

Planning Partnering for Housing:

The Case of the Home Ownership Project (HOP),
Winnipeg 1995-2005...

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INTRODUCTION:

Disinvestment and decline are common concerns in many older inner city neighborhoods. The cumulative effects of the post WWII; baby boom, increased reliance on the private automobile, and booming economy created an exodus from the inner city. This vacuum effect has in turn created class segregation between suburban and inner city areas in many cities. Winnipeg is no exception, and as a result, many older neighborhoods are suffering from the prolonged effects of under investment in the housing stock. Parallel with neighborhood evolution and change is the evolution of planning thought. Planning has moved from designing programs to meet an outcome to the idea that planners have to work with people to create appropriate solutions, this is known as collaborative planning. Collaborative planning encourages people to create partnerships and networks as well as engage people to create more relevant case specific solutions. HOP (Housing Opportunity Partnership), is a prime example of civic entrepreneurship that moved incrementally towards collaborative planning. HOP, is the only not for profit housing project in Winnipeg that focuses on homeownership. The partnership is an innovation and creative “way to make real estate money work for the community” (HOP 2005, 1).



A HOP renovated house on Victor Street

OBJECTIVE:

The objective of this case-in-point is to highlight through HOP the planning lessons learnt. HOP exemplifies the positive outcome that emerged as a private interest moves towards a public/private partnership. From this case-in-point planners can see the benefits to incremental planning and collaboration.

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FACTS OF THE CASE

The Trends...

Older inner city neighborhoods have been experiencing decline and disinvestment for a number of years. A range of theoretical ideas have emerged to explain the evolution of cities. Each one notes the movement away from inner cities as well as the segregation of areas by class. Social policy is one tool, directly influenced by planners, that has a profound effect on cities.

Following WWII, social programs expanded and flourished. At the same time planners created programs designed to address the needs of citizens. Social thought and planning escalated until the 1980's when governments began to focus on fiscal responsibility. Since then, we have witnessed the scaling back and elimination of many social programs. This has had a profound effect on inner cities where, "the most visible sign of inner-city problems is the deterioration of the housing stock (Gregan 2002, 2)" Gregan continues noting the cyclical downward spiral as outward migration of stable families further plagues the neighborhood. This results in less funding for schools, poor housing quality and the proliferation of negative social ills. "The public, commercial and professional life of the neighborhood then increasingly seems to center on its concentration of poverty, addiction, abuse, ill health and family instability (Gregan 2002, 2)".

A recent Canadian Centre for Policy Alternatives (CCPA) report (2005) further noted the deterioration of public housing, the minimal availability of private rental units and the low vacancy rates in Winnipeg. This has created an inadequate housing stock and abominable living conditions for many families. Shuster, of CCPA, attributes this to the elimination of funding for social housing in the 1990's, inadequate wages for both the working and welfare poor and the diminished resources of Manitoba Housing.

HOP

Daniel McIntyre and St. Matthew are two inner city neighborhoods that fell prey to the trends. The housing stock declined, social ills became prevalent and neighbourhood stability was put

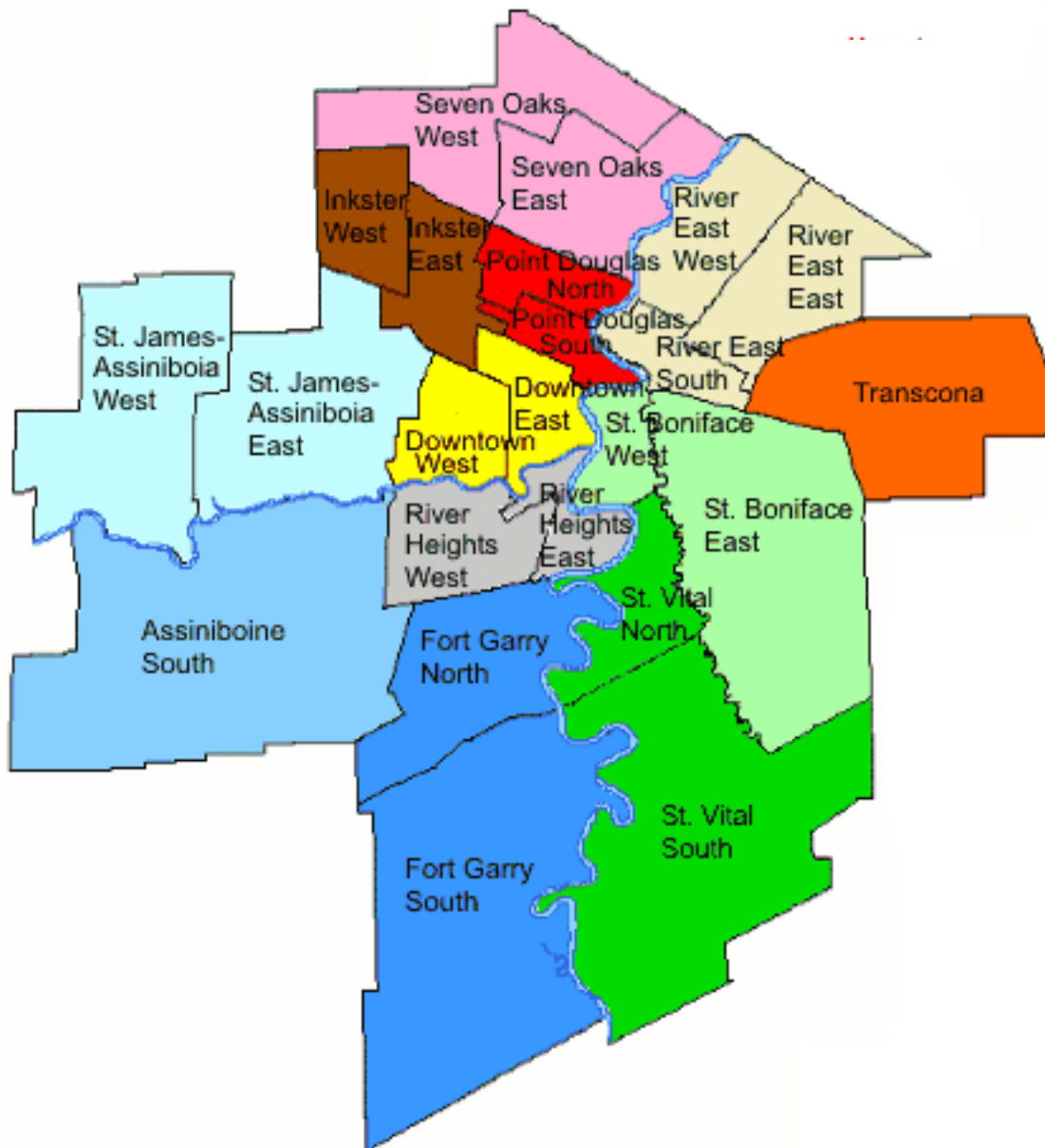


in jeopardy. As government cutbacks emerged, these areas were left with minimal services. The Winnipeg Real Estate Board (WREB) saw an opportunity to increase homeownership by making ownership possible for a greater range of people. This is accomplished by increasing homeownership to include low to moderate-income people, thus WREB increases access to affordable housing. In terms of planning building public and private partnerships creates an arena within which critical issues such as affordable, decent housing can be addressed. This collaboration helps ease the burden on governments, as the private sector aids governments in altering the housing crisis. HOP is an innovative program designed to counter the problems that were incurred upon many inner city low-to moderate-income families. This program demonstrates the power of partnerships to revitalize housing in inner-city neighbourhoods. (WHHI 2003, 1)

HOP exemplifies a partnership that grew incrementally from a private interest to a public/private partnership. The project started when Cliff Palmer, then WREB president saw that Winnipeg could adapt Columbus' housing project to revitalize Winnipeg neighbourhoods. "From there, it took a number of draft proposals to government and legislative changes but perseverance prevailed and HOP received its first funding of \$129,000 in September 1997..."(HOP 2005, 1). HOP began as a private project using interest from the Manitoba Security Commission to fix up homes in the West End of Winnipeg. Since then, it has secured funding from the three levels of governments creating a partnership. It is a prime

example of how private interests that begin with moderate goals can assist in mitigating a larger social problem, such as the creation affordable housing and neighbourhood stability.

HOP's programming is concentrated in two neighbourhoods, Daniel McIntyre and St. Matthew. The neighborhoods are located to the West of the CBD in the Downtown West Census tract. The areas are bound by: Arlington Street to the West, Notre Dame to the North, Maryland to the East and Portage to the South. The majority of the housing stock was built before 1946 and according to the 2001 census, the housing in the areas rank higher than the City in terms of need-



The City of Winnipeg Census tracts 2001

ing major repairs. The project buys dilapidated houses, renovates and then sells them back to low-to moderate-income families. Often many moderate-to low-income families cannot afford the 5% down payment required by most banks. So HOP decreases the down payment to 2.5% of the homes value, allowing new homeowners to put in the remaining 5% in sweat labour. The project works on the mandate that home ownership creates; a sense of pride, neighbourhood stability, a resurgence of home renovation and neighbourhood safety. Thus far, HOP has been successful in acquiring 55 homes in the two



HOP house during renovation



HOP house after renovation

older inner city neighbourhoods. By taking the proceeds from the home sales to acquire more homes, HOP keeps the program functional. The project manages to keep most of the funding going to home renovation by having a small administration staff, consisting of two persons. HOP concentrates entirely on home ownership to low and moderate-income families.

The program has expanded over the years and now covers closing costs (up to \$1000) as well. There are four key sources of funding

and support: Manitoba Securities Commission, Winnipeg Development Agreement, Winnipeg Real Estate Board and Winnipeg Housing and Homelessness Initiative. The project has grown from a modest \$25,000 to investing over \$3million in the West End. WREB has collaborated with the three levels of government to secure a variety of funding sources for the continuation of the project. "HOP is actively engaged in revitalizing a Winnipeg inner city neighbourhood through housing rehabilitation and the introduction of new home ownership." (WHHI 2003, 1)

CONCLUSIONS AND OUTCOMES

- Visual difference from 1997 to today, the housing stock has improved significantly.
- HOP homes act as a catalyst to spur local reinvestment
- Value of the homes where HOP has invested has gone up nearly 100 percent
- Since 1998, 55 HOP homes have been acquired with 41 sold, one for sale and 13 under renovation
- HOP is paying off dividends in Winnipeg's West End.
- Proactive and innovative approach to housing revitalization in the inner city (http://www.hopwinnipeg.com/govt_announce.htm)
- HOP is increasing its presence in Winnipeg's west end neighbourhood and playing a key role in providing quality, safe and affordable homes for low to moderate income residents living there (WHHI 2003, 1)
- There is a waiting list for potential home owners
- Set an example for other housing initiatives in Winnipeg to bring back neighbourhoods that are losing their housing stock (HOP 2005, 2)

"The essence of partnership is that both public and private sectors invest resources to accomplish a public good" (Pierce 2003, 25)



Map of HOP houses in Winnipeg

IN TERMS OF PLANNING.....

Incremental Planning

Incremental planning emerged as a reaction to its predecessor rational choice. Rational choice was a scientific approach to planning which thought that creating a program to address the concern would cure the problem. In Winnipeg, we saw this in the late 1960's as urban renewal was the primary solution to the housing crisis. Urban renewal revolved on the idea that eliminating substandard housing and providing

people with superior housing would solve the housing crisis. This approach ignored the social problems tied to substandard housing. The movement towards incremental planning recognized that planning was not a rational process solved by scientific solutions.

Rather incremental planning arose noting that planning involved "a pluralistic view of society composed of competing interest groups who lobby government for certain policies. In this mod-

el, plans are not constructed by a strict process but by a series of consultations largely based on peoples' actual experiences (Macleod 2005, 1). This type of planning is a series of little steps to reach a final goal. "An incremental planning approach does not lead to a master strategic plan. Instead, the output is a set of incremental initiatives- ones that are flexible, reversible and involve limited rise. The idea is to invest in bite-sized testable actions" (Mackay 2004, 4) In relation to the trends, this leaves the door open to private interests, who have greater flexibility and financial means to fill in the gaps left by governments. Acting incrementally, private interests can fill this gap and create programs to meet a need. HOP is a prime example of this, as a private interest saw a need and created a program.

" The crux of successful collaboration seems to be the mutual recognition by both public and private participants that they can pursue their distinct, but complementary, interests more effectively together rather than separately (Pierce 2003, 13)

Planning Partnering

Incremental planning can lead to partnerships or collaborative planning. This merges the incremental steps, and includes both public and private interests as part of the solution. Private interests often have more financial ability to contribute to the planning process. Poschmann neatly summarizes the benefits to public/private partnerships, stating that "at the heart of the partnership approach is governments' desire to bring private money and management to public-service provision. The reasons for involving private capital are clear enough. The process provides new money managerial skill, access to innovative technology and novel approaches to service delivery." (Poschmann 2003, 3) HOP currently illustrates this type of partnership.

LESSONS FOR PLANNERS

- This example shows how planners can use incremental planning to create a beneficial PPP (Public/Private Partnership)
- Shows how PPP have the ability to meet needs in a different way than just public or private
- Built on the strengths of both public and private to ensure a program that was representative of a specific sphere of knowledge and expertise- plan for what you know. WREB knew about homeownership, renovation, construction, real estate practices and marketing, home financing and working with governments so this is what they did.
- Use partnership to provide services that would be offered
- This type of partnership has the ability to adapt programming to meet the needs of a particular group or area
- PPP's are emerging as new ways to meet public needs
- HOP has been careful to limit what it tackles - keep planning goals realistic and doable.

About the Planners:

Allison Lazaruk is a City Planning student at the University of Manitoba. She has completed her coursework and is starting her thesis.

Tom Yauk a former City Planning student worked as a city planner for the city of Winnipeg. Currently, Yauk is the president of HOP.

Ian Skelton is a University of Manitoba professor who specializes in housing. Skelton is in the process of publishing a report on HOP.

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