



Leveraging Public Land and Public Private Partnerships to Provide Social Housing.

Three Cases: Toronto, Boston and Cape Town

September 10, 2019

Community Revitalization

CUR Seminar | September 10, 2019



TCHC By the Numbers

Number of tenants:
110,000+

**Number of
communities:**
350

Number of buildings:
2,200+

Number of
housing units:
60,000

Percent of households
spending less than
\$500 on rent: **76%**

**Value of housing
portfolio:**
\$9 billion

Monthly rent and subsidy
income per unit:
\$740

Majority of buildings:
50+ years old

Oldest apartment
buildings:
76 years old

Residents paying rent-
geared-to-income:
90%

Revenue from rent:
43%

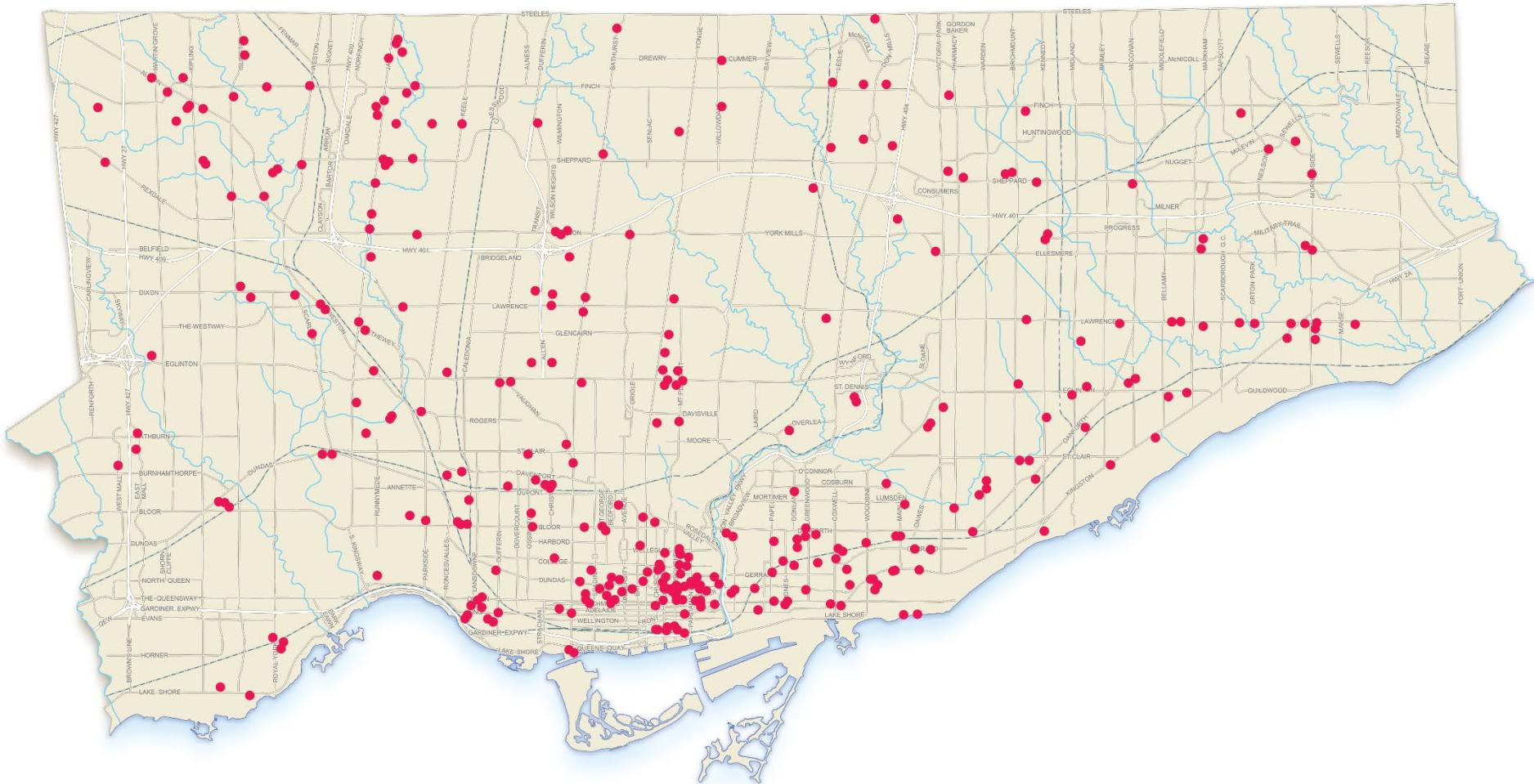
Average annual
household income:
\$15,000

Number of employees:
1,600

Number of Shareholders:
1 (City of Toronto)

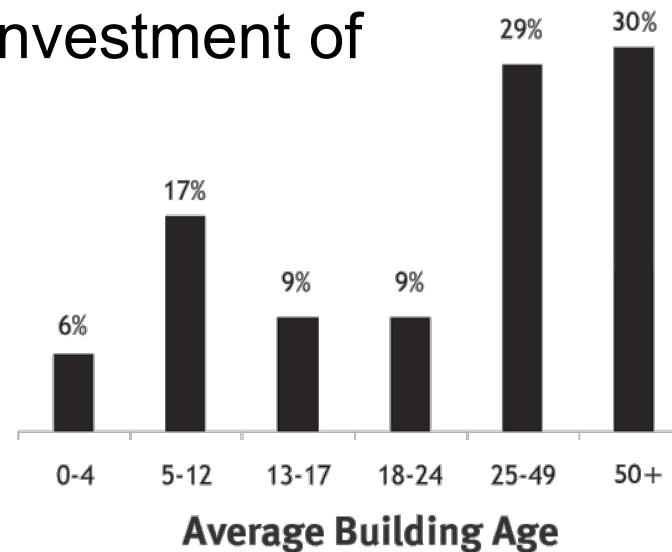
About 70% of
residents have
tenancies less than
10 years

Where We Are



The Need

- Majority of our 2,200 buildings are now 50+ years old.
- Built at the same time, now “aging out” at the same time.
- Repair program calls for investment of \$50,000/unit.



\$3 Billion investment needed over 10 years



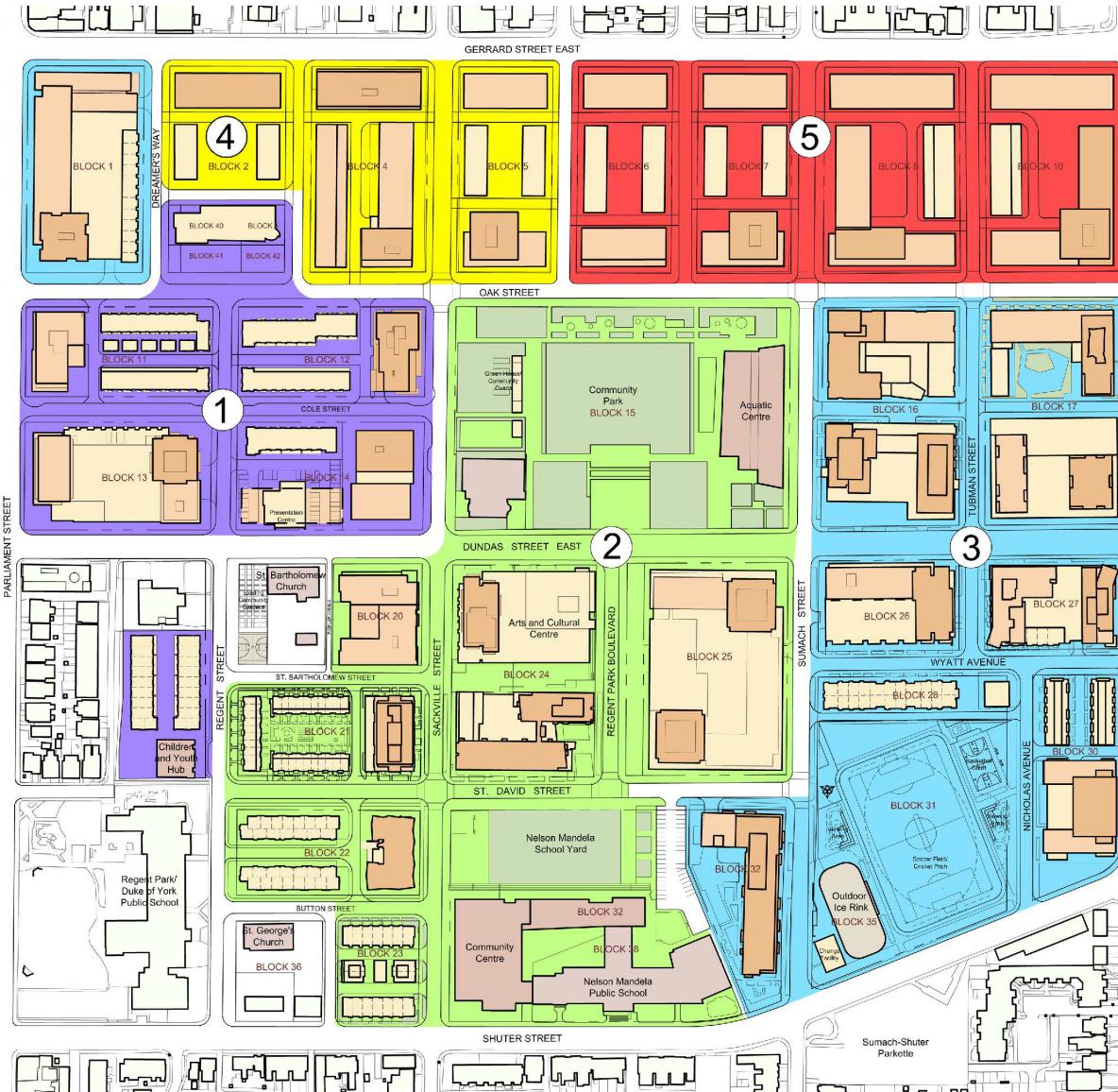
Regent Park

Pre-Revitalization

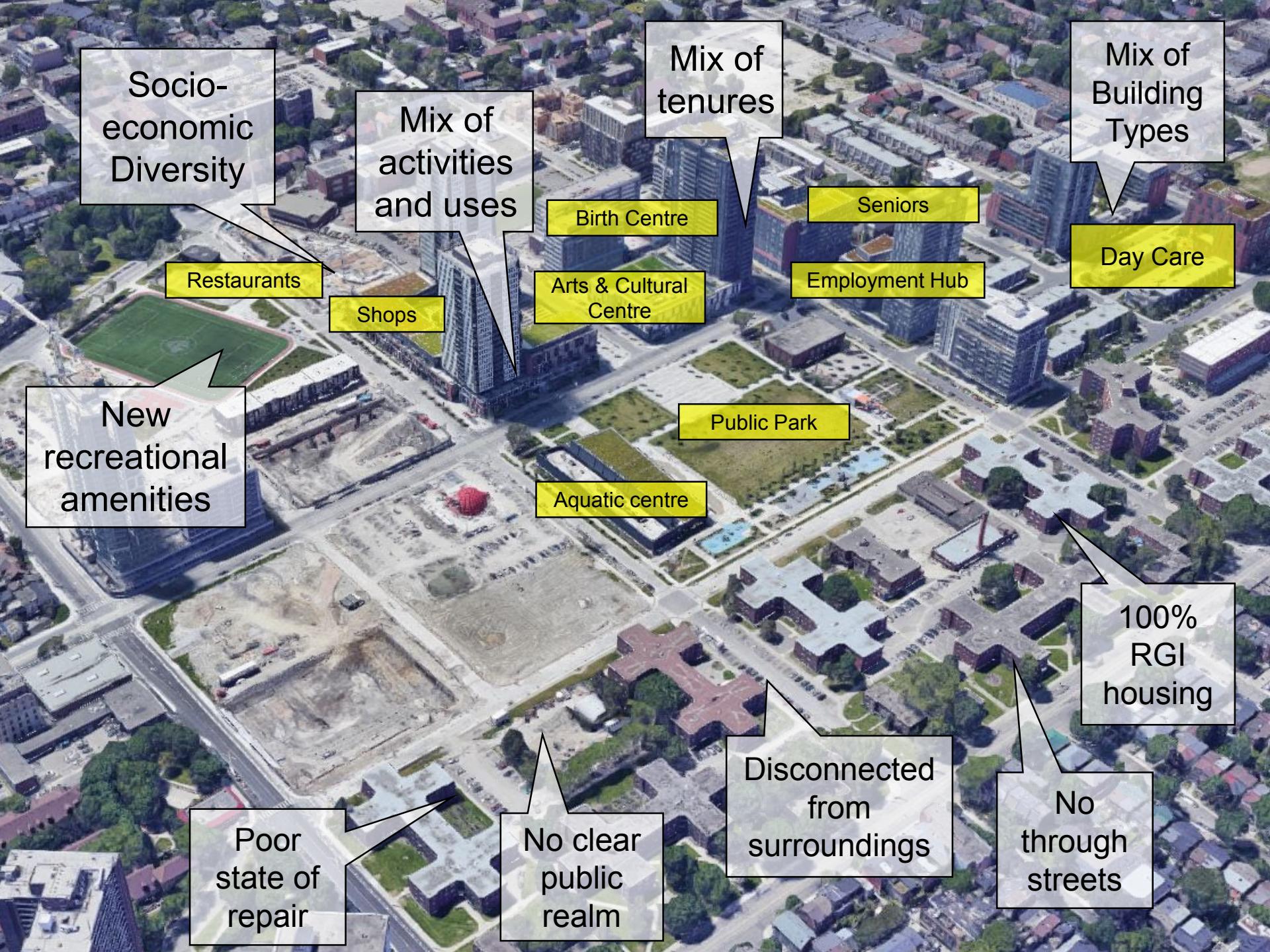


- 69 acres of land in downtown Toronto
- 2,083 units in townhouse, walk-up, high rise
- 7,500 people
- 100% government owned and subsidized
- Revitalization Plan approved by TCH Board in 2003

Current Revitalization Plan



- 5 Phases
- 20-25 year timeframe
- Rebuild a neighbourhood – over 17,000 people – into a mixed use and mixed income community.



Tenant Engagement



Phases 4 and 5: Community Involvement

RFP
Procurement
Committee

Revitalization
Working Group

RFP
Informational
Open House

Community
Conversations

Community
Conversations
Report

Vetted
Questions

Developer
Partner
Presentations

Community
Benefits
Agreement

Financial Building Blocks

Revenues

Costs

Land

Rental
Replacement

Community
Facilities

Profit

Relocation

Municipal
Infrastructure

Funding/
Grants

Community
Engagement

Planning +
Admin Costs

**SURPLUS/
SHORTFALL**

TCH capital
investment to
cover the gap

Sources and Uses of Funds

Land
Profit
Government Funding (City, Province)

Bonds

Commercial Revenue



Average cost

\$430,000/unit



Construction
Costs
(Hard/Soft)

Remediation

Demolition

Site
Servicing

Engagement
& Relocation

Community Economic Development



Training Programs



Event Funding



Space for Community Groups



Local Employment Initiatives



Development Partnerships

Our developer partnerships can take one of four forms:

- Profit-Sharing
- Joint Ventures
- Co-Tenancies
- Land Sales

Attributes we seek in developer partners include:

- Well-established developers with proven track records.
- Strong Community Economic Development commitment.
- A strong marketing side.

In structuring a deal, we prefer:

- Non-recourse financing and no financial guarantees by TCHC.
- Zero or limited equity requirements for TCHC.
- The ability to use our contracts.
- A balance of certainty but off-ramps which limit financial compensation.
- A clear outline of responsibilities.

Lessons Learned

- Don't lose sight of why and for whom
- Adapt and remain flexible
- Embrace opportunity
- Pre-zoning not necessarily faster
- Skin in the game

Vincent Tong, RPP
Chief Development Officer
vincent.tong@torontohousing.ca



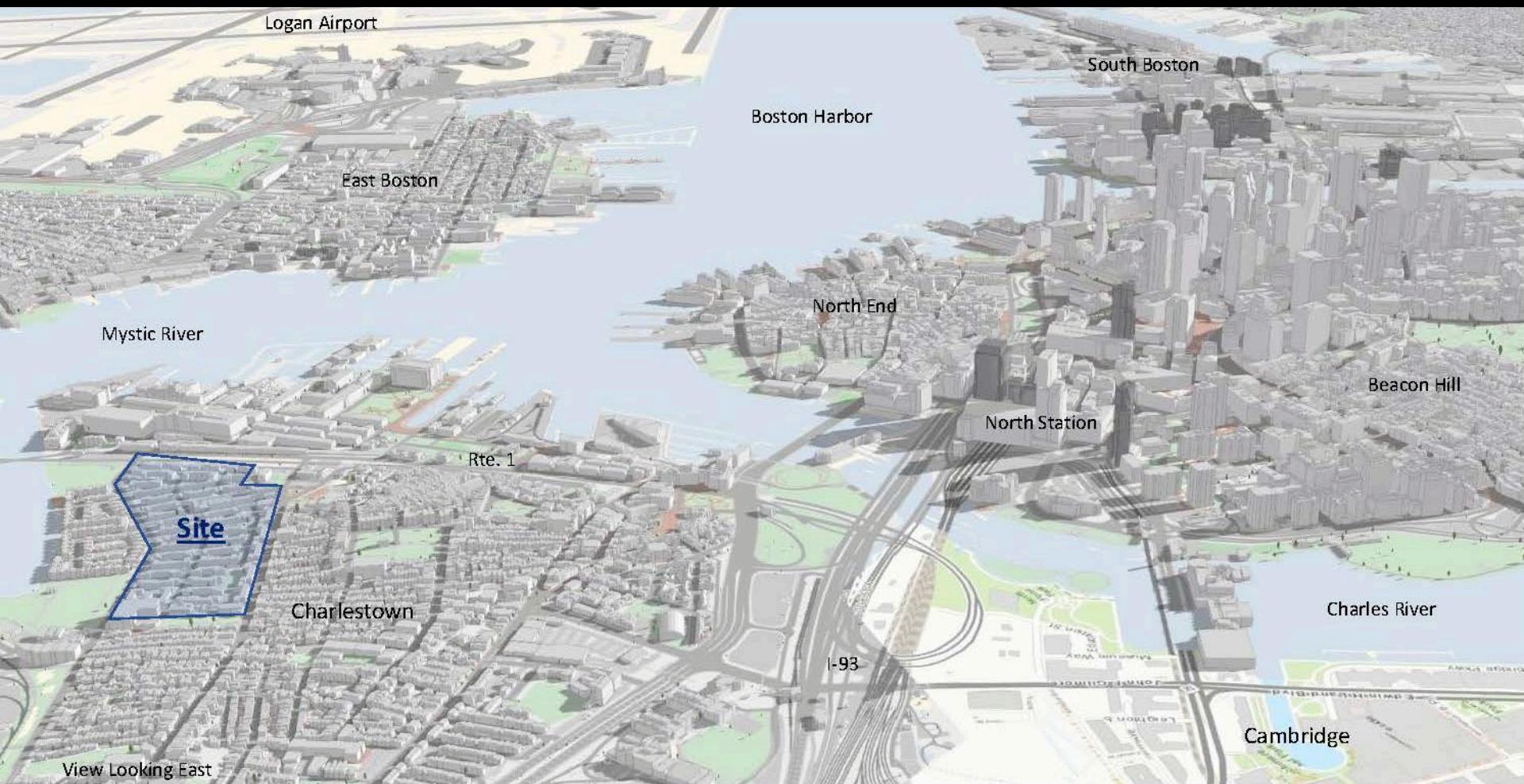
Boston Housing Authority CHARLESTOWN REDEVELOPMENT

Ryerson University Centre for Urban Research · September 2019

Boston Housing Authority

- Largest public housing authority in New England, sixth largest in nation
- Owns and operates 11,500 units of public housing in 63 developments
- BHA communities are among most diverse in the city: 42% Latino, 32% Black, 16% White, 10% Asian
- Administers rental voucher subsidies for more than 13,000 additional units
- Provides affordable housing to more than 58,000 residents in and around Boston, including nearly one in ten city residents
- Chronic underfunding of federal public housing has resulted in capital needs estimated at over \$1.5 billion







**At Start of Planning
July 2015**

- **1100 public housing apartment units in 41 three-story walk-ups across 24 acres**
- **Average Household Income: \$15,282**
- **More than 75% of households earn less than \$20,000 per year**



Boston Globe



Boston Globe



Timeline

- **Dec 2014** First Meeting with Charlestown Task Force
- **Feb 2015** First Meeting with broader Charlestown public housing community
- **May 2015** First neighborhood meeting
- **June 2015** BHA issues developer team Request for Proposals
- **Sep 2015** BHA selects Developer team
- **Oct 2015** Start community planning and permitting process
- **Aug 2017** Suspend permitting
- **Aug 2018** BHA and CRA sign Letter of Intent with reconstituted developer team
- **Apr 2019** Mayor announces \$30 million commitment from the City of Boston for phase one





Redevelopment Program and Principles

- **2700 apartment units and 58,000 SF of retail**
- **Minimum of 1,010 replacement units on site**
- **Use 4% tax credits and not 9% tax credits**
- **Minimum of 22% low-income units in mixed-income buildings**
- **Phase redevelopment in order to minimize disruption to current residents**



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Topics for Consideration

- **Cost** Redevelopment is expensive
- **Mixed-Income Housing** Introducing market-rate units and retail does not by itself generate enough funding
- **TIF (DIF)** Market-rate housing does provide the promise of new tax revenue, but the analysis is not entirely straightforward
- **Finance** Housing authority needs to be savvy about conventional real estate finance objectives
- **Permitting** Higher density poses definite permitting challenges
- **Management** Details of property management and resident supports need to be worked out
- **Asset Management** In the future, housing authority staff will need a new approach to this piece of its portfolio



Contact

Joe Bamberg, Director of Planning and Development
joe.bamberg@bostonhousing.org
617-988-4318

Civic action for urban regeneration



Development Action Group

WHO: DAG is an NGO support communities in access to housing, basic services and land

TRACK RECORD: In 1986, a number of activists, academics and built environment professionals formed DAG to resist evictions Crossroads and support communities in resolving service delivery issues. Over the years, the organisation has a rich history of advocacy, implementation and capacity development.

7,896 houses

12,778 households assisted

R203,007,945 finance secured



Demand is high delivery is slow....

258 municipalities

30 municipalities contribute to **80%** of the SA economy

Informal settlements

1993: 9.7 people in 300 informal settlements

2018: 12.0 mi people in 2400 informal settlements

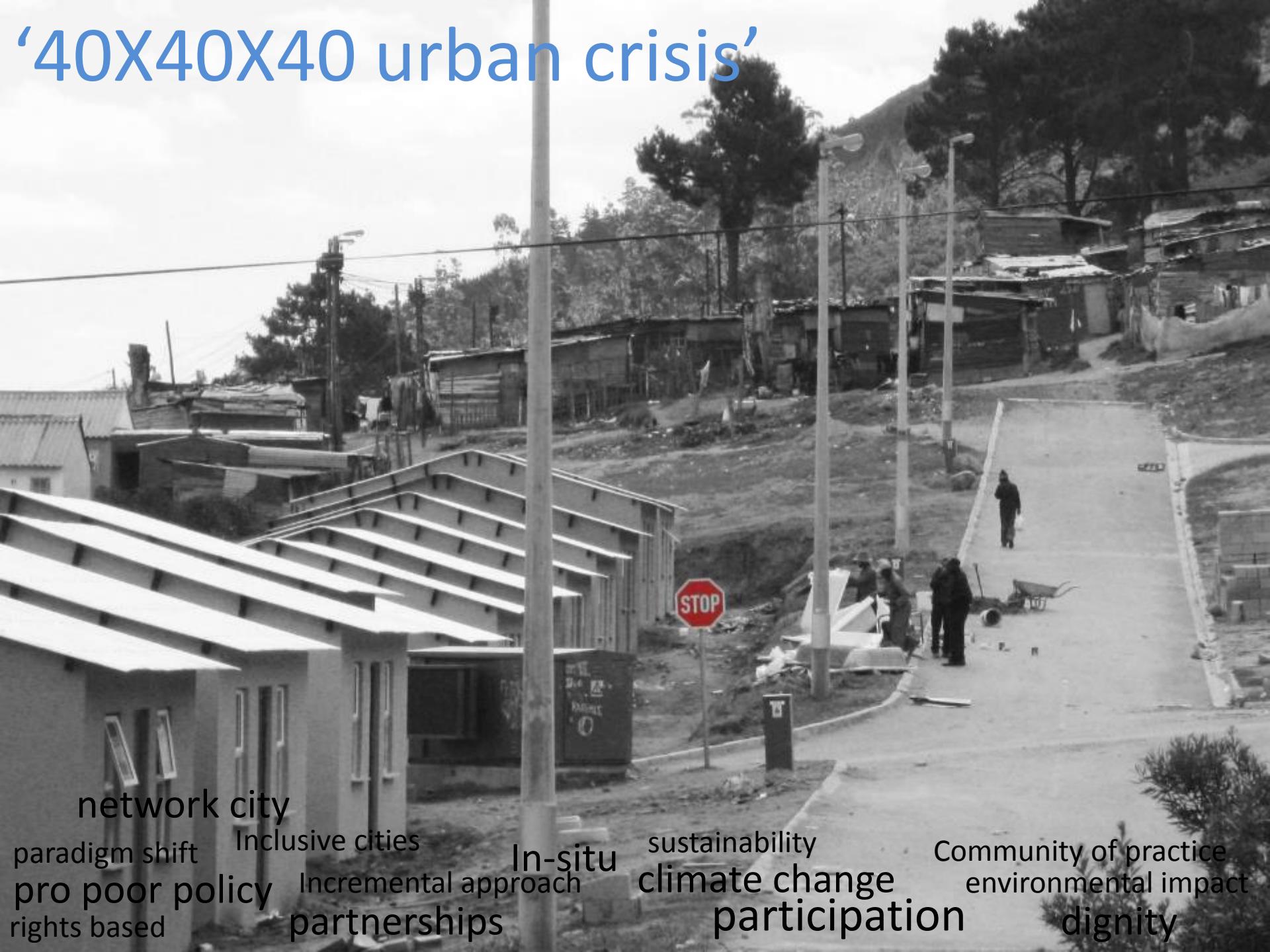
Citizen dissatisfaction

5 years ago: **2 protests/ week**
2018: **2 protests/ day**

Housing

4.0 mi housing opportunities since 1994
2.1 mi backlog (excluding people who are not enlisted on the waiting list)

'40X40X40 urban crisis'



network city

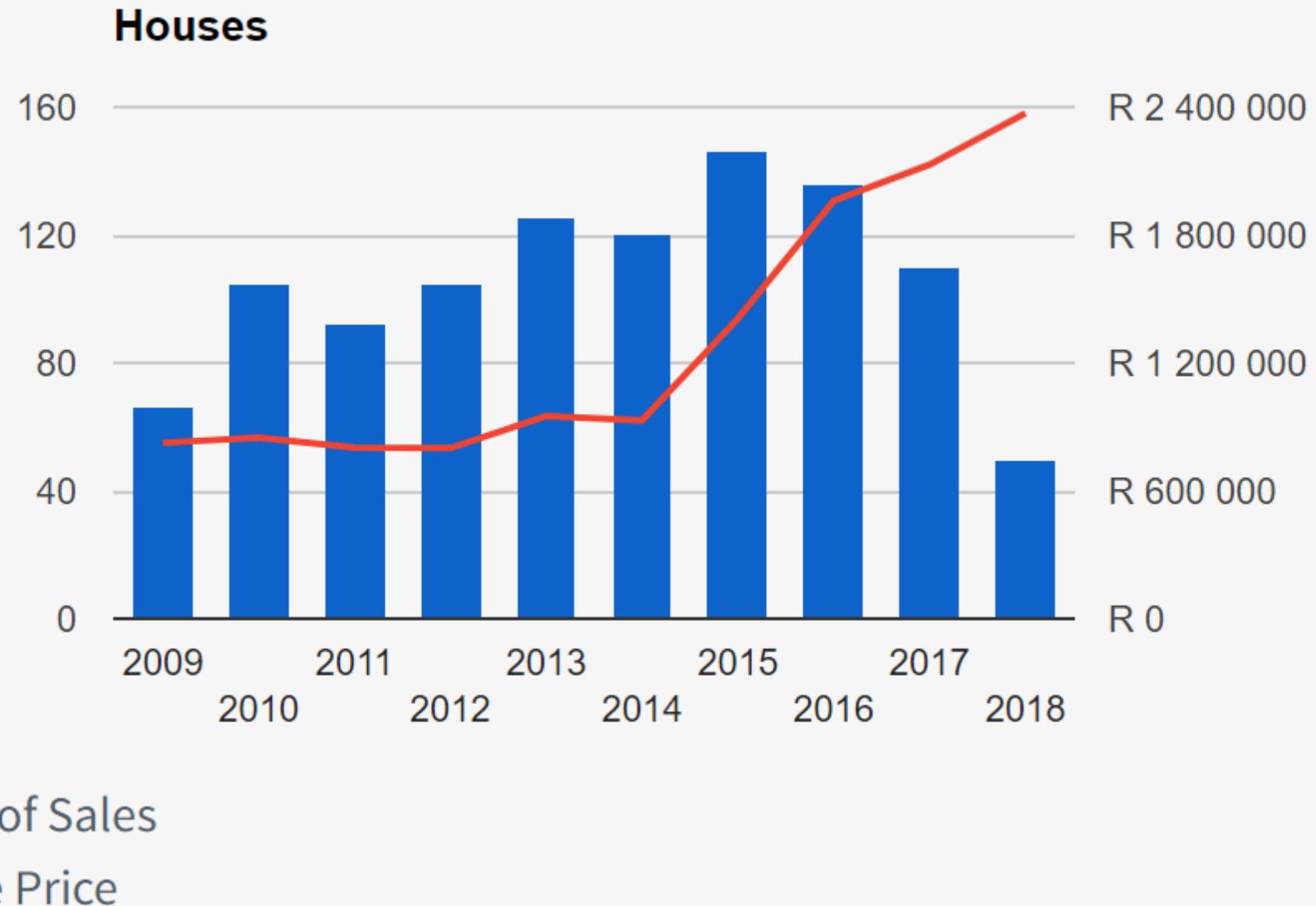
paradigm shift Inclusive cities
pro poor policy Incremental approach
rights based partnerships

In-situ

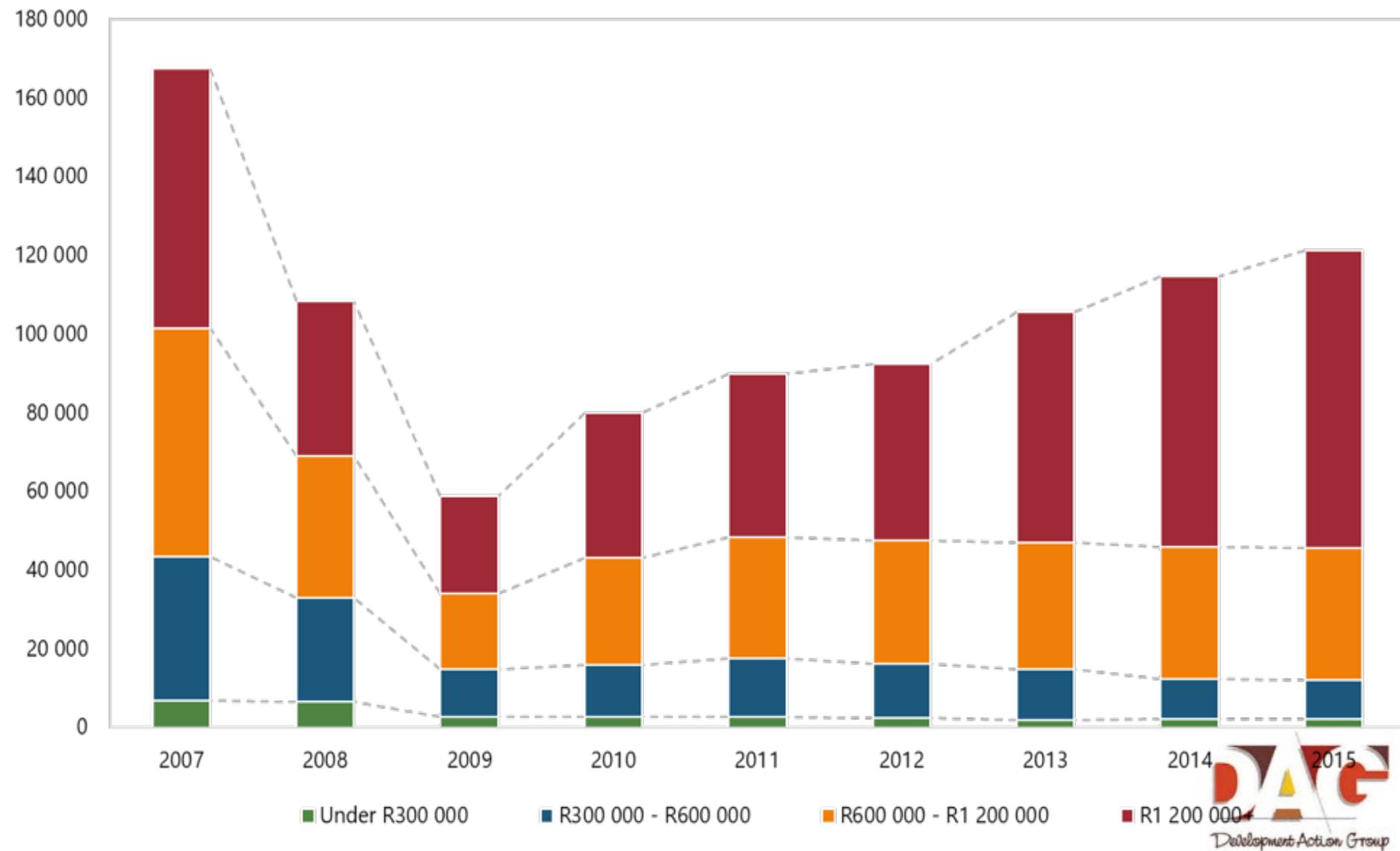
sustainability
climate change
participation

Community of practice
environmental impact
dignity

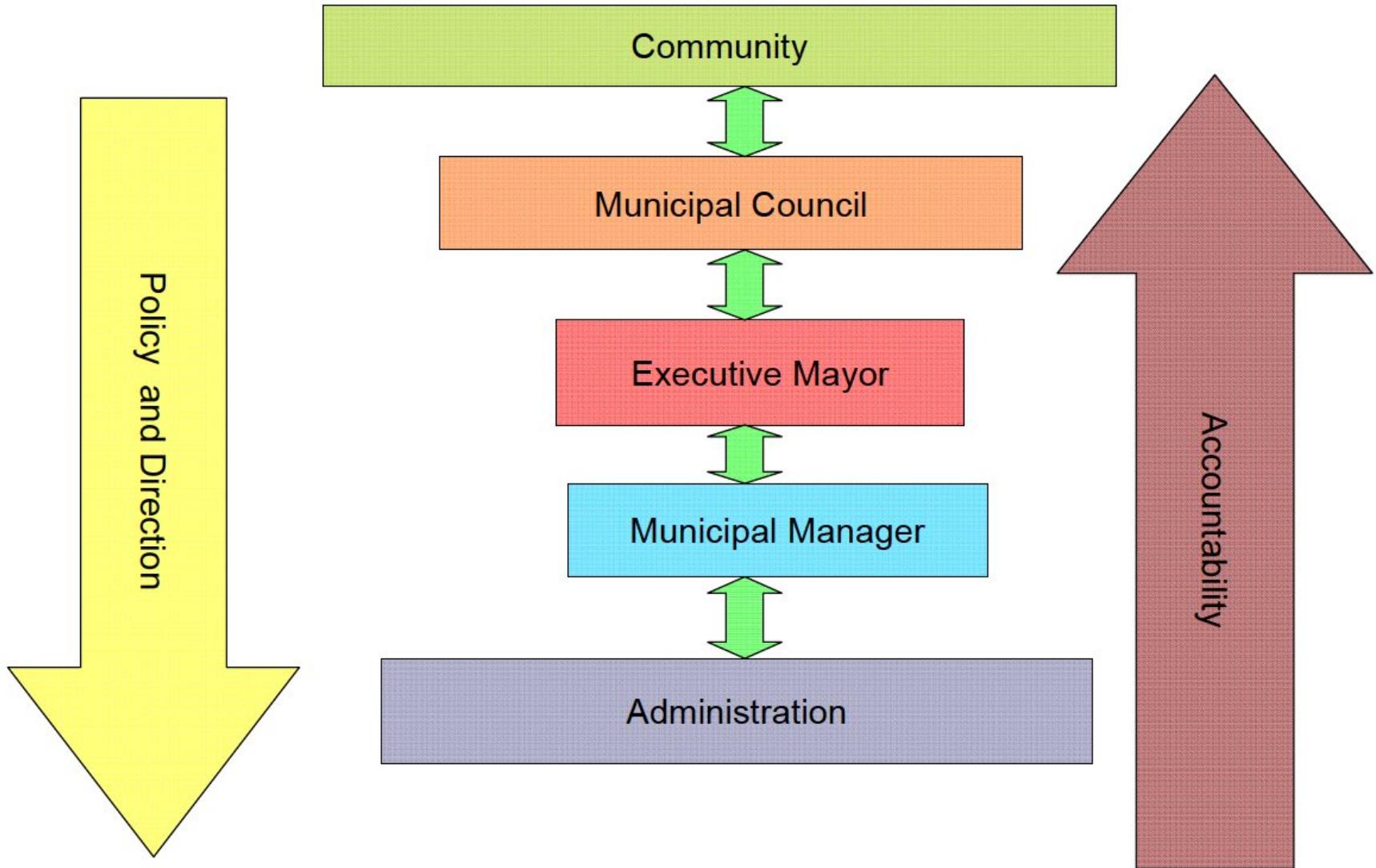
Reinforcing exclusion



80% of development finance is geared towards 20 % of the population.



Disconnect and poor participation



Neighborhood in change



THE
SELBY

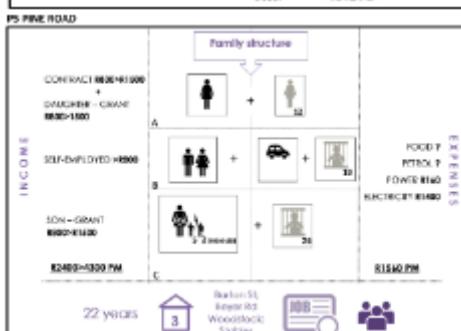
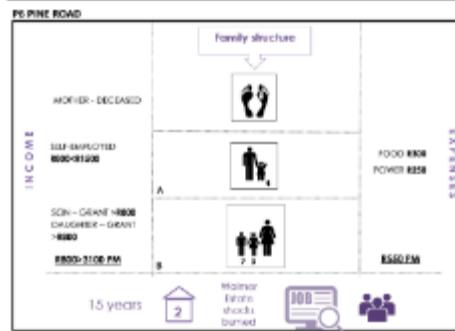
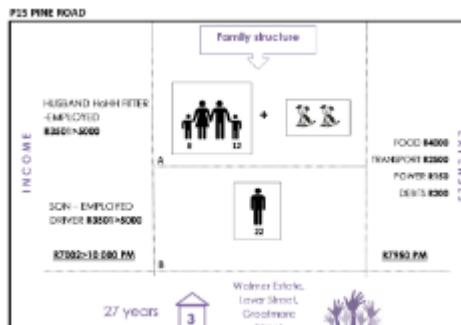
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NOW RENTING

25 Selby Street
—Bloor & Sherbourne—

A photograph of a man with a beard, wearing a dark shirt, sitting on a balcony and looking out over a cityscape. The balcony has a small potted plant on the left. The background shows a modern building under construction with yellow scaffolding.

ENGAGE. DESIGN. ANALYSE. ADVOCATE



WOODSTOCK AND SALT RIVER PRECINCT AFFORDABLE HOUSING



New ways of engaging



Capturing the ‘unearned’ value through infrastructure investment



In conclusion

Housing and land as tools for control and power.....

- Rule based bureaucracy instead of trust based society;
- Governance of land and housing- who builds and who manages?;
- Local is lekker- integrated authorities to deal with release of state land for social and affordable housing;
- An enabling environment to create and manage property value as a consequence of transport investment;
- Building citizen and neighborhood capacity to deal with complex issues relating to coproduction and cooperative governance.

Contact

**Centre for Urban Research and Land Development
Faculty of Community Services
Ryerson University
Toronto, ON**

**T: 416-979-5000 ext. 3348
E: cur@ryerson.ca
www.ryerson.ca/cur**