

INTA CC Habitat report

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International Urban
Development Association

Association Internationale
du Développement Urbain

INTA

CC Habitat Report on urban regeneration & housing North America vs. Europe

Foreword

In October 2013 an INTA delegation on its way to Cleveland, Ohio, to attend the INTA-NAHRO International Summit on Housing and Urban Regeneration paid a courtesy visit to the Quebec Housing Corporation in Montreal. These two events were part of the work of the Community of Competence Tomorrow's Habitat, and were the occasion to have an insight on the North American approach of urban regeneration and especially on affordable housing policies.

We thank our partners and members that have welcome other INTA members: NAHRO, Société d'Habitation du Québec, Office Municipal d'Habitation de Montréal, Ville de Montréal; and the CDCs of Cleveland: Burton Bell Carr Development Inc., Detroit Shoreway Community Development Organization, Ohio City, St Clair Superior Development Corp.,



A North American approach of urban development

Local community-based development

In the United States, and more specifically in Ohio, a strong bottom up approach is used for urban and economic development with many initiatives that are framed in a local community-based development process. In addition to local resources, numerous Federal programs, most of them led by HUD (Housing and Urban Department) fund local initiatives: Community Development Block Grants, Urban Development Action Grants, Community Reinvestment Act, Empowerment Zone / Enterprise Communities, New Market Tax Credit, and more recently Choice Neighborhood.

The example of Cleveland is interesting, in that the City has been neglected for decades due to a very important desindustrialisation letting the city shrinking and the creative class abandoning the territory. With a very homogeneous lower class population, strong rate of unemployment and very low number of graduates, Cleveland suffered of its unattractiveness. To stop the

declining spiral, Community Development Corporations, have taken the challenge to start improving life quality at a local level, fostering economic development, bettering housing conditions, with the purpose to attract new inhabitants to stop the population drain Cleveland experienced in the past decades.

This situation is not unique and many cities of the United States have been relying on local stakeholders to reinforce social cohesion and intervene on urban and economic development.



Street art for community development, St Clair Superior Dev Corp, Cleveland

The Community Development Corporations (CDCs)

They are not-for-profit organizations incorporated to provide regeneration programmes, offer services to the population and engage in activities that promote and support community development usually at the scale of the neighbourhood. They can be involved in a variety of activities including economic development, education, community organizing and real estate development, but they are mostly associated with the development of affordable housing. Many CDCs, within the Low Income Housing Tax Credit programme, focus in the housing industry, and are, with the support of the Federal administration, encouraged to become more involved in integrated community development, and to open up new dimensions to their daily work: education, transport, security, employment...

In Cleveland, but also in other communities, they initiate local master planning with a strong community-based process. However, they have no obligation to comply with a higher level of planning document or orientations, even though in the case of the City of Cleveland, the City government is helping the CDCs to set up their own plans with civil servants dedicated to accompany this process. Besides Cleveland City Council, local foundations (Charity trusts) play an important role in funding the CDCs,.



What about higher levels of decision?
 City councillors have a margin of manoeuvre to help their communities to develop as some budgets are allocated directly to the Councillors and used at their own discretion. In this context, even though the City Council is managing the overall development of the City, some actions can be carried at the level of wards or districts.

In cities like Cleveland, there are 2 levels of intervention: a City policy that aims to improve the image of the City and to attract new population, using the “Cleveland brand”, working closely with regional and State economic development agencies; a local policy where the City relies on the CDCs initiative, being more a support than a leader on local urban development and housing policy.

At local level, master plans and development strategies are fully integrated, but at the scale of the city, planning is a collection of neighbourhood visions. In this context, a main question remains: how to make sure strategic objectives of each community are not competing too much with each other’s within the same municipality? How

to integrate macroeconomics factors in community-based strategy or local-based strategy?

The Federal policies applied to local communities might also stress a problem of scale for policy implementation. Especially if this very local intervention does not take into consideration residential mobility, which can have an impact on the sociologic and economic characteristics of the population of a neighbourhood and might therefore reduce the effects of urban programs.



Cleveland

Housing policies and urban regeneration

In the USA, financing of affordable housing has been mostly undertaken, since 1986 through the Low Income Housing Tax Credit, where corporations get tax credit for investing in affordable housing (One for one: 1\$ construction means 1\$ of tax credit). The Federal government is regulating investments by tax regulation to direct private investments rather than engage public investment.

Major actors in the USA that can make a difference in the affordable housing industry and urban regeneration sector (compare to other countries especially in Europe) are the private sector and philanthropic organizations. They invest through tax credit, but they also manage, fund and carry urban renewal actions, and housing stocks. The community-based development approach and the involvement of very local organizations (non-profit or for-profit, public

or private) makes the housing industry very fragmented and not centralized since



Cooperative housing project in Montreal

the 1960's.

In the 1990's, in the USA, most States created housing authorities and programmes. The housing authorities became the main actors of implementation of the urban regeneration and housing federal programs (HOPE VI). New programs since Obama administration are trying to wider the range of actors implementing federal programs that try to be less oriented towards housing regeneration and infrastructure (Choice neighbourhood programmes) than the previous ones.

In Quebec, Canada, housing is a competence of the Provinces and not of the Federal government. The Federal government even though it might contribute financially to the housing policies cannot intervene and take actions directly with local authorities.

As in the United States, Canada is using Supplement rent mechanisms and Housing vouchers for poor families to access the private market as well and increase their residential mobility. Lately, housing authorities are evolving and changing their know-how to propose a wider range of services to their residents, and becoming a stakeholder that is engaged not only in its housing stock but in the neighbourhood renewal, moving from a housing to a habitat standpoint.

Since 1997, the Federal government is not involved anymore in public housing; news actors are entering in the affordable housing market such as community organizations, cooperatives, non-profit organizations,... Projects are initiated by local communities and get funds from the Quebec Province. They are within the



Housing renewal in Kinsman, BBC Dev corp, Cleveland

housing market but considered as social housing so they can benefit from the Supplement rent program.

In North America, there is a segmentation of the residents per category (aged, disabled, single mothers etc.) in the social housing stock. The social mix at the building level is not an objective, and this segmentation allows the housing authorities to deliver (even if externalized) some targeted services to targeted population (education, culture, health...).



Social housing for aged people and urban farm in Ohio City, Cleveland

For example, in Quebec, there are two social housing blocks: the first one for people aged less than 60, the other for people aged more than 60. When you are already living in a social home and you turn 60, you need to move in another residential unit where only aged people are living. This segregation is made to provide better services, entertainment etc. to people having similar needs.

In other terms, housing associations are starting to get more and more involved in the social development of their residents and of the neighbourhood they are involved with.

European comparisons

In Europe, the planning policies that basically control urban development are top down. All planning documents have to be in line with those of a higher level, which are applying national laws about housing, infrastructures etc.

In France, urban and social cohesion policies are designed at national level and implemented with State funds together with local funds. For example, there is a national agency for urban regeneration (ANRU) that designate specific territories where there will be specific policy and means to implement urban and social cohesion projects.

Community-based participation is really low and very difficult to implement as the culture of project is and always has been government-led. This creates very heavy administrative procedures and very few local initiatives. Economic constraints of the past decade are forcing urban stakeholders to revisit their way of actions, not relying only on governmental incentives. However, housing policies remain led by the State with an obligation for urban municipalities to provide at least 20% of social housing on their territory.

In Sweden, one of the goals of the national urban policy since 1998 was to stop social, ethnic and discriminatory segregation,

focusing especially on the residential areas with a high proportion of socio-economically vulnerable households. The Local Development Agreement, which is a contract signed by the state and the involved municipality, for designated districts in the metropolitan areas, is the measure used to handle the segregation problem. The municipalities have the overall responsibility for implementing the agreements. Urban development is primarily the responsibility of municipalities.

In Malmö, the municipality undertakes the urban development strategy. The fact that Malmö is located in the Oresund region, linked to Copenhagen with a bridge makes it special in term of regional development. Malmö and Copenhagen have their own agenda of cooperation that includes urban development.

Regarding the housing policy, Sweden's Social Democrats, in government from 1932 to 1976, did not favour "social" housing directed specifically towards those in need, but universal public housing, via tenant-owned co-operatives, municipal-owned building companies, and rigorous rent control, under a specialized housing department. There are no income restrictions to get access to public housing. Public housing companies were therefore major housing



Malmö, vision 2031
© City of Malmö

operators in Sweden (Million programme). Since 1990's, tenants of public homes are allowed to buy their home. It has led to a decrease of publicly owned homes (especially in attractive areas) leading to a gentrification process.

In the Netherlands, there has always been a national urban policy promoting social mix in urban neighbourhoods. As in France, central government chooses "top priority" neighbourhoods, where there is a concentration of social and physical problems. Programs of demolition/reconstruction were led to promote social mix and new housing projects of middle class income were built in poor neighbourhoods. In the past decade, this urban policy has been focusing on security problems.

Currently, cities have to plan their own urban renewal and can choose their areas of intervention but are submitted to central government acceptance to get funding, which still makes it very centralized. The Dutch housing policy is based on a concept of universal access to affordable housing for all and the prevention of segregation. The Netherlands is the country with the largest share of social housing in the EU, accounting for about 32% of the total housing stock, and some 75% of the rental stock in the country. Housing authorities or associations got privatized in 1995 and have now to sell part of their stock to finance their own operations and management. Social housing organisations are the most important agents on the Dutch housing market and their task is not only to build, maintain, sell and rent social housing stock but also to provide other kinds of services, directly related to the use of the dwellings, to the occupants.

Conclusion

The two events organized by INTA, in cooperation with NAHRO and Quebec members from Montreal, have shown the different perspective and approach North America can have compared to the European countries.

National policies in Europe are very strong and supported by the European Union to get a local equality at the European level.

In the other hand, in the Federal countries like the USA and Canada, federal funds target urban development objectives, but the implementation is mostly led by very local organizations.

The housing industry in both countries has a role of community developer and goes further than managing their housing stock.

The main question from one side of the Atlantic to the other is the question of scale: is a local and bottom up approach enough to guarantee an equitable development of the urban areas? Is a very top down approach adequate to local specificities and social development of the communities?

This discussion will keep going among the INTA network, especially with NAHRO's representatives as recurrent INTA-NAHRO Summit will be organized in the coming years to strengthen cooperation between the USA housing industry and urban practitioners from the rest of the world within the INTA network.



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