



**TRI-COUNTRY  
CONFERENCE 2004**

**Tri-Country Conference Final Report**  
*Why Housing Matters? Making Cities Economically Competitive*

NAHRO hosted the biennial Tri-Country Conference in Chicago, Illinois, on September 25-29, 2004. The Tri-Country Conference provided housing and community development officials from the United States, Canada, and the United Kingdom with an opportunity to meet and to obtain concrete information that can be used to address the housing and community development needs in their respective communities. Each country sent a delegation of approximately 22 housing professionals, academics, and government officials to the conference.

The 2004 theme was: **Why Housing Matters? Making Cities Economically Competitive.** The conference focused on ways in which affordable housing can be used to make cities healthier and more economically competitive. It also sought to strengthen the relationship between housing and other related issues, such as health services and immigration. Paul Grogan, President of the Boston Foundation and author of *Comeback Cities*, authored a paper that focused on the conference theme and presented it at the conference's opening plenary session.

The conference attendees participated in tours of innovative projects in Chicago, sponsored by The National Equity Fund (NEF) and the City of Chicago. Delegates participated in break-out sessions where they explored the most pressing issues facing each country: child poverty; creating an environment for affordable housing; public funds as sound investment; immigration; attracting private sector financing in affordable housing; and, the intersection between housing and health.

To conclude the conference, the presidents of each organization presented the key issues and points of agreement that their respective delegations considered critical in addressing these areas.



## Opening Plenary Session

The Opening General Session began with a talk show format where moderator Dionne Roberts, CEO of Transpire, Inc., asked questions of the three presenters: Paul Grogan, President of the Boston Foundation and author of *Comeback Cities*, from the United States; Michael Mendelson, Senior Scholar, Caledon Institute of Social Policy, from Canada; and, Professor Duncan Maclennan, Chief Economist, Department of Sustainability and Environment, from the United Kingdom. Paul Grogan, the American author, began the session.

*In your paper, you state that housing is an economic driver, particularly of jobs. What led you to that conclusion?*

Housing is not the sole driver of jobs. When you look at the decline of the American city after World War II, people left cities, not for jobs, but for a different kind of place to live. This universal movement amongst established cities in the Northeast and the Midwest led to a loss of economic vitality in the vacated neighborhoods, as well as an inability to support the former retail infrastructure. This infrastructure was very important to the economy of the cities and to the social structures of these neighborhoods. When cities are reviving their urban neighborhoods with primarily a housing strategy, very important economic consequences follow. In many cities, when neighborhood revitalization through housing reaches a certain point, commercial districts begin to thrive again, and businesses come back into neighborhoods. In the U.S., we focus on our silos of housing, health and economic development, and education. As a result, we have difficulty, from an intellectual and policy perspective, seeing the links among these things. One of the reasons that housing has not fared well in the national policy arena in recent decades is the failure to make the connection between housing and all these other interests. Housing advocates have to improve that connection, if we are going to win broader support for housing investment.

*Your book focuses on grassroots approaches that have succeeded in cities and part of that is the success of community development corporations (CDCs). You describe that they look at a broad spectrum approach. Why have they been so successful and is it because they have been able to link housing to these other issues?*

That connection is exactly what CDCs don't do. These organizations see housing as one factor in a neighborhood. In fact, most CDCs, even though the renovation and building of housing may be their principal product, do not see themselves as housing groups. Their objectives are not primarily oriented in that direction. CDCs want a thriving neighborhood, and housing is a particularly powerful avenue toward that goal. In severely depressed areas, blighted housing is the most dramatic physical manifestation of all the community's problems. So, in a very organic way for these citizen-led groups, it has become the place to start. However, the objective is not to provide the most amount of housing at the least amount of cost for the maximum number of neighborhood residents. The goal of CDCs has been, rather, to deal with

troubled properties that they see as part of the community's problem. Of course, a very vivid example is that drug dealers are frequently attracted to blighted neighborhoods, and, in fact, they frequently operate out of abandoned buildings.

Also, a CDC, operating at the local level, is intuitively attuned to the singling effect of real estate. Blighted housing depresses people living in the area, reinforces the psyche of decline, and drives away investors. Additionally, physical blight attracts (and may also even produce) criminal behavior. So if you can attack those sources, you get benefits on a number of levels at once. The property can house both current and new residents, but, at the same time, negative symbols and the source of some social ills are removed. For all of those reasons, CDCs have a natural inclination to housing and have made it a very powerful strategy that has an immediate multiplier effect. Furthermore, they can take responsibility for the community decline, and they also can see the overall rejuvenation of the neighborhood as the chaos abates and social norms are re-established.

*In housing, you can look at number of units produced and see easily identifiable outcomes. Do you feel the sub-theme issues are also metrics of a regeneration of housing's impact on a community?*

The impact comes from the quality of a physical environment – in terms of the dwelling that you happen to occupy, but also the neighborhood that you are in – and from the effect it has on the human condition and the prospects for success. I think it has a significant effect, although that case has not been made.

A number of private sector individuals and organizations have become focused on education reform as their primary philanthropic concern. Education is critically important. However, children in a totally chaotic and substandard living environment are going to have very limited prospects for educational success.

So these connections, although we know they exist, have not been demonstrated sufficiently to aide our policy efforts. CDCs became credible because they became effective housing producers. As a result –even though they are not housing groups per se– their facility for producing a house or two or renovating a building or two in cities makes them cumulatively, on the national level, a very significant instrument in housing renovation and production.

*Who are those natural partners bringing resources to the table (because CDCs have traditionally enveloped a tremendous amount of credibility)? How do you take that philosophy of the holistic approach and measure it differently to attract those partners who might not see a natural match with these projects?*

CDCs by themselves would have done very little and would have become an interesting foot note in the late 20<sup>th</sup> century urban scene. What enabled them to begin to establish themselves was their ability to attract three crucial partners. One is government – principally local, municipal, or city government. Initially, city governments and CDCs were very adversarial. Many CDCs began by protesting the local government's action or inaction in their neighborhoods. The migration of that relationship from adversarial to cooperative has

occurred over a period of time in most American cities, so that now most city governments are actively cooperating with CDCs in local housing. Creating these joint agendas is one of the major developments of our time.

The second critical partner is philanthropic organizations. Foundations and corporate giving programs, both at the local and national levels, helped the groups start their work by providing seed capital and, in the early stages, operating support.

Finally, the private, for-profit sector –particularly financial institutions– were prodded through national policy (particularly the Community Reinvestment Act (CRA)) to find some good loans and investments to make in depressed communities. Private institutions found that partnerships with CDCs led to financially viable projects that could be executed on sound principles. In the cities where these efforts have been most advanced, this three-pronged approach has integrated well, and it has allowed a very significant scaling up of the CDC movement. On the national level, foundations, particularly the Ford Foundation, have helped the CDC movement get started, and their support continues to be extremely significant.

The Federal government’s involvement in the housing field has improved significantly. For example, the Low Income Housing Tax Credit (LIHTC) would not have been passed without the support of the grassroots housing movement, particularly through the national intermediaries. LIHTC benefited from the most powerful support that has occurred for this kind of credit – which is used by the for-profit sector, not by grassroots organizations. Furthermore, the HOME subsidy program, the improvement of the CRA, and the efforts to repeal the CRA have been sharply influenced by the grassroots housing movement. It is really that matrix of partnerships that has provided vitality and staying power. Additionally, the private (rather than public) funding of these groups has given this whole movement a discipline, accountability, and autonomy from government (although government resources are critical) and has been a critical explanation of its success.

*What is one example of how all of these things would come together at the neighborhood level?*

CDCs have developed an overwhelming number of projects, either by themselves or in partnership with for-profit developers. Regardless of the project, often an absurdly large number of funding sources will be involved in the project, in order to achieve a sufficient level of funds. It is also necessary to integrate the public, private, and sometimes the philanthropic support. This process is very laborious. The critics of this approach argue that it is very expensive and that the transaction costs involved and layering of so many sources of funding are prohibitive. Complexity at the project level is a dilemma. However, there is no prospect (even if this were desirable) for a public funding source so large that it obviates the need for these transactional complexities. Furthermore, the involvement of the private sector and presence of private sector funding bring other positive dimensions. More and more cities have done multiple projects with the same parties, who are doing dozens of ventures with each other, despite the fact that the financing remains multi-layered. This experience facilitates the process of cooperation, builds trust, and develops credibility. There are methods

of developing similar projects, which have introduced a great deal of efficiency into the process.

*When you are looking at a grassroots, neighborhood-based success, how do you translate that into national housing policy?*

The first question is if you believe that local initiatives and the vitality of seeing housing in the context of other things are a positive good – and that that process ought to be embedded in housing policy, with local partnerships involving strong private sector and government participation. If you do, then the way to promote that from the national level is to make flexible investments that these community partnerships can blend or exploit as a fundamentally local strategy. The most valuable program in this process permits that kind of initiative. The housing credits are certainly complex and have their restrictions and problems. However, a very wide variety of projects can be financed, if they meet the income requirements of the housing supported by the credit. Block grant programs, the community development block grant program, and the HOME funds put relatively flexible funds in the hands of local governments.

One of the political problems with the block grant programs is that, because they put money in the hand of local governments, the local politicians receive the credit. Therefore, federal officials are never enthusiastic about block grant programs because the connection to the political credit to the program is severed. Additionally, the Community Reinvestment Act is not a federal appropriations program, but a regulation that compels banks to attempt to meet the needs of all of these affected areas. Regardless, it has been hugely successful in re-starting the flow of private capital into communities where private credit was not available from the conventional markets several decades ago.

However, even though these individual examples are cases where the grassroots movement has influenced national policy, the connection has not been made between what the power of this can be and how the power of national investments needs to be changed as a result.

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A discussion with Michael Mendelson, Senior Scholar at the Caledon Institute of Social Policy in Canada, followed these remarks by Mr. Grogan.

*Could you please discuss the economics of why it matters to focus on housing?*

Housing is more than just shelter. Shelter is essential, but housing is also a vital component in how we look at shaping our cities and building prosperous societies. It is a simple thing to say, but it is not how we look at housing policy in Canada – and I suspect in other countries as well.

There are three important areas to examine: broadening inequality and income distribution, health well being and social development, and economic development. The discussion of inequality and income distribution recognizes that homeownership is the main financial asset

of most households. When there are changes in the relative value of that asset, there are very serious implications for society, in terms of the distribution of wealth. In our countries, the value of housing assets have been generally climbing rapidly compared to most other assets. This means that those owning a home are doing quite well, which has an impact on the distribution of wealth. That has significant ripple effects, not only through society, but through the transmission of income (via wealth) through time. One of the implications of this, from the life cycle perspective, is the anecdotal and statistical evidence of young families having difficulty establishing independence. Many households are having difficulty becoming self-sufficient and having families, partially due to the increasing costs of homeownership. We have to ask what the effect is of an overall shift in the balance of assets if shifted from cash to homes.

Concerning health and well being, we're housing advocates. That is an incredibly important reality to remember. If you want to address health from a population perspective, it is impossible to address it without housing, particularly at the lower end. In Canada, we have a national pre-occupation with the health of the country. We have to deliver the message that all of the doctors and medicine in the world are not going to deliver adequate health. Delivering that health versus health care message to a population that is extremely poorly housed is a significant challenge. Bad housing has dramatic implications for children and their lifelong opportunities, which is equally difficult to communicate. We need to discuss ways to address child poverty, but we must also look at quality of life. Poor housing is definitely an impediment to that and an area that needs attention.

Poor housing in neighborhoods drives down land prices, and that attracts people looking for a lower cost. Slums (one term for such areas) are part of the natural ecology of a market-driven urban area and will develop, unless there is a vigorous and complicated policy to address them. Additionally, the development of significantly concentrated deprived neighborhoods seems to be a rising racial experience. It seems to have a racial base – even in Canada, where Toronto is multi-ethnic and multi-racial – but it is not a black-white issue, since the aboriginal population in western Canadian cities has this problem. It is most prevalent in some of the smaller cities, like Winnipeg and Regina.

Housing's connection to the economy is another significant issue. The housing industry is a significant employer. For example, there was a five-year period in Toronto where there was no building taking place of any kind, other than by the non-profit community. Labor mobility is another vital factor, particularly in Toronto. Housing is becoming very expensive in that area, and those with average to lower than average incomes have great difficulty in finding affordable housing.

Housing's interaction with income security interests is an important issue, particularly through its role in getting people caught up in a welfare trap. How do we deal with housing or use housing as role to get out of that trap? Sometimes that role isn't always positive.

*There is a pre-occupation with these issues that are linked with housing as a part of efforts to address housing at the national level. How do we connect the two?*

Canada is probably the most decentralized federation in the industrialized world. Housing has gone through cycles in that decentralized structure and has gone from a federal program to an entirely provincial one. Canada lacks a national policy *per se* to ensure supply of affordable housing at this time. Over the last four or five years, a resurrection of thinking of a national policy has emerged, and there has been some limited development at the national level. The U.S. has national programs that are not insignificant and that policy facilitates nonprofit organizations' operation. However, Canada does not have similar programs. Most provinces do not have an active housing program at this time. Many provinces have active policy development, but no active housing. They are not really building affordable housing, or, if they are, it is a small amount. The local, and particularly project, level represents the most activity in this area, and there have been some interesting and innovative developments. Additionally, a national role for housing continues to be discussed.

The other issue is how we ensure that families have adequate income to pay for shelter that will be acceptable for them. You may have some programs addressing the affordability side, but not the supply side.

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Professor Duncan MacLennan, Chief Economist at the Department of Sustainability and Environment in the United Kingdom, then spoke about his nation's issues.

*Your paper really addresses the issue of how housing plays a role in the competitiveness shown by cities. Can you explain that?*

Systems operate at different levels. Most of the discussion has been on how to have a better individual housing unit and how to have better neighborhoods which could actually contribute to economic well being. I think that the evidence from the U.K. and the U.S. suggests that if children live in sub-standard housing, those children learn less effectively. If you continue to concentrate people in similar housing, the reinforcing effects of poverty linger.

The biggest issue is the responsiveness of supply. That is where we fail significantly in the U.K. The supply side in the U.S. is five times the size of its counterpart in the U.K., so we have some real issues to address there. The problem then is, if you have differential rates of growth in different cities, the supply side doesn't respond. As a result, prices go up, and paying key workers becomes an issue. Looking into the future, we are all concerned, collectively and individually, about aging – which is absurd, because 70 percent of the world's population is actually getting younger. Nations need to improve their capacity for housing assistance, so that the young labor population enters into their economies, instead of going elsewhere. That is where the long term social competitiveness advantage will emerge. In the last 20 years, technology, capital, and ideas have sustained economies. However, the future is in workforce and productivity, and the workforce is young people. If the housing system isn't aligned to that, cities won't grow and, therefore, the national economy won't grow.

*What are the consequences for competitiveness?*

At the national level, the British treasury, in the last six to seven years, understood how the economy really works. Gradually, you recognize that social capital is important, but also that interactions take place at spaces and places.

Paul Grogan then noted that Robert Rubin's tenure as Secretary of the Treasury was important because he sought the same thing. He espoused the link between all of these issues, which was significant for someone at that level.

Professor Maclennan then continued his presentation. He noted that, at the regional level, connecting housing strategies to transportation, to environment strategies, etc. is the most important issue. That is what is missing in Britain. The neighborhood fit is rather good, but linking the planning system needs improvement. Active planning entails managing the free market to create opportunities and align them with markets. It is not about telling markets where to go all of the time.

*Partnerships aren't necessary or sufficient for change, but they are there. How do you make those leaps from planning to implementation?*

There are four things government has to do for regular housing to work. The first step is more alignment with the regional development agencies – which do not address housing – and the housing corporations – which are only passive in discussing housing within their programs. Economic change where strategic partnerships receive incentives for more efficiency can be learned from the U.S. neighborhood partnerships. In the U.K., housing associations are not designed to offer multiple services. They often do work in partnership because they have to deal with these issues. Delivery through government is possible, but organizations never pay anything to join and are never encouraged to leave. I would like to see more neighborhood partnerships given resources to create their strategic alliances. This is a good way for higher levels of government to work with local levels as a partner.



## Creating an Environment for Affordable Housing

The papers for this session were based on the following description:

*Discuss how to expand affordable housing. For example, what should practitioners need to do to create an environment which makes affordable housing available to those who need it? How do communities deal with Brownfield properties, planning, zoning, recycling land, density, pricing structures that work, etc.? How does a community implement an inclusionary zoning policy that works effectively? How do communities ensure that key workers, such as firemen, policemen, nurses, and teachers, can afford to live within the communities that employ them?*

The participants agreed that the differences between the three papers on this subject were fairly simple. The British author emphasized housing's place on the national agenda and the resources provided to support it. The Canadian delegate provided an example of the difficulty in placing housing on the national agenda. The U.S. author advocated a consensus building process with stake holders as the best approach to create an environment for affordable housing.

The discussion involved whether the focus needs to be placed at the local or national level – the conclusion being that both are needed, with the national government providing resources and local authorities making decisions. The group recognized that government support is derived from the electorate, which needs to recognize that public investment is useful.

Participants talked about how to communicate the importance of this issue. Its significance is evident in all three countries – i.e., the profile of group in need is changing and evolving with work force housing (housing key workers, such as teachers). Overall, the need to house working families who can't afford to live in their communities was very clear. The changing dynamics of the population being served affect the message and the nature of political support that can be expected.

Integrating the business community into the debate and generating their support are also considerations. The business community is concerned about finding affordable housing for their employees, because it has a direct impact on recruitment and retention. As a result, employer assisted housing can be highlighted and included as part of the agenda.

Additionally, those in or concerned about housing and community development can easily promote tools required to create affordable housing. However, efforts should focus on changing public opinion on policy. Capitalizing on public support and interest in these issues within communities and then electing champions to public office at the national level is the challenge. Community activists need to be players in the public and lead the discussion for more affordable housing. More tangible results will further public opinion and demonstrate success in different communities. Additionally, educational institutions need to focus their

research on this issue to demonstrate the effectiveness and utility of housing professionals' work.

Another significant issue is the education of the media about housing professionals' work, the communities they serve, and the demonstrated successes in those areas. Consistency in the stories that promote the relationship between housing and the health of community is also required.

Participants concurred on the importance of the use of alliances to help develop common agendas and the consensus building processes. They urged development of a method that balances rewards and penalties. The creation of a public process to work through these issues is important.

The group also reviewed the similarities and differences between the three countries. All have strong public opinions on the need for housing and struggle for ways to obtain funding and land use approval.

One difference is that, in the U.K., there is greater acceptance of public investment in affordable housing. Housing has become an intermediate agenda issue and is addressed by the main parties during the general election. That is less true in Canada and the U.S. Alternatively, American markets expect economic mechanisms to create solutions. There also seems to be far more acceptance in the U.K. of the value of an interventionist planning system.

A discussion ensued about where it was felt that, in order to provide housing for the poor, large amounts of subsidy will be needed. The whole issue of mixed income housing has come to the fore as a result. In order to sustain mixed housing, a variety of incomes is needed. The CDC movement has really grown, but the movement has gone beyond what CDCs are doing. There are so many other partners with which housing authorities are doing creative things that for-profit and non-profit organizations are not doing. All partners need to come to the table, although housing authorities, as the primary contact for the served populations, will always be at the forefront of the debate.

Individuals also conferred about the feasibility of grand solutions and their questionable applicability. It was noted that one city's program may not work in another. Furthermore, not all CDCs have succeeded. Merging solutions (rather than imposing them) and encouraging creative solutions could be the basis for a strong policy.

In Canada, without public money, risky flexible initiatives in local communities are stymied. The Canadian federal government needs to establish the larger framework, while maintaining principles of flexibility to achieve its goals. Participants felt that the costs and benefits of producing housing must be weighed against those of other social services. Partnerships with individuals and organizations with similar views facilitate communication of the message that providing housing is actually affordable when compared with the consequences of other social issues.

In the U.K., many housing professionals feel they've won the battle on the issues and have received real money. However, now the housing profession needs to win the war by delivering the goal that the government has set out, which is a balanced community and revitalized cities.



## **Housing and health**

Questions for participants in this break-out session included:

*How does the lack of affordable housing contribute to the decline in health of low-income families? What roles housing providers can play in using housing as a means of improving the health of families being served? Various studies have demonstrated that inadequate housing affects a family's general health and ability to contribute to the community, as well as the performance of children in school.*

Participants agreed that bringing the housing and health sectors together can be a challenge. Housing doesn't connect enough with health issues, even though there is a correlation between the two areas. More research is needed to demonstrate the correlation between the two – i.e., how one affects the cost of the other. The level of commitment from the federal level determines the approaches used to bridge the gap between these two. For example, the American paper focused on a design approach to prevent health problems by looking at structural issues, while the British and Canadian papers used more of an intervention approach.

Different forces connect these two sectors, and there needs to be a link established between professionals in each industry. Without offering specific recommendations, the group concluded that more consideration of industry links and more partnership development are necessary. Participants stated that some longitudinal research in Canada shows that those with adequate housing have decreased hospital stays by 98 percent.

Members of the housing industry see a clear connection between the two fields, but they must more meaningfully communicate that correlation to a broader population. Additionally, the government needs to begin intervention efforts, so that problems in one area do not cross over into another. How to engage health and housing professionals and how to encourage them to look at neighborhood projects more holistically was another topic of discussion.

Once the research on the correlation between housing and health is available, consistent effort in bringing those results must be made to convince policy makers. For example, exercise and sports help people be healthy. That has been proven, but it has to be repeated for the message to be generally accepted. The process is the same with making the connection between housing and health.

Participants agreed that a cost benefit analysis of how investment in adequate housing prevents long-term health costs is necessary. The different approach to the issue was noted as

well. For example, the U.S. housing professionals do not have a relationship with health professionals, as their counterparts in the U.K. and Canada do.



## **Immigration**

The theme for the papers in this session was:

*Many communities are confronted with an influx of immigrants from various parts of the world and the resulting series of challenges associated with that advent of people. Providing services and integrating immigrants into the wider fabric of local communities have proven to be problematic for some areas, while other regions have been very successful at this integration. How can this transition be facilitated? What are some of the challenges inherent in addressing the needs of recent immigrants? What are some of the stories that can be shared with others? How has immigration affected the way local neighborhoods function on a daily basis? How has the influx of immigrants, both from other countries and other communities, helped or hindered the economic competitiveness of cities?*

The discussion primarily centered on the three countries' different approaches. The U.S. has more complicated immigration issues than the U.K. and Canada. As a result, the American paper did not focus on the complexity of the issue, but rather on the concerns surrounding the U.S.-Mexico border. In the U.S., churches have been very involved in sponsoring various cultural groups. This involvement and the resulting immigration have created some pressures on local governments' ability to provide services. Also, racial tensions have increased where immigrants are in large numbers – particularly in areas where low-wage jobs are scarce. Immigrants tend to congregate in neighborhoods with their countrymen and, in many cases, have revitalized communities. Immigration in the U.S. is spread out throughout the country and takes on various forms, depending on the region and the ethnic group involved

In Canada, there are some of the same racial pressures within neighborhoods that exist in the U.S. Immigration tends to be largely concentrated in the larger urban areas, such as Toronto, and is not as regionally diverse. Canada has a more open policy that “celebrates” the contributions that immigrants make to the country. Affordable housing is a concern, especially since immigrants are the principal source of demand for rental housing. Canada – like the U.S. – still has challenges in addressing certain needs, such as services provided to a diverse group of new-comers, demands placed on local providers, and access to adequate employment, in addition to adequate housing.

The United Kingdom faces similar challenges in providing services to immigrants and seeking ways to integrate them into the broader society. Asylum is a particularly prominent issue in the U.K., and there is a perception that immigrants are a threat to the broader society. The immigrants are not as diverse as those present in the United States. However, housing is a significant issue, for which a less than desirable level of planning has been done. Furthermore, communicating the benefits that immigrants bring to the U.K. and integrating the high level of skills many possess have been challenges.

Problems of poor pre-planning seemed to be a more pronounced issue in the U.S. than in the other countries because of the sponsorship by non-governmental groups, particularly religious organizations, which fail to coordinate with local governments. For example, in California, near San Diego, villages are being created in canyons by men who have stores and restaurants there. This housing decision was spurred by the desire to spend as little as possible on homes, so that the immigrants could send more money back to their families.

Participants recommended a skills audit of the immigrants that arrive within the countries to facilitate their acquisition of productive work. Also, culturally sensitive services must be emphasized. A session during the next Tri-Country Conference on the effect of diversity in communities and productive use of housing to help ease the immigrants' burdens was urged.



### **Child poverty**

Participants in this session discussed:

*What is the impact of child poverty on community welfare? How does child poverty affect all aspects of a family's life? What can be done to address the issue?*

The group agreed that there are many similarities between the three countries:

1. Homelessness is on the rise again in all three countries.
2. All three countries recognize the negative impact of child poverty on the future economy.
3. All are still struggling with racial and ethnic inequalities in the degree of child poverty and in the provision of affordable housing.
4. Government leaders in all three countries have expressed commitments to reduce child poverty. However, there is a dramatic difference in the monetary commitment made by each government. The United States invests significantly less money in addressing the needs of low-income citizens than either Canada or the United Kingdom.
5. Progress is slow, even when there are comprehensive policies in place.
6. Canada and the U.S. are both low-wage countries. Minimum wages lag significantly, and these inadequacies in the labor market aggravate and compound the inadequacy of financial commitment by the federal government.

Participants identified the following solutions to address these issues:

1. Any solution needs to be a multi-layered and holistic approach, based on where housing, health, education, and economic opportunities intersect. Housing professionals need to build sustainable communities and neighborhoods.
2. Develop an emergency response or triage system for dealing with the immediate dilemma of homelessness. Families must get off the street before the extent of their problems can be addressed. Examples of these types of programs included those

dealing with children transitioning out of foster care and comprehensive programs, such as the Sound Families Initiative and Bridges to Housing programs in the United States.

3. Strive to build political will in all three countries. The United Kingdom and Canada are much further ahead in this effort than the United States is.
4. Invest more resources in early intervention and study targeting the neediest communities.
5. Align the funding streams to address economic regeneration and crime reduction. People need to feel anchored in their communities in order to build lasting relationships and support structures. These factors increase the chances of their success and provide a base for parents to work and receive necessary education.
6. Address both supply and affordability issues in consultation with the partners identified above. Strive to achieve related goals through increased production, revitalization, and income supplements.
7. Strive to increase wages and begin to address the establishment of minimum wages in recognition of the spatial differences in communities.



### **Attracting the Private Sector/Public Funds as a Sound Investment**

Authors for the public funds papers were asked to:

*Explore arguments that justify the contention that expenditure of public funds is an efficient use of dollars when invested in housing and community development programs.*

Private investment portion topics included:

*Help local communities attract private capital for affordable housing projects. How does a local government entity approach the private sector to generate interest in a project? What are the elements of negotiating a deal with the private sector?*

The discussions of these two issues intersected one another. The group agreed that attracting private sector assistance in providing affordable housing was critical to ensuring that low-income families are adequately served. Additionally, in many cases, the private sector can provide more efficiency in completing some housing construction tasks. The delegates from Canada and the United Kingdom were concerned and occasionally confused about what was termed the “lasagna” approach to financing housing in the United States, which is not a common practice in the other countries. The American delegates generally felt that a partnership of the public and private sectors created the ideal opportunity to provide affordable housing for low income households. Delegates agreed that the private sector brings a level of credibility that public officials do not have and, as a result, can exercise greater influence on the political process. Additionally, a cost-benefit analysis of the success of debt financing versus equity financing would be beneficial in determining the best approach for funding affordable housing projects.

Everyone also agreed that the use of public funds for the purposes of increasing the supply of affordable housing and creating jobs was appropriate and required a greater investment by all three national governments. The British housing industry has already been successful in obtaining a greater commitment from the government to fund affordable housing activities. The United Kingdom seems to have a better understanding of the linkage between housing and the other issues and the appropriate groups to address those issues. Canada's devolution has created problems within the provinces. Using public funds in Canada would allow for a more holistic approach to creating efficiency and housing policy development.



## Closing Plenary Session

The president of each organization offered closing comments on the issues that proved to be most salient to his or her delegation. Joyce Potter, President of the Canadian Housing and Renewal Association, spoke first:

1. The Canadians saw a need for partnerships with groups or organizations that could assess the impacts of "soft side" benefits – i.e., non-shelter outcomes. They considered there to be a great deal of potential for sharing of information, policy, and research on the impacts of housing on other areas, such as child poverty.
2. They also felt that there was a need for research partnerships in areas such as health and housing. They consider rigorous work with health agencies to be essential. However, there also is the potential for funding, at least in Canada, where health agencies have research funds available.
3. More work needs to be done with academics. The Canadian delegation was impressed with the outcome measurements in the U.S. These results seemed to be a strength, especially in areas such as the impact poor housing can have on crime.
4. She encouraged partnerships and professional exchanges, particularly those that could focus on developing knowledge on good practices to share with other professionals.

She noted the following issues with public campaigns:

1. The Canadians saw a need for more surveys on public opinion on housing issues. They felt that the United States had good experience in this area.
2. The delegates also felt that it was important to generate local success stories to engage the media. They thought that the U.S. and the U.K. had done a more effective job in nurturing the media on housing issues than they have done.
3. Development of a report card on the issue of "Housing Matters" was encouraged – i.e., observation of how each of the respective countries is doing on making changes that count.
4. Delegates learned a great deal from the British experience on the importance of housing for productivity and economic development. They want to broaden their focus to include issues like key workers.

The need for more data on non-shelter outcomes, the economic dimension of housing problems, and the externalities that cause those problems were also highlighted. Four direct action items to consider were:

1. Develop connections between conferences. More time for preparations for conferences would facilitate critical dialogue and enhance the focus on topics. A liaison for each nation would facilitate exploration of potential topics.
2. Consider expanding to include other countries (e.g. maybe Australia, New Zealand, Scandinavian countries). At the same time, the conference should not expand so far

that it loses its current depth. Also, a greater effort must be made to pursue informal interactions.

3. Focus on some potential specific thematic exchanges between conferences – e.g., use of tax credits or housing finance.
4. The countries should make use of the 2006 World Urban Forum, which will be occurring in Vancouver, as an opportunity to have a solid international focus on housing.

Ian Richardson, President of the Charter Institute of Housing in the United Kingdom, met with his delegates and came away with these observations:

1. The benefits of housing to the health of residents must be better demonstrated. Current evidence is insufficient and needs to improve.
2. Housing professionals should build a better frame work for regional evaluations of the effects of housing investment, as well as consider whether it can be replicated on a local level. Could this frame work sustain support for delivery of affordable housing for the next generation? How can we ensure its sustainability? How to ensure its sustainable support during market failures? Can markets work independently, or should we look at new forms of intervention? Can we make better use of planning control to deliver housing and the resulting added value?
3. The case on the economic contribution and the health and well being of a country can be argued more effectively if we note the new skills the labor force requires and determine the most effective means of delivery, particularly in countries with an aging population.
4. A settlement strategy in planning for immigration would reduce the levels of chaos that currently exist. Appropriate infrastructure arrangements would support and create a better understanding of the diversity and equality issues.
5. Breaking the cycle of child poverty must happen directly, but also through education, to facilitate its eradication in the next generation. The focus should be on the children and their parents, in order to help them escape poverty. Tracking every child in place throughout childhood would be one of the few integrated strategies available that have been adopted.
6. Responding to the particular needs of housing markets requires a strategic investment of public funds. This investment must recognize that markets vary locally and regionally and that the decentralization of government will have implications. This strategy must remain consistent, while trying to achieve more than one goal and investing efficiently and effectively, without pulling from other services. The U.K. appears to be ahead in terms of generating macro economic support. It has local areas of agreements with local providers and tracks benefits of the investment of housing.
7. Public housing professionals must improve evaluation of the resources given to private developers, in order to more efficiently use housing resources.

Jim Inglis, President of the National Association of Housing and Redevelopment Officials, was the final speaker. His remarks included the following points:

1. The American delegates felt that building communities with other partners was important and needed to continue. Involving stakeholders in the issues discussed during the conference and developing partnerships that bring dollars to the table should be part of this process.
2. In the U.S., partners have to include both the public and private sectors and their resources because projects cannot be completed without both. Because of the need to have some level of private dollars, deals may become complicated and ineffective, but many projects have developed in very difficult environments as a result of private involvement. Frankly, some American communities need those partnerships and resources to build affordable housing.
3. The U.S. can do better, not only in the areas of housing, but in the sub theme areas as well. Not operating in a cylinder, but looking at non-housing issues as well, is a vital step. Bringing those other issues to the table makes viable and healthy communities possible. NAHRO can use its structure with regions and chapters to take those sub theme issues and have further discussion with the membership. The organization also must partner with other groups with the expertise in these areas and research.
4. U.S. delegates affirmed that NAHRO needs to strive to create the political will for housing in our country. It is important to look at performance measures and outcomes, using statistics to build information and support that heightens public will towards what we are doing. NAHRO is doing a lot of work on outcomes and performance measurements to build the reasons for supporting our cause.
5. The U.S. domestic agenda for these programs must incorporate rural and urban issues and the allied interest groups.
6. Research is critical to obtaining anecdotal information on developments in the U.S., but we don't have statistical, fact-based information to formulate public policy.

## **History of the Tri-Country Conference**

In 1989, the first Tri-Country Housing Conference (among Canada, the United Kingdom, and the United States) was convened at the University of Illinois (Urbana) under the auspices of NAHRO's International Committee. The other participants were the Institute of Housing (later the Chartered Institute of Housing) and the Canadian Housing and Renewal Association. Professor Robert D. Katz, then Director of Housing Research and Development at the University of Illinois, was the principal creator of the conference's concept, as a result of his extensive collaborative experience with British housing officials. Additionally, Mary Nenno, staff liaison to the NAHRO International Committee, had helped create CHRA in 1968.

Following the first conference in Illinois, subsequent conferences were held in San Francisco (1992); Kenilworth, England (1994); and Montreal/Ottawa, Canada (1996).

## **About the Sponsors**

The co-sponsors of the Tri Country Conference were the National Association of Housing and Redevelopment Officials (NAHRO), the Canadian Housing and Renewal Association (CHRA), and the U.K.'s Chartered Institute of Housing (CIH). The National Equity Fund acted as the local host for the 2004 conference.

NAHRO, established in 1933, is a professional membership organization of more than 21,000 housing and community development agencies and associates throughout the United States, whose mission is to create affordable housing and safe, viable communities that enhance the quality of life for all Americans, especially those of low- and moderate-income. NAHRO enhances the professional development and effectiveness of its members through its comprehensive professional development curriculum, conferences, and publications. CHRA, founded in 1968, is a national non-profit organization representing those who manage and deliver housing programs in communities across Canada. CIH is also a non-profit organization that represents people who work in housing at local authorities, housing associations, and the private sector in the U.K. and Asian Pacific. Both CHRA and CIH heighten public awareness of housing issues and inequities through advocacy, research, education, training, publications, and conferences.