

Preservation of Affordable Housing NEWSLETTER

Regeneration Forum compares U.S, Canda, UK systems

"Be big or go home" – that's the acquisition strategy of David Cowans, Group Chief Executive for People for Places, an affordable housing organization in the UK. I served on a panel with Mr. Cowans at the May 29 "Regeneration Forum" in Toronto sponsored by the Housing Services Corporation (HSC) of Canada. It was a great opportunity to compare the U.S., Canadian and British affordable housing systems and learn from each other.

HSC is a non-profit organization that delivers province-wide programs that benefit Ontario's affordable housing sector. Approximately 250 attendees came from Canada, the US and the UK, the majority being Canadian. The forum focused on four learning streams: **Community, Financing, Capacity and Physical Assets**. Dynamic plenary sessions, case studies and interactive workshops explored the following topics:

- Financing for housing regeneration and neighborhood improvements
- Aging stocks, Expiring operating agreement, Regenerate, redevelop or sell? What do you need to consider?
- Sustainable design for effective operations
- Mitigating risk and assessing regeneration partners
- Generating social and economic impacts for residents
- Operating for new markets and new times

I spoke to the issues around capacity building stressing the pitfalls to watch out for:

- Under-investing in people
- Centralizing all major decisions
- Failing to articulate financial and operational objectives
- Underestimating the importance of customer service
- Misjudging your competition
- Not investing in energy management/maintenance advisory services and construction / design services
- Not preparing for today's workplace
- Not engaging in public policy and building political relationships
- Not building relationships and alliances in the community

One of the highlights for me was the presentation by my co-panelist Cowans who runs an organization in England called Places for People which, over its 30 year history, has developed one of the most comprehensive / integrated housing organizations I have ever learned about. Places's portfolio consists of 65,000 units and the organization provides housing a continuum of services that support residents aging in place - housing and service options at key milestones in an individual's life. Places is a for-profit that is value driven and everything it does centers on one basic principle: "Does it create value?"

Cowans has built his balance sheet so he can spread resources for the "in-fill" needs which results in an impressive business model. His view of "be big or go home" drives his acquisition strategy; every entity must bring some form of value – a lesson he has learned over 25 years heading organizations which were grant-dependent and government funding dependent. He views dependency on government funding and grants as a business model that is out-of-sync with UK economics and politics and he has created a for-profit with a tough bottom-line mentality. At its core however, is a mission-drive scope of services - earning it the the UK's "Best Landlord" title and the RoSPA Gold Award for Health and Safety within the past few weeks.



PHM President Lee Felgar was a panelist at the May 29 housing Regeneration Forum in Toronto, Canada

From the U.S, Cleveland City Councilor Anthony Brancatelli, spoke about housing revitalization in that Midwest City following some very lean years. The city was able to address foreclosure blight in his district by demolishing abandoned homes. http://www.newsnet5.com/dpp/news/local_news/cleveland_metro/Feeling-of-resurgence-sweeping-through-downtown-Cleveland-as-the-city-seems-poised-for-comeback

The Canadian panelists spoke to the issues of their large and essentially deteriorating housing stock which is owned by provincial entities and small non-profit organizations and presents the country with a huge problem with no immediate remedies.

Overall major conclusions:

- The Canadians have not organized a strong public policy consortium at the federal level and it is disparate at the provincial level. There is little in the way of "housing policy", largely because the industry has not organized around this issue and holds fairly low regard for their federal government. The availability of real estate financing tools is far more limited in Canada so we suggested considering a tax credit-like program and measures to encourage their banking industry to do more for preservation.
- Another challenge is that most of the affordable stock is owned by provincial agencies or non-profits making it difficult for for-profit organizations to penetrate that sector.
- The country has a huge inventory of worn-out developments creating many of the issues we face operationally and the same demographic of residents in need and an aging population at-large across Canada.