

**HABITER  
MONTREAL**



# Strategy for the inclusion of affordable housing in new residential projects



Dear Montrealers,

Our administration is proud to deliver on its promise to make Montréal an ever more inclusive city whose citizens work together for the benefit of all. Today, we add a new initiative to the actions we have already undertaken: an inclusionary strategy for affordable housing in new residential projects.

Why develop such a strategy? In terms of demographics, it will enable us to ensure a housing stock that offers housing of different types and costs to meet the various needs of our fellow citizens. This is important during all the phases in the life of a household, but it is particularly crucial for young families who all too often equate the arrival of children with a move to the suburbs.

This strategy will have economic benefits as well. A housing market that includes a variety of affordable options will give our city an undeniable competitive advantage, enabling Montréal to attract and keep the dynamic, highly skilled and creative population that it needs. It will also permit businesses to count on a workforce that is well housed and living close by.



Finally, it will offer greater social equity. In addition to dramatically improving the quality of life of targeted households, the inclusion of affordable housing in new residential projects will reinforce the fabric of our neighbourhoods and preserve the high level of social mix that is one of Montréal's hallmarks.

This strategy, coupled with other programs in which Montréal already invests and which receive the support of the governments of Canada and Québec, will mobilize municipal resources to create the diverse living environments prescribed by our city's new Master Plan.

With the launch of this strategy, Montréal also issues a call to action. We invite fellow governments, institutions and other major public property owners as well as all other actors in the field of urban development to adopt this vision of a city whose diversity is its strength.

A handwritten signature in blue ink, which reads "Gérald Tremblay". The signature is fluid and cursive, written over a white background.

Gérald Tremblay  
Mayor



Dear fellow citizens,

After months of hard work, ongoing dialogue with a wide variety of stakeholders and a number of public consultations conducted by the Commission du conseil sur la mise en valeur du territoire, du patrimoine et de la culture, our administration is now ready to implement its inclusionary strategy for affordable housing in residential projects.

The consultation process conducted by the Commission in April of 2005 allowed us to gather input from 37 different stakeholder groups, including organizations representing the private sector, major institutions and community groups. More than 150 citizens shared their opinions with us during the Commission's four days of public hearings. The consultation process confirmed the importance of the issues, and the relevance of an inclusionary strategy. It also helped us to make several modifications and improvements to our original draft. This exchange of ideas proved essential, leading not only to a better final product but also to one that is better understood and supported by our partners.

Our administration's policies benefit from a global and integrated approach. As a result, the strategy also touches on issues of economic and social development.



It should be noted here that a primary goal of this strategy is the conservation, indeed the reinforcement, of two of Montréal's major assets: an enviable degree of social mix and a housing stock that meets the range of citizens' needs.

Over the coming years, I am convinced that this strategy will prove to be one of our most important tools in crafting the future of our city. Our hope is that this strategy will be transparent and dynamic. Its performance will be reviewed in two years to measure its achievements and to help us make, along with our partners, any necessary adjustments.

Nonetheless, the strategy can only succeed in meeting its objectives if every actor in the field of housing makes a concerted effort. We invite all of them to support us in the implementation of this strategy.

A handwritten signature in blue ink, appearing to read 'C. Maciocia', written in a cursive style.

Cosmo Maciocia  
Member, Executive Committee of Montréal  
Responsible for housing, social and community  
development and income security

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## Introduction

The inclusionary strategy for affordable housing is the result of studies and efforts begun in 2003. Based on the examples provided by other cities worldwide and on an in-depth study of local housing conditions, this strategy was developed in concert with a wide spectrum of stakeholders active in the field of housing in Montréal. A list of the proposed actions was submitted for public consultation in April 2005 in a process conducted by the Commission permanente du conseil sur la mise en valeur du territoire et du patrimoine. This process helped to enlarge the scope of the initially proposed actions.

This document outlines the inclusionary strategy for affordable housing as adopted by the municipal administration. It consists of three parts. The first part defines several concepts upon which the strategy is built: affordable housing, social and community housing and social mix. It explains the major issues addressed by the strategy as well as the cogency of its chosen approach. The second part deals with Montréal's current housing situation: the need for affordable housing, the price gap between the Island of Montréal and the surrounding municipalities and the city's current interventions. Finally, the third part presents the strategy's seven categories of intervention and the measures that the city of Montréal will employ to implement them.



## Issues and definitions

# 1. What is affordable housing?

## Above all, a measure of ability to pay

The expression *affordable price* is used in the vernacular to connote many different things. For some, it means a reasonable price, for others, a price accessible to certain clienteles. In reality, the notion of affordable price, just like that of affordable housing, is a relative one: what is affordable for one person or household is not necessarily affordable for another. For the purposes of this strategy, a dwelling is considered affordable when its rent or monthly mortgage payment (including property taxes and heating costs) does not exceed 30% of a given household's gross monthly income.<sup>1</sup>

This is the definition most widely used by public administrations in Canada and the United States. However, it must be interpreted in light of several factors. For one thing, the dwelling must respond suitably to the needs of the household, especially in terms of floor area. Second, it must be appropriately located, within reasonable distance of employment, essential services and public transportation. An affordable dwelling is not truly affordable if its location requires significant transportation costs. Finally, the problem of finding affordable housing is not limited to tenants. It is important to respond to the aspirations of households who wish to become homeowners and have the means to do so, but cannot buy a home in Montréal due to high housing prices.

## Examples of a 30% shelter cost-to-income ratio

### Single person with a child: A nurse

Annual salary: \$30,000

Monthly rent of \$750 (heating included)

### Couple: A truck driver and a secretary

Combined annual salary: \$46,000

Property valued at \$140,000 (mortgage, taxes and heating)

### Couple: A junior radiology technician and an automobile mechanic

Combined annual salary: \$50,000

Property valued at \$150,000 (mortgage, taxes and heating)

## Two main target groups

The notion of affordable housing is invariably associated with a clientele that might otherwise have trouble finding housing. As a result, this strategy targets two groups in particular: households with low or very low incomes, and households with moderate incomes.

### • Households with low or very low incomes

These households have difficulty finding apartments with rents that are within their ability to pay. These households generally report annual incomes below \$35,000.

### • Households with moderate incomes

Many of these households experience difficulty finding rental housing, while another large segment of this group, composed of those that aspire to become homeowners, cannot find a property in Montréal that they are able to afford. The incomes of members of this latter group are between roughly \$35,000 and \$55,000 per year.

### **And social housing?**

Social housing is a form of affordable housing. Social housing complements the private housing market, responding to needs that it cannot meet alone. Over time, several different formulas have been developed, ranging from low-rent public housing (known in Québec as habitations à loyer modique, or HLM) to self-managed cooperatives. For the purposes of this document, social and community housing is defined as those dwellings made available under the two government programs currently in operation: AccèsLogis and Affordable Housing Québec (social and community component).

These programs serve a wide variety of households, including single people, large families, senior citizens, recent immigrants and female-headed households, all of whom experience difficulty finding adequate housing that meets their budgets. To respond to their needs, the programs favour certain types of projects.

- Housing cooperatives, characterized by collective property ownership and self-managed property management and maintenance, are the most common. According to program guidelines, cooperative members should be selected so as to ensure a certain degree of social mix.
- In other cases, non-profit paramunicipal corporations and non-profit organizations respond to the particular needs of certain populations, including seniors and other vulnerable groups. Managed by administrative boards composed of corporate and resident representatives, these organizations also help to connect

residents with the services they need, including training, health care and social services.

In all cases, social and community housing offers households with low or very low incomes not only a significant improvement in their quality of life but also a supportive environment, favourable to their growth as individuals, as families and as members of society.

#### **Examples:**

##### **A single senior citizen**

Annual income: \$12,000

Rent for a one-bedroom dwelling: \$250/month  
(with rent supplement)<sup>2</sup>

##### **A family (two adults, three children)**

Household annual income: \$30,000

Rent for a three-bedroom dwelling: \$690/month  
(without rent supplement)

##### **A female head of household, two children**

Annual income: \$22,000

Rent for a two-bedroom dwelling: \$458/month  
(with rent supplement)

<sup>2</sup> Certain tenants may benefit from a form of government assistance called a rent supplement in order to make up the difference between the per-unit rent necessary to finance the project and the renter's ability to pay.

## 2. Why affordable housing?

### **Affordable housing is an important social asset**

Adequate housing is a fundamental need. Affordable housing, and social and community housing in particular, constitutes an important contribution—not only to the fight against poverty and efforts to increase social integration, but also to improved public health:

- Access to housing is difficult for the least financially secure and those who are poorly served by the housing market (such as large families) or who face discrimination based on ethnic origin, single-parent status, having children, etc.;
- Housing is the largest category of household expense.<sup>3</sup> For disadvantaged households or workers with low incomes, a reduction in rent would help them meet other essential needs, such as food, health, education, etc.;
- Poor housing conditions are frequently faced by those with a limited ability to pay. These include overcrowding (an aggravating factor for dropping out of school, family violence, etc.), unsanitary conditions (vermin, mould, drafts, leaks, etc.) and faulty construction (risk of fire, poor soundproofing and insulation, etc.);
- Living in a high-quality dwelling contributes to residential stability and enables one to put down roots in a community. These factors also increase the likelihood of success for children in school. In the case of a more vulnerable clientele, residential stability is frequently an important precondition for social

reintegration (such as a return to studies or access to employment);

- Home ownership helps stabilize the finances of a household, in turn permitting the gradual accumulation of savings. In addition, it encourages households to put down roots in their community.

### **Affordable home ownership helps slow the exodus of young households to the suburbs**

Montréal has by far the largest percentage of tenants in the metropolitan area. In fact, three-quarters (75%) of all tenant households in the Communauté métropolitaine de Montréal live on the Island of Montréal. At the same time, a significant financial barrier exists, preventing access to home ownership on the island. As a result, a large number of those who wish to become homeowners, particularly young families, opt to move to the suburbs, where prices are lower. This constitutes a major loss for Montréal.

The annual migration data collected by the Institut de la statistique du Québec help illustrate this phenomenon. Between July 1, 2001 and June 30, 2004, Montréal lost approximately 60,000 residents to other regions of Québec.<sup>4</sup> Of these, 30,000 were 25 to 39 years old and 18,000 were below the age of 14. This situation is cause for concern.

<sup>3</sup> In 2000, according to Statistics Canada, more than 96,500 tenant households in Montréal (18.7%) devoted 50% or more of their income to rent.

<sup>4</sup> Most moved to the regions of Montérégie, Laval, the Laurentians and Lanaudière; in essence, Montréal's hinterlands. It should be noted that Montréal gains more population from international immigration than it loses to internal emigration.

## **Affordable housing contributes to Montréal's economic vitality**

While there is widespread agreement that a lack of affordable housing results in a number of social problems, there is much less discussion of the benefits that sufficient affordable housing has on the economic vitality of large cities like Montréal. In April 2003, the Toronto Board of Trade published a report highlighting the clearly inadequate supply of affordable housing in Toronto and several other major cities.<sup>5</sup> Why would a businessperson's association take such an interest in affordable housing? The arguments put forward in the report are as valid for Montréal as they are for Toronto. First, the supply of affordable housing influences the efficiency of firms of all sizes. Second, housing costs can influence a business' decision, as well as that of its employees, to locate outside the city or even in another metropolitan area altogether. In summary:

- A diverse population working in a wide variety of jobs is essential to the economic vitality of a large city.
- The relative affordability of housing in Montréal is one of the city's competitive advantages in attracting and maintaining firms, jobs and qualified workers.<sup>6</sup> This advantage should be preserved. In fact, as housing costs increase, workforce costs increase in kind. As the Board of Trade of Metropolitan Montréal notes: "the rapid rise in the price of real estate in Montréal over the past few years has caused the

housing affordability index to slip, meaning that the relatively affordable cost of living we enjoy today may not continue in the near future."<sup>7</sup>

- A city like Montréal must be able to house people who provide essential services for organizations, businesses and stores, including clerks, secretaries, technicians, nurses and teachers.

5 Toronto Board of Trade. *Affordable, Available, Achievable Practical Solutions to Affordable Housing Challenges*, April 2003. [<http://www.bot.com/assets/StaticAssets/Documents/PDF/Policy/FINALBOTAffordableHouseReport031.pdf>]

6 See Richard Florida's (Catalytix) study entitled *Montréal's capacity for creative connectivity: Outlook and Opportunities* commissioned by Culture Montréal. It deals at length with the question of affordable housing as a competitive advantage, particularly for attracting artists, artisans and other creative people working in cultural industries. A summary of the report can be found at: [[http://www.culturemontreal.ca/pdf/050127\\_catalytix\\_fr.pdf](http://www.culturemontreal.ca/pdf/050127_catalytix_fr.pdf)]

7 Board of Trade of Metropolitan Montréal. *Montréal Health Report*. 2004. Page 17. [[http://www.cmm.qc.ca/documents/bulletinDeSante/BulletinSante\\_Fr.pdf](http://www.cmm.qc.ca/documents/bulletinDeSante/BulletinSante_Fr.pdf)]

### 3. Why encourage social mix?

Several position papers addressing the future shape of our metropolis have taken a stand for increased social mix. This stance is based on a number of arguments.

#### **A condition of sustainable development**

Ensuring the availability of a variety of housing types, able to respond to the needs of citizens in different income brackets, is an integral part of a sustainable approach to development, also known as smart growth.<sup>8</sup> The sprawling development of the metropolitan region has increased the distances between places of employment and places of residence, leading to longer daily commute times for workers. In fact, there is a deficit of approximately 296,000 workers compared with the number of jobs available on the Island of Montréal.<sup>9</sup> Reducing the distance between housing and workplaces will contribute to decreasing the amount of time lost in transit and in traffic, as well as alleviate some of the negative impacts these activities have on the environment.

#### **A way to avoid social segregation and to break the cycle of poverty**

Studies have demonstrated that large concentrations of poverty in a single area can diminish the opportunities of low-income residents to improve their situation.<sup>10</sup> The promotion of social mix may reduce this negative effect, or, if viewed as a preventative measure, stop it from developing. As a corollary, the presence of a population that is socio-economically diverse helps to ensure a district's economic vitality as well as access to higher quality services.

#### **A way to enable people to stay in their neighbourhoods (sustainable communities)**

It is a way to offer residents whose socio-economic or family situation changes (e.g., after a divorce, the arrival of a new child or retirement) the ability to remain in their neighbourhood, if they so choose. It can be devastating for an individual or a family to have to leave a neighbourhood because it is no longer affordable. Likewise, households that see their situation improve should also be able to find housing that corresponds to their aspirations in their current neighbourhood. The continued presence of such people contributes to neighbourhood vitality.

#### **Social mix without conflict**

According to a study completed by INRS-Urbanisation, culture et société, the following four actions favour harmonious cohabitation within mixed residential projects:

- Maintaining a relatively homogenous population at the individual building level;
- Preserving privacy: avoid elements that may be perceived as leading to forced socialization (e.g., direct sight lines between different units);
- Applying architectural principles: aim for architectural uniformity within the project (to avoid distinctions between units of a different status) and avoid architectural styles traditionally used in social housing (which are often stigmatizing);
- Ensuring a legible hierarchy of public and semi-public spaces.

8 For a discussion of this question, see: Fischler, Raphaël. *Vers un nouvel urbanisme pour de nouveaux quartiers : Revue des nouveaux courants nord-américains en urbanisme et aménagement et de leurs possibilités d'application à Montréal*. 2003. Report commissioned by the city of Montréal. Available in French only. [[http://www2.ville.montreal.qc.ca/plan-urbanisme/pdf/connexes/etude\\_nouvel\\_urbanisme.pdf](http://www2.ville.montreal.qc.ca/plan-urbanisme/pdf/connexes/etude_nouvel_urbanisme.pdf)]

9 Government of Québec. *Emploi-Québec/Table métropolitaine de Montréal. Regard sur le marché du travail de la RMR de Montréal*. p. 23. Available in French only. [<http://www.table-metropolitaine.org/docs/regard.pdf>]

10 These studies are reviewed in a report commissioned by the Ville de Montréal: Dansereau, F., et al. *La mixité sociale en habitation*. May 2002. Available in French only. [[http://www.habitermontreal.qc.ca/fr/pdf/mixi\\_habit.pdf](http://www.habitermontreal.qc.ca/fr/pdf/mixi_habit.pdf)]



## Current conditions



### A great need for affordable housing

According to the 2001 census, more than 300,000 tenant households have low or very low incomes. Even if, as several indicators suggest, they are adequately housed, these households may experience difficulty if they need to find another apartment, due largely to the current scarcity of available rental housing. This is especially the case in the most affordable segments of the market (for example, the vacancy rate for apartments listed below \$600/month was only 1.2% in 2004). Social and affordable housing programs are currently in place to assist these households.

#### Vacancy rate by rental market segment, two-bedroom dwellings (2004)

Market Segment	Vacancy Rate
Below \$600	1,2%
Between \$600 and \$900	1,9%
Above \$900	2,6%

Source: Canada Mortgage and Housing Corporation (CMHC)

Moreover, the number of households continues to increase. A recent study completed for the city of Montréal estimates that the growth of households during the period between 2003 and 2013 will create a demand for 5,800 to 8,300 new dwellings per year.<sup>11</sup> A certain portion of these households will require affordable housing options, including new immigrants. Year after year, Montréal attracts a significant number of new arrivals from overseas, many of whom will be looking for rental housing in their first few years here. Indeed, the Island of Montréal welcomed more than 107,000 immigrants between 1999 and 2003.<sup>12</sup>

Census data also indicate that some 100,000 Montréal households earn between \$34,000 and \$51,000 per year. A number of these households, particularly those at the higher end of the spectrum, have the financial means to acquire a home. Unfortunately, rising property prices severely limit their ability to purchase on the Island of Montréal, leading large numbers of them to move to suburbs where housing is more affordable. These households are targeted by Montréal's program facilitating first-time home ownership.

<sup>11</sup> Mathews, Georges. *La demande de logements neufs à Montréal (2003-2013)*, December 2003. Available in French only. [<http://www2.ville.montreal.qc.ca/ocpm/pdf/41/3c.pdf>]

<sup>12</sup> Data from the Institut de la statistique du Québec.

## Distribution of Montréal households in Montréal by income bracket and housing tenure

Income (2000)	Owners No. of Households	%	Tenants No. of Households	%
More than \$51,000	171,080	59,3%	105,215	20%
\$34,000 to \$51,000	50,085	17,4%	98,425	19%
\$21,000 to \$34,000	34,820	12,1%	107,175	21%
Less than \$21,000	32,280	11,2%	206,705	40%
All incomes	288,275*	100%	517,555*	100%

\* These totals do not correspond exactly to the sum of households by income bracket because the source data are rounded figures.  
Source: Statistics Canada. 2001 Census

### Property prices on the Island of Montréal are rising dramatically

Real estate prices climbed considerably between the first trimesters of 2000 and 2005, making access to home ownership increasingly difficult.<sup>13</sup> The average price of a single-family home on the Island of Montréal jumped from \$173,000 to \$308,000 over this five-year period.<sup>14</sup> The average price of condominiums rose from \$120,000 to \$208,000, an increase of 73%. These figures are especially notable when compared with those off the island. A single-family home in Montréal costs at least \$115,000 more on average than one in Laval or on the South Shore, and on average \$130,000 more than one in a North Shore community. As for condominiums, the price difference between Montréal and the South Shore or Laval stands at about \$60,000, while the price gap between Montréal and the North Shore is about \$80,000.

In the new construction market, prices are following the same upward trend. According to a study completed by Montréal's Service de la mise en valeur du territoire et du patrimoine on transactions completed in 2003, only 2.6% of new single-family homes and 16.9% of new condominiums could be deemed affordable.

### Average resale prices, 1st trimester of 2005

	Single-family homes	Condominiums
Montréal	\$307,974	\$207,802
Laval	\$193,258	\$147,812
South Shore	\$195,566	\$146,466
North Shore	\$177,114	\$125,721

Source: Greater Montréal Real Estate Board, Canada Mortgage and Housing Corporation

<sup>13</sup> It is noteworthy that duplexes and triplexes also rose significantly in price. These housing types have, in the past, helped young households buy their first homes. The conversion of plexes into condominium dwellings is now strictly regulated on the Island of Montréal as a result of the low vacancy rate in the rental market.

<sup>14</sup> Data from the Greater Montréal Real Estate Board (Compiled by the Canada Mortgage and Housing Corporation).

Most of these properties are small, and are concentrated in certain areas. Almost no affordable rental housing is being built, with the notable exception of that constructed under the Affordable Housing Québec and AccèsLogis programs. The cost of these programs is shared by the governments of Canada, Québec and Montréal.

### **Affordable housing is distributed unevenly throughout Montréal**

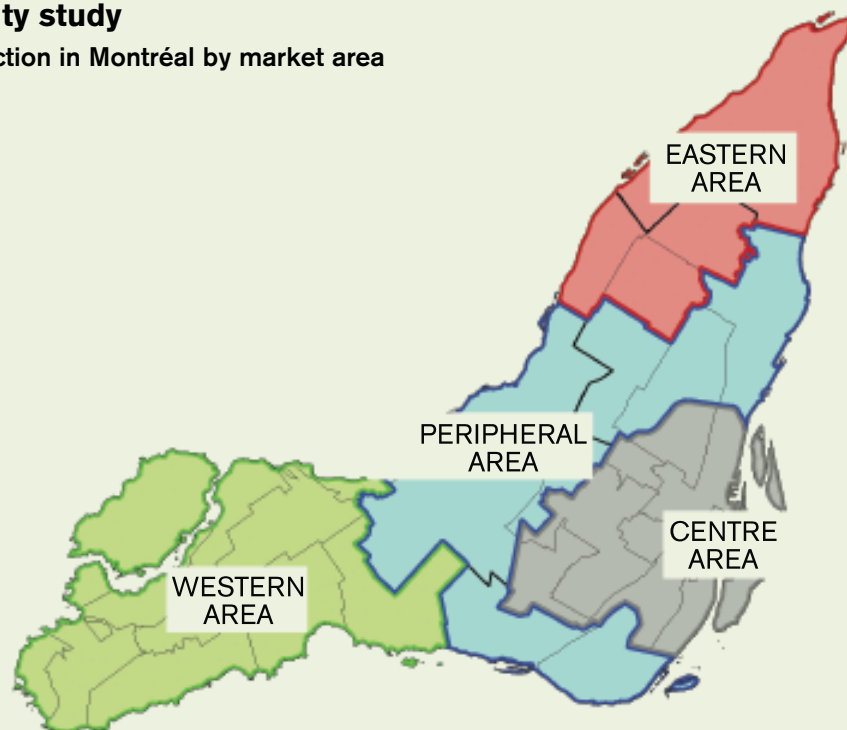
Resale prices reveal a strong disparity in property values between different areas of Montréal. According to data collected by the Greater Montréal Real Estate Board, the average price of a condominium in the west central area

of the island is as much as \$303,000 while the average price in Plateau-Mont-Royal, Centre-Sud and the eastern part of the Borough of Rosemont–La Petite-Patrie is approximately \$235,000.

Areas of greater affordability are found further east as well as in Pierrefonds, L'Île-Bizard, Sainte-Geneviève, Roxboro and Dollard-Des Ormeaux. The same tendencies are reported in the single-family home market, but with an even smaller distribution of affordable homes, most of them being located in Montréal's east end.

### **Affordability study**

#### **New construction in Montréal by market area**



Source: Ville de Montréal. Service de la mise en valeur du territoire et du patrimoine. Planification de l'habitation.

Concerning new construction, data collected on transactions made in 2003 show that new affordable units are concentrated primarily in the periphery of the city centre (22% of units deemed affordable) and in the eastern area (21% of units deemed affordable). The western area (5% of units deemed affordable) and the centre area (9% of units deemed affordable) are sectors in which few affordable housing opportunities can be found.

### **Social and affordable housing suffers from the “Not In My Back Yard” (NIMBY) phenomenon**

Plans for new residential development often provoke strong reactions from the local community. Conflicts can arise between:

- Market imperatives and the financial feasibility of projects;
- Demands of special-interest groups, whether they be in terms of green space, heritage protection or construction of social housing;
- Fears of citizens who are concerned about the impact of such projects on their neighbourhood, whether it be the physical environment, property values, or the arrival of new residents.

These confrontations can have negative effects. They commonly slow down or even jeopardize altogether the realization of many major projects in Montréal, but most importantly they prevent the construction of badly needed affordable housing.

## **Existing Montréal programs facilitating the construction of affordable housing**

### **Opération Solidarité 5 000 logements**

This initiative began in 2002 with the goal of building 5,000 social and community housing units. It is based on two programs: AccèsLogis and Affordable Housing Québec (social and community component).

### **Affordable Housing Québec (private sector component)**

This program offers financial aid to private sector builders who provide affordable rental housing to low- and moderate-income households.

### **Renovation Québec program**

The primary mandate of this program is urban revitalization. In addition to various types of aid for residential building renovation, it includes two components to directly or indirectly stimulate the construction of affordable rental or privately owned properties:

- The creation of new dwellings
- Home ownership

The governments of Canada, Québec and Montréal share in financing these three programs. The Communauté métropolitaine de Montréal reimburses municipal costs associated with the realization of social and community housing.



## Strategy

## Strategy overview

### 1. Optimize current housing subsidy programs

Maximize the leverage of subsidy programs to encourage the construction of affordable housing.

### 2. Use municipally owned land

Ensure a variety of residential products (social and community housing, affordable rental and home ownership, other market segments) when planning for the development of large sites.

### 3. Secure the partnership of major public property owners

Encourage government ministries and agencies, Crown corporations and other public and parapublic institutions to incorporate affordable housing objectives into their plans before the sale of surplus land.

### 4. Use regulatory and planning tools to their full potential

Ensure that a variety of residential products are built in large projects. Carefully consider the balance between the quality of the built form and the urban environment (in construction, architectural integration and density, for example) and the cost per dwelling.

### 5. Adapt the city's service delivery model

Pursue the programs offered by the Direction de projets–Développement du logement social et abordable, the Office municipal d'habitation de Montréal and the Société d'habitation et de développement de Montréal regarding the production of new social and affordable housing.

### 6. Pursue research, development and communication activities

Reinforce the city's activities in research, development and communication related to housing affordability and the inclusion of affordable housing in new projects.

### 7. Ensure that the strategy is monitored

Develop key indicators and produce statistics that will enable the evaluation of the achievements of the inclusionary strategy and undertake any necessary modifications.

Inclusionary practices rely principally on the activity of the residential construction sector to support the production of affordable housing. These practices first appeared in the United States in the 1970s and made their Canadian debut in British Columbia. These measures can be divided into two types of programs: incentive-based and mandatory, with the latter more commonly known as *inclusionary zoning*. Québec law does not currently allow for the mandatory inclusion of affordable housing.

The city of Montréal's approach has therefore been to create incentive-based programs, aiming to maximize its capability to intervene while working within the powers it has under current legislation.

The strategy adopted by Montréal includes seven components, which represent the different measures the city has at its disposal to influence the housing supply. The seven different components complement one another and should not be considered in isolation. This strategy calls all stakeholders to action: governments, developers, major property owners, municipal departments, boroughs and social groups. Finally, the strategy is meant to be dynamic: its efficacy will be rigorously evaluated and it will be amended and improved as necessary. In the interest of coherence and efficacy, this strategy must be taken into consideration when other plans and policies adopted by the city are implemented.

#### **The inclusionary strategy aims to:**

- Encourage the development, on large sites, of a wide variety of housing options, responding to the different needs and incomes of Montrealers;
- Facilitate the creation of social and community housing;
- Stimulate the production of dwellings affordable for first-time homeowners.

The strategy is one of the initiatives adopted to help attain one of the goals of the Montréal Master Plan: to favour the production of 60,000 to 75,000 new housing units by 2014, 30% of which are to be affordable.<sup>15</sup> Montréal has identified two specific targets in the inclusionary strategy:

- that 15% of new housing units built in Montréal be social or community housing;
- that another 15% of new housing units be affordable and built by the private sector (rental or affordable home ownership).

Given these goals, Montréal's boroughs are called upon to establish concomitant affordable housing targets. These targets should take into consideration both the overall objectives set for the city as well as the needs and potential of each borough.

<sup>15</sup> See the city of Montréal Master Plan. November 2004. Objective Two. [[http://www2.ville.montreal.qc.ca/plan-urbanisme/pdf/plan\\_extrait/041123\\_2\\_1.pdf](http://www2.ville.montreal.qc.ca/plan-urbanisme/pdf/plan_extrait/041123_2_1.pdf)]

# 1. Optimize current housing subsidy programs

At present, Montréal intervenes in the area of affordable housing through subsidy programs that it administers and whose costs are shared by the governments of Canada and Québec.<sup>16</sup> Montréal depends on this funding to deliver its programs. The dependability and continuity of funding is therefore essential in planning interventions and optimizing projects. Two of these programs, AccèsLogis and Affordable Housing Québec (social and community component) already ensure funding for Opération Solidarité 5 000 logements. As of July 2005, more than 5,000 housing units had been built or were under construction with the support of these programs.

With these units now on their way to completion, Montréal and its partners, particularly the Groupes des ressources techniques (technical resource groups), are currently planning projects for the 2006-2008 horizon based on funds already committed under the aforementioned programs.

In order to ensure the financial feasibility of these projects, Montréal assumes several additional costs normally assumed by the developer. These include infrastructure costs and selling certain sites for preferential prices, reflecting decontamination costs when applicable. These gestures constitute an indirect subsidy for social and community housing, and are an additional source of support above and beyond direct municipal investment in government programs.

Over the past number of years, Montréal has also spearheaded several affordable housing initiatives financed by the Rénovation Québec program.<sup>17</sup>

They include:

**Home ownership:** in operation since December 2003, this program's objective is to facilitate affordable first-time home ownership. As of July 1, 2005, more than 1,000 households had qualified to receive financial assistance.

**Creation of new housing:** this program targets a number of priority intervention areas. It promotes the construction of new housing on vacant sites, the transformation of non-residential buildings for residential use or the demolition of non-residential buildings to make way for housing. Since May 2004, additional grants have been available for the creation of affordable housing.

Montréal also administers another jointly financed program targeting private developers, entitled **Affordable Housing Québec (private component)**. The city decided to increase its contribution to this program in order to adapt it to the realities of the Montréal residential market. More than 1,400 affordable rental housing units have been approved through this program since its inception.

Energy costs, particularly for heating, represent a significant and constantly growing portion of overall housing costs. For this reason, Montréal participated in the launch of the Novoclimat-Logement program in 2003, developed with the Agence de l'efficacité énergétique du Québec. Along with major energy providers (Hydro-Québec Distribution and Gaz Métro), this organization provides financial assistance for the



construction of social and community housing that meets its energy efficiency standards. While energy efficient systems more than pay for themselves over time, they do require a significant initial investment. Approximately one-third (more than 1,600 units) of the dwellings created by Opération Solidarité 5 000 logements will be Novoclimat certified.

## Action Plan

All of the current programs will be used towards encouraging the inclusion of affordable housing in large residential projects. Certain subsidy and administrative practices will therefore be optimized. The city of Montréal will pursue the following actions, among others:

- 1.1 Seek guarantees from the Government of Québec regarding the continuity of current affordable housing programs in order to plan subsidy budgets for each phase of development of new residential projects. Establish and seek recognition of the real costs of affordable housing, particularly social and community housing.
- 1.2 Continue its efforts in lobbying the Canadian government for further funding of affordable and social housing, particularly through its membership in the Canadian Federation of Municipalities and its affiliate groups.
- 1.3 Set aside funds for subsidizing inclusionary projects in each annual budgeting exercise.
- 1.4 Ensure flexibility in government programs, particularly so as to enable the acquisition of sites within large residential projects or to conclude agreements with their developers.
- 1.5 Study the possibility of giving financial aid to developers for the creation of affordable housing within large projects, including those located outside revitalization program priority areas.
- 1.6 Evaluate various mechanisms to control the resale of affordable ownership properties where municipal intervention creates a significant variance from the market price, to prevent speculation. Include the experiences of the AccèsCondo program of the Société d'habitation et de développement de Montréal and the experimental component of the home ownership program in this study.
- 1.7 Promote the adoption of energy efficiency measures in privately developed affordable housing, in collaboration with energy providers. Among other measures, take into account the additional costs associated with initial energy efficiency measures when determining the maximum cost thresholds in certain programs.
- 1.8 Ensure that social and community housing units located in buildings with elevators are universally accessible.

## The Alcatel project site (Borough of Mercier–Hochelaga-Maisonneuve)

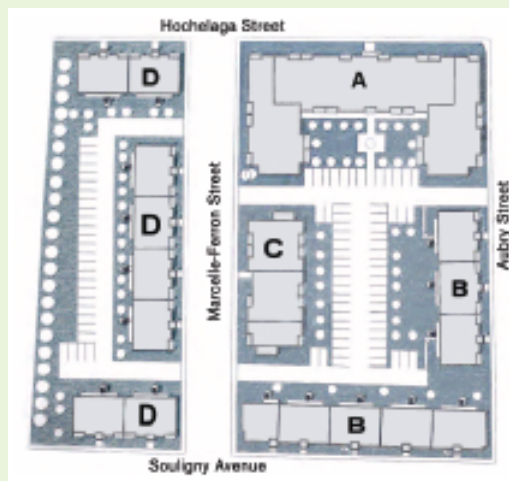
Social mix is often the result of the inclusion of social and community housing in a private development. In the case of the Alcatel project, the opposite occurred: a private development was included in a social and community housing project.

Located on the site of a demolished factory on Hochelaga Street, the Alcatel project responds to the diverse needs of local residents through a variety of residential products. The project's initiators, a technical resource group called Bâtir son quartier, will build some 250 residential units on the 174,000-square-metre site.

In order to respond to the city of Montréal's social mix goals, 35% of the site has been reserved for private development (see site plan, D buildings) while 65% has been marked for community housing (see site plan, A, B and C buildings). This project was financed through the AccèsLogis program.

In order to make this project a reality, significant soil decontamination and stabilization was necessary. A modification to the Montréal Master Plan was also required to permit housing to be built.

Site Plan – Alcatel Project



## Project Overview

### Project completion

The A, B and C buildings are currently under construction

### Goals

- Reduce nuisances generated by industrial activities
- Respond to a variety of housing needs

### Results

- Relocation of industrial activities
- Residential project of 250 housing units for the following clientele:
  - **A building** – 96 units for frail seniors (Non-profit organization: Les toits de Mercier)
  - **B buildings** – 60 units for families (Hermandad Cooperative)
  - **C building** – 30 units for single people (Non-profit organization: Les toits de Mercier)
  - **D buildings** – Approximately 64 private units that will be financed and built by SOLIM, la société immobilière du Fonds de solidarité de la Fédération des travailleurs et travailleuses du Québec

Alcatel Project – Aubry Street Elevation – Hermandad Cooperative



## 2. Use municipally owned land

By virtue of its land bank, the city of Montréal has the power to intervene directly throughout the city. This is especially true in terms of housing. Since the 1980s, successive administrations have bought and sold land as part of major programs, in particular Opération 20 000 logements and Habiter Montréal (resulting in the Faubourg Québec and Paul-Sauvé projects, among others). In the context of these projects, the city of Montréal was able to sell land—often at a price lower than market value—to meet its objectives, especially those pertaining to the production of social and community housing.

Today, the city's land bank offers a smaller potential for residential redevelopment, due primarily to the use of much of the land for Opération Solidarité 5 000 logements.<sup>18</sup>

However, the city of Montréal has recently made targeted land and building acquisitions (or expropriations), in partnership with the Government of Québec, for residential redevelopment (such as the Lavo site and the Old Brewery Mission project). These interventions, made within the framework of urban revitalization programs, generally aim to eliminate nuisances, relocate businesses or redevelop urban sites.

Montréal is requesting the renewal of these joint programs with the Government of Québec and intends to allocate a portion of its budget to acquisition/redevelopment activities favouring the production of social and affordable housing.

As for those large sites that are already municipally owned, Montréal and its boroughs will finalize their orientations regarding the inclusion of affordable housing and achieving social mix.

This is all the more pertinent as these properties are often coveted by numerous special-interest groups.

### Action Plan

- 2.1 Develop an “inclusionary plan for affordable housing” when planning the sale of large municipally owned sites.<sup>19</sup> This plan should provide for a minimum of 30% affordable units and ensure a variety of residential products (social and community housing, affordable rental and owner-occupied properties, market-rate housing). The degree of social mix may vary from site to site. The city of Montréal and the borough concerned will develop this plan with input from local stakeholders. In particular, it will focus on:
  - Site characteristics (neighbouring typology, soil rehabilitation costs, accessibility to services and transportation infrastructure, etc.);
  - Market characteristics;
  - Local need for social and affordable housing;
  - Project parameters (diversity of uses, height, density, etc.);
  - In certain cases, the possibility or opportunity of creating affordable units off-site, particularly within the existing housing stock.
- 2.2 Evaluate the opportunity to purchase and renovate existing buildings for the creation of social and community housing in boroughs where the potential for new construction is low and market conditions, particularly the vacancy rate, are favourable.
- 2.3 Continue the current practice of selling sites at below market value to community developers creating social housing.

<sup>18</sup> In fact, some 30% of the housing units built are located on former municipal sites.

<sup>19</sup> A site is considered 'large' when its residential development potential surpasses 200 units (such as the Rosemont municipal yard and the Contrecoeur site).

2.4 Evaluate the possibility of acquiring sites for a land bank destined for affordable housing, particularly social and community housing, in boroughs or areas of the city where municipal or public sites for development are rare or nonexistent. These acquisitions could be made within the framework of joint programs with the Government of Québec (for urban revitalization or the transformation of large sites).

2.5 Undertake, during 2006, a quantitative and qualitative review of the municipal policy on the sale of municipal sites for residential purposes.

### The Lafleur-Rhéaume site (Borough of Verdun)

This project is located on the former site of the Borough of Verdun's public works yard number 2, an irregularly-shaped site of about 6,317 square metres in the heart of a residential neighbourhood.

Working from a sustainable development perspective, the Borough opted to create a social mix rather than catering to a single clientele. The Borough therefore worked to ensure that the proposed project would cater to a wide spectrum of households and would integrate well with the surrounding built form. Today, four buildings of three to eight stories, with a variety of housing types (condominiums, affordable rental properties, cooperatives), can be found on the site.

**Former Verdun public works yard**



**Perce-neige Cooperative**

### Project Overview

**Project completion**  
2003-2005

#### Goals

- Reduce nuisances generated by public works activities
- Respond to a variety of housing needs

#### Results

- Relocation of public works activities
- Decontamination and rehabilitation of the site for residential use
- Architectural integration of the project with the surrounding area
- 129 new housing units:
  - 18 private affordable rental properties (A building)
  - 86 condominium units (B and C buildings)
  - 25 cooperative units (D building)

### 3. Secure the partnership of major public property owners

Several public institutions – government ministries and agencies, Crown corporations and other public entities – need to dispose of surplus land. Examples abound: the Canada Post sorting centre in the Borough of Sud-Ouest, the Radio-Canada parking lot in the Borough of Ville-Marie and the Louis-H.-Lafontaine Hospital grounds in the Borough of Mercier–Hochelaga-Maisonneuve. Unused buildings and land belonging to school boards and religious orders can be added to this list.

Not only do these sites represent significant development potential, they frequently benefit from excellent locations. The development of these sites is an issue of major importance for their surrounding communities. Montréal believes that these institutional property owners must fulfill their social responsibilities by supporting the creation of social housing. In this regard, the Benny Farm project, started in 2002, spotlights the undeniable advantages of ongoing community dialogue when a major public property owner begins a development initiative.

The development of these types of sites is often subject to special public regulatory measures, and frequently requires substantial zoning changes. The planning of these large urban projects therefore creates an opportunity to both respond to the needs of the local community and to respect the goals of the Master Plan. Montréal intends to promote the construction of affordable housing on certain sites zoned for institutional, industrial or commercial use that will be rezoned for residential use. As a study carried out by Raymond Chabot Grant Thornton for the city of Montréal explains, “Certain planning

decisions generate significant windfalls for land owners or developers. A portion of the value so created could be used towards the inclusion of affordable housing.”<sup>20</sup>

#### Action Plan

- 3.1 Systematize exchanges between the city of Montréal and major public land owners, so as to identify sites which could potentially be developed for residential use.
- 3.2 Obtain a commitment from major public land owners to adhere to municipal objectives and ensure that they integrate these objectives into the conditions of sale of their surplus property.
- 3.3 Take into account the commitment of property owners or developers to incorporate affordable housing when studying their applications for major zoning changes, for modifying the Master Plan or while negotiating special agreements.

<sup>20</sup> Raymond Chabot Grant Thornton, *Analyse d'impacts financiers sur l'inclusion d'habitations abordables et d'habitations sociales*, 2004. [French-only document]

## The Benny Farm project (Borough of Côte-des-Neiges–Notre-Dame-de-Grâce)

The Benny Farm project called for the redevelopment of a post-war veterans' housing complex of about 7.3 hectares. Its approach deserves acknowledgement as an exemplary model for the redevelopment or sale of a large site belonging to a public organization or affiliated group. The public participation process enabled the stakeholders to reach a broad consensus and gain the approval of municipal authorities. The site master plan entails both the renovation of existing buildings and the construction of new ones.

A number of different redevelopment options were debated publicly at great length which, over the years, served to delay development. To get beyond this opposition, Canada Lands Corporation opted in 2002 to proceed with a "community building" process that would prove instrumental in finally achieving success.

A working group, consisting primarily of community stakeholders, emerged from this process. This group quickly developed ten guiding principles and a set of parameters for the conception of the master site plan. Some of the group's orientations include creating an inclusive community, supporting social equity and building a variety of housing types.

By the end of 2006, some 550 units of affordable housing of different types for low- and moderate-income households will become available on this site.

### To learn more:

Internet site of Canada Lands Corporation dedicated to the Benny Farm site: <http://www.bennyfarm.org/en/home.htm>

Office de consultation publique de Montréal. *Rapport final de consultation sur le projet Benny Farm*

Available in French only. [<http://www2.ville.montreal.qc.ca/ocpm/pdf/P05/rapport.pdf>]

Mayor Gerald Tremblay's statement [[http://www.habiterMontréal.qc.ca/en/pdf/pr\\_30\\_09\\_04.pdf](http://www.habiterMontréal.qc.ca/en/pdf/pr_30_09_04.pdf)]

### The Benny Farm site



## Project Overview

### Project completion

Beginning of the public consultation process – July 2002.

Construction – 2004-2006

### Goal

Ensure the redevelopment of the site while respecting the concerns of the community and municipal authorities

### Results

- A project comprising 550 housing units
- 220 social and community housing units (cooperatives, residences managed by non-profits) built under the sponsorship of Opération Solidarité 5 000 logements, for senior citizens, young families, female-headed households and handicapped people
- 130 private rental units of 1 to 3 bedrooms intended for a variety of different household types
- 200 properties intended for families (single-family homes, duplexes, condominiums)
- A health and social services centre
- A community and sports centre

## 4. Realize the full potential of regulatory and planning tools

The municipal administration has at its disposal a wide range of planning and regulatory tools that exert a considerable impact on the built environment. Most of these tools fall under the responsibility of the boroughs. More than simply orienting future development, they ensure the quality and safety of new buildings and their harmonious integration with their surroundings. Among these tools, the following are particularly worthy of mention:

- |                   |  |
|-------------------|--|
| <b>Planning</b>   | <ul style="list-style-type: none"> <li>• Master Plan</li> <li>• Special planning programs (SPP)</li> </ul>   |
| <b>Regulatory</b> | <ul style="list-style-type: none"> <li>• Zoning, subdivision and construction</li> <li>• Specific construction, alteration or occupancy projects for buildings (SCAOPB)</li> <li>• Site planning and architectural integration programs (SPAIP)</li> </ul> |

Certain building and development standards may contribute to increasing construction costs or indirectly excluding certain types of affordable housing from the new residential construction market. It is important that the eventual cost of the dwelling be considered as regulations are being developed. Easing height restrictions and increasing allowable density, for example, may favour the creation of affordable housing as well as ensure the feasibility of projects.

In the field of zoning and regulation, the boroughs have a certain number of discretionary tools at their disposal.<sup>21</sup> These tools permit the evaluation of projects according to criteria (such as architectural integration, vegetation, impact on natural light) rather than on strictly defined standards. This flexibility permits solutions that are favourable to both the city of Montréal and developers. In this way, boroughs are able to improve a project in order to maximize its conformity with the objectives of Master Plan, particularly where the creation of a variety of housing types is concerned.

### Action Plan

- 4.1 Promote the development of a variety of housing types in large projects, particularly in Detailed Planning Areas designated by the Master Plan. The city of Montréal and its boroughs will encourage builders to include a proportion of units whose production cost is below similar products, by using quality but more economical architectural and planning concepts while respecting the financial viability of the project.
- 4.2 Review parking regulations and requirements in new residential projects, taking into account residents' needs and the accessibility of public transportation.
- 4.3 Document and inform the boroughs of the impact of the approval process and of certain regulations on eventual dwelling costs, and target measures favouring the development of affordable housing (e.g., accessory units or intergenerational housing).

<sup>21</sup> The discretionary tools are the following: minor derogations, conditional uses, CDP, SPAIP, SCAOPB. To learn more, see: *La prise de décision en urbanisme*. Direction de l'aménagement et du développement local du ministère des Affaires municipales et des Régions. Gouvernement du Québec. Available in French only. [[http://www.mamr.gouv.qc.ca/amenagement/outils/amen\\_outi\\_avan.htm](http://www.mamr.gouv.qc.ca/amenagement/outils/amen_outi_avan.htm)]

4.4 Ensure that the boroughs receive help from city of Montréal departments in planning large sites, by giving them support, data and pertinent analyses.<sup>22</sup>

4.5 Supply the city of Montréal's various partners with regularly updated market data describing the status of affordable housing.

### **Parking requirements to be revised for social and community housing**

Parking occupies a great deal of space and sometimes results in a reduction of the number of housing units that can be built on a given site. Parking also reduces the area available for green spaces and may cause environmental problems attributable to storm water drainage.

The cost of building parking, especially indoors, is a major component of the total construction cost of a social or community housing project and may compromise its financial viability. In a typical project, each underground parking space costs approximately \$20,000.

For all of these reasons, it is important that the number of parking spaces planned for a housing project corresponds to the actual need. The city of Montréal recently completed a survey of 1,900 residents of social and community housing in order to determine their needs more precisely. The results of this survey indicate that this population's rate of car ownership is lower than the norm.

Applicable parking standards, which vary widely from one borough to another, sometimes require one parking space for each unit, though 0.5 is more common. While this ratio is similar to the vehicle ownership rate of cooperative residents (0.67 vehicle/household), the vehicle ownership rate is far lower for other clientele.

For instance:

- Residents of housing units administered by non-profit organizations (0.33 vehicle/household)
- Residents of an HLM (0.28 vehicle/household)
- Households including at least one senior citizen (0.26 vehicle/household)
- Households composed of a single person (0.18 vehicle/household)

These results, combined with the observations made of the use of social and community housing parking areas, suggest that a reconsideration of the applicable parking standards may be warranted.



**Place Lachine (HLM)**

#### **Terrasses Saint-Michel**





## 5. Adapt the city's service delivery model

Each new strategic approach adopted by an organization requires internal adjustments to improve its performance in terms of its new objectives. In this respect, the Service de la mise en valeur du territoire et du patrimoine has set up a new Direction de projets (Project office). Its mandate is to support and accelerate the creation of social, community and affordable housing over the next ten years in accordance with the goals of the Master Plan and this strategy. This Direction will negotiate, develop and manage programs working towards this end. It will also help coordinate initiatives made by other municipal departments and non-profit paramunicipal corporations concerned with the development of social and affordable housing. The Direction will therefore collaborate closely with technical resource groups already working in the field. Their expertise and the experience they have gained over three decades of dedication to producing social and community housing will make them privileged partners in the implementation of this strategy.

The Division de la planification de l'habitation, a group within the Service de la mise en valeur du territoire et du patrimoine, will carry out research activities as well as monitor the strategy's implementation, specifically by developing relevant performance indicators. To apply its expertise, this division will collaborate closely with the boroughs in defining their own affordable housing goals.

Over the past several years, the municipal administration has created a number of non-profit paramunicipal corporations that are active in the real estate market, including the Société de développement de Montréal and the Société d'habitation et de développement de Montréal.

In 2004, the city of Montréal revised the mandates of these corporations as well as that of the Office municipal

d'habitation de Montréal and modified their respective responsibilities in order to optimize their contributions to the city's strategic goals.

The mandate for developing new social housing or affordable private-initiative housing (rental or owner-occupied) is now the sole responsibility of the Société d'habitation et de développement de Montréal. The Office municipal d'habitation de Montréal takes over the running of this housing once construction, overseen by the Société d'habitation et de développement de Montréal, is completed.

### Action Plan

- 5.1 Give the Direction de projet – Développement du logement social et abordable the mandate to initiate and manage subsidy programs to support the realization of affordable housing projects and to favour first-time home ownership. This division will also offer support services and expertise to Montréal's various partners as well as its boroughs to plan projects.
- 5.2 Contribute, via the Société d'habitation et de développement de Montréal, to the realization of affordable housing, keeping in mind the budgetary restrictions of current subsidy programs. This intervention will be implemented in partnership with community and private sector developers.
- 5.3 Intervene, when required, via the Société d'habitation et de développement de Montréal to create affordable housing within large residential projects. This includes acquiring land to sell to community developers as well as the construction of affordable properties.

## The Angus Shops site (Borough of Rosemont–La Petite-Patrie)



**Angus project, Phase I**

The site of the Canadian Pacific Railroad's Angus Shops deserves study as an example of the rehabilitation of a large contaminated site and of successful mixed residential development.

For almost a century, these shops were used to maintain and repair the railroad's rolling stock on a site of almost 875,000 square metres. The gradual decline in this activity, beginning in the 1970s, and its final discontinuation in 1992 led

to intense speculation as to the future of this site, which offered significant redevelopment potential. Its rehabilitation proves that it is indeed possible for a corporation like Canadian Pacific to assume its environmental responsibilities through the development of a project that combines functional and social mix. The site's redevelopment was completed in two different phases and followed two distinct approaches:

### **Phase I** (1983-1994)

Phase I saw the development of the land east of Saint-Michel Boulevard. Canadian Pacific sold this portion of the site to a paramunicipal organization created expressly to ensure its development, the Société des terrains Angus (SOTAN). In cooperation with local stakeholders and municipal authorities, this corporation developed a project that responded to the community's specific housing needs and ensured a high degree of social mix.

### **Phase II** (1998 à 2007 – projected)

Unlike in Phase I, external conditions forced Canadian Pacific to undertake the development of Phase II on its own. The final closure of the shops in 1992 coincided with the coming into force of new environmental legislation and Canadian Pacific was therefore required to complete the decontamination of the site in conformity with the Soil Protection and Rehabilitation of Contaminated Sites Policy (Politique de protection des sols et de réhabilitation des terrains contaminés). These costs amounted to \$10 million for the future residential area, to which the Revi-Sols program contributed a sum of \$3 million.

During the development of Phase II, Canadian Pacific put an emphasis on ensuring a mix of functions and chose to target the second- and third-time buyers' market by offering distinctive residential products built around a number of green spaces.

### **To learn more:**

Redevelopment of the Angus Site. [[www.cmhc.ca/en/imquaf/afho/afadv/rere/resi/case2.cfm](http://www.cmhc.ca/en/imquaf/afho/afadv/rere/resi/case2.cfm)]  
CMHC. Residential intensification case studies: Angus  
[[www.cmhc.ca/en/imquaf/hehosu/sucopl/upload/A%5Fangus%5FEN%2Epdf](http://www.cmhc.ca/en/imquaf/hehosu/sucopl/upload/A%5Fangus%5FEN%2Epdf)]

### **Angus site, Phases I and II**



## **Project Overview**

### **PHASE I**

#### **Project completion**

Between 1983 and 1994

#### **Goals**

- Benefit from the occasion of the sale of the land to respond to the Borough's different housing needs
- Ensure a high degree of social mix

#### **Results** (end of 1991):

- 2,587 housing units built, including 1,544 private, market-rate units (60%), divided as follows:
  - 1,006 condominium units
  - 185 individually owned units
  - 353 rental units
- 1,043 social and community housing units (40%), divided as follows:
  - 552 cooperative units
  - 299 HLM
  - 192 housing units managed by a non-profit organization

### **PHASE II**

#### **Project completion**

1998 to 2007 (projected)

#### **Goal**

Favour a mix of functions and ensure the project's financial viability given the environmental requirements

#### **Results:**

- 40% industrial use
- 20% commercial use
- 40% residential use, or 1,200 housing units (projected), divided as follows:
  - 600 row houses
  - 160 condominium-style units
  - 315 rental units for senior citizens
  - 125 other rental units

## 6. Pursue research, development and communication activities

Ongoing research and development activities offer not only the opportunity to refine our understanding of pertinent issues and determine the best course of action, they also enable the development of models better suited to new needs and new challenges. Good communication publicizes best practices and increases understanding of the various programs and projects.

Experimental residential projects have long been championed by Montréal as illustrated by the l'Art de vivre en ville competition, the Fonteneau project (new needs), and more recently, the Petit train de Viauville (energy efficiency) and Lavo-N.O.V.O. (affordable home ownership) projects. By mobilizing the creativity of the construction industry, these projects have succeeded in combining the research and development of innovative solutions with the dissemination of their results, helping others to reproduce the projects' best elements.

Innovation is not limited to the physical aspects of housing construction. In fact, the city of Montréal has recently developed, in collaboration with several technical resource groups, an approach for handling the "Not In My Back Yard" (NIMBY) syndrome encountered when building social housing projects. This approach has facilitated dialogue with local communities and eased the integration of community housing into their midst.

Opération Solidarité 5 000 logements has also resulted in several "turnkey" projects that are based on a contractual agreement between a non-profit organization and the builder/landowner. In certain cases, these experiences have led to a mix of residential products, including community and private housing, on the same site. Montréal will evaluate the results of these experiments and optimize their most successful elements for use as tools for implementing its inclusionary strategy for affordable housing.

### Action Plan

- 6.1 Reinforce the city of Montréal's role in research, development and communication activities relating to affordable housing and inclusion.
- 6.2 Contribute to the development of pilot projects in order to develop models or industrial methods for building affordable urban housing that responds to the needs of specific target groups including young families with children, artists, etc.
- 6.3 Evaluate the results of "turnkey" developments in the production of social housing and, if warranted, optimize current practices.
- 6.4 Undertake a thorough study regarding the preservation and development of the city's rooming house stock: provide a descriptive overview and evaluate different kinds of interventions, particularly regulations and by-laws, the improvement of renovation programs and the possibility of implementing a purchase-renovation approach, as a complement to component 3 of the AccèsLogis program that targets single or vulnerable people.
- 6.5 Carry out a study, along with the Communauté métropolitaine de Montréal, to identify sources of additional funding for social and community housing while taking into account current funding practices.
- 6.6 Launch promotional and information campaigns to increase awareness of programs available in Montréal. Among other initiatives, the Service de la mise en valeur du territoire et du patrimoine will approach the Canada Mortgage and Housing Corporation about continuing its "Becoming a Homeowner" seminars, which were received with great interest in 2004.

6.7 Study the question of universal accessibility in privately built housing. For buildings without elevators (including social housing), undertake a study of architectural integration issues and the costs resulting from, for example, the elimination of

housing units in half-basements. For elevator buildings, continue the current evaluation of options for the new edition of the Québec Building Code. Montréal already participates in a working committee studying this question.

## The Lavo – N.O.V.O. project (Borough of Mercier–Hochelaga-Maisonneuve)

The experience of N.O.V.O (an acronym taken from the French phrase nouvelle vision originale) on the Lavo site illustrates how requests for proposals can be used to maximize the benefits of partnerships with industry and in so doing, spur the development and dissemination of new practices and technologies that facilitate the production of affordable housing.

The Lavo site was acquired by the city of Montréal with the aid of the Government of Québec when its original owners relocated their industrial operations. Upon completion, a total of 204 housing units will be built on the site under the auspices of three different programs. In addition to increasing the supply of affordable housing, the rehabilitation of the Lavo site for residential use will contribute to the revitalization of the area.

N.O.V.O. was the result of a request for proposals issued to members of the construction industry, who were called upon to propose innovative solutions to respond to the needs of households that wished to become homeowners in an urban context. By encouraging creativity, the city of Montréal and the Borough of Mercier–Hochelaga-Maisonneuve hoped in particular that residential builders would consider a wide variety of approaches to reduce costs while maintaining overall quality in terms of site design, dwelling concept, choice of materials, building finishes and construction methods.

To encourage the participation of the largest possible number of builders, the city of Montréal offered benefits to the selected developer/builder: decontamination of the site and favourable payment conditions for the acquisition of the land. The project would also benefit from any subsidies currently available, particularly the increased subsidies given for affordable housing production (under the Rénovation Québec program). In addition, buyers who qualify are also eligible for financial assistance for first-time homeowners.

The chosen proposal excelled in its architectural quality and site planning concept. It employs an innovative concept to use the depth of the lot to increase the site's overall density. The builder proposes the use of a hybrid structural system (concrete with pre-fabricated wooden exterior walls) to achieve both quality and cost-efficiency. Elsewhere on the site, lot A (see illustration) will be used for the Jolie-Fontaine d'Hochelaga housing cooperative and lot B will be home to a project for senior citizens and young families to be developed by SHAPEM, the Société d'habitation populaire de l'Est de Montréal. A wide variety of residential products intended for low- and moderate-income households will be developed on this site.

### To learn more:

[[www.habitermontreal.qc.ca/en/lavo/index.html](http://www.habitermontreal.qc.ca/en/lavo/index.html)]

## Project Overview

### Project completion

Request for proposals in May 2004

### Goal

Respond to the needs of households wishing to become homeowners.

### Results

- 11 teams participated
- Selected proposal: Conception Rachel-Julien and Menkes Shoener Dagenais LeTourneux
- N.O.V.O. project: 93 units, of which 72% are affordable (67 units costing less than \$170,000)
- Other projects: 71 cooperative housing units and 40 for seniors and young families

## The different elements of the Lavo site



## 7. Ensure that the strategy is monitored

The success of the inclusionary strategy depends in large part on its capacity to adapt to the residential construction market, which makes an up-to-date understanding of this market an essential prerequisite. Unfortunately, current official statistics offer little information on the prices paid for new homes or for monthly rents. Meanwhile, the question of affordable housing is a shared concern of metropolitan areas nationwide.

What's more, the data that are available on new home purchases are incomplete, as they are available only for single-family or semi-detached homes. While efforts have been made to address this deficiency, there is still a lack of reliable and regularly available information on the affordability of denser housing types, particularly row houses and condominium units. The city of Montréal has certain data, but only for rental units and for properties created within the framework of programs it administers.

Moreover, the current application and future implementation of this strategy (e.g., the use of municipal land, housing subsidies, contributions from non-profit paramunicipal corporations, etc.) have produced, and will continue to produce, a large bank of data.

These data will enable a continuing evaluation of the strategy's efficacy which will allow the city, if necessary, to widen the scope of the action plan.

### Action Plan

- 7.1 Develop relevant indicators with the help of the Canada Mortgage and Housing Corporation, and produce data on affordable housing for the benefit of the boroughs, concerned city departments and other stakeholders.
- 7.2 Study the question of the inclusion of affordable housing on the regional scale in collaboration with the Communauté métropolitaine de Montréal.
- 7.3 Pursue punctual collection of affordability data based on subsidy programs and data on residential transactions up until the moment that complete, up-to-date statistical data are available.
- 7.4 Table an annual review of affordable housing production to city council, including an analysis by borough and by type (non-profit, cooperatives, affordable home ownership, and affordable rental properties). Complete a review of the performance of the inclusionary strategy for affordable housing after two years and evaluate the success of its measures.





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## APPENDIX 2 – Income thresholds

The AccèsLogis and Affordable Housing Québec (social and community component) programs use income criteria for core housing needs to guide the selection of the residents of its projects. It should be noted that these thresholds are different than those used by Statistics Canada and the Canadian Council for Social Development.

<b>Social and affordable dwelling admissibility threshold (portion below the core housing need limit) 2005 (SHQ)</b>		<b>Low income threshold, Statistics Canada “2000” (as of 2004) large cities (&gt;500,000 residents)</b>	
Single person	\$22,000	1 person	\$18,371
1 adult, 1 child or more	\$25,000		
2 adults (non couple) or			
3 adults (including 1 couple)	\$25,000	2 people	\$22,964
2 adults (couple)	\$22,000	3 people	\$28,560
2 adults, 2 or 3 children	\$29,500	4 people	\$34,572
		5 people	\$38,646
6 or more people	\$39,000	6 people	\$42,719
		7 people and more	\$46,793

Sources: Société d'habitation du Québec and Statistics Canada

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Bâtir son quartier and Jacques Coulloudon,  
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