Tools for overcoming institutional obstacles to non-market housing production in the **Montreal Metropolitan Area**

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Research Themes: Reshaping the Financialization of Housing, Innovating in Responsive Land Practices

PROJECT

Non-profit housing organizations play an important role in addressing the housing crisis. However, financial, political, and institutional barriers continue to impede non-profit housing production. As part of the four projects proposed in our publication Portes Ouvertes, this project aims to address the third door which needs to be unlocked: building an abundance of non-market housing.

By documenting and addressing these institutional obstacles, we aim to develop tools to guide public actors in Montreal and other Canadian metropolitan areas in the development of new strategies and policies to increase non-profit housing production.

APPROACH



LITERATURE REVIEW

Identifying financial, policy and institutional barriers to non-profit housing



POLICY REVIEW

Documenting existing policy approaches in the Montreal region



CASE STUDY ANALYSIS

Creating a list of good examples from other cities around the world



DEVELOPER WORKSHOPS

Conducting workshops with non-profit housing developers to pinpoint barriers and brainstorm potential solutions



RECOMMENDATIONS

Producing recommendations for public actors on how to reduce or eliminate barriers to non-profit construction



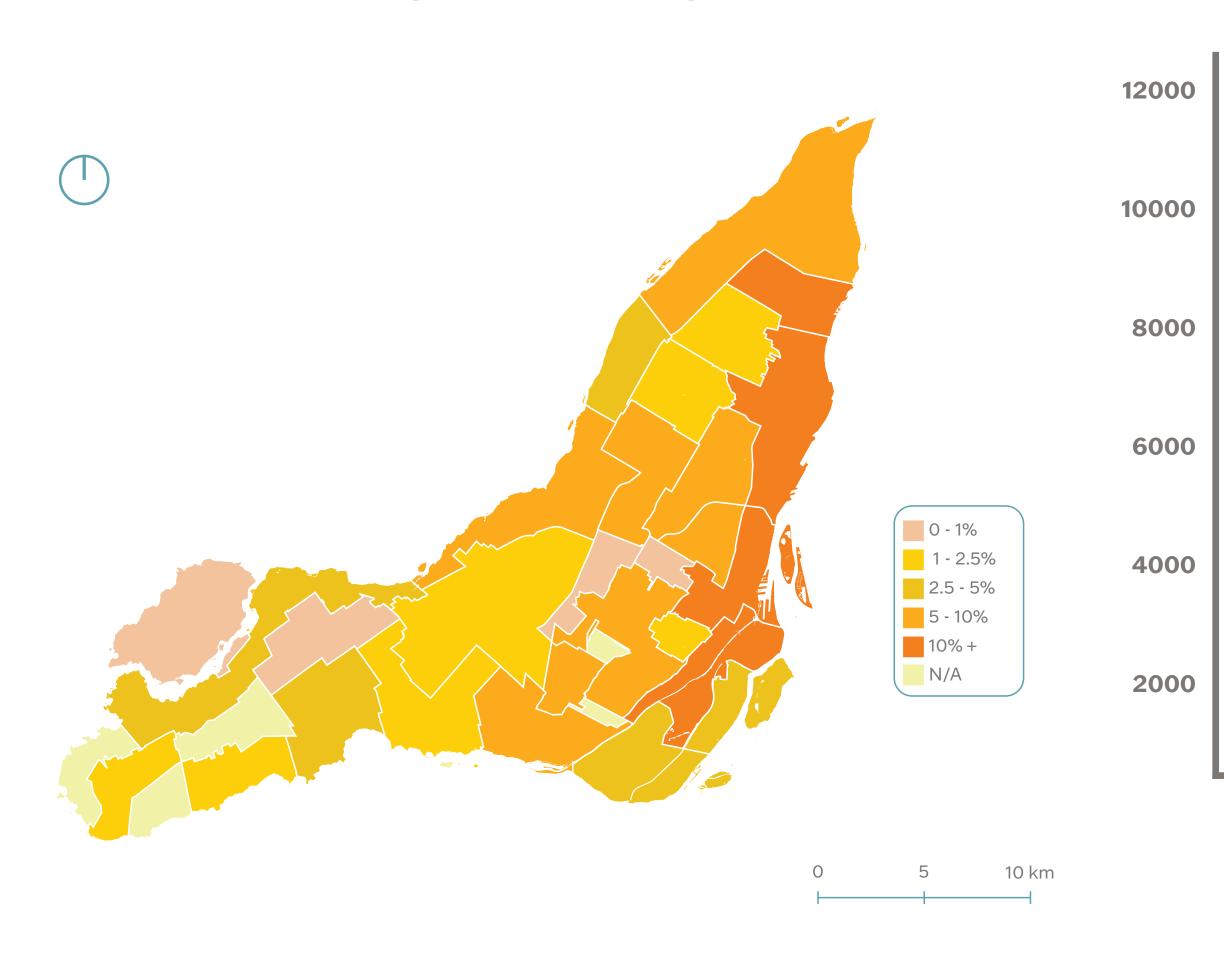
TRAINING

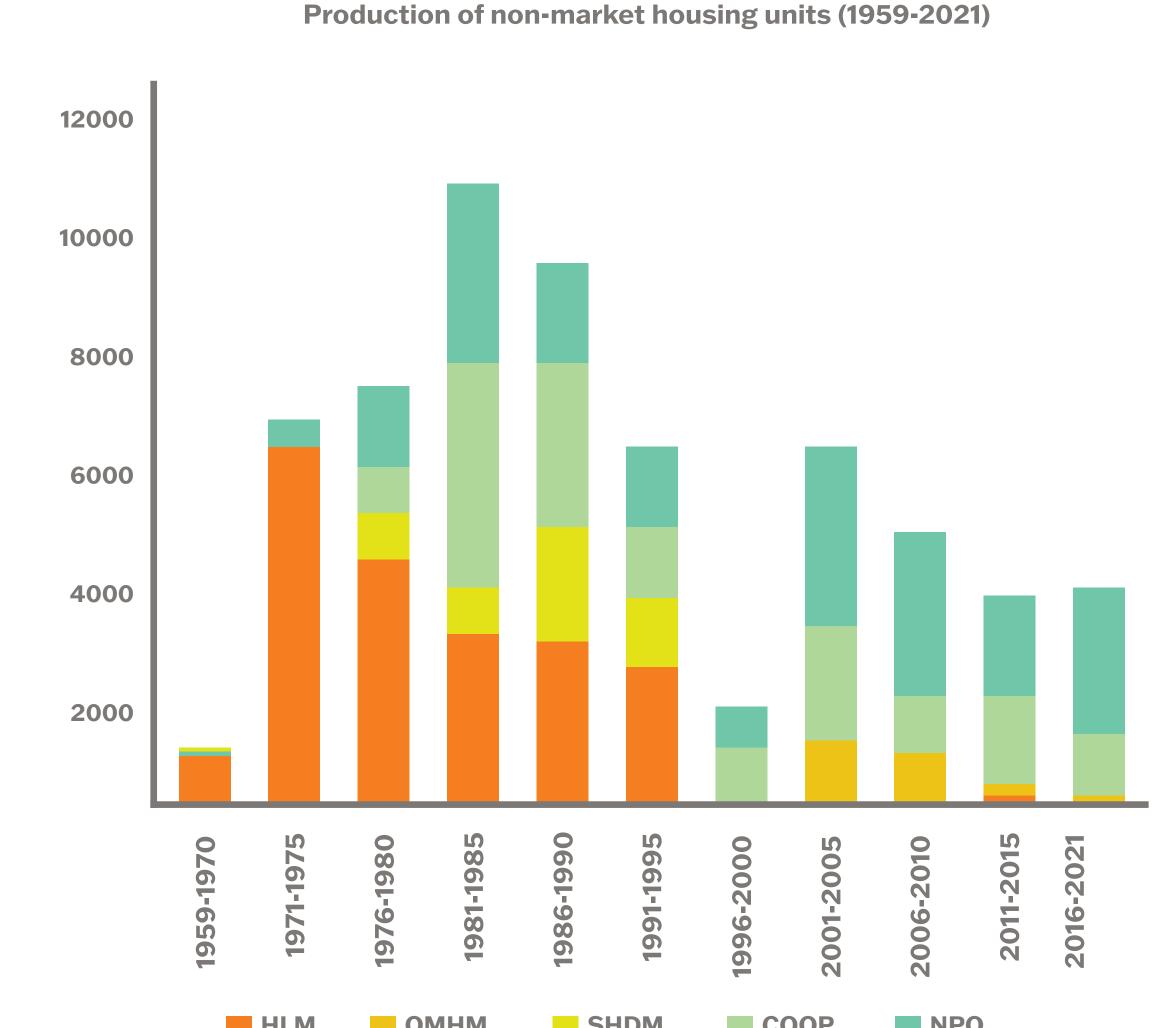
Developing a training plan for governments who want to review and improve their strategies to support nonprofit housing production

NON-MARKET HOUSING IN MONTREAL

Non-market housing units as a percentage of households

Over the past two decades, the production of non-market housing has been decreasing, while housing costs have been increasing faster than incomes, and the population continues to escalate. More than 70% of units in Greater Montreal were built before 1994, the year in which the federal government withdrew from building social housing.





BARRIERS

What is limiting the production of units?

The literature on non-profit housing development has identified various obstacles, which can be categorized into three groups. These obstacles are not mutually exclusive nor exhaustive.

Financial

Government funding programs have not kept pace with needs of middle and lowincome households

Projects are typically considered riskier investments in a for-profit lending framework

Recent increase in construction and land costs due to changes in the labour market and increasing demand for housing

Land use and zoning regulations which limit amount and type of housing permitted

and complex development process can impact the financial viability of projects

A lengthy

Local opposition (NIMBYism / Pas dans ma cour) which is enabled by policies and legislation

Various levels of technical, administrative and development abilities

High level of staff turnover and recruitment of workers to support development

Aging housing stock which requires more resources to maintain

Developers perspective

2 workshops were conducted with non-profit housing developers to further unravel barriers to production and identify potential solutions. Here is some of what we heard:



How can municipalities help improve production?

Various solutions were identified based on good practices identified by research and discussions with builders and other stakeholders.

Improve access to land by supporting acquisition / leveraging public land and transferring ownership or providing use rights through long-term lease agreements

Introduce regulatory changes to incentivize development such as differentiated zoning to provide non-profits a competitive advantage over private developers

Reduce development costs by prioritizing non-profits through the development process and help construction to begin earlier / reduce costs caused by delays

LOOKING AHEAD

Recommendations and training tool

Future phases of the project will be focused on developing a set of policy recommendations to address the barriers hindering non-profit housing production across the Montreal region. While federal and provincial government support is crucial, municipalities can also be champions of nonprofit housing by removing development barriers and ensuring that each dollar invested is being maximized.

As municipalities around the CMM strive to improve the supply of non-profit and other forms of non-market housing, our training tool will aid public officials in understanding their options to effectively respond to housing needs. In this regard, this project aims to support the ongoing efforts of nonprofit housing providers to expand their operations while also assisting municipal stakeholders, such as city planners and policymakers, interested in advancing housing accessibility in the Montreal region.