

*Research for* **communities**

## The Spence Neighbourhood Challenge

### From revitalization to revaluation

**S**pence neighbourhood, the area of the inner-city bounded by Portage Avenue, Balmoral Street, Notre Dame Avenue, and Sherbrook Street, was, relatively recently, a neighbourhood in serious decline. Between 1991 and 1996, two out of every three Spence residents left the area. By 1999, the median selling price of a house in the area was \$16,500, giving Spence the lowest property values of any Winnipeg neighbourhood. Poverty was on the increase: in 2001, 62.8 per cent of households in Spence lived below the low-income cut-off (LICO), while 92.7 per cent of Aboriginal families in Spence lived below the LICO in 1996.

In the face of this situation local residents created Inner-City Home Ownership Inc., which evolved into the Spence Neighbourhood Association, which is now one of the City's most effective urban renewal organization.

The much of the last decade, SNA's efforts to improve the quality of housing stock have received ongoing public support. The impact of this work, until recently was mixed. Numerous houses of concern—

associated with the drug and sex trades—have been closed and many buildings have been renovated. However, much of the quality of the housing remained in poor shape.

This is changing in recent years. Two new actors are following the SNA's lead. The University of Winnipeg is expanding dramatically into the community, building a new residence and a new science complex. It is also looking to further increase the availability of student housing close to the university. Landlords and property developers, have reacted to the climate of re-investment nurtured by SNA and the U of W by investing heavily in capital improvements to the Spence housing stock.

While these measures are improving local housing stock and neighbourhood security, they are also raising property values and rents. There is a growing risk that low-income residents are going to be displaced from the community.

Even as housing prices increase in Spence, low-income residents struggle to find affordable, acceptable housing.



These developments, which are inherent in housing rehabilitation, have created a dilemma for SNA.

The trends and forces at work in Spence were the subject a major research paper in the Canadian Centre for Policy Alternatives 2000 *State of the Inner City Report*.

*From revitalization to revaluation in the Spence neighbourhood* was written by Owen Toews, with guidance from the SNA. The full report, which deals extensively with housing conditions in the neighbourhood, the university's plans for expansion, and the recent increase in private sector investment can be obtained from the CCPA-Manitoba.

In many respects, the displacement of low-income residents in the wake of community revitalization, is an issue that is best address by the municipal and provincial levels of government. SNA is however also responding to the issue. This publication is

based on portions of the larger paper that deal with the efforts of SNA.

### **THE ORIGINAL SNA STRATEGY**

Much of SNA's original strategy for housing revitalization focussed on encouraging homeownership, since it was perceived to be an important potential source of stability in a neighbourhood where 80 per cent of households rented. Inner-City Homeownership Inc.'s (the SNA's forerunner) founding goals included assisting residents and non-residents alike in purchasing homes in Spence; improving the quality of owner-occupied homes and demolishing abandoned houses; creating opportunities for landlords to buy housing in Spence for the purpose of renovation and re-sale to homeowners; eliminating illegal rooming houses and creating better options for childless households; improving the attractiveness of housing exteriors; and improving the quality of rental housing. With these goals, SNA embarked on a mission, in partnership with several other non-profit groups, including Lazarus Housing, the Housing Opportunity Program, and Winnipeg Housing and Rehabilitation Corporation, to improve the quality and attractiveness of housing in Spence, bolster non-resident perceptions, and increase the market value of property in the neighbourhood.

After almost ten years of SNA activity and active support for homeownership, in 2005, housing values began a precipitous rise, a significant number of once rented homes had been converted to single family ownership, rents had increased much faster than in the city as a whole and for

The University of Winnipeg is building a new residence (pictured below) and a new science complex in Spence. Even with the construction of the residence, the increase in the number of students in the neighbourhood is increasing competition for low-cost housing.



only the second time in fifty years the neighbourhood's population had grown. The goals of increased homeownership SNA originally brought to neighbourhood revitalization were now being realized. In its 2007 five-year plan, it wrote:

SNA officials attributed this 12.5 per cent population increase from 2000 to 2005 “to their substantial efforts in the last decade rehabilitating existing housing and building infill housing that targeted stable families and owners”. Many non-profit housing groups, including Lazarus Housing and the Manitoba Housing and Renewal Corporation (MHRC), have been actively involved in the conversion of neighbourhood rooming houses to single-family occupancy

These new “stable families and owners” brought in by SNA were now generating a somewhat self-sustaining process of neighbourhood revitalization. By 2005, many small non-profit groups, including SNA, could no longer afford to purchase houses for renovation; housing prices were simply too high. To some extent, private investors had picked up where SNA and its non-profit partners had left-off.

As SNA drew government funding into Spence, it encouraged the activities of a number of other non-profit housing organizations and worked with several state-sponsored programs, including the Winnipeg Housing and Homelessness Initiative. By 2007, over 100 homes had been renovated and bought by private owners. Between 2000 and 2008—but largely before 2005—SNA and its partners renovated and created a total of more than

200 housing units in Spence, or roughly 12 per cent of the neighbourhood's housing stock. Over this period, these organizations renovated 99 rental units and 45 owner-occupied houses, adding 16 new rental units and 42 new houses for private ownership.

By 2005, Spence was the site of two new, simultaneous processes—the in-migration of new, stable, home-owning families and the steep rise of housing values. These trends—both the realization of clearly-stated SNA goals—were met with concern by many residents, who were beginning to see the consequences of rising housing prices, and thus rising housing costs. A 2005 CMHC study found that the lowest-income residents of Spence were having increasing difficulty affording housing in Spence. Many residents felt left out of SNA's housing programs, which were often aimed at “low to moderate income” people, but were thought generally to exclude most low-income residents. In more recent years, the University of Winnipeg and private sector investors have expanded into the area, improving the housing stock and driving up rents.

### **SNA'S CURRENT HOUSING PLANS**

In light of rising property values and housing costs, SNA has recognized the renewed importance of affordable *rental* housing. Although SNA initially put much of its emphasis on the importance of homeownership in establishing neighbourhood stability, it understands that for many in Spence, homeownership is not financially viable. Moreover, SNA recognizes that those community members who cannot afford homeownership are often those most

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in need of housing assistance. SNA knows this because this is what Spence residents have said. In consultations conducted as part of the creation of the most current neighbourhood plan, residents stressed that housing must be affordable

Although SNA still aims to build ten infill houses for homeownership and provide grants to homeowners for repair, "...(SNA is) planning for the greatest impact to be in the rental area (as opposed to homeownership)". SNA is working in partnership with such housing organizations as the Winnipeg Housing and Homelessness Initiative (WHHI), Winnipeg Housing and Rehabilitation Corporation (WHRC), Lazarus Housing, and SAM Management. By 2011, SNA hopes that this partnership will renovate 125 deteriorating units within neighbourhood rooming houses; renovate three derelict apartment buildings; establish one cooperative housing development and one other multi-family housing complex; and provide incentive grants to landlords to improve their properties while maintaining affordable rents.

SNA also wants to protect low-income people's access to housing by preventing existing rental housing stock from being converted to homeownership. To this end, SNA is considering the creation of a community-

run rental management company that would also address other concerns relating to privately-managed housing such as a lack of maintenance and repair. Under this plan, SNA would own and manage a collection of rental properties in Spence, ensuring the affordability of rents by removing the units from the for-profit housing market; in short, it would be de-commodifying these units and providing quality housing to low-income people. This model appears perfectly suited to protecting housing from the free-market forces of gentrification. Direct government support will be necessary in order for the Spence community to take control over its own housing through a community-run management company.



The Magnus Eliason Recreation Centre is one of the community resources that Spence residents value.