

Practitioner Perspectives on Social Housing Regeneration in Ontario

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About CPNet

CPNet is a not-for-profit, independent think-tank affiliated with the University of Western Ontario. www.cp-net.ca

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The programme's overall aim is to develop Canada's housing research and policy capacity by attracting and retaining the best and the brightest in the housing sector. The programme is an intensive policy research training experience that results in the publication of original housing research. For more information on HSC research, go to www.hscorp.ca.

The views expressed in this paper are those of the author and do not necessarily reflect the opinions of the Housing Services Corporation or CPNet.

About HSC

The Housing Services Corporation (HSC) is a non-profit organization that delivers province-wide programs that benefit Ontario's affordable housing sector. It assists Service Managers, including DSSABs, by:

- Helping protect the building asset through programs and services that support better capital asset and energy management
- Delivering business value through economies of scale with competitively procured province-wide programs in bulk purchasing, insurance and investments
- Building and spreading knowledge that supports effective decision-making with relevant research, training and by facilitating collaborative best practice sharing
- Enabling greater resident engagement and self-sufficiency by developing partnerships for social innovation with other organizations and networks.

HSC was created in January 2012 under the *Housing Services Act*. HSC, as successor to the Social Housing Services Corporation (SHSC), builds on that organization's 9 years of experience in delivering programs to social housing and working with different levels of government, the public and the private sector.

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Executive Summary

This report presents research findings based on interviews with social housing practitioners in Ontario. The research contributes to existing literature on regeneration issues from an Ontario perspective and offers Canadian social housing practitioners and policy-makers research findings more relevant to their operating context. It does so by connecting particular experiences of challenges associated with social housing regeneration to wider academic and policy literature. The literature review draws on studies from the UK, Europe, Australia and Canada.

This study addresses the following research questions:

1. What are the causes and characteristics of degeneration of social housing in Ontario?
2. How are these characteristics differentially manifested and experienced by organisations and their tenants in different geographic areas?
3. What are the responses to these issues at federal, provincial, municipal, local area and organisational levels?
4. How does the scale of social housing providers (SHPs) in Ontario affect their capacity to deliver the services expected of them?
5. Does housing stock transfer present an efficient way of increasing a SHP's scale and improving its effectiveness?

The research found that the two principal causes of degeneration of social housing in Ontario were: managing aging or low-quality housing stock; and supporting tenants with high and multiple support needs. The interaction of these two factors with local characteristics, such as the location and concentration of social housing, creates differences in how degeneration manifests itself across the Province. However one common factor is that the demands associated with social housing regeneration are increasing whereas funding for social housing from federal, provincial and municipal sources is not. Market-oriented housing programs may provide a long-term solution to meeting social housing need but will require a more socially entrepreneurial culture within the sector supported by a more outcome-based policy framework. Social housing providers recognised the need to broaden their skill levels either by working more closely with partner organisations or increasing the scale of their operations. Both strategies are accompanied by challenges, which the report's 15 policy recommendations are intended to address.

Introduction

Purpose of this report

This study explores what social housing practitioners in Ontario perceive to be key challenges facing their individual organisations and the sector as a whole. As well, the study examines how they deal with these issues within the context of current and anticipated policy frameworks. The research is based on evidence gathered from interviews with 11 social housing practitioners.

The study addresses five research questions, which were derived from a review of academic literature and policy documents pertaining to social housing regeneration in the UK, Europe, Australia and Canada. These research questions are as follows:

1. What are the causes and characteristics of degeneration of social housing in Ontario?
2. How are these characteristics differentially manifested and experienced by organisations and their tenants in different geographic areas?
3. What are the responses to these issues at federal, provincial, municipal, local area and organisational levels?
4. How does the scale of social housing providers (SHPs) in Ontario affect their capacity to deliver the services expected of them?
5. Does housing stock transfer present an efficient way of increasing a SHP's scale and improving its effectiveness?

In the report's final section, conclusions and policy recommendations are offered to respond to these research questions.

1. Literature Review

1.1 Introduction

The over-arching purpose of this review is to present themes emerging from relevant academic and policy literature that is pertinent to social housing and regeneration in Ontario. Specifically, it will explore a range of approaches to and experiences of physical regeneration of social housing stock and socio-economic regeneration of local communities in the UK, Europe, Australia and Canada.

This review starts with a consideration of how the policy problem of regeneration can be defined and disaggregated. It then proceeds to discuss concepts of scale and scope and the practical implications of stock transfer in achieving desired outcomes. The final discussion section considers the interaction of processes originating at local and national scales and how researchers and policy practitioners can manage the different perspectives and tensions produced by this interaction. The summary presents key themes and lessons from the literature that are of particular relevance to the Ontario context.

1.2 Definition of Policy Problem

A consideration of how the term regeneration is defined and what its aims are should assist researchers in determining the causes of degeneration within a particular locality and whether regeneration initiatives are addressing these appropriately. The following is a useful definition of regeneration to consider because it is both concise and yet broad in scope. It touches upon fundamental themes that provide a useful basis for further exploring the issue within a range of contexts:

“Regeneration is a *holistic* process of reversing *economic, social and physical decay* in *areas* where it has reached a *stage* when *market* forces alone will not suffice”(ODPM, 2004, emphasis added).

In practice this holistic process is typically manifested as a range of discrete interventions delivered by separate organisations that may be co-ordinated (usually by a public sector agency) to produce added value. In other words, a fundamental aim of regeneration interventions should be that the impact emerging from the sum of individual projects is greater than what might have otherwise occurred. The definition explicitly refers to reaching a “stage”, which implies a tipping point or threshold beyond which a different set of dynamics will become significant to resolving an issue. This can be expressed in terms of standards, such as decent housing standards or indices of multiple deprivation. Standards can indicate to policy actors (that is, individuals from government, non-government, private sector or local community organisations who participate in policy development or discourses) when a significant threshold has been reached and therefore whether another set of interventions will now be required.

The definition also recognises that market forces may be insufficient to regenerate areas. Moreover, the literature often suggests that market failure

may have been a causal factor in an area's socio-economic and physical deterioration. In order to reverse such deterioration it will be critical to understand why decay occurred in the first place. For example, past regeneration initiatives often addressed the physical manifestations of socio-economic decline but not the root causes; as a result project success was often un-sustained. It has become increasingly evident that viewing issues through the three spheres of sustainability (that is, economic, social and environmental), as well as understanding the relationships between these spheres, is fundamental to sustainably resolving a wide range of policy issues. Such high-level concepts gain traction when they are applied to individual regeneration areas. Although broader socio-economic forces (such as de-industrialization or rapidly increasing immigration levels) may have been factors that contributed to an area's deterioration, it is how these forces will have interacted with the characteristics of a particular place that will be significant to resolving issues through local regeneration interventions. Finally, it is useful to consider why decay has occurred in some areas but not others or to draw comparisons between different areas that are ostensibly facing the same issues, but possibly not due to the same set of factors. Thus comparative analyses of experiences elsewhere may reveal information useful to Ontario SHPs.

1.3 Discussion of Concepts & Policy

Approaches

This section starts by considering different ways of conceptualising the challenges that face social housing providers. Specifically it explores how the concepts of scale and scope can assist in deciding upon strategies to change how the social housing sector is structured in order to manage these issues more efficiently and effectively. It proceeds to examine the interaction of a range of factors that may cause local areas to deteriorate and how an improved understanding of this interaction can inform regeneration initiatives.

Scale, Structure & Scope in Social Housing

The Chartered Institute of Housing's report "Is Big Really Best?" (CIH, 2005) asks a fundamental question about whether the way in which the social housing sector in the UK is organised promotes or inhibits its efficiency and effectiveness. It does so by examining the available evidence about the links between efficiency and effectiveness and organisational size and structure. The impetus for this research derives from changes to the central government's public investment framework, which resulted in a preference to focus on a smaller number of larger developer housing associations to deliver new housing. Associated with this external drive for greater efficiency in the investment process are efficiency pressures being created within housing associations as a result of rental income inflation failing to keep pace with wage and building costs inflation.

Scale

In terms of developing new housing it does appear that economies of scale have been achieved through targeted investment development. This can be expressed as developing 28 additional homes for every 10 million GBP grant invested. However, in terms of ongoing operating costs there is no strong evidence of economies or diseconomies of scale; or, stated more precisely, there is no clear relationship between size of stock and per-unit operating costs. Furthermore, by examining the impact of scale on specific services it is evident

that there are different optimum scales for different services, as the following findings indicate:

- Re-let times are minimised at less than 750 units;
- Tenant satisfaction is highest in associations between 750-5,000 units;
- Rent loss through voids is minimised at 1,501-5,000 units; and
- Repairs performance is best in associations with between 5,000-10,000 units.

It is therefore fair to say that *efficiency* in investment for new housing derived from increasing the scale of developing housing associations may not necessarily translate to greater *effectiveness* in managing stock and delivering services to tenants. Importantly, the authors do concede that the report's findings may also be partially explained by variations in operating and strategic contexts experienced by different housing associations. In order to reveal what underlies these findings, they explore factors affecting economic efficiency and organisational effectiveness within procurement strategies. They note that efficiencies in the procurement of capital works can indeed be gained by attaining better prices through volume purchasing, but that improving information systems and organising supply chains are also important factors if full benefits are to be realised. In terms of wider procurement initiatives (related to finance, IT and communications), tensions can arise between costs and benefits derived from economies of scale. The main benefits are associated with joint purchasing and the ability to access higher levels of expertise than those available solely in-house; whereas costs are chiefly related to loss of flexibility in being able to procure exactly what is needed by an individual organisation (CIH, 2005).

In their follow-up report to "Is big really best?" (CIH, 2005), Lupton & Kent-Smith (2012) address a central question, which is posed in its title: "Does size matter - or does culture drive value for money?". They do so by providing consideration of what makes for the best performing organisation in a socio-economic context exemplified by:

- "More *uncertainty* and fluidity in relation to processes, *markets*, and *funding*;
- Housing associations having to manage their assets in a different, *more entrepreneurial/ commercial* manner";
- Stronger emphasis on housing associations *generating their own capital*;
- Housing associations' needing to focus more proactively on efficiency, effectiveness and value for money;
- Greater *emphasis on financial returns* as housing associations are forced to use their capital, assets and revenue more effectively." (Lupton & Kent-Smith, 2012, p3, emphasis added)

Within this evolving context, with its increased emphasis on governance, viability, and value for money, the following three key findings will be of particular relevance to the Ontario social housing sector. The first two are related to scale. Firstly, there is little evidence of a relationship between size, better quality services and lower costs. Secondly, there is no statistical evidence that increases in scale automatically provide efficiency through economies of scale. The authors highlight that both case studies and data analysis support the argument that scale is not as important as other factors. In particular a strong localised focus may have benefits regardless of the size of the organisation. The third key finding is that mergers produce no automatic benefits for effectiveness and efficiency. Rather, the process of organisational transformation is a necessary underpinning factor and will influence how any benefits from efficiencies accrue as opportunities arise. Thus, it is not the size of merger per se that enables cost savings, but how the organisation operates and changes as

a consequence. In other words, organisations have to be prepared to transform the way they are structured in order to benefit from scale related efficiencies.

Structure

Allied to the aforementioned reforms in social housing investment by central government in the UK are expected outcomes from merger activity undertaken by housing associations to increase their organisational scale in order to access development funding. These outcomes fall into two categories: improved organisational effectiveness and services to tenants. The best developing housing associations are mostly single associations or groups, with some being consortia of partners. However, as the following assessment indicates, any form of merger activity should not simply take place for its own sake or because it is fashionable to do so (as with private sector mergers in the 1990s), but should be underpinned by sound reasoning linked to desired organisational outcomes (CIH, 2005).

The merging of two or more housing associations into a single entity requires full integration of their activities into a single new structure. The two key benefits of a single merged organisation, as compared to a group structure, are the need for fewer board members and a less complex organisational structure. Although there is evidence from merged housing associations that cost efficiencies have been made, a number of attendant factors may qualify this finding and perhaps limit its applicability in all situations. The driver for the merger should be examined; for instance, a failing housing association should not be permitted to choose the organisation with which it merges. An assessment of 'fit' between merging organisations should be undertaken on operational, cultural and strategic levels. Findings indicate that even if a merger makes strategic sense, its success may be limited if organisational cultures remain too disparate such that operational activities are compromised. A process of business rationalisation often follows a merger, which should ultimately contribute to greater efficiency. However mergers may constrain valuable local decision-making power, which could be detrimental over the long term if those making decisions at the centre lose sight of local concerns. There is likely to be a dip in performance just before and after the merger because the process of merging absorbs resources that might otherwise be deployed elsewhere. Benefits will therefore typically accrue over the medium to long term. It will thus be important to ensure that the timing of the merger is appropriate and that long-term benefits will be worth this initial performance dip.

Group structures may be preferred over mergers if the expected benefits outweigh costs. Subsidiary housing associations within a group structure may nominally anticipate the following benefits:

- The valued brand and/or local service will often be retained;
- Positions among boards and staff teams can be retained, and any down-sizing is managed incrementally;
- For smaller housing associations, groups can accommodate increased scope for management and growth;
- Opportunities for buy-in to corporate services that they could not have supported alone; and
- They allow different business units within a group to develop clear specialties.

However, there is little practical evidence to support the idea that group structures have actually delivered improving efficiency and effectiveness. Indeed, if efficiency gains are to be made, then the costs involved in elaborate group structures may be a key constraining factor. Some housing associations

cited not only the initial costs of setting up structures but also the ongoing costs of maintaining complex management and governance arrangements.

Assessing the potential costs and benefits related to financial strength, risk management and taxation may help housing associations to decide whether to merge or form part of a group structure. In terms of financial strength, although group parents may be able to access credit at preferential rates available to larger associations and pass benefits along to smaller subsidiaries, this is not borne out in the evidence. In fact counter arguments are presented; with the increasingly complex characteristics of group structures and mergers tending to unsettle lenders and lead to higher interest rates. In recent decades it appears that the timing of the loan has had the biggest impact on the interest rate charged; with larger housing associations tending to have higher interest rates because they typically took out fixed rate loans with high interest rates during the 1980s and 1990s. In terms of managing risks, development is the riskiest activity because it exposes organisations to potentially negative financial impacts associated with cost over-runs. These might in turn affect performance in other areas and stretch borrowing capacity. Other risks are associated with the age and condition of stock which may raise per unit-costs. Thus knowledge about the housing stock of potential partners gained via thorough stock condition surveys will be essential to underpin decisions. Perhaps the clearest benefit is associated with taxation. Two key advantages within the UK context are: less tax will be levied if services are outsourced to a group member; and non-charitable group members can avoid corporation tax by gift-aiding surpluses to charitable members. However, whether taxation benefits (in addition to financial and risk management benefits) are accrued within merged or group organisational structures will depend upon contextual factors.

Scope

CIH (2005) also highlights the potential benefits of thinking in terms of economies of scope, or delivering services jointly. Such an approach should result in the costs of joint production being less than the sum of the production costs by separate organisations. Four modes of achieving this are presented, namely: alliances, partnerships, consortia and vertical integration. However the more fundamental point is that thinking about scope, rather than scale, focuses attention on what elements of service provision need attention, rather than striving for an increase in scale for its own sake. Davies (2012) exemplifies such an a-scalar approach by identifying the key issues facing her organization and challenging the sector to examine the reasons for its apparent reticence to work together. For Notting Hill Housing the key issues are improving responsiveness of repair services, housing management IT systems, and providing short-term rented housing for homeless families dependent on benefits. She suggests that identifying shared challenges and overcoming organizational cultures that are fearful of: sharing information; admitting to weaknesses in front of peers; loss of control; and decreases in quality will need to underpin joint delivery of services. She notes that collaborations are already occurring but challenges the sector to examine whether more could be done to improve housing associations effectiveness in delivering services for tenants.

Housing Stock Transfer

This section considers the organisational aspects of housing stock management and assesses the applicability of housing stock transfer in meeting the needs of SHPs operating in a range of socio-economic and policy contexts.

The premise for Webb's (2008) report for the CIH is that housing associations in England have over time developed stock ownership and management patterns that may be incoherent and thus run counter to present-day needs. Although patterns of stock ownership and management may appear spatially irrational they may not necessarily present difficulties, unless there are situations in which they:

- Cost the association more to manage/maintain than the rest of their stock portfolio;
- Result in poorer service to customers; and/or
- Create difficulties for the responsible statutory authority in whose area they are located. This could include problems in regenerating a failing housing area or tackling a problem with anti-social behaviour, and by implication raises concerns that are wider than housing stock management alone.

Rationalising an association's stock portfolio may, in such circumstances, improve: the efficiency of the association; the quality of service it provides to its customers and its relationship with the relevant responsible statutory authority. Rationalisation includes consideration of stock ownership, management and association policies and practices. The author highlights the fact that none of these strategies should be seen as a way of reconstructing the monolithic single landlord estates that failed in the past – rather, if done properly, it is a way of enabling housing associations to support the place-shaping role of their partners, and therefore to contribute to the wellbeing of a local area (Webb, 2008).

Stock Transfer: Drivers & Impacts

Pawson et al's (2009) report focuses on so-called "second generation" housing stock transfers in the UK. These are distinct from 'first generation' housing stock transfers because they took place under different socio-economic and geographic contexts. First generation housing stock transfers took place prior to 1997 typically between relatively affluent housing associations. By contrast second generation transfers of local authority (or municipal government) housing stock that took place after 1997 involved mostly dilapidated urban estates and neighbourhoods with entrenched problems (see Atkinson & Kintrea, 2002). They generally produced greater challenges than faced by earlier stock transfers and required public funding, in contrast to first generation transfers. The authors focus on three key themes associated with second generation housing stock transfers in urban Britain:

- The degree to which 'transfer promises' were met;
- The impacts upon organisational culture, governance and service delivery; and
- The contribution to regeneration and inclusion.

Despite the challenging conditions associated with second generation stock transfers, the authors conclude that transfer promises were not only met, but often exceeded. A key promise was to channel new investment into housing stock repair and modernisation. Transfer housing associations were more able to access investment capital than councils (local municipal governments) and Arm's Length Management Organisations (ALMOs). Housing associations benefitted from relatively low-interest rate re-financing, but faced rising construction tender prices. Any underfunding of housing association business plans was generally attributed to defective stock condition surveys. However, in spite of these cost pressures, transferred housing stock upgrades exceeded statutory standards.

Physical regeneration activity was also incorporated within stock transfer plans, that is, investment in environmental improvements to public spaces as well as

demolition and replacement of housing stock. In fact an important positive unanticipated consequence of the stock transfer process was greater involvement in social and economic or community regeneration by transfer housing associations. This appears to reflect the position of these associations as being keenly aware of socio-economic issues within communities and their understanding of the importance of sustaining physical regeneration by wider community regeneration activity (for example, by delivering training and employment services). Although this attitude appears to promote the dovetailing of housing associations' commercial and social purposes, it may be limited by future financial constraints. The authors note that sustaining financing for maintaining new and refurbished properties could be problematic once the redevelopment has been completed and may impact future sustainability (Pal et al, 2009).

The Scottish Centre for Regeneration (2010) highlights the benefits of community regeneration activities delivered by housing associations. They refer to these activities as 'wider role' because they go beyond meeting housing need by housing development and management activities and thus widen the role of housing associations. The characteristics of housing associations that enable them to make important contributions to, as well as benefit from, wider role activities include developing and maintaining close connections with their local communities, by engaging with tenants and also community groups and organisations. This can include involving local people in a strategic management role, for instance through board member representation. In addition, the commercial experience of housing associations both in managing a business with relatively sustainable income streams and in managing large projects can be an asset in delivering wider role activities, particularly in conjunction with other community organisations who may lack such skills and resources.

Some housing associations already contribute their own money towards wider role initiatives (such as welfare rights and money advice services or renting commercial workspaces) because these activities also contribute to core business objectives. Few housing associations now need to be convinced of the benefits of adopting a wider role approach. Rather, it is the way in which such initiatives are delivered in order to optimise their contribution as integral parts of local and national community regeneration strategies that requires examination. For instance, there is a lack of strategic planning of community regeneration projects, which when added to the lack of available delivery and performance data, means there is no clear picture of what services are being delivered, what results are being achieved and where gaps exist. Community Planning Partnerships (CPPs) are the local forums through which national government strategic priorities are implemented and closer involvement with housing associations would be mutually beneficial in order to improve understanding of individual organisation remits (both in terms of opportunities and constraints), data sources and feedback from their client groups as to what is being done well, what could be done better and what other issues matter to them. There is also a lack of sharing of good practice between practitioners, many of whom work in relative isolation. This includes ways of demonstrating impact through social return on investment or social accounting, which is likely to become increasingly important during times of restricted investment. Both these sets of factors can result in inconsistent quality of delivery of wider role community regeneration initiatives, however these issues are surmountable and when addressed should result in benefits to housing associations and the communities they serve (SCR, 2010).

Transfer associations also achieved transformations to their organisational culture, manifested by becoming less hierarchical, more inclusive and more customer-focused and corporate in their general approach. Transfer associations have typically become more business-like than their local authority predecessors, for example, they are more customer-focused and possess more functional specialisations such as dedicated rent arrears or longer-term property management staff. Although this has generally resulted in dealing with issues such as anti-social behaviour and rent arrears in a firmer fashion, housing associations are in fact statistically less likely to evict tenants. The authors note that there is a likelihood of transfer associations further maturing and becoming increasingly attractive as partners in group structures or subsidiaries. The process of integration is thus at an early stage and continued morphing of transfer associations is expected. A key challenge will be to promote their dynamism and commitment to community regeneration within these evolving structures.

It is evident from this study that when assessing the process of housing stock transfer and its consequent impacts, attention must be paid to the local and national contexts within which it takes place. In drawing more precise conclusions however, Pawson et al (2009) proceed to express an important limitation of their study: namely, that it is beyond its scope to make definitive conclusions as to what has been a consequence of stock transfer and what has resulted from wider trends within the sector. In other words, what changes might have occurred without stock transfer? To have addressed this question would have required the inclusion of other forms of social housing provider, such as municipal government, ALMOs and traditional, non-transfer housing associations. However, the authors are able to conclude that the changes observed were incompatible with the council housing (that is, municipal government housing) model. In addition there is evidence that stock transfer stimulated change to occur earlier than it might otherwise have and, in the case of cultural change, might well have been a critical catalyst.

Stock Transfer: Applying Lessons

Pawson & Gilmour (2010) consider the policy implications for Australia of Britain's experience of transfer of former council (i.e. municipal government) housing stock to non-profit, community organisation ownership. The focus of the study is threefold: organisational size, institutional vehicles and governance structures within Australian context. In Australia social housing provision is dominated by large State Housing Authorities (SHAs). Since 2007, the federal labour government committed to expanding affordable housing provision mostly through non-profit, community housing sector. This is expected to be delivered through large-scale stock transfers. There has been a slow growth of the non-profit, community housing sector since its beginnings in the 1970s. This is in contrast to Britain where the social housing sector is much more pluralistic. Here municipal government owns only 30% of overall social housing stock, a considerable reduction from the historically high level of 90%. However, these relative proportions belie the diminishing size of the social housing sector, which has shrunk considerably since the introduction of social housing tenants' right to buy their homes. In Britain the housing association cohort is financially robust and has expanded through a combination of new development and the ownership transfer of tenanted housing from local authorities. Three hundred new landlord organisations have been created as a result of this restructuring process. This may include organisations that both own and manage their stock as well as ALMOs which manage, but do not own, the housing stock for which they have responsibility.

Pawson & Gilmour (2010) use Pollitt's and Bouckaert's (2004) categorisation of public management reform in their analysis. Thus, Australia has generally followed a maintenance approach, whereby social housing remains predominantly state-owned and access is restricted to clients with high and multiple needs. There is little innovation to establish new types of housing organisations. Most SHAs have demonstrated a modernisation approach involving the introduction of some private sector management techniques, such as performance indicators. There has been minimal outsourcing of housing management to community housing providers (CHPs), which is characteristic of a minimisation approach. By contrast, Britain has placed a much greater emphasis on minimisation, through stock transfers and contracting-out public housing management to ALMOs. This resulting 'hollowed-out' state, or reduced public sector involvement, means government's role moves from direct service provision towards sector steerage through networked forms of governance (van Bortel et al., 2009). Both Australia and Britain have used marketization, that is, public/private/non-profit partnerships, to regenerate problematic mono-tenure public housing estates. In Britain a more competitive funding system between non-profit, public and private social housing providers was introduced recently, but this has had a less far-reaching impact than that of stock transfer.

Pawson & Gilmour (2010) note that social housing sectors in Britain and Australia are still experiencing residualisation, that is, the sector represents the housing choice of last resort. Reforms in Britain have done little to change this aspect; however they have produced culture changes, such as better governance, tenant empowerment, service delivery and improvements to physical stock. Significantly though, the authors note that this was based on housing associations' capacity to access credit at relatively favourable rates and that, as a consequence of the credit crunch resulting from the global financial crisis, their capacity to deliver successful outcomes in the future may be limited. Proceeding with the issue of finance, Australia's housing associations have a more limited opportunity to create rental surpluses because housing benefits are geared to a tenant's income. In contrast, Britain's housing associations benefit from demand-side financial support through generous housing benefit provision, which also creates greater potential for accessing credit. In Australia the salaries paid to public sector housing employees are higher than in the community sector (in contrast to Britain) and so maintaining these salaries for employees who transfer to housing associations will put further financial pressure on transfer housing associations. Lastly, a potential negative consequence for independent non-profit organisations delivering public housing services as a consequence of stock transfer might be loss of independence.

Possible lessons to be learnt by Australia from Britain's stock transfer experience are as follows:

- Britain's housing associations benefitted from contextual factors related to both place (that is, relatively more generous and stable government financing of rents and smaller salary differentials between public and community sector employees) and time (that is, prior to the global financial crisis of 2008 and consequent constraint on credit availability); factors which are limited or not at all present in Australia.
- The authors' view is that Britain's more top down approach is better for steering change, as compared to Australia's more decentralised approach via SHAs.

- They note that Britain's stock transfer process lasted for decades and therefore Australia would be well advised to consider a phased approach (Pawson & Gilmour, 2010).

Scalar Interactions

This section reviews literature concerned with local dynamics, such as how the dynamic of a low-demand housing area becomes established, and the interaction of national and local processes that alter demand for housing in local areas.

Local Scale Dynamics

Atkinson & Kintrea (2002) posit that so-called 'area effects' themselves contribute to the reproduction of social disadvantage. For instance, a new resident to a disadvantaged neighbourhood may have found themselves placed there due to lack of alternative housing options resulting from multiple and inter-related forms of disadvantage such as low income, poor job opportunities, low educational achievement and low skill levels. However 'area effects' means that individuals will experience further disadvantage just by living in such a neighbourhood. This is largely due to neighbourhood isolation, either physical or for reasons of social stigma, creating a collective sense of fatalism within the community. Such neighbourhoods are therefore not merely neutral spaces, but places with their own negative dynamic to add to the disadvantaging effects produced by wider socio-economic conditions. In attempting to address these area effects the authors recommend that policy-makers should become less fixated on the locality itself but adopt a more outward-looking approach that is centrally, rather than locally, co-ordinated. Specifically they should seek to make such neighbourhoods 'porous' in order to encourage two-way interaction with the wider community.

Following this line of reasoning Pinnegar (2009) notes that challenges facing urban policies chiefly arise from disjunctures between the different scales at which the variety of policies that affect a particular place originate. Higher level policies originating at the regional or local level metaphorically 'reach into' households and neighbourhoods to shape conditions within them and this phenomenon is particularly true of urban renewal strategies. By examining examples of urban renewal programmes within the UK and USA the author uncovers the importance of developing such policies at the scale at which housing markets operate (that is, the city or equivalent) as opposed to the scale at which the impacts are felt (that is, the neighbourhood).

Atkinson et al's (2009) consideration of scalar dynamics focuses in particular on how relationships between home, neighbourhood and city are theoretically constructed and what significance this has for housing and regeneration policy makers and practitioners. Of significance is their argument not to regard spaces as fixed but to consider *interactions* between spaces that are constructed at different scales. When applied to local area regeneration this will mean incorporating understandings of how processes ostensibly taking place at different scales actually relate to one another. In this regard it is important to bear in mind that public policies operate through scaled entities which are geographically bounded (for example, local municipal governments) and that these have been constructed for reasons that may or may not be relevant to the aims of a regeneration initiative. Whereas for academics it may be fruitful to critique their validity and propose alternative modes of policy implementation; for practitioners it will be more useful to bear in mind that these are constructs that have been fixed for a certain purpose but should not necessarily limit the purview of regeneration, or other public policy, practitioners. In Scotland, Single Outcome

Agreements by Community Planning Partnership are a manifestation of such an approach. Within this process organizations with different policy areas (such as health, education, housing and policing) operating at different scales and with overlapping jurisdictions must focus collectively on issues arising in specific neighbourhoods or within particular social groups (for example, youth, people with disabilities, minority ethnic communities) and agree outcomes with which to guide spending by the CPP as a whole but also within their own organisations (SCR, 2009). Such an approach resonates strongly with Webb's (2008) notion of enabling the place-shaping role of partner organisations.

Managing the Transition from Low to High Demand

This theme of investigating the interplay between local and higher-level dynamics also resonates with research by Cameron (2003) into the city-wide regeneration strategy known as 'Going for Growth' adopted by Newcastle City Council in the UK. It too included proposals for large-scale redevelopment of low-income, low-demand housing neighbourhoods and the introduction of a more affluent population to these areas. Cameron explored the conflict between the perceived need for a critical mass of affluent incomers and the imperative to consult and empower local residents. Cameron concludes that the outcome of neighbourhood regeneration projects is more likely to be affected by socio-economic processes, such as globalisation and welfare restructuring, which originate beyond the city and region. His conclusion that local municipal governments are powerless to influence basic drivers of neighbourhood deterioration is based on the fact that at the regional/national level there was no over-arching regional plan to draw in more investment by redistributing wealth (and associated employment opportunities, a key driver for creating housing demand) from the more prosperous south of England in a manner more in keeping with traditional notions of regional development. The key policy areas within the purview of local municipalities are housing and local economic development, but the area-based regeneration initiatives implemented at the local level merely patch over problems caused by the processes not within local control, such as contraction of the welfare state. He contrasts this with the housing redifferentiation approach favoured in the Netherlands, which with its more extensive, universalistic welfare state is able to approach poverty directly rather than merely manipulating area social composition demographics via physical redevelopments.

Priemus (2006) investigates Dutch housing policy of redifferentiation from the enigmatic position of housing associations which are, on the one hand, being encouraged to invest in urban renewal, yet on the other, expected to decrease their market share. The over-arching aim of redifferentiation of urban housing stock policy is to regenerate less popular urban districts by promoting more owner occupation of larger and higher-quality homes with gardens. In order to achieve this social housing stock must either be demolished or sold. Priemus critiques the government's existing plans to deliver this transition by proposing an option based on allowing housing associations to sell properties in order to generate profits which could be used for maintaining and renovating social housing as well as for social cohesion and tenant participation purposes. He proposes that a hybrid form of housing association would be manageable as long as there remained a sharp administrative distinction between public duties and market operations. In this way housing associations could remain active in redifferentiated areas and thus maintain their important social function even as housing tenure shifted towards greater owner occupation.

Leher's (2009) study highlights the importance of understanding the historic relationship of the regeneration area with its wider neighbourhood and city; in this

case Parkdale, Toronto. Initially Parkdale was developed as a relatively affluent inner suburb, but subsequently experienced changes to property values and demographic profile as the result of construction of the Gardiner Expressway, which separated the area from Toronto's waterfront. High-rise housing developments and the mass de-institutionalisation of patients from a nearby addiction and mental health institute contributed to the area having a higher-than-average number of single households on low incomes. This fuelled the image of Parkdale as a 'ghetto of misery'. However the area was also home to a thriving arts community, which began to expand as arts spaces and galleries became available within converted factory buildings. These redevelopments of attractive, older buildings also attracted loft-dwelling, affluent professionals. In 2005 the planned construction of two high rise condominium buildings provoked local community resistance in the form of a group naming itself Active 18. Their chief concerns were that the developments were out of keeping with the character of the West Queen West Triangle (WQWT) and that this, together with the inevitable influx of affluent professionals seeking condo lifestyles, would destroy the area's unique character – the very thing that attracted new residents to the area in the first place. This case resonates with a wider theme evident within regeneration literature; that the realisation of purported benefits may not be straightforward and uncomplicated. This is because changes to communities resulting from regeneration activities will be perceived of and affect the various beneficiary groups differently, for example, vulnerable groups may be displaced and communities dislocated (Porter & Shaw, 2009).

Active 18 constituted themselves in order to take part in formal planning proceedings and put forward an alternative form of development. Eventually though, a somewhat modified form of the original condominium development was approved by the City of Toronto. Leher (2009) posits that this local debate was the first of its kind in Toronto to challenge the seemingly unabated construction of high-rise condominiums in the City and that its impact will spread beyond this neighbourhood. Thus it appears that a key role for the public sector within market-led regeneration initiatives is one of facilitator, rather than leader. In this facilitating role its primary task is to manage tensions arising from the aspirations of newcomers with the concerns of existing residents. Leher offers rich description of local community responses to a market-led regeneration initiative, but little recognition of wider urban economic development imperatives faced by the City of Toronto with which to balance her findings.

The foregoing demonstrates the need to understand regeneration initiatives within their broader social, economic and policy contexts. Mason (2003) demonstrates how prevailing currents of thought at the national level translate into policy imperatives at the metropolitan scale through the adoption of particular urban governance rationalities. The study explores the delivery of regeneration initiatives within Canada's pre-eminent urban centres, Toronto, Montreal and Vancouver. The central argument is that Canadian cities increasingly compete in an entrepreneurial manner with their counterparts for investment finance and jobs. The planning of urban space is one way cities seek to attract such economic development opportunities. Urban regeneration initiatives form a part of such place-making activities, but the social and environmental benefits that accrue must 'fit' with economic imperatives. It is at the intersection of economic development and quality-of-life concerns that this research is undertaken. Mason explicitly investigates tensions that arise at the urban level when public sector policy-makers seek to negotiate tensions between achieving quality of life for a diverse population and attracting inward investment when developing 'supply side' infrastructure such as housing and transport and telecommunications networks to make the city attractive and conducive for

inward investment. In particular he notes that at that time poverty was becoming increasingly concentrated in major urban centres, in part as a result of their being attractive locales for immigrants. This occurred at a time during which government assistance to lower income families was being reduced. Thus at a time when demand for urban investment increased (e.g. for social housing) metropolitan authorities faced cuts in transfer payments from federal and provincial governments. These cuts were made all the more significant by the tight circumscription of metropolitan authorities' capacity to generate their own revenue.

Mason's view is that the policy-makers he interviewed were strongly influenced by underpinning advanced or neo-liberal logic. This is evidenced by City of Toronto officials making explicit reference to Michael Porter's (1995) work on city-region clusters, wherein urban regeneration strategies are contextualised as enhancements to cities' economic comparative advantages by making them distinctive places with which to attract entrepreneurs and skilled labour. Specifically, in the case of Toronto "liveability in the inner city is conjoined with participation in high-value cultural production and consumption" (Mason, 2003, p 350). This strategy was manifested by a series of high-profile cultural developments, for example, construction of the Canadian Opera House. Aside from these singular, high-profile initiatives the City of Toronto also relaxed zoning regulations in order to promote mixed residential and industrial land use. Mason mentions the case of the King-Liberty area of Toronto in this regard. It is revealing to contrast Mason's relatively benign, high-level analysis of this regeneration development, which has scant reference to local community tensions, with Leher's (2009) work on the nearby WQWT regeneration initiative, where the opposite perspective is evident. A fundamentally important point drawn out by Leher appears to be that the characteristics of the proposed developments may destroy the liveability of the WQWT and thus potentially 'dent' Toronto's capacity to attract investment and workers. However, in order to address this central issue adequately, researchers need to engage equitably with tensions facing municipal governments *as well as* those facing local community activists if progress is to be made in understanding how to incorporate social and economic concerns within such developments.

1.4 Summary

The foregoing literature review has highlighted how regeneration is affected by competing tensions arising at national, regional, local and neighbourhood scales. It has explored the impact of various policy interventions and whether these have produced desired outcomes, such as more efficient use of public and private financial resources, or unintended consequences, such as the crowding out of social housing provision for those most in need. This was a dynamic raised by Pawson et al (2009), Leher (2009) and Mason (2003). These authors commented upon which facets of the context within which regeneration of housing stock takes place affect anticipated outcomes or produce unintended consequences. This is of particular importance when trying to assess the possible effects of housing stock transfer in Ontario, where underlying contexts are likely to differ from those in Britain. The apparent implications of Webb's (2008) findings for Ontario's social housing sector are that scale may not necessarily be the primary issue limiting their role in regeneration. Rather it may be more fruitful to investigate what SHPs view as being the issues facing them

and then seeing whether any form of up-scaling or partnership working may assist.

This also resonates with the findings of CIH (2005) on potential benefits derived from economies of scale, which were somewhat equivocal. This study's central argument is that housing associations should think about economies of scale in different ways for different functions. For instance, it is suggested that operational management might be better undertaken in an optimal range of 1,000-5,000 units, whilst stock investment might have a much larger optimal range of over 5,000 units. However, its over-arching recommendation to SHPs is for them to understand what types of improvements are needed and then assess whether increasing organisational size will assist in achieving those improvements.

Channeling investment into social housing stock and wider community regeneration were the two key benefits associated with stock transfer in the UK. However, favourable financial circumstances (such as the ability to access credit at relatively low rates and the capacity to create rental surpluses) and organisational structures and cultures of SHPs receiving transferred stock (such as improved operational efficiency, active examination and management of stock and recognition of the role of wider community regeneration) also played an important role. The influence of these factors underpinning stock transfers could not be separated from the impact of transfer process itself (Pawson et al., 2009).

In summary, it may be more fruitful to consider the optimum size of delivering the range of services required of SHPs alongside the potential impact of different operating and strategic contexts, rather than to assume that bigger will necessarily be better across the spectrum. The relative importance of a range of development and operational issues should be weighed when SHPs make decisions concerning organisational size and structure.

2. Research Design

The preceding literature review was used to develop key research questions and inform interview questions for social housing practitioners in Ontario. This section presents the research questions and the research methods employed in this study.

2.1 Research Questions

The following five research questions underpinned and guided this study and are categorised as follows:

Causes, Characteristics and Differential Impacts of Regeneration Issues

- What are the causes and characteristics of degeneration of social housing in Ontario?
- How are these characteristics differentially manifested / experienced by organisations and their tenants in different geographic areas?

Responses to Regeneration Issues: Policy and Practice

- What are the responses to these issues at federal, provincial, municipal, local area and organisational levels?

Factors Affecting Responses to Regeneration Issues

- How does the scale of social housing providers (SHPs) in Ontario affect their capacity to deliver the services expected of them?
- Does housing stock transfer present an efficient way of increasing a SHP's scale and improving its effectiveness?

2.2 Research Approach & Methods

The study employed the qualitative method of in-depth interviewing (Miller & Crabtree, 2004). Data were generated via interviews with social housing practitioners (Schoenberger, 1991, 1992) and analysis of interview data was undertaken using a grounded approach. This type of approach is useful in uncertain situations where change is expected, but no widely accepted ideas or responses have yet been formulated (Charmaz, 2004). Rather than use an approach which tests whether a pre-determined idea is true or not, this study arrived at its conclusions by close analysis of data generated from interviews. That is, research findings were primarily based on individual cases and experiences emerging from analysis of interview data. In this way statements that research participants made about the challenges they face and what factors they see either as being helpful or hindering their progress contributed directly to the conclusions drawn from the study. Individual cases were synthesized to develop key themes, which are presented in section 3 (Research Findings). This was achieved by close examination of interview text to iteratively develop themes, patterns, ideas and concepts from the data (Miller & Crabtree, 2004). This promoted a deeper understanding of any patterned relationships, or

inconsistencies, within the data, which in turn was helpful in explaining the organisational behaviour of individual SHPs.

2.3 Interviews & Research Participants

In-depth, semi-structured interviews of approximately one hour duration were undertaken with 11 research participants from a range of SHPs in Ontario. Research participants were all senior-level officers drawn from municipal service managers and housing corporations in Ontario (see Appendix A for descriptions). Their organisations ranged in scale from approximately 1,000 to 15,000 units. In terms of geographic location, two operated in northern Ontario and the remaining nine operated in the south of the province.

The chief inclusion criterion for selecting interview participants was current or recent involvement in social housing practice or policy implementation or development. The aim was to generate a diverse range of experiences in terms of organisational culture, structure, size and ownership. Six of the 11 research participants were selected in consultation with staff from HSC. A modified snowball sampling technique was then used to select the remaining five participants. Research participants were asked to suggest a social housing policy practitioner who did not share the same experiences or viewpoints as them. In this way chances for variation in the small sample group were maximized. Interview participants were initially contacted by email to invite them to participate and then by phone and a follow-up email to make arrangements. Ten of the interviews were conducted by telephone and one interview took place face-to-face. All interviews were recorded with the participants' consent.

Research participants were asked questions related to their activities with respect to and their thoughts about social housing and regeneration policies and practices in their locality (see Appendix B – Interview Guide). However, interviews were semi-structured in order to give participants opportunities to identify topics not present within the literature or to expand upon issues that have been of particular relevance to their organisation. For instance, a key research question to emerge from the literature was how the scale of SHPs affects their capacity to deliver regeneration initiatives to resolve issues caused by the interaction of broader socio-economic processes with local area characteristics. Therefore a particular line of questioning for interview participants explored enablers and constraints experienced by Ontario SHPs in undertaking organisational improvements in order to ensure that they were equipped to regenerate their housing stock and local communities.

These interviews provided rich data on the policy and socio-economic context within which social housing practice is undertaken. The interviews were also used to gather evidence about the impacts of social housing policy (for example, whether policies are perceived to be achieving their stated goals), as well as specialized knowledge about housing development and management processes. In this way pragmatic insight into the challenges of delivering social housing services was gained, in addition to views on which policy drivers either inhibit or enable change.

3. Research Findings

This section presents evidence from 11 interviews with social housing practitioners in Ontario. Findings from this study are structured into two sections in order to address the original sets of research questions. The first section explores how research participants understand the nature of and respond to regeneration issues. The second section analyses the underpinning factors that affect research participants' capacity to respond to regeneration issues.

3.1 Understanding & Responding to Regeneration Issues

This first section is structured around themes that emerged from analysis of 11 interviews with social housing practitioners in Ontario. These themes are: demand; choice; community; housing stock; area dynamics; tenants; financing regeneration; and private landlords. This section starts by describing characteristics of regeneration issues associated with these themes. It proceeds to discuss their causes and differential impacts as experienced by research participants. Threaded into these sub-sections are examples of practical responses to regeneration issues by research participants.

I start with organisational scale, move through a range of associated factors and end with commentary on the re-scaling of social housing policy.

Demand

Most research participants reported very high overall demand for their social housing units, with some pockets of low-demand stock. In one case there were just over 2,000 social housing units in the municipality and a waiting list of 1,400. As one research participant noted:

"We can't in any way begin to actually address the needs of this community for affordable housing options" [RP2]

SHPs must be able to demonstrate a direct impact on the waiting list for social housing. However, it was not seen as a good indicator of the relationship between supply of and demand for social housing units in an area. For instance, some prospective tenants will be counted more than once if they have applied for more than one type of property. One research participant suggested that a more realistic, rounded picture would be gained by focusing on proportion of available rental stock in an area and relating this to socio-economic characteristics such as poverty levels.

In areas where overall demand for housing is very high, as demonstrated by low vacancy rates, social housing tenants will have extremely limited options to move out of the sector. A very small proportion of tenants gain income from paid work and are instead predominantly dependent upon government benefits to support them. These two factors result in tenants remaining in the social housing sector

and prospective tenants remaining on the waiting list, sometimes for over a decade.

This dynamic can be further exacerbated by the nature of the local labour market. For instance, if job vacancies generally require skill levels that social housing tenants do not possess, most tenants will remain reliant on benefits or minimum-to low-waged employment. For example, in one area, only a very small proportion of tenants worked and 75% of tenants received their income from employment or disability benefits. Social housing tenants not only need other rental accommodation to move to but also the economic means to do so.

Choice

This evokes the concept of accessible supply. In other words, even if supply did exist, social housing tenants may find it difficult to compete for tenancies and therefore these units would not be accessible to them. In such situations social housing tenants have few options to move out of the sector, resulting in social housing becoming a permanent rather than a transitional housing option. Although at face value this may appear to resonate with the sector's aspiration not to be the housing option of last resort, it is important to recognise whether this situation arises out of necessity or choice. In Ontario it appears that the mobility of social housing tenants is restricted, for example, long-standing tenancies of 30-plus years were mentioned. On the other hand, some research participants did refer to market rent tenants choosing to stay in mixed developments, despite having other options. This served as something of a litmus test for those SHPs, as it provided evidence of the quality of their service.

The significance of choice to community building was evident in the case of a SHP that had two streams of housing: former public housing and affordable housing. Units in the former public housing stock are allocated to those in most need under legislative requirements; the organisation has no choice in its tenants. In contrast, prospective affordable housing tenants are interviewed in their homes, which provides an opportunity for choice and to build community. The affordable housing developments (representing 30% of total stock) have far fewer vacancies and also benefit from improved relations between tenants and staff, an unexpected outcome of the interview process. It is not technically a mixed-income development because most units are rented at affordable market rent, with only about a fifth of units rented on a rent supplements basis. There are income ceilings above which people are not eligible for affordable rent units. However they are mixed communities in the sense that once a tenant is in an affordable unit there are no subsequent checks. As a result there may be people with very good incomes living in these units.

Community

Tenants experience the benefits of social housing differently, depending on their own circumstances and the characteristics of the locality and their SHP. Tenants' experiences are related to the structure of the neighbourhood and building they live in. There is a correlation between the age of the building or ease of access to services and contentment levels. One research participant commented that good quality housing is the primary motivator for tenants to move, followed by education and healthcare provision. Moreover, SHPs providing services to a large number of tenants are likely encounter more diverse tenant experiences due to the more varied nature of the housing stock and the tenants themselves. Some tenants simply want to live there and do not necessarily want to be involved in their community. A challenge for SHPs is to

recognise that the tenants who do get involved represent a slice of the profile and may not necessarily represent the whole population.

One research participant spoke about the tension between financial viability and creating positive social outcomes as a “tightrope that you walk” [RP6]. This was exemplified by another organisation that was not tolerant of rent arrears. This was demonstrated by its very low rent arrears of between 1 and 3%, which had been reduced from between 20 and 24%. Although 12% was considered to be the norm, a baseline was difficult to establish because such information is not shared between SHPs. In principle, being late with rent was perceived of as a sign of disrespect of the benefit that was being provided to the tenant. In pragmatic terms, the organisation recognised that once a tenant got beyond two or three months’ arrears it became extremely difficult for them to repay. Therefore the organisation reacted immediately to non-payment of rent and if needed deployed its in-house social worker to work with the tenant and partner organisations to avoid eviction.

There were many examples of SHPs encouraging partner organisations to deliver community support services to eligible tenants (for example, disabled or frail elderly) on site. It is beneficial for tenants to have services delivered close by and for community organisations to expand their client base and so help to maintain funding levels. In some cases such service delivery arrangements facilitated a better relationship between tenants and the wider community.

More broadly speaking, some tenants experience social housing as community; whereas for others it represents financial relief. Having rent directly variable with income may not necessarily lift tenants out of poverty; rather it reduces stress and so provides a more stable platform from which to deal with other pressures. One research participant noted an increasing number of families applying for transfers from RGI units to other locations not within the social housing stock in order to provide them with quality of life beyond financial relief. This exemplifies tenants’ desire for community; that is, viewing their housing provider as being more than a landlord and looking to them to meet their support needs beyond housing.

"People feel success is moving out of our communities. It isn't always a mark of success. Success is having a community that works well. That people would aspire to live in whether they were getting rent geared to income or not." [RP9]

Building community was highly valued by research participants and should either be maintained or improved upon, but definitely not lost, by any form of future development. In high property value neighbourhoods, SHPs may face financial pressure to sell units in order to generate investment capital for other developments. However in mixed developments where community is already built, there is a powerful social argument not to sell units. This stance implicitly recognises the complex mix of factors that underpin a successful community and the understanding that a sense of community cannot be rebuilt as easily as physical structures. However, as one research participant noted, other municipalities’ choices drive his own organisation’s choices. Thus if other SHPs with stock in high property value areas begin to sell off stock, this will influence decisions of other SHPs.

Housing Stock

Most research participants spoke about the challenges of maintaining an aging or low-quality housing stock that had been built on a frugal funding envelope. This was described as being of poor quality and lacking a sufficient level of ongoing

funding for maintenance. In some instances the amount of capital funding has not increased over time and is therefore of less real value. Older public housing units may also require to be remodelled in order to meet modern expectations. For instance, older multi-room units may have only one bathroom; as well, children's bedrooms may be very small, therefore providing no private space for them. In addition, basements may be unfinished. On a neighbourhood scale, older developments tend not to have community space. One research participant commented:

"In the non-profit portfolio, which was developed much later [than public housing] with a different philosophy, you have the...space...for people to come together as a community." [RP10]

Modern development approaches now recognise that having such venues is on site is an important resource to improve community. Where no other public space exists SHPs may need to take units out of housing stock in order to provide this. In one case this process involved making a business case to the organisation's board and then seeking approval from the municipal council.

More broadly, one research participant made the point that names for the sector have changed over time, with "public", "social" and "community" being the most common descriptors. These names reflect the underlying philosophy of the time, which is affected by the availability of funding. During periods of austerity SHPs may need to revert to their core housing business. However, increasingly that perspective is changing to recognise that SHPs are more than landlords and have a wider responsibility to tenants, in part due to the changing characteristics of social housing tenants.

One research participant reported that the results of an organisational stock analysis revealed that some units no longer made sense from a business perspective. Some units were surrounded by properties that the organisation does not own and thus had little connection to the local neighbourhood. Furthermore, these scattered units were more expensive to maintain. Such a stock pattern did not provide the best opportunity to meet the needs of tenants. It was decided to sell these units and use the capital receipts to develop stock in other ways. Such an internal organisational conversation prompted philosophical discussions about whether the mandate of the organisation should be to grow the stock (to meet demands from prospective tenants on the waiting list) or improve quality of existing stock (to meet demands from current tenants).

"It has been a personal struggle for people who have been in this business for a long time. It's certainly a philosophical and political struggle and that's just internally." [RP5].

Area Dynamics

The location of social housing stock built 30 to 40 years ago was driven primarily by the availability of relatively cheap land. These neighbourhoods were isolated from services offered within the wider community. Where social housing stock is concentrated in one area, neighbourhood decline and stigmatisation has resulted. Tenants become drastically affected when they move into areas of concentrated deprivation. If they have different ways of living from the majority of the population their coping mechanism is to withdraw from the neighbourhood in order not to be too negatively affected by it.

"There are areas where we have had a lot of discrimination and we've had to move different ethnic groups out of there because they just couldn't cope. They

were targeted. So even though they may...have a different way of living...once they get in that area they are one of few and it seems that they are overshadowed. They definitely become depressed. They're scared. They don't have children out playing. So it definitely impacts people when we move them into that area." [RP3]

However SHPs rarely have a choice over their tenants and potential fit with existing neighbourhood composition and where to place new tenants, therefore tenants have no other option but to be placed in these areas.

"At the same time, the way the system works, we don't have a choice of who our tenants are. The social housing registry determines that. We don't get to pick and choose where they're placed...and this contributes greatly to the problems we're experiencing." [RP 3]

One research participant noted that management of the centralised waiting list by the municipal service manager was problematic due to a perceived lack of screening and sharing of information with SHPs. As a result the organisation had refused to house some tenants, for instance, in situations where staff members had been assaulted. A better understanding by service managers of SHPs' dual responsibility as housing providers to all their tenants and employers might improve this situation. In particular, some SHPs expressed concern that the quality of their service needed to be maintained in order to attract and sustain the necessary proportion of market-rent tenants.

One apparent manifestation of this so-called area effect is tenants' increasing concern over their safety due to high incidences of violence, crime and damage to property, whether perceived or actual. As a result, security has become a growing issue for SHPs, particularly within developments that are funded predominantly or exclusively on a rent-geared-to-income (RGI) basis. One research participant reported that one building in particular has a perception of violence, but in fact is no more violent than others. This may be related to inaccurate categorisation of incidents. Nevertheless there have been calls for security guards. Another research participant noted that tenants' perceptions of their safety are greatly affected by individual incidents, particularly if these are of a serious nature.

Tenants

Most research participants reported that the proportion of tenants with higher support needs, often related to mental illnesses, has increased over the past 10 to 15 years. Prior to this the majority of the tenant population comprised low-to moderate-income families. SHPs are generally not equipped to deal with these higher support needs, either in terms of staff skills or financial resources. SHPs need to convince their shareholder, usually the municipality, of this increased funding requirement. However, research participants recognised that the shareholder's capacity to respond will be constrained by the local tax base, which in turn is affected by the socio-economic characteristics of the local area.

Tenants with Mental Health Issues

Social housing increasingly draws tenants who have additional support needs beyond housing and these needs are often associated with mental health issues. The closing of group homes and other facilities that formerly accommodated and supported people experiencing mental illness has meant that these individuals are now housed within social housing stock. Tenants who have mental health issues, such as schizophrenia or bipolar disorder, can have a negative impact

upon their unit (due to increased likelihood of physical damage) and their neighbours' quality of life (due to disruptions caused by erratic behaviour). This places additional demands upon SHPs and two strategies are commonly employed to deal with these demands. The first is for individual SHPs to develop their own in-house resource, such as a social worker, and the second is to work in partnership with mental health organisations. Neither strategy is mutually exclusive, but both strategies face challenges.

Working in partnership with mental health organisations is hampered by their priority of avoiding eviction of their clients, which often works against SHPs' interests. In reference to a local mental health organisation with which a SHP was working, one research participant reported:

"What we have found is, they are providing little support and, if they're going to support, they're helping to advocate on avoidance of eviction and holding tenants accountable. Actually they are working against the landlord and not helping the situation. We had a situation and we called the crisis team. It took four weeks in order for us to get service." [RP3]

This organisation has now hired a half-time mental health worker in order to become more proactive in helping tenants identify issues and work with them to maintain their tenancy. More support of this nature is needed but the organisation cannot afford it.

Recent funding cutbacks to organisations that provide support to people with mental health issues have reduced their capacity to respond to referrals from SHPs. Another research participant stated:

"There's a cyclical thing happening here now with tenants who need more support. But we can't even get the referrals to help them get the support because the agencies are swamped. And I've seen that escalating. And I see now with funding being cut back on other programs that it's just going to perpetuate that." [RP7]

Senior Tenants

Supportive housing for seniors straddles two policy junctures: housing and health; and social and private housing. First, it provides sufficient support for seniors to age in place, but only if the appropriate level of care is available and if there is a positive working relationship between care and housing providers. The housing provider may need to mediate between the senior resident and their care provider to resolve any issues arising. The value of this human aspect of housing service provision can be difficult to quantify, but can be critical in ensuring that tenancies are not brought to a premature end if difficult circumstances related to a tenant's behaviour arise. Second, a senior's eligibility for an affordable unit is dependent upon their level of financial assets (excluding primary residence). If the asset level is exceeded (which can occur if they sell their home) then they must wait for a market unit to become available. In one area the waiting time for such units is 14 years. In order to meet this high demand more supply of such units is needed and developers need to be incentivised. In the same area, three potential developments were stalled due to lack of wider community support. In order to address this situation, supportive housing's role in bolstering the local economy (by attracting seniors to live in the community) and reducing demands on more expensive nursing homes and long-term care beds in hospitals needs to be promoted.

Seniors generally desire to live with other seniors, thus running somewhat counter to the over-arching strategy of mixed communities. Providing a secure, seniors-only building within a development is one possible solution. Pre-requisites associated with some federal / provincial funding streams mean that a certain proportion of senior tenants should be in need of social housing for mental health or domestic violence related reasons. However, if seniors comprise a significant proportion of the tenant population it may be more efficient from a stock management perspective not to have seniors-only buildings. In areas where single units are not in demand, seniors and non-senior singles have been accommodated within the same building. Although issues related to drug and alcohol abuse and crime have been associated with non-seniors, these younger tenants may also provide support to seniors with activities such as driving and gardening because they are generally in better health. Therefore a mix of positive and negative dynamics can occur. Ensuring the security of the building is a critical aspect in mixed-tenant buildings. In one case, 50% was the recommended threshold of non-seniors to seniors in a building.

Some research participants have applied successfully for funding from their Local Health Integration Network (LHIN) in order to provide infrastructure and services that allow seniors to age in place. In one case capital funding was provided to convert a unit in order to create a larger bathroom for tenants who need assistance with bathing. The unit has a dual function because partner organisations also run their support services out of that unit. Similar units have been created in four more buildings. Another SHP received LHIN funding to deliver support services to 60 senior tenants such as housekeeping, grocery shopping, medication prompts and meal preparation. Importantly, if capacity is not reached within the tenant population then the service is offered within the wider community. In another example a new senior housing development included an office for community care from which meals on wheels were delivered. This service brings the wider community into the building, which is beneficial for tenants for whom social isolation may be a significant issue.

Financing Regeneration

Financing regeneration projects that are funded primarily or exclusively via rent geared to income (RGI) is a major challenge because RGI revenue does not generate sufficient surpluses. This is an important factor to bear in mind when drawing comparisons between Ontario and the UK (see page 11). In the absence of steady provincial or federal funding, the typical low-demand nature of a 100% RGI locality limits SHPs' capacity to generate additional funding via market-oriented, mixed-housing developments, unlike valuable, higher-demand areas.

One research participant reported that approximately half of the organisation's social housing stock (500 units) is concentrated in a particular area. This area accommodates only rent geared to income (RGI) tenants and is characterised by high poverty, crime and unemployment. The main challenge in regenerating this stigmatised community is finance. It is not a valuable or high-demand area and therefore finding the necessary investment capital is difficult. In the absence of provincial or federal funding the organisation is opting to re-finance (via debentures) using its existing asset base. It is assessing whether to sell or demolish existing units that no longer meet requirements and use capital receipts to invest in new stock. However, even under new legislation (Government of Ontario, 2011), there remains a lengthy process of gaining consent from the Ministry of Municipal Affairs and Housing (MMAH) for demolition or sale of units.

By contrast, if the area is too valuable, social housing units can become untenable because SHPs simply cannot afford the land. In this case, SHPs may be forced to build new developments in distant and relatively under-serviced areas, which can have negative consequences for tenants in terms of access to employment, education and other services. However it can also have a less obvious effect in terms of partnership working, which may not be of the same quality in areas where the SHP is more established. Another dynamic that can occur in higher-value areas is gentrification, which presents SHPs with the challenge of balancing social and financial obligations:

“Gentrification in and of itself I don't think is necessarily bad. In fact there are times when that's what a neighbourhood needs. There's a strong role for that to play. It's a question of tipping the balance. Arguably in some parts of the neighbourhood gentrification can go too far for sure. Gentrification is a balance thing; and you need enough income on the street to have a viable neighbourhood and to have neighbourhood advocates with the resources to express what's in the interest of the community too.” [RP4]

There was universal agreement amongst research participants that mixed housing developments create better living environments. Such developments incorporate different proportions of RGI, affordable and market rents, which increases rental income revenue generated by the development. However this can typically only be achieved in a relatively high-demand area, that is, where tenants or owners will be prepared to pay at or near market value to live there. Mixed developments also offer better prospects for attracting commercial or social enterprises. These can be incorporated into the fabric of the development (for example, on the ground floor of apartment buildings) and create a further mix of residential and business premises within the development. These not only provide on-site services and job opportunities to residents but also further bolster the development's revenue streams. Social benefits associated with mixed communities occur through the process of socialisation, through which community norms are changed. As well, the mixed communities that result from such developments also reduce stigma associated with predominantly RGI neighbourhoods.

Such developments are also known as market-based approaches, whereby social housing is included as a component of a broader housing portfolio that also includes affordable and market elements. In this way social housing is viewed as an aspect of housing that partly fulfills the community's overall housing need and is not perceived of as a stand-alone, potentially stigmatised program. One research participant viewed municipal government's role as being to stimulate overall housing construction, primarily for rental but also for home ownership. Through local housing strategies municipal governments should be assessing the entire housing stock spectrum, determining where gaps exist and meeting that need, regardless of the income level of potential residents.

Another research participant commented that in order to be sustainable the sector needs to diversify and needs flexibility to do so. Providing market rent units will sustain the social rent sector by allowing cross subsidisation: allocating revenue from one part of the business in order to finance other aspects. However:

*"We don't currently have the tools, the capacity or the permission to do that.”
[RP5]*

In this case 11% of the organisation's portfolio was market-rent units. This was not a high proportion and was coupled with a relatively low-value market-rent level. Therefore market rents do not currently contribute greatly to subsidising the rest of the portfolio. In another case, units within the affordable housing portfolio were funded by a new build capital grant but received no ongoing financial commitment. Therefore the development had to do better than break-even. However SHPs cannot simply raise affordable rents to financially sustain the development because they are subject to thresholds. Another development project incorporated a market-rent component in order for the entire development to be financially self-sustaining. The building contained a high component (80%) of market units and smaller component (20%) of RGI units. The market rents were affordable housing rents, that is, a little below full market-rent levels, but not based on a person's income. This ratio was needed in order to enable the organisation to make mortgage payments on the loan it took out to fund the development. In addition this enabled sufficient capital reserve contributions to continue to be made over time. Once the loan is paid off then the building will be financially sustained by rental income alone. The SHP forecasts that a greater proportion of lower rents will be possible in approximately 30 years. Admittedly the social benefits of this development model accrue over a long time-frame, but it does provide the organisation with greater certainty and means that there is no reliance upon the municipal tax base.

Private Landlords

Providing rent supplements to private landlords on behalf of eligible tenants is another commonly employed option to meet affordable housing need. Tenants may not be able to distinguish whether they are being assisted by RGI or rent supplement. Under this program tenants pay a portion of their rent and the remainder is met by an annually verified subsidy (based on household size and income) that is paid to the private landlord. Transfer payments are managed by the municipal service manager whose responsibility it is to operate the rent supplement program. Historically this program incentivised private landlords to build units, under the proviso that 25% would be guaranteed to accommodate tenants under the rent supplement program. It has changed over the years of operation and the end date for the current program is 2023. In areas where there is an under-supply of single housing units, the rent supplement program is typically used to accommodate non-senior, single households who may have few options within an area's RGI portfolio, within which single senior households generally have priority. One research participant commented that a high vacancy rate within the private rented sector reduced the need for his organisation to build new units.

However one research participant noted that private landlords already face challenges with market-rent tenants and that there are few incentives for them to participate in rent supplement programs. They do not have the resources to meet costs associated with repairing damaged units or evicting disruptive tenants and their rents and rent increases are controlled. These factors work against development of private rental units. Therefore government must remain in the business of social housing because a wholly private sector approach will not be sufficient.

3.2 Factors Affecting Responses to Regeneration Issues

This section presents research findings related to a range of factors that either promote or inhibit SHPs' capacity to respond to regeneration challenges identified previously. Discussion starts with issues associated with the devolution of social housing policy responsibility and moves on to constraints on achieving local flexibility to meet housing need. Next is a discussion on the influences of, and interactions between, organisational characteristics (including scale), partnership working, stock transfer and social enterprise on delivering social housing and community regeneration. The section ends by considering the implications of developing social housing policy at the municipal level.

Devolving Policy / Downloading Funding

Administrative responsibility for social housing was devolved from provincial to municipal government over a decade ago. Funding also became the responsibility of the municipality, initially through income taxes and subsequently via property taxes. As a result the devolution process was perceived of as a download of fiduciary responsibility by many research participants.

SHPs' capacity to manage their stock is constrained by the ad-hoc and programmatic nature of federal and provincial funding streams. Ad-hoc refers to the short-term, non-strategic approach to investment in social housing, that is, related to funding input to develop new stock or renovate existing units. Programmatic refers to perceived over-involvement of higher levels of government in the local minutiae of housing stock management decisions, that is, related to ongoing management of housing stock.

"The maze of funding arrangements that we have now is totally inadequate and very restrictive. There's no consistency. There's no ability to plan. No business can continue to operate in a sustainable manner without some of that ability and we don't have that because of the inconsistent funding." [RP5]

Over the past few years provincial and federal governments have developed funding programs to develop new stock through the Affordable Housing Program. In addition, they recently introduced renovation and housing allowance programs. However, these programs and associated funding commitments are time-limited. There is no mention of what should happen once funding ends (that is, whether the program is to end or become self-sustaining), as well as uncertainty about whether or not funding programs will be renewed.

"It's this on again off again, maybe not going to happen again environment that puts another layer of uncertainty in terms of being able to plan for the future." [RP7]

There was also recognition that the provincial government is facing its own challenges related to its budgetary deficit position. This was described as a catch 22 situation by one research participant because neither provincial nor federal nor municipal funding can be relied upon. During the last round of funding programs one SHP stretched the equivalent of one year of funding over three years and five programs. Funding for homelessness was cut drastically and will end in 2014, meaning that tenants who are housed with a private landlord through the housing allowance program may become homeless once

the funding stops after three years. Another program is being sunset in 2013 because funding will not be continued.

"Both the federal and provincial governments are stepping away from this at the same time as the taxpayers are expected to pick up costs. And when you are in a region that is not rich, it's...absolutely huge." [RP7]

There was general agreement from research participants that municipal tax bases are not sufficient to fund social housing in general and particularly if the local economy has been performing poorly. At the municipal level, service managers receive funding for social and affordable housing from the municipal council, which is ultimately derived from the local tax base, which funds a wide range of local services and infrastructure. Most research participants reported that demand for social and affordable housing cannot be met at the municipal level, particularly if the local area is not a wealthy one. However some research participants argued for housing, particularly affordable rental stock, as a boost to an area's economy by increasing its capacity to attract and accommodate new workers.

"We have to leverage that opportunity to talk about housing not as a social responsibility downloaded to us but rather as an opportunity to control the economic vitality of our region" [RP10]

The devolution process was apparently incentivised by a perception of social housing as a liability rather than an asset. In accounting terms, downloading financial responsibility to municipalities was viewed positively because it reduced provincial expenditure. Municipalities too typically perceive social housing as a financial encumbrance imposed upon them. However some research participants argued that governments at all levels should adopt a more holistic view in order to recognise the benefits social housing offers to a locality. Thus, rather than being perceived of as a download, assuming responsibility for social housing should be viewed positively because municipalities now have control over it and can include housing as part of local infrastructure plans. SHPs should advocate for housing as municipal infrastructure in the same way as for roads, bridges, sewer and water lines.

"The municipality interprets... social housing as an income transfer program and not as a municipal infrastructure program. And so the challenge is to start shifting the rhetoric...and augmenting gaps in the municipal infrastructure." [RP10]

In addition to funding commitments for new developments creating financial pressure on local tax bases, municipalities cannot afford the maintenance or rehabilitation of aging stock indefinitely. This issue has arisen due to the inadequacy of some previous funding programs. One research participant cited the case of units that had been built in the late 1980s and early 1990s with provincial funding. Under this funding model capital reserves were meant to be put in every year. However this development was under-funded and many of the SHPs that now own and manage the units have depleted their capital reserves. This has left insufficient funding for major capital works such as roof replacements.

Constraints on Local Flexibility

In addition to challenges presented by being prepared to respond to the sporadic nature of some government funding programs (for example, stimulus funding becoming available during times of economic downturn), is a lack of local

determination about how the funding should be invested locally. One research participant commented that, whereas funding certainly results in improvements, these may not be a top priority locally. It would be better to have some way of locally determining how that funding should be spent, rather than meeting some other political requirement.

Another research participant described the setting by the Province of service level standards as being inappropriate because these standards “artificially” determine the amount that should be allocated within local communities. As a result, municipalities are required to maintain levels of financial support and RGI units that do not necessarily reflect the need of the community for social housing or the municipality’s capacity to meet this need.

Most research participants recognised the role of the provincial government in guaranteeing to preserve and protect federal investment in housing. However, they are not clear on what are municipal obligations once federal and provincial funding agreements expire; commonly termed as end-of-operating-agreement issues. It appears that municipalities are being held responsible in perpetuity for indemnifying mortgages and other encumbrances on properties which they now own, despite the fact that municipalities had no say in when, where or how these properties were developed. In addition, most research participants reported that ministerial consent from the Ministry of Municipal Affairs and Housing (MMAH) is required for the demolition or sale of units. This consent is typically sought for units that are not meeting local housing need, either due to their physical condition or location. This is viewed as a time-consuming, inappropriate and onerous process by independent SHPs, but as a more straightforward and justifiable process by municipal service managers. This appears to be because service managers have more direct contact with MMAH and therefore are perhaps more familiar with the process. Working within the public sector themselves may also enhance service managers’ appreciation of the obligation upon the provincial government to protect previous investment in social housing by the federal government. Nonetheless it appears that the rigidity and lack of clarity of these regulations is limiting the capacity of SHPs to plan ahead.

By contrast, in cases where SHPs have unencumbered properties (that is, no debt or debentures tied to property titles) their boards can examine the potential for reconfiguring stock portfolios in order to meet future demand and assure the sustainability of the organisation. In one local housing corporation (LHC) an End of Debentures Committee has been formed to assess the potential of selling, demolishing, or remortgaging (for repairs or renovations) existing properties. This assessment is related to forecasting future demand through analysis of the waiting list. The Committee recognises that there is an over-supply of large family homes (with five bedrooms) but an under-supply of one-bedroom units. If properties are encumbered then ministerial consent would be needed. Even with no encumbrances consent from the municipal service manager is still required.

Organisational Characteristics

The two principal strategies suggested by research participants to deal with the foregoing challenges were: to undertake services in-house; or to work in partnership with other organisations. Both strategies are related to organisational type, efficiency and scale. Most respondents relate the scale of SHPs with their capacity to develop in order to meet these demands and conclude that SHPs need to grow in order to improve the lives of tenants. As one research participant stated:

"Our funding is not increasing...and the needs of these buildings [which are] aging and the needs of the tenants is increasing. How do you meet those [demands]? You have to find efficiencies, whether it is human resources or financial resources. It is easier to be larger and doing it in-house." [RP3]

At the time of devolution municipalities chose either to amalgamate social housing stock within the municipal structure or to transfer it to independent organisations. On an operational level, housing stock owned by municipalities is typically managed within the municipality's service infrastructure (for example, legal and facilities management services). On a strategic level, municipal housing service boards typically comprise elected representatives. One research participant reported that these elected representatives volunteer to participate on the board and tend to endorse operational proposals put forward by housing services staff, as opposed to providing strategic direction. In this case it is the municipal council that ultimately provides strategic direction and does so by delegating its authority to the department that oversees housing services.

There are twelve independent local housing corporations (LHCs) in Ontario, which collectively provide approximately two-thirds of social housing in the Province. Compared to municipal housing services, local housing corporations (LHCs) have more latitude to recruit board members based on organisational skills requirements. As a result LHC boards may have greater variation in composition and include volunteers from the wider community as well as elected representatives. In practice municipal government responds to funding proposals approved by the LHC board and audits the LHC's performance, however, depending on the number of elected representatives on the board, has little say in strategic direction. One LHC board assessed its recruitment requirements using a matrix of needs in order to support its business and community goals, both in terms of technical or professional skills and connections with other community organisations.

The same LHC benefitted from the positive attitude of the municipal department that assumed housing service management responsibility at the time of devolution. In this case responsibility for social housing was requested by the Planning and Development Service. This occurred within a benevolent local context, characterised by relatively low poverty levels and a high degree of interest in social housing and related issues from community advocates. The LHC benefits from the work of an in-house social worker and three units dedicated to delivering social services to tenants on-site. These units are used by partner organisations as well as LHC staff. All these factors appear to have combined to underpin a wide range of regeneration initiatives with partner organisations, such as literacy, information technology, poverty reduction, childcare youth programs and university research.

Another SHP was dedicating staff resources in order to manage a community volunteer program in order to secure wider community awareness of, and involvement in, its work. On a pragmatic level the organisation benefits from additional volunteer resources for activities such as fence painting and building play grounds. However this outreach activity also ensures that the organisation is in the minds of the wider community and is seen as a way of influencing public perception about what social housing involves. The same SHP has positive experiences of partnership working because it identifies mutual benefits and obligations between itself and its partners (such as social services and university departments). This is formally underpinned by a contract, in general to promote a mutual understanding of the nature of the working partnership and to help resolve any specific issues that arise.

Voluntary non-profit organisations and co-operatives (or co-ops) are the two other types of organisation involved in delivering social housing in Ontario. Non-profits' board members can be recruited from the community at large and so these SHPs can recruit members with necessary skills (such as financial or legal). One research participant viewed non-profits as being in a better position to recruit the necessary expertise and as having a more pragmatic attitude to working in partnership with others. Co-ops' boards are recruited from residents within the co-op building. Therefore there is a more limited opportunity to acquire the right skill set to make long-term plans and financial investment decisions. In addition, in cultural terms co-ops tend to be less inclined to cooperate with others. Because they are making decisions over units where they and their neighbours live they want to have control over their own building. As a result they have a more intimate connection with these decisions than board members from other types of organisation. One research participant had recently established fixed terms for board members to ensure regular turnover of board membership; whereas another reported that high turnover rates for board members eroded institutional memory. In both cases, encouraging board members to avail themselves of training opportunities was seen as beneficial, but challenging because board members did not always perceive this to be of benefit.

Organisational Scale

Research participants generally agreed that the optimum scale of SHPs is changing over time. Twenty to 30 years ago 50 units seemed to be the scale at which one full-time post could be subsidised. Now 100 units would produce better economies of scale, supporting two positions and so expanding the range of skills available to the organisation. However, a property manager could service 300 or more units if the units are relatively homogeneous, concentrated in a few building and if there are no other demands upon their time, such as supporting the work of the organisation's board.

One research participant from a relatively large organisation (2,500 units) commented that 150 units had been proposed as the smallest sustainable organisation size for non-profit housing associations with portfolios wider than just RGI. Thus optimum organisational scale should be related to the diversity of housing stock portfolio. The same participant commented that most of the SHPs with their operating sphere owned fewer than 100 units, all of which were exclusively funded via RGI. For these organisations the future prognosis was stark: end of subsidy could mean end of organisational mandate. Smaller organisations tend to work within existing program structures because they have little capacity to look beyond operational issues.

There was general concern expressed over the ability of very small SHPs that own and manage single buildings to continue to meet their tenants' needs. Typically these SHPs can afford to employ only one on-site staff member to undertake the wide variety of property management and tenant engagement tasks required. Operationally this usually results in additional services that cannot be undertaken by the staff member being contracted out. This is typically not cost efficient, although some exceptions were noted. In addition, such SHPs rarely have the additional capacity at both staff and board levels to work with other partner organisations for strategic planning purposes, thus diminishing the capacity of the locality to meet long-term social housing need.

In contrast, larger organisations are typically better able to offer a wider range of services at lower cost-per-unit. They may also attract highly qualified staff and be better able to shift resources to deliver services in-house rather than on an outsourced basis. There is a temptation for already large organisations to continue to increase in size (or empire-build) without paying due attention to whether value is necessarily being added. Research participants from relatively large SHPs reported that a key organisational challenge was to appear small to tenants and to be present in all communities. In one case this was achieved via a decentralised approach to dealing with tenant's requests, combined with a commitment from management that as many issues as possible should be dealt with at the front line. Such an approach would operate most effectively in a culture where staff members are given latitude to make decisions. Another SHP's governance structure comprised four geographic areas and a tenant advisory group, one member of which was a voting member on the organisation's board. The SHP supported partner organisations to undertake community capacity building activities in these local areas and provide feedback to the SHP. Thus the organisation was tenant-focused, rather than tenant-run.

Another research participant commented that there may be some validity to perceptions that larger organisations have the loudest voice in the sector, but that this is not a representative voice. This perception may affect attitudes of smaller SHPs to partnership working; making them wary of being taken over by the bigger organisation. The same participant suggested that, rather than scale, shared services may be a better way to improve quality and consistency of service delivery by SHPs, including back office (such as legal and financial services and human resources) as well as front line (snow piling, grounds maintenance) services. However if the operating environment is one where organisations are fearful about takeovers then it will be more challenging to promote the value of shared services.

In practice municipal service managers' relationship with independent SHPs is to administer the social housing funding program and to audit SHPs to ensure that they are complying with legislation. One service manager reported that although operation and technical reviews were mandated by federal legislation, there was some flexibility to adjust the level of oversight of individual SHPs. Finding ways to reduce the costs associated with auditing many individual organisations was a concern for another service manager research participant. Other research participants reported that municipal service managers were facilitating closer working within the social housing sector and partner organisations, primarily to achieve cost efficiencies. There is no legislative basis to encourage partnership, integration, sharing services or mergers. Given the foregoing sensitivities, it is recognised that a gentle approach needs to be adopted by service managers, such as introducing the idea of partnership working as part of regular forums. The presence of an independent broker can be useful in improving strained working relationships between service managers and SHPs that may have resulted from devolution.

It is for SHPs to decide whether to participate in partnership arrangements such as bulk tendering. In one case the service manager was establishing systems to gather information on issues such as repairs in order to improve information for potential bulk procurement initiatives. One research participant commented that procurement bundles (such as furnace replacement programs) should not be so big as to exclude potential contractors and thus reduce competition. The optimum size of the procurement bundle will be market-place dependant. Sometimes it can be more efficient to bring in a contractor on a unit-by-unit basis for small work orders; particularly if the contractor develops a good

understanding of particular buildings over the long-term. One research participant called for the current contract value threshold of \$1,500 for works requiring tendering to be raised to \$5,000 to give SHPs greater flexibility in how they acquire services. It is also important to note the relationship between participating in partnership initiatives like bulk procurements and organisational value for money decisions. In other words, if a SHP chooses not to participate in a particular initiative this may not necessarily reflect an unwillingness to work in partnership in future. It may be the case that having local control of, and responsibility for, social housing investment is driving service managers' interest in cost savings, which may in turn benefit individual SHPs.

Partnership Working

There appears to be a locally contingent relationship between organisational scale and partnership working. If an organisation is relatively small in size it may not have the capacity to instigate or maintain partnership arrangements. The organisation may also be reticent to merge with other organisations for fear of losing its identity. Attitudes towards partnership working may also be related to the range of organisational sizes within the area. If the size profile is highly skewed (that is, one or two large organisations and many smaller ones) this may create an "us and them" culture which may stymie partnership working. It is also important to relate the scale of an organisation to its operating context. For instance, one research participant was from a LHC with a comparatively small number of units (approximately 1,000). However, this represented over 70% of the municipality's stock and made them the largest social housing provider in the area.

SHPs do participate in strategic forums on issues concerned with local economic development, poverty reduction and education. However although high-level strategic working is good, tenant-focussed, operational-level partnership working was generally reported to be of poorer quality. SHPs have not been given the same level of respect achieved by local organisations delivering services such as education, child welfare and mental health. The housing sector is isolated from other sectors and needs to be more included in discussions concerning all aspects of tenants' lives not just their physical accommodation. Some community partners are of the view that if a client becomes housed then their problems are largely solved; whereas SHPs' experience is that other issues still exist. The financial positions and maturity levels community partner organisations may provide partial explanations for these perceptions. One research participant cited CAMH and Children's Aid as being mature organisations, whereas others needed to move beyond their own silo and consider amalgamation.

In some instances when SHPs approach partner organisations for support they are not seen as credible referring sources, despite their close connection to tenants. This limits SHPs' capacity to advocate for support on behalf of tenants. Because SHPs typically have little capacity to deal with wider support issues they may have no other option but to take a low-tolerance approach to issues such as violent behaviour and evict disruptive tenants. Therefore wider partnership working appears to have a direct effect on SHPs' approach to delivering services and therefore upon the lives of tenants.

Some research participants did however report good partnership arrangements. In one case the SHP had neither the financial resources nor the staff expertise to provide support to tenants on an in-house basis and was heavily dependent upon community agencies. A case management approach underpinned the SHP's partnership arrangements. It was used to assess the needs of the entire

household and services were co-ordinated on that basis. Based on their experience, partner agencies were aware that finding housing for a client did not address all their needs and still continued to work with clients after they had been housed.

"The person still needs help. The roof was only one of many...issues. We are not resourced, from any perspective, to deal with that." [RP7]

A non-exhaustive list of affordable housing and regeneration stakeholder organisations in Ontario can be found at Appendix C on page 49.

Stock Transfer

One research participant commented that the transfer of formerly municipally-owned housing stock to arms-length LHCs as a result of devolving responsibility for social housing to municipalities was a genuine stock transfer process because ownership and management responsibility for the stock did actually change. Another research participant commented that the LHC's portfolio was increased by the transfer of over 1,000 units of municipally owned stock. Labour relations were a considerable challenge within the stock transfer process, which took four years. In terms of the housing stock itself he noted that it had been inefficiently run and that his organisation had been able to make considerable cost savings, which translated as a lower operating cost--per-unit. The number of staff needed to manage the stock was reduced by one third, partially achieved by using existing administrative staff and managers. Cost controls were easier to achieve within his organisation due to its independent ownership and management of stock. This allowed the organisation to pay greater attention to operating expenditures and performance measures than had been the case under municipal management.

In another case a research participant's organisation was formed by the merging of two very different SHPs, both in terms of organisational philosophies and stock. This did not happen by choice. One organisation was a traditional public sector SHP whose stock was characterised by isolated communities and old, large apartment blocks. The other organisation was smaller and owned newer stock that was more integrated within the wider community. The latter SHP was more progressive than the former, perceiving of itself as a community social housing provider that was dealing with poverty, not just housing. Even a decade later some staff members still identify themselves as working for one or other of the formerly separate organisations. On a philosophical level, some staff members question why the new organisation has community development people on staff when, in their view, it would be better to redirect that staff resource to maintain buildings. On a pragmatic level, administrative tasks, such as finding and retrieving documents and information that was generated in the previous organisations, can be challenging. Thus remnants of former organisational cultures still permeate present day operations. The range of changes that occur as a result of a merger needs to be fully appreciated and adequately resourced.

Some research participants were supportive of exploring opportunities for further stock transfers; in particular to assess whether it could contribute to long term financial sustainability and viability of SHPs. Implementing stock transfer would require legislation and a different framework for each municipal service manager to manage the process. Two research participants reported that their organisations had been offered housing stock that was in operating difficulty or had gone into receivership. A proactive stock transfer policy may limit further

such occurrences and result in a more efficient transfer of stock between SHPs in Ontario.

Further transfers to independent SHPs may therefore be an option, but only if communities identify it as a goal for themselves. The objective should be to improve the community and not impose a course of action for purely financial reasons.

*"Not transfer for the sake of transfer, but transfer for the sake of transformation."
[RP10]*

Allied to this notion of communities determining priorities for themselves is the flexibility of SHPs to manage their stock to meet demand for social, affordable and market housing in order to create workable, mixed communities. Developing properties that anyone would want to live in, regardless of their income level, appears to be a key indicator of success for SHPs. This goal of socially mixed communities is dependent on having a viable mix of capital and revenue to ensure financial sustainability.

Social Enterprise

"Buildings are falling apart. Money's not coming in. Government is backing out and we need to find new ways to do business." [RP5]

Most research participants anticipated that provincial and federal funding would continue to reduce over time, become more irregular and possibly end altogether. Allied to that perception was the view that restrictions on the sector would need to be reduced in order to enhance SHPs' flexibility and so facilitate the transition towards social housing as an enterprise that seeks to fulfill housing need in an area.

One research participant noted that although service managers can leverage equity, non-profits generally have less flexibility and require approval for this. He noted that social enterprises are now able to leverage capital on the stock market and that this out-of-the-box thinking had relevance for social housing. He spoke about the benefits to the organisation of operating under one agreement for the majority of its business and negotiating subsidy levels every four years. The principal obligation of the organisation was that developments, which were 100% capitalised, must remain affordable for 20 years. This outcome based approach allowed the organisation to sell existing units and build new units in order to respond to changing housing needs without seeking permission as long as activities were within agreed parameters. He concluded that smaller SHPs are currently too confined and should be allowed to operate in a more open environment. In other words, the provincial government should not ask the sector to operate in a market fashion while at the same time constraining the decisions they can make. This could be achieved by the provincial government:

*"Get[ting] rid of the rules so that they can be ready when you stop paying them."
[RP6]*

Another research participant argued for an organisational capacity test to precede a more flexible, outcome based approach to assure public funders that they are ready to deliver agreed outcomes under such a regime. There was general agreement that such a regime would undoubtedly increase risk exposure of organisations and boards of directors in particular. Boards are being asked to take on more risk to maintain financial viability and continue to meet the organisation's social mandate. Another research participant commented that

volunteering as a SHP board member was not as popular as it used to be due to the increased risks involved, such as the potential to be sued individually.

One research participant cited the Canada Revenue Agency's (CRA) perspective on social enterprise as complicating the business transformations required to underpin the ending of public subsidy to SHPs. Social enterprise is predicated on generating a surplus which is re-invested to achieve social outcomes, that is, it is not distributed for financial gain alone. But to the CRA such a surplus is taxable profit. This creates uncertainty for SHPs and raises questions about taxation levels and ability of the organisation to maintain its non-profit status, which, if lost, would mean ineligibility for public subsidy. There is a need for boards to understand and manage the risks associated with becoming more market-oriented before decisions are taken.

Others spoke about constraints on their ability to compete for service delivery contracts based on perceptions of social enterprise as presenting unfair competition. However where opportunities did exist to undertake work for other organisations this helped SHPs contribute to salary costs for staff members with specific skill sets (for example, housing development and tenant support services). This proved to be particularly important for smaller organisations where there was typically not enough work of that nature to justify keeping highly qualified individuals on staff.

Implications of Rescaling Social Housing Policy

Comments made by municipal service manager research participants provided insights into possible reasons underlying social housing policy decisions made by municipal elected representatives. These were based on the premise that, although it has been over a decade since responsibility for delivering social housing policy was devolved from provincial to municipal governments, it has yet to fully assert its position as a municipal-scale public policy issue. Possible reasons for this finding are threefold.

First, municipal governments have been responsible for delivering "hard" infrastructure and associated services (such as waste management, roads and bridges) for a longer time period than housing. The devolution of housing from provincial to municipal levels occurred relatively recently, just over a decade ago. As a result housing now competes with these long-standing policy areas with which municipal politicians are more familiar and with whose policy officials they have cultivated a relationship of trust. This new relationship between housing and municipal government was characterised as being the "*new kids on the block*" [RP10]; that is, housing joining a family of policy areas that had previously had a synergy and a life of their own. Gaining the attention of municipal decision-makers is challenged by this dynamic, and compounded by housing being perceived of as a financial drain.

One research participant's view was that, from a purely budgetary standpoint, there are no financial gains for municipalities to build affordable housing. Prior to devolution units were funded from outside the municipality and generated property taxes for the municipality. Under the devolved regime, affordable housing units continue to generate property tax revenue but because the municipality funds these units their property tax revenue is no longer an additional income stream for the municipality. In that sense devolution has not been revenue neutral for municipalities. Thus municipalities will only benefit financially if they do not fund the unit, that is, if a private or non-profit developer builds units.

This leads on to the second issue related to devolution. Municipal politicians' perceptions of social housing can create various challenges for its development. There can be a perception that housing is more properly a private sector issue and not a policy area in which public funds should be heavily invested. This too appears to be based on viewing social housing as a liability rather than an economic asset. One municipal service manager sought to counter this perception by commissioning its own research on the contribution of housing to the region's social and economic development. Housing can contribute to the economic viability of an area and also reduce costs on other services such as policing. There is a need to educate local-level elected officials about housing's role as municipal infrastructure, as with roads, bridges, water systems, waste management and police. Although this may present a challenge for social housing practitioners, they do have greater access to local politicians than provincial politicians and can demonstrate by local examples what can happen when short-term, rather than strategic, investments are made.

When housing policy was at provincial and federal levels there were three or four political parties with housing policy frameworks already established. MPPs and MPs typically adopted these frameworks as part of their own platform. Whereas at the municipal level elected officials do not belong to a political party and tend to approach the housing's role within municipal infrastructure from their individual experiences and points of view. This makes it difficult for officials to predict their responses and may require more work to raise awareness of issues. As one research participant stated:

"I have to work with each one of them to help them understand and come to their own decision about the role of housing as municipal infrastructure. There's no party platform about it." [RP10]

Thus there appears to be an under-developed sense of social housing as an issue around which policy coalitions can form, meaning that individual municipal politicians tend to approach officials on a case-by-case basis as particular issues arise. This stymies their strategic vision for social housing, which further exacerbates the funding issue highlighted above.

Third, social housing practitioners do not compete well for municipal-scale public investment alongside colleagues from more long established services. This is associated with the extremely high-demand for social housing and the apparent limited added value of building more units:

"You've housed 30 more people that were in need, but if your wait list is 1,200, well, it's a drop in the bucket." [RP11]

Such a situation highlights the benefit of promoting the wider benefit of social housing by linking and quantifying positive social outcomes (e.g. reduced crime levels) that result.

One research participant observed that this is also due to lack of experience, skills and vision and recommended that social housing practitioners observe how other municipal colleagues present their budget proposals to council. Another possible response might be derived from SHPs' mediating role between their tenants and municipal services such as waste management. In a few cases research participants spoke about their role in implementing changes to municipal waste management practices and providing additional waste management services to those offered by the municipality. There may be an opportunity for housing service managers to work in partnership with municipal

waste managers to extend and pilot new services and also to learn from waste management colleagues how best to present themselves in the municipal policy arena.

Therefore two key challenges associated with implementing housing policy at the municipal level are: competing for the attention of municipal elected representatives; and devoting the time needed to work with them to overcome the lack of over-arching framework to guide them in their decision-making.

4. Conclusions & Policy Recommendations

4.1 Conclusions

Key elements of social housing policy's operating context synthesized by Lupton & Kent-Smith (2012) appear to resonate strongly with circumstances in Ontario. These elements can be summarised as: uncertainty; autonomy / responsibility; entrepreneurship; efficiency; and financial viability (see p 4). Studies from the UK and Europe included in the foregoing literature review demonstrate the importance of the culture, structure and scale of individual organisations in mediating between these issues. By using the qualitative research method of in depth interviewing this study's findings aim to promote an improved understanding of: (i) the interplay between the foregoing elements; and (ii) the actions taken by a range of social housing practitioners to manage this interplay within their particular local context.

Perhaps the most compelling conclusion of this study is something that was not said. Despite the majority of research participants speaking somewhat disparagingly about the downloading of responsibility for social housing to the municipal level, none of them explicitly called for social housing policy responsibility to be given back to the Province. This may be indicative of a number of factors. Firstly, a resignation that it is better to try to work within new parameters than advocate for further major changes. Secondly, recognition of the limitations of relying upon ad-hoc, time-limited provincial or federal funding programs. Thirdly, a willingness to explore possibilities presented by devolution, such as creating and benefitting directly from cost efficiencies and finding new ways to operate both in organisational terms and partnership arrangements.

There was universal recognition by research participants that challenges associated with managing aging or low quality housing stock and supporting tenants with high and multiple support needs are increasing whereas funding for social housing is not. These were seen as the two principal causes of degeneration of social housing in Ontario. The interaction of these two factors with local characteristics such as the location and concentration of social housing creates differences in how degeneration manifests itself across the Province.

Allied to an acknowledgement of less public funding being made available by federal and provincial governments in the future, was a realisation of constraints on the availability of municipal funding for social housing. Even if social housing does improve its funding position relative to other municipal services, it is unlikely to be able to meet the financial requirements of the sector. Within this funding context there was a range of views expressed ranging from a strong desire to a reluctant acceptance on the part of research participants for moving towards more market-oriented approaches for social housing provision. Positive attitudes to this seemed to be associated with an ability to control the management of their own housing assets to best meet local needs. Gaining more control over their assets appeared to be a key factor motivating SHPs to examine the contribution of the asset to meeting housing need; either by maintaining or making modest improvements or undertaking more radical actions such as demolishing or selling units. However, market-oriented approaches to social housing provision may take decades to make full impact (see p 27). Therefore other means of

providing subsidised rental accommodation over the medium term need to be included in these considerations. The private rental sector may have a key role to play in this regard.

Improving choice for tenants, SHPs and municipalities is an important factor in meeting local needs and building sustainable communities. This can be promoted by improved understanding between SHPs and partner organisations of their respective and collective roles. Enhanced partnership working may improve the viability of small to moderate-sized SHPs without the need to merge or transfer stock. That said, establishing a policy framework to facilitate mergers and transfers may result in SHPs considering these options before difficulties occur; meaning that it becomes a proactive choice rather than a reactive necessity. This resonates with findings from CIH (2005) and Lupton & Kent-Smith (2012) that the scale of a housing provider may not be as important as other factors related to local context and organisational culture. More specifically, changes to SHPs should be driven by collectively agreed desired outcomes (such as improving effectiveness of particular elements of service provision to tenants), rather than creating a particular type of change (such as organisational mergers) simply because it is occurring elsewhere.

4.2 Policy Recommendations

The recommendations to arise from this research have elements of policy practice and policy research and are grouped under the following headings: Sharing Skills & Best Practice; Social Enterprise & Social Outcomes; Stock Management & Rationalisation; and Funding & Financing. At the end of each policy recommendation is a suggested list of organisations that are well placed to potentially contribute to the delivery of that initiative.

Sharing Skills & Best Practice

1. Establish a network of regeneration practitioners to share best practice informally (by virtual meetings) and formally (by a web resource for regeneration research studies). Undertake a series of webinars based on issues arising from this and other CPNet housing research papers and the 2012 Regeneration Forum. Use this to gauge demand for another Regeneration Forum. Suggested delivery organisation: Housing Services Corporation (HSC).
2. Facilitate improved partnership working amongst SHPs and between SHPs and other community partners via face-to-face or virtual workshops. For example, shared professional staff resources (such as mental health, regeneration and housing development services) or shared back office services (such as IT, accounting and HR services). Suggested delivery organisations: Service Managers (SMs); Ontario Municipal Social Services Association (OMSSA); and HSC.
3. Support SHPs to identify gaps in board and staff skills (and their consequent impact upon service delivery to tenants) where partner organisations could assist or add value. Suggested delivery organisations: social housing providers (SHPs); SMs; ONPHA; Co-operative Housing Federation (CHF); and HSC.
4. Raise awareness about current legislation related to social housing to clarify misunderstandings and to promote consistency across Ontario. Suggested delivery organisations: MMAH; ONPHA; CHF; HSC; and OMSSA.

Social Enterprise & Social Outcomes

5. Raise awareness about the socio-economic benefits of social housing and the wider needs of tenants beyond housing. Use volunteer programs, public forums and conferences to reach local politicians and the general public. The aim is to hear their concerns and perspectives and to improve their understanding and acceptance of social housing developments and underpin more consistent and sustainable funding arrangements. Suggested delivery organisations: HSC; SHPs; SMs; ONPHA; CHF; and OMSSA.

6. Undertake pilot projects in a small number of municipalities to trial a more flexible, outcome-based approach to social housing and regeneration. Start by developing local- agreed outcomes to be delivered over a defined period and compare these to existing service level standards. For example, consider new ways of measuring demand for social housing, in addition to centralised waiting lists. Suggested delivery organisation: HSC.

7. Undertake pilot projects in a small number of municipalities to incorporate new ways of accounting for the socio-economic impacts of social housing within investment decisions. That is, balance financial inputs against agreed social outcomes by utilising social return on investment (SROI) principles. Suggested delivery organisations: MMAH; HSC; and SMs.

8. Consider legislative and regulatory implications of facilitating a transition from social housing and regeneration initiatives as a public service to a social enterprise activity. Key issues to be considered are stock ownership and management and outcome-based oversight. Suggested delivery organisations: MMAH; HSC; and SMs.

Stock Management & Rationalisation

9. Undertake a feasibility study to assess the financial and sequencing implications of market-based approaches to meeting demand for social housing. This study should consider the latitude for, and implications of, gradually increasing the proportion of social housing units within new mixed-housing developments as project financing allows. Initially developments may need to have a higher proportion of market and affordable rents in order to financially sustain the project. However, over time, and particularly once the mortgage has been discharged, the proportion of social housing units may be increased. Suggested delivery organisations: MMAH; and HSC.

10. Assess the potential role of, and appetite for, further housing stock transfers in Ontario. Gauge whether there are other municipalities interested in establishing local housing corporations (LHCs). Investigate whether LHCs' benefit can be accounted for by referring to tenant surveys, stock condition and meeting housing need. This could be allied with the feasibility report for meeting long-term social housing need. Suggested delivery organisations: SMs; HSC; MMAH; and ONPHA.

11. Within context of local housing strategy development, support SHPs to share their stock rationalisation plans in order to highlight opportunities for unit swaps, acquisitions (including private sector stock), sale, demolition and new build. Suggested delivery organisations: SHPs; ONPHA; SMs; HSC; and MMAH.

12. Assess the role of the private sector to continue to meet need for subsidised housing, at least over the medium term. Focus on enabling and constraining

factors associated with acquisitions from private sector developers and continuation of rent subsidy schemes. Give specific consideration to differences between rural and urban contexts; for example, relatively high costs in urban areas and lack of private-sector housing development in rural areas and smaller communities. Suggested delivery organisations: HSC; and SMs.

Funding & Financing

13. Recognise the financial implications of accommodating tenants with higher support needs in future funding commitments. Improve transparency about future provincial and federal government funding commitments. Suggested delivery organisations: Government of Ontario; ONPHA; MMAH; Ministry of Community & Social Services; Ministry of Health & Long-Term Care; CHF; and OMSSA.

14. Consider ways to provide alternative financing to service managers. Suggested delivery organisations: HSC.

15. Consider ways to limit the financial liability of SHP board members in recognition of their greater exposure to risk and with the aim of continuing to attract suitably experienced and/or qualified individuals to serve as volunteer board members. Suggested delivery organisations: CHF; ONPHA; and HSC.

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Appendices

Appendix A – Overview of Research Participants

Research Participant (RP)	Organisation Type	Organisation Size
1	Social housing provider	Large
2	Social housing provider	Large
3	Social housing provider	Moderate
4	Social housing provider	Moderate
5	Social housing provider	Very large
6	Social housing provider	Large
7	Service manager	Large
8	Social housing provider	Small
9	Social housing provider	Moderate
10	Service manager	Moderate
11	Service manager	Large

Appendix B – Interview Guide

Local context

1. What do **tenants** say about what it is like to live in the neighbourhoods where your organisation operates?

[**Prompts:** What aspects do tenants like or dislike about living there? Are there specific neighbourhoods that get spoken about favourably / unfavourably?]

2. What do **you** value about the area where your organisation operates?

[**Prompts:** community cohesiveness; community diversity; economic potential; physical environment]

3. Describe any **concerns you** have about these areas.

[**Prompts:** factors that have caused social housing neighbourhoods to deteriorate? Economic decline, community tensions, socio-economic issues - environment - quality of life?]

4. How have these issues **manifested** themselves within your organisation's housing stock or wider community?

[**Prompts:** vandalism, crumbling buildings, how areas of social housing relate to their wider communities, level of interaction].

5. How have these local concerns **changed** over time?

Responses

1. In your experience what are the main **benefits** of a relatively **large-sized** social housing provider as compared to a smaller organisation?

[**Prompts:** efficient for investment in developing new stock; not able to absorb financial risks]

2. In your experience what are some **drawbacks** associated with **larger** social housing providers?

[**Prompts:** less good at knowing local circumstances and delivering services tenants need]

3. Would you say there are **optimum scales** of operation for delivering different social housing services?

[**Prompts:** housing management v developing new housing, managing risk, connecting with tenants / tenant satisfaction; re-let times; rent loss through voids; repairs performance;]

4. Do you think that **housing stock transfer** is a good option for Ontario's social housing sector to consider? Why (or why not)?

[**Prompts:** to increase scale]

5. What have been your experiences of working within different forms of **organisational structure** in the social housing sector?

[**Prompts:** group structure v merger]

6. Can you give me an example of a social housing **regeneration project** you were involved in?

[Prompts: What were the issues to be addressed? What were the challenges involved? Were the outcomes produced (# units built, tenant satisfaction) as planned or unexpected (both positive and negative).

7. What do you think were the **organisational characteristics** that influenced the success of the project (for better or worse)?

[Prompts: organisational culture, willingness to identify limitations and partner with others to resolve issues / improve situation, size, structure]

8. For aspects of the project that were **outside of your organisation's purview** (economic conditions, credit availability etc.) what support did you receive from other organisations (local, provincial, federal)?

9. What do you think it would take to move your organisation towards greater social, economic and environmental sustainability?

[Prompts: What are the main barriers to sustainability?]

Constraining / enabling factors affecting responses

10. What have been the main factors that have affected **your** professional experience in social housing over time?

[prompts: changing social issues; emphasis on financial self-sufficiency; scarce funding; limited credit availability; cohorts within social housing sector leaving the profession & no replacements].

11. What are your thoughts on social housing policies that are moving towards market-led approaches or mixed social and market housing developments?

[Prompt: tensions between economic and social aspects of SHPs]

12. What do you think are important **enablers** to promoting social housing provision in Ontario?

[Prompts: policy and practice either from your experience or what you have learnt from other jurisdictions?]

13. What do you think are important **barriers** to promoting social housing provision in Ontario?

[Prompts: lack of federal housing strategy, diminishing public funding from province]

Appendix C - Affordable Housing & Regeneration Stakeholder Organisations in Ontario

Organisation Name	Summary of Mandate
Co-operative Housing Federation (CHF), Ontario Region	<p>The mandate of CHF Canada's Ontario Region is to</p> <ul style="list-style-type: none"> • provide housing co-ops in Ontario with the support they need to operate successfully under provincial and municipal laws and programs • speak up for co-op housing and promote its growth in the province, and • give Ontario members democratic control over the services provided by CHF Canada at the provincial level.
Housing Services Corporation (HSC)	A non-profit organization that delivers province-wide programs to help affordable housing providers and service managers develop safe, affordable, people-centred homes and communities.
Ontario Ministry of Community & Social Services (MCSS)	A provincial government ministry with three key responsibilities: social assistance; adults with a developmental disability; and community services.
Ontario Ministry of Health & Long-term Care (MHLC)	A provincial government ministry working to establish a patient-focused, results-driven, integrated and sustainable publicly funded health system.
Ontario Ministry of Municipal Affairs & Housing (MMAH)	A provincial government ministry working with municipal partners and community stakeholders to achieve safe and strong communities with abundant greenspace, thriving and prosperous economies, and a range of housing choices.
Ontario Municipal Social Services Association (OMSSA)	OMSSA promotes policy development and program delivery in the areas of children's services, affordable housing and homelessness prevention, and social assistance.
Ontario Non-Profit Housing Association (ONPHA)	Represents Ontario's non-profit housing sector in the realms of non-profit housing management and new affordable and supportive housing.
Service Managers (SMs)	There are 47 provincially designated service system managers in Ontario, which have responsibility for a range of human services, including social housing and homelessness prevention.
Social Housing Providers (SHPs)	Service managers, local housing corporations ("arm's length" independent corporations with municipal government appointed Boards of Directors) and independent non-profit organisations which own or manage one or more buildings for low or moderate income households and receive either government funding or reduced mortgage interest rates to support their residents.

