

## **B.C.- Alberta Social Economy Research Alliance (BALTA)**

### **Project Proposal – Project A9-2009**

(Revised and Finalized June 30, 2009)

#### **A. Title of project:**

Affordable Housing Initiative: Sustainable management of housing by not-for-profits and co-ops with minimal to no government support.

#### **B. With which BALTA SERC is this project associated? Or is it a cross cutting project? SERC 1**

#### **C. Lead researcher, organization name and contact information:**

Co-Lead (BALTA Collaborator)

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Co-Lead (BALTA Co-Investigator)

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#### **D. Names of other researchers and organizations involved:**

Consultant to the Project

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Natasha Jategaonkar, Research Director at the BC Non-Profit Housing Association, has been consulted regarding development of this research project and will be involved in reviewing and disseminating the research results.

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#### **E. Description of project, including objectives, outputs and intended outcomes:**

There are 4 project contributions either completed or underway on the theme of affordable housing through BALTA. The results of these projects make it clear that:

1. The need for affordable housing, particularly for low cost market rental (affordable housing) and subsidized rent housing (social housing) types, is significant in both rural and urban areas, with key needs focusing on the homeless, single parents, single person households and seniors. A component of affordable housing is “social housing” or housing units and clients that meet rent subsidy criteria. For this research, we will include developments that provide this form of housing as the government assistance is to the client, not the organization.
2. Current policies and programs, as well as current land and construction costs limit opportunities for the private sector to address core affordable housing needs.
3. Co-op housing was formerly affordable due to government programs, but the cancellation of those programs in 1992 has required other supports and innovative solutions in order to continue co-op housing development that remains affordable.
4. Not for profit organizations, provide another mechanism for provision of affordable housing. Federal and provincial programs do provide development and capital support for the not for profit housing delivery model, although the level of support provided still requires significant contribution of resources from other sources to build and manage successful projects, and government programs are not consistent over the long term.
5. Some not for profits and some coops that have been established after funding support was discontinued have chosen to respond to the challenge of providing affordable housing by building a sustainable business model without, or with minimal reliance on government financial support. BC Not for Profit Housing estimates 10% to 15% of not for profit housing organizations use this model, and any coop established after 1992 that attempted to delivery affordable housing would have to use this business model. Examples include the Fernwood Neighbourhood Resource Group that uses a coffee shop social enterprise to generate operational funding, and The Kootenay Columbia Seniors Housing Cooperative that has used the sale of market residential lots as part of its development plan to generate capital. A common theme appears to be that these are “community development” projects rather than housing development projects.
6. There is little documentation of the business models used by these organizations. Understanding how they managed to acquire adequate capital and operating resources to provide affordable housing independent of government financial support would assist other organizations interested in pursuing this model, and may help organizations that currently rely on

government assistance to develop strategies to reduce dependency on federal and provincial government programs.

**The objectives of this research project are:**

1. To undertake a literature review of trends and business models used for the provision and management of affordable housing by not for profit organizations and co-op groups that use non-government funding sources.
2. Undertake a key stakeholder survey of trends related to the provision and management of affordable housing by not for profit organizations and co-op groups that use non-government funding sources.
3. To identify a sample of rural (minimum of 5) and urban (minimum of 5) not for profit groups and organizations that use non government funding sources, and a sample of rural (up to 5) and urban (up to 5) co-op housing groups that have successfully developed and managed affordable housing in their communities. The number of co-ops using this strategy is not clear so we may not be able to find a full sample of 10.
4. Using the BALTA case study template, to gather descriptive information, best practices, challenges and barriers, information on the business model used, including both the financial and staffing/organizational model and recommendations from these organizations.
5. To summarize the processes required for:
  - a. Development of an affordable housing asset (i.e. planning, design, building, financing, and managing the development phase of the process)
  - b. Operational management of the housing asset once it has been built. This will include services to tenants and maintaining 'affordability', while managing the operational, maintenance, and managerial costs of sustaining such an asset for the benefit of the community.
6. To summarize the results of the literature review and research in a report. (The student researcher's involvement will be complete at this point.)
7. The precise form of dissemination output for communicating the research findings to relevant sector audiences will be determined once the research findings have been determined. It could take the form of a case study handbook and/or online educational tool for not for profit organizations and co-op groups interested in building a sustainable business of providing affordable housing without, or with minimal reliance on government financial support.

**F. Purpose and significance of the research, including congruence with the strategic research objectives identified for the SERC and BALTA. Why should this project be approved, given BALTA's limited resources?**

This project is a key piece to understanding what has and hasn't worked in the not for profit and co-op sectors in development of "community based" affordable housing in the current policy and economic context without federal and provincial government financial assistance.

Adequate affordable (low income) and social housing (subsidized rental) will be a key factor in maintaining reasonable quality of life for low income individuals and families in BC and Alberta. Although government support programs are important for most not for profit development, some not for profit organizations choose not to use that strategy and co-ops are not eligible. The rationale, benefits, challenges and business consequences of an "independent" business model are not clear.

BALTA and its partners can aid non-profit and co-op organizations in the provision and management of such independently funded projects through research to determine best practices and paths to attaining social housing projects, business models used to achieve those goals, and creating strong case studies to help organizations that are considering this option.

In the scope of this project we define social housing as meaning that the occupant has financial assistance - usually by government - in gaining access to shelter through rent subsidy. The occupant typically is an individual and/or family who belongs to a group of people within a specified low-income range. However in the scope of this research we would like to include "affordable" housing that has been developed and managed for low-income range individuals, and has not been subsidized by government and/or may not have rent subsidized units and may not necessarily fit the criteria of BC Housing affordability. By gathering information through key informant interviews and through case studies, the project team will be able to:

- Put forth strategies on how to successfully develop affordable and social housing by non profit and co-op groups without federal and provincial funding support and;
- Put forth a case study book and tool kit for such organizations to be better able to understand and manage affordable and social housing using that strategy.

The study will show how social purpose groups can develop and maintain affordable and social housing, without significant support, both financial and managerial, by provincial and federal governments. The study will show the capacity and structure of non profit and co-op groups in addressing affordable and social housing demand, and within the social economies of BC and Alberta, and how some of these structures can be utilized in increasing the capacity of the social housing market through existing and new organizations.

**G. Will the project involve student researchers in a paid or unpaid capacity? If yes, will they need to be recruited or have they already been identified? Briefly describe the roles and responsibilities of students involved in the research project, the skills/experience they will acquire, and how this will complement their academic training. Explain as well how adequate supervision and support of the student will be ensured.**

Yes, a student researcher will be hired over the period (June-August) to work on the project. The student will be paid a stipend of \$3,000/month paid out partially from the Centre for Sustainability and Social Innovation and partially through BALTA directly. In order to complete their MBA each student is required to have a summer internship in their specialization and/or interest area. Jana Svedova is the student who will act as Research Assistant on the project. (Please see attachment: Jana's Resume) Jana has extensive knowledge of the non-profit sector and social economy sector, as well as an understanding of social financial mechanisms and an interest in the social economy. Supervision over the period will be given by the Centre for Sustainability and Social Innovation on an ongoing basis. The student will be working out of the Centre office and supervised by the Managing Director of the Centre. The student will participate in weekly meetings to go over the project. The student will also participate in 3 Peer-to-Peer Sessions, put on by the Centre to monitor the work and internship status of students in internships in the non-profit and social economy sector throughout the summer. The student will be evaluated on his/her performance at the end of the internship, as well as at critical points during the project.

**H. Research activities, plan of work and timetable:**

June 12: Defined Outline of Project including:

- Identify stakeholders (British Columbia Non-Profit Housing Association - BCNFP and The Co-operative Housing Federation of BC -CHF BC will be included)
- Identify Key Best Practices "independent" not for profit and coop affordable and social approaches from Canada, US, and Europe
- Identify process(es) of development and management from the literature
- Identify Target Non Profit and Co-op Organizations and stakeholders to be interviewed.

June 19:

- Briefing of literature review
- Briefing paper of existing models and trends
- Contact all stakeholders and organizations

June 24:

- Finalize survey/interview questions for targeted organizations, Interviews will use the BALTA the case study model as applicable, and will "build in" information to support the social economy mapping project.

June 15-June 30:

- Complete interviews, surveys, and stakeholder meetings
- Identify organizations to be used for Case Studies
- Finalize case study interview survey.

June 30- July 31:

- Follow up interviews for Case Studies
- Report writing and case writing

August 1 – August 30

- Final Deliverables
  1. Final Research Report
  2. Final Literature Report
  3. Final outline of Case Study Guide (At this point a timeline will be drafted for the completion of the case guide)
  4. Target Journal Publications Identified

**I. Describe plans for communicating research results within the academic community. Indicate audience and specific output(s) i.e., refereed journal articles, conference presentations or other appropriate channels.**

The research findings will be communicated through CSSI to the academic community, being that CSSI is a research institute within the Sauder School of Business at UBC, communication will be leveraged through this channel. However at this time no specific journal and/or conference has been identified as an outcome of this research. A clear plan of publication and communication with the academic community at large will be identified through out this project.

**J. Describe plans for communicating research results outside the academic community to practitioners, policy makers, and other people for whom the research results could be significant. Indicate audience and specific output(s).**

Although communication of the research results to the community outside the academic realm is desired, a detailed plan of target audiences and deliverables has not yet been identified.

**K. Describe your plans for monitoring and evaluating your research project. Feel free to consult with BALTA's Coordinator on designing possible approaches. (Note that monitoring and evaluation are extremely important both for ensuring the success of the project as well as satisfying reporting to SSHRC.)**

The researcher will be monitored by the Managing Director of CSSI, who will also be co-lead of the project. The student will be working out of the CSSI office, and have weekly meetings about the progress, challenges and opportunities of the project. Monthly meetings will be set up with the BALTA co-lead and other relevant BALTA

members to assess the progress of the project. Evaluation of the project will be conducted by the Managing Director of CSSI.

**L. What are the research tools you propose to use in your project?**

**NOTE:** If your research involves human subjects, you **MUST** provide copies of your proposed research tools (as well as your research plan) prior to commencing research. Please see the document *“BALTA Ethical Review Process – Simplified”* for information about ethical review requirements.

Phase 1: Secondary Research

- Literature Review
- Briefing Papers

Phase 2: Interviews and Stakeholder Meetings

- In person and phone interviews
- Stakeholder meetings (2 or as appropriately determined at the commencement of the project)

Phase 3: Case Study

- Up to 20 case study identifying models and trends used by not for profit and coop organizations

**M. Budget and Contributions**

Category	Requested of BALTA	Contribution from CSSI
Student salaries	\$4,500	\$4,500
Student benefits/overhead costs	\$473	\$810
Researcher Release Time		
Research Support Costs (e.g. supplies, communication costs)		\$1,000
Knowledge Dissemination		
Travel	\$1,000	\$1,000
<b>TOTALS</b>	<b>\$5,973</b>	<b>\$7,310</b>

**Budget explanation**

Student salaries & benefits: \$9,000 stipend (3 months)  
 \$4,500 of the stipend will be paid directly from CSSI, with 18% benefits.  
 \$4,500 of the stipend will be paid directly from BALTA, with 10.5% benefits.

Researcher release time: TBD

Travel: Will be compensated by CSSI. This will include travel to interviews and meetings with target organizations, key stakeholders, experts and academics. Additionally, this can include travel to relevant conferences and/or stakeholder meetings. 50% of travel expenses will directly be reimbursed by BALTA.

Supplies & other: Will be provided by CSSI