



Pocket Suites

rethinking private public partnerships

CASE IN POINT 2009

CONTRIBUTORS

Richard Mahé, MCP candidate, UofM
Paul McNeil, MMM
Patty Malone, SAM Management

“This model can be a template for affordable infill housing aimed in single resident occupancies in innercity neighbourhoods.”

S.A.M. MANAGEMENT

ABSTRACT

For individuals and families in core housing need, access to adequate and affordable housing in the private rental market is a challenge. These difficulties are further exacerbated for people with physical and mental health issues who often face stigma and discrimination in the housing market. The result is that many are relegated to subpar housing in rooming houses and single-room occupancy hotels (SROs).

A major challenge for urban planners is to create policies and foster partnerships with public and private interests to provide decent and affordable housing for marginalized people.

The pocket suite initiative, led by SAM Properties and ND Lea (now MMM Group), is a creative response to the gap in housing alternatives to rooming houses in Winnipeg. It is a unique example of a partnership between various private and public agencies at addressing urban housing issues.

It is critical that planners use an evaluative framework to determine the success of these types of initiatives. It is hoped that by looking at the strengths and challenges of the pocket suite project through the primary constituencies involved that it will help to inform future projects.

Background and Context

Paul McNeil from ND Lea (now MMM Group) partnered with SAM Management to create ‘the pocket suites’, an innovative public-private partnership that provides an alternative housing option to rooming houses in Winnipeg’s Spence and Centennial neighbourhoods. This Case-in-Point will look at the strengths and challenges of the ‘pocket suites’ to help inform future development.

ROOMING HOUSES

Historically, rooming houses have responded to a need in the housing market and were regarded as a common and legitimate form of housing (IUS, 2002). In the Winnipeg context, they housed migrant workers in the boom era of the early part of the 20th century, and later housed working-class tenants during the 1950s and 1970s (IUS, 2002). Today, however, rooming houses in Winnipeg are generally recognized to be housing of last resort. Those who are housed tend to be on social assistance, are marginalized and face stigma in the private housing market (Skelton and Mahé 2009). The demographic of rooming houses tenants in recent years has primarily been older single males and people living with mental health issues. This demographic continues to be prominent, but the profile has changed recently to include younger adults, single mothers and aboriginals (IUS, 2002).

The housing conditions of rooming houses are often deplorable and the units tend to be in need of major maintenance and repair. Tenants often complain of a lack of basic maintenance issues such as basic plumbing and electrical work (IUS, 2002). Tenants live in cramped conditions, and share bathrooms and ventilation systems. Some of the main issues identified by those who live in rooming houses were: a lack of privacy, a lack of safety, poor housing conditions, and a lack of adequate services and supports (IUS, 2002). The margin of profitability for the owners of rooming houses is razor thin because they rely on the social assistance rates of their tenants. The incentive in these conditions is to run-down the building and to forgo investment in the housing stock.

CORE HOUSING NEED

The housing project addresses individuals who are low-income and who find themselves in core housing need. The term “core housing need” generally refers to an individual, or family, living in housing conditions that are not safe, unsuitable for their needs, or is too costly. Affordability is measured by a ratio of expenditures on housing to total household income. A household spending more than 30% of total household income on housing is considered to be in core housing need. A household is also in core housing need if the housing quality does not meet adequate standards (e.g. overcrowding and in need of basic plumbing) or the housing is in need of major repairs. In Canada, approximately 1 in 6 are in core housing need (PRI, 2004).

This housing project also meets a housing need that is often overlooked in the private housing market. The provision of housing for low-income single persons –often with mental health issues – that often find themselves in less than adequate housing situations. People living with mental health issues are disproportionately discriminated against in the private housing market, preventing them from fully integrating in society. This takes on particular importance for people living with mental health illness because safe and secure housing plays a



central role in the quality of their mental health (Skelton and Mahé, 2009).

COMMUNITY CONTEXT

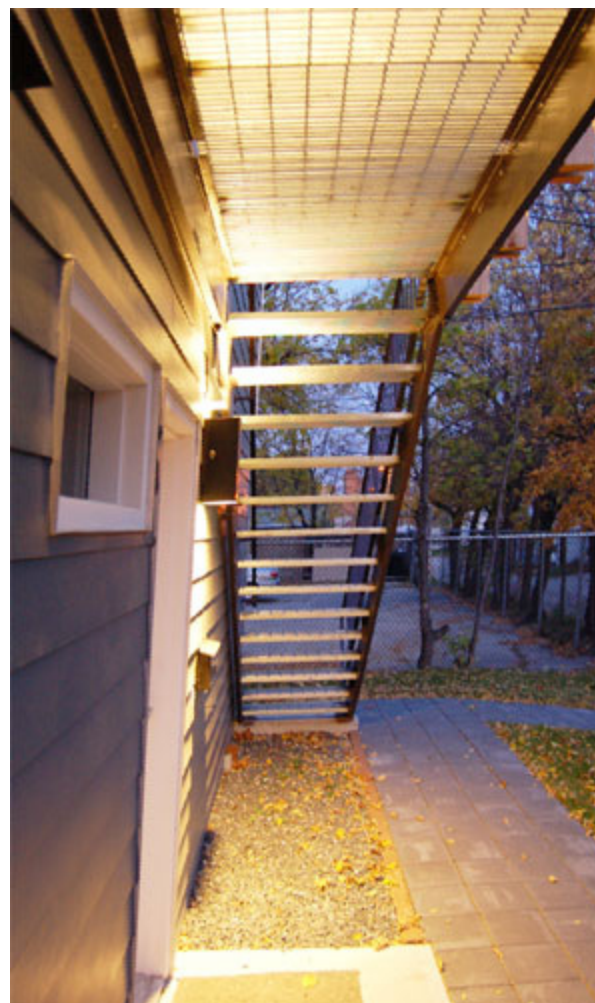
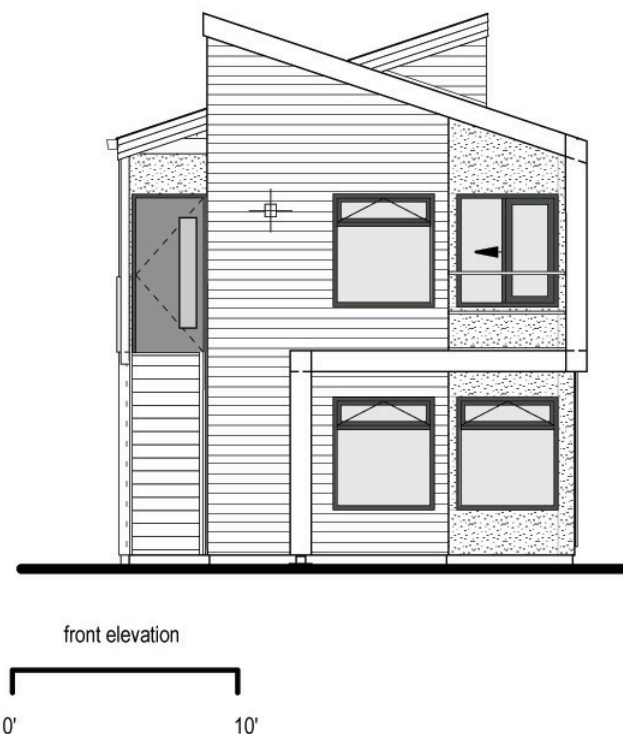
An innovative feature of the project is that they targeted infill sites within the Spence and Centennial neighbourhoods. The design of the units insured that they were integrated into character of the neighbourhood despite the construction of the multi-residential suites on narrow infill lots. This type of infill development contributes to sustainable neighbourhoods by contributing to density, and promoting compact urban form and walkable communities.

The Spence and Centennial neighbourhoods have been identified in Plan Winnipeg 2020 as Major Improvement Neighbourhoods. These neighbourhoods have been identified in a number of criteria indicators to be in need of investment to improve among other variables: condition of housing.

Facts of the Case

SAM Management in collaboration with ND Lea looked to create an affordable housing option to rooming houses in 2003. The partnership was the result of a previous connection and working relationship with Paul McNeil, developed when he was Director of Winnipeg Housing and Rehab. Cohlmeier Architects came up with the award winning design of the multi-residential housing units. The project created four multi-residential housing units with an average size of 230 sq. ft per unit. Each two-storey building has eight units with their own entrances, private washrooms and separate ventilation systems. This addressed some of the concerns of privacy, safety and dignity that rooming house residents identified in previous studies. The units on ground level also provide accessibility for single persons with a physical disability.

The City of Winnipeg also contributed to the project by selling the infill lots for 1\$ each. The City also provided assistance in guiding through the approval challenges of building on narrow infill



lots. For example the project required variances to address the parking requirements under the zoning by-law. Additionally, some of the units did not meet the minimum area required for the site in the zoning by-law.

Funding for the project came on behalf of the Winnipeg Housing and Homelessness Initiative (WHHI) and the Canadian Mortgage and Housing Corporation (CMHC). As part of the funding through the WHHI, ND Lea and SAM Management engaged local residents to get buy-in for the project. Spence Neighbourhood Association was an important part of that process. Getting neighbourhood approval was an integral part of the success of the project. Design issues were among the biggest concerns that community residents had about the project. There was a desire to ensure that the housing units “fit” into the character of the neighbourhood. As a result of the engagements, design modifications were made to include the crossed high-pitched roofs, mimicking the high-pitched roofs of the rest of the neighbourhood.

Lessons learned

The success of the ‘pocket suite’ project was the result of the collaboration and buy-in of all the stakeholders. It is important that projects like these be evaluated after the project is complete. It provides invaluable lessons learned and guidance for future developments.

ND Lea didn’t have a formal built-in post development evaluation. The difficulty in doing a post-occupancy review from the developer’s perspective is that financially the project does not provide the economics to do it. The focus of these social housing development projects is on affordability. In order to keep the price per unit as low as possible it becomes difficult financially to incur additional costs, like post-occupancy evaluations. However, SAM management, as part of their property management work, does do some post-occupancy evaluation. They conduct monthly visits with the residents. These visits are an opportunity to develop relationships between staff and tenant, build connections, be informed, and

provide assistance. SAM Management’s “stepped up” property management provides assistance to aid the tenants to live independently. This may include medical and financial help. It also allows tenants to feel comfortable to raise maintenance issues.

During this process they are able to better understand the wants and needs of the individuals that live there. It provides an unique insight into what is necessary for these projects to be a success.

One of the major challenges identified is the difficulty of building social housing to the social assistance rates. Originally, the concept was to provide housing for individuals at the social assistance rate of 285\$ per month. Construction costs and the technical challenges of building for 230 sq feet units made this goal untenable. Due to these cost factors, the price per unit increased to 357\$. With assistance from the Department Family Services and Housing, approximately half the units are rent-geared-to-income, helping to bridge the affordability gap between the social assistance rates and the actual price of providing the housing.

The lack of financial incentives provides a disincentive for the private sector to get involved in building social housing. Paul McNeil and ND Lea got involved in this project because of his passion for social and housing and previous experience in doing infill housing. Planners can play a big role

“Concept is the most important thing. If you start with a foundation of safety and dignity it’s going to be a success”

S.A.M. MANAGEMENT

in facilitating relationships like ND Lea and SAM Management

From the perspective of SAM management, the non-profit housing manager, this project fills an important part of their mandate to provide affordable housing. The difficulties they encountered during this process was the lack of human and financial resources and the in-house capacity to get into housing development.

The demographics of the tenants also requires increased support. Providing “stepped up” support services requires additional resources which places additional strain on financial viability of the project.

The margin to brake even in these type of projects are so small that SAM management cannot incur a vacancy. Additionally, the size of the units has impacted their ability to attract tenants to their suites, as Patty Malone from SAM Management states, “the units are too small. Its hard to retain tenants. The square footage is too small. We would need another 50 square feet.” In particular, the unit size has also been a challenge finding tenants to fill their accessible units.

Conclusions

The pocket suites project shows that public private partnerships can provide affordable housing to people on social assistance. Planners, both in the private and public sector, can play an important part in developing these projects. However, planners need to be aware of the context of the environment in which they are planning. They need to be able to understand the wants, needs and pressures of the various constituencies involved or impacted by the projects they are working on.

To get additional insight into the successes and challenges of the project, direct discussions with tenants of the pocket suites would be needed.

There is considerable debate on what the role should be for private businesses in the provision

of social housing. Regardless, it is important for planners that work on projects with people who are marginalized to include their voices in the evaluation of those projects. Evaluating a project in this context means going beyond the quantitative. Engaging in a qualitative way, can expose issues, raise questions and add context that is not possible by statistical means. This means evaluating projects requires different stakeholders be included in the process.

Some of the recommendations stemming from this project to incite greater involvement of the private sector in building and managing social housing are:

- Development of policies at the provincial and municipal level to create the right environment for partnerships and capacity to develop in the private sector.
- Policies to help bridge the gap between the social assistance rate and the real costs to build and support housing
- Community involvement in the beginning stages of the development process can lead to better design and neighbourhood acceptance
- Build capacity within the non-profit sector in housing development
- Promote regulatory policies within the development plan and the zoning by-law that are flexible and will promote infill housing

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