to community building in the context of housing with a streamlined funding process.
- Decisions to fund the hard and soft costs of housing based on the goals of community building to develop the capacity of residents in an unbiased way.
- A commitment to an evaluation process that responds to the quantitative and qualitative components of community building.
- A commitment to communicate successful outcomes to the broader community and to build upon our successes.

6. Governance Structure

The Board would be based on a Public-Private-Community Partnership. No Board member could be a member of a community-based group that would be applying for funding from the Foundation or WHRC (see #7 below) to avoid any conflict of interest. No honorariums will be paid to Board members.

It is expected that Board members have an understanding of community building concepts and techniques and are interested in issues concerning Winnipeg's housing issues as they relate to very low- and low-income residents. It is also expected that Board members will be representative of the various groups applying for funding, rather than being representative of special group interests.

It is anticipated that the final Board structure, comprised of fifteen volunteers, will be influenced by longer-term discussions with the public, private and community partners who contribute to the implementation of the business plan and community-based organizations who will draw funding from the Foundation. Committees comprising of Board members and other volunteers with appropriate expertise in a given field will provide assistance to the Board, for example (but not limited to), screening applications, conducting technical analysis or recommending technical supports.

For now, during the interim period, the composition of the Board would be drawn from three sectors as proposed below:

Public Sector (5 of):

- Municipal Government
- Provincial Government (for example, Urban Affairs (Intergovernmental Affairs) and Housing and Family Services)
- Federal Government (for example, CMHC and a Federal representative of the homelessness strategy)

Private Sector (5 of):

- Insurance Industry Representative
- Accounting Industry Representative
- Legal Representative (with real estate and inner city policy experience)
- Building Construction Representative
- Financial Sector Representative (with mortgage financing and inner city experience)
- Foundation Representative

Community Sector (5 of):

- Aboriginal Council of Winnipeg
- Manitoba Metis Federation
- Assembly of Manitoba Chiefs
- United Way
- Health Communities Network
- Education (high school, community college or university)
- Social Planning Council
- Inter-Agency Organizations
- Other representative organizations

7. WHRC Role

WHRC would not be represented on the Board because it is anticipated that they would also be applying for funding from the Foundation in collaboration with residents in specific neighbourhoods who may not have a local non-profit community-based group to provide technical assistance when required.

WHRC may also be able to identify key skill sets within the City and Province, in housing, planning and community services to develop workshops on key subjects of interest as dictated by the needs of local groups. Workshops that have been identified to date by community-based groups as important include:

- How to develop and manage a community land trust
- Tenant management skill-building
- Grant proposal writing
- Identifying local economic development opportunities
- Administrative financial models
- Community building strategies
- Sources of development financing
- Organizational issues in community-based development corporations
- Single family housing development
- Multifamily housing development
- Developing alternative tenure models
- Project and construction management
- Property and asset management
- Home ownership skill building
- Resident development of neighbourhood indicators
- Conflict mediation and mediating racism

8. Application Process

One application, to be designed, will be used to apply for funding. A component of the application will require that applicants include a cost projection of the hard costs of purchasing and renovating homes and the soft costs of community building supports required to, for example (but not limited to), train residents for related jobs, and build financial and technical management skills of residents who acquire housing, etc. A social audit outline will be a component of the application.

If an application is incomplete, does not meet the criteria for funding and/or the funders are concerned about the ability of the applicant(s) to manage and deliver the proposed project, the applicant will be referred to Winnipeg Housing and Rehabilitation Corporation (WHRC) or a community-based organization that is able and willing to provide the appropriate technical assistance.

Upon completion of the projects, applicants will submit a financial and social audit of their activities, a report and a budget reflecting both revenue and expenses. Interim reports may be required as agreed upon between funders and applicants. (See also a discussion of evaluation of projects under #9 below, "Accountability")

9. Accountability

In addition to the financial and social audit, reports and budgets submitted by the applicants, the Foundation will also publish a semi-annual progress report on the outcomes of various projects and a current financial summary. The Foundation will publish an annual report and conduct a financial and social audit to ensure accountability to the government and general public.

Evaluation of projects will be based on both quantitative and qualitative outcomes, including financial audits (physical development outcomes) and social audits (i.e., social, cultural and economic development outcomes). Evaluation criteria will be defined collectively by the Board and the community-based organizations applying for funding.

Important to this evaluation process is an understanding that the number of houses renovated is not a key indicator of neighbourhood stability. More importantly, the social, cultural and economic development outcomes of projects often reflect more accurately the ability of residents to stabilize their lives and contribute in multiple ways to their neighbourhood. Ideally, evaluation criteria should be "built on a strong theoretical and conceptual base, emphasize shared interests rather than adversarial relationships between evaluators and program people, employ multiple methods and perspectives, and offer both rigor and relevance."⁴

10. Example of Existing Funds

- Nova Scotia Co-operative Community Investments: Employs equity tax credits, RRSP contributions and provincial guarantees.
- RESO Investments Inc., Montreal: Initial capital (\$5 million) was provided by federal and provincial (Quebec) contributions and funding from the Quebec Federation of Labour Solidarity Fund.
- Local Initiatives Support Corporation (LISC), U.S.: Capital is primarily leveraged through low-income housing tax credits and directed to community-based groups for non-profit housing.
- CIDA created a Foundation for Housing in Central America and according to Reg Alcock the fund has financed the building of 10,000 houses..

⁴Schorr, Lisbeth B. Common Purpose: Strengthening Families and Neighborhoods to Rebuild America. New York: Anchor Books. p.147

APPENDIX C

**INNER CITY HOUSING
POLICY PLATFORM**

Developed by:

INNER CITY HOUSING COALITION

August, 1999

According to 1996 census data, 6,120 homes in the inner city of Winnipeg are in need of major repairs. On average there are 250 boarded up houses in the inner city on an annual basis. Since the fall of 1998 there have been over 75 arsons in boarded up houses in the north end. The average sale price of a home in the north end was \$40,000 in 1988 and has plummeted to \$22,000 in 1998.

The inner city of Winnipeg is in desperate need of an inner city housing renewal plan. Various community based non-profit housing groups are diligently renovating about 50 houses a year in the inner city. While the efforts of these groups are commendable, the scale of the work that they are doing is nowhere near what is required in order to make a meaningful impact regarding inner city housing renewal.

The issue of inner city housing renewal affects the whole city. It is not just an inner city problem. The drastic decrease in the market value of homes in the inner city results in a decline in the inner city property tax base. This in turn results in a greater shift in the property tax burden to the suburbs. The cost of neglecting inner city housing, therefore, hits suburban tax payers directly in their pockets. All residents of the city would benefit if the issue of inner city housing revitalization is addressed.

Presently, the municipal, provincial and federal governments have no policies regarding inner city housing renewal. We reap what we sow. The current crisis in housing in the inner city provides conclusive evidence that the community sector and the private sector on their own are not able to maintain and improve the quality of housing in the inner city. The public sector must be a partner in any attempt to effectively address the issue of inner city housing renewal.

The issue of inner city housing revitalization requires long term attention. There are no magic solutions. It will require mobilizing the commitment and resources of the community sector, private sector and public sector. Each sector has its own unique role to play in this partnership approach in order to address this issue.

The provincial government does not have the required resources to deal with the issue of inner city housing renewal on its own. Any successful strategy will require the participation of the senior federal level of government.

The Inner City Housing Coalition is calling upon the three provincial political parties - the Progressive Conservative party, the New Democratic Party and the Liberal party - to pledge their support to implement the following inner city policies if they are elected to form the next provincial government in Manitoba:

1. **Amend City of Winnipeg Act to have boarded up houses in property tax arrears put up for tax sale after 1 (one) year instead of what amounts to be the present 3 (three) year period.**
2. **Amend City of Winnipeg Act to adopt legislation similar to Saskatchewan's Urban Municipality Act which recognizes the negative impact of boarded up houses on a neighbourhood and enables the city council to demolish a building if it substantially depreciates the value of other land or improvements in the vicinity. This policy would serve to recognize the rights of a community regarding the impact of boarded up housing and move beyond just looking at the rights of the private property owners of boarded up houses.**
3. **Provide significant tax rebates, waivers and incentives for home renovation in designated inner city areas. Innovative mechanisms to finance inner city housing revitalization using the property tax system such as tax increment financing which is used in cities such Minneapolis should be adopted.**
4. **Lobby the federal government to expand the Home Ownership and Landlord Residential Rehabilitation Assistance Program (R.R.A.P.) which provides grants and low interest loans for inner city residents to upgrade their homes.**
5. **Work in partnership with the community sector, private sector and the federal and municipal governments to establish an Inner City Housing Fund to provide a capital contribution for the hard costs of purchase and renovation; the soft costs of technical resource support; and seed funding for innovative community based housing initiatives.**
6. **Increase the social assistance rental allowance to reflect current market rents. The social assistance rental allowance has not been increased since 1993. Increase the social rental allowance on an annual basis equivalent to the annual rate of inflation as measured by the Consumer Price Index.**
7. **The Shelter Allowance for Family Renters (S.A.F.F.R.) and the Shelter Allowance for Elderly Renters (S.A.F.E.R.), a rent subsidy program for seniors and working families, has not been increased since 1992. Increase S.A.F.F.R. and S.A.F.E.R. on an annual basis equivalent to the annual rate of inflation as measured by the Consumer Price Index.**

8. **Work in in collaboration with the other two levels of government, the community sector and private sector in a community driven process to re-develop key public housing developments such as Flora Place.**
9. **Implement the Capital Region Strategy in order to address suburban sprawl and the growth of housing developments in bedroom communities just outside the perimeter highway.**
10. **Establish an Inner City Housing Tax Credit Program to assist in the formation of capital and operational funds for inner city housing renewal.**
11. **Establish an Inner City Home Renovation Grant program in designated inner city neighbourhoods based on geographic location and not based just family income.**
12. **Establish employment training funding programs to enable inner city community groups to sponsor home renovation training programs for unemployed inner city residents. A significant target group of the renovation training program would be inner city youth.**
13. **Establish an Inner City Housing Improvement Zone program for designated inner city neighbourhoods which have major housing renewal challenges. Modified zoning requirements and building code equivalency regulations would be established for these zones. The housing improvement zones would be eligible for home renovation grants, housing program funds, tax and fee waivers, and technical housing resource support.**
14. **Establish an Inner City New Home Construction Program on vacant inner city lots. Funding would be provided to subsidize the construction of new homes in the inner city to address the gap between new home construction costs and the reality of inner city market value.**
15. **Establish an Inner City Non-Profit Housing Program to provide funding to assist housing cooperatives, non-profit housing groups, co-housing groups and community land trust organizations to build and renovate affordable housing in the inner city.**
16. **Provide funding to establish community based tool lending and home repair training for inner city residents in order to assist them to further renovate and maintain their homes.**

17. **Establish an Inner City House Foundation Replacement Renovation Grant Program** in order to assist in the renovation of existing homes in the inner city which have significant structural damage to building foundations.
18. **Establish a Tenant Management Corporation Transition Program** to assist tenants of public housing developments to develop the skills to assume delegated management responsibilities in the operation of the public housing developments in which they live.
19. **Establish an Inner City Home Energy Retrofit Program** to provide home evaluations and grants to improve the energy efficiency of inner city homes.
20. **Re-instate the \$325 Property Tax Credit, increase existing Property Tax Credit by \$75 on an annual basis.**
21. **Remove the existing policy which places a lien on the principal payment of a mortgage for social assistance recipients. Develop and implement policies which enable social assistance recipients to become home owners.**
22. **Develop and implement an Urban Aboriginal Housing policy and program.**
23. **Provide adequate resources and community supports for residential living for mental health survivors.**

INNER CITY HOUSING POLICY PLATFORM

Developed by:

**Inner City Housing Coalition
October, 1998**

Inner City Housing Policy Platform

Zero Tolerance Policy for Boarded Up Housing

1. **Implement a policy of significant fines** for owners of houses that are boarded up longer than 90 days.
2. Recommend amendments to City of Winnipeg Act to **have boarded up houses in property tax arrears put up for tax sale after 1 (one) year** instead of the present 3 (three) year period.
3. **Adopt a green space policy for vacant land** when boarded up houses are demolished - ie. subdivide lot and lease to adjacent properties in order to expand yard space in inner city neighbourhoods; allow neighbourhood groups to use lot for community gardens and tot lots.
4. **Develop a registry of boarded up properties** and make registry accessible to local community groups in order that they can be informed about the status of boarded up properties in their neighbourhood.
5. Recommend amendments to City of Winnipeg Act similar to Saskatchewan's Urban Municipality Act which recognizes the negative impact of boarded up houses on a neighbourhood and **enables the city council to demolish a building if it substantially depreciates the value of other land or improvements in the vicinity.** This policy would serve to recognize the rights of a community regarding the impact of boarded up housing and move beyond just looking at the rights of the private property owners of boarded up houses.
6. **Work in partnership with non-profit community housing groups to develop acquisition mechanisms regarding structurally sound boarded up houses** that the city is in the process of demolishing. The housing groups would renovate these buildings in order that families could once again live in these homes. **Outstanding property taxes on these boarded up properties would be waived for non-profit housing groups which acquire and renovate boarded up houses.**

Zero Tolerance Policy for Outstanding Code Violations

7. **Stop landlord welfare rent abuse** by working with the provincial social assistance program to re-direct welfare rent cheques to a third party (ie. Rentalsman) for those landlords that have outstanding work orders on property rented out to recipients of social assistance. Once the work orders have been removed the re-directed rent money could be returned to the landlord.
8. **Implement a policy of significant fines** for those landlords that do not comply to city issued work orders for building and health code violations.
9. **Work in partnership with community groups to provide training and reporting systems for local residents in order that these groups could assist the city to identify and monitor by-law and health code violations.** A community improvement request system such as the one operating in the City of Regina would enable resident groups and the city to better work together to make local neighbourhoods healthier, safer and more attractive.
10. **Develop a team of building inspectors, health inspectors, public health nurses and social workers to work in designated high need inner city neighbourhoods to provide services for families regarding family support and housing concerns.** The initiative would be based on the successful model developed by the Core Area Residential Upgrading and Maintenance Program (C.A.R.U.M.P.)
11. **Re-instate the number of building and health inspectors to staffing levels that were established prior to recent city council budget cutbacks.** The City of Winnipeg does not have adequate human and program resources to aggressively address the issue of boarded up housing and code enforcement in an ongoing, proactive manner. The cost of neglect is substantial. The benefits of investing in adequate resources far out weigh the long term costs to the inner city neighbourhoods and the city as a whole if these investments are not made. This is a classic case of "being a penny wise and a pound foolish".
12. **Utilize the fire department to assist in the monitoring of by-law and code violations.**

Promoting Inner City Housing Revitalization

13. **Provide more significant tax rebates, waivers and incentives for home renovation** in designated inner city areas. Innovative mechanisms to finance inner city housing revitalization using the property tax system such as tax increment financing which is used in cities such Minneapolis should be adopted.
14. **Lobby the federal government to expand the Residential Rehabilitation Assistance Program (R.R.A.P.)** which provides grants and low interest loans for inner city residents to upgrade their homes.
15. **Re-allocate existing funds within the Winnipeg Development Agreement to address inner city housing revitalization.** Presently only \$1.5 million out of the \$75 million program is allocated to housing.
16. **Waive tipping fees for non-profit housing groups that are renovating inner city homes.**
17. **Implement a policy in which a fee on new home construction in new housing developments would be used to finance inner city housing revitalization.**
18. **Work in partnership with the community sector, private sector and the federal and provincial governments to establish an Inner City Housing Fund.**