

## Showing the Value of Affordable Housing



### Introduction

This short guide presents approaches to monitoring and assessing the social impacts of affordable housing, which may be relevant for organizations that seek to maintain or increase the availability of affordable housing stock, provide outreach to connect people with services and housing, increase the affordability of housing (e.g. rent subsidies, mortgages) and that support people to maintain housing and integrate housing with other services.

Rather than present a list of indicators, we present different methodologies for assessing impact that can be applied to different types of projects (and budgets!). We also present published research that sheds some light on how affordable housing may impact people and communities.

### Key Questions

The Demonstrating Value Framework is based on the premise that the information you gather in your organization has to be directly relevant to the decisions you make and be compelling for others to learn about your value. This leads to active engagement and thoughtful action. To work out what information is most useful, always keep the following simple question in mind:

**'What do we want to know and show?'**

In terms of assessing the value of affordable housing, it may be useful to consider this at three levels:

1. The housing sector project
2. The impact on individuals and families
3. Broader community impact

The following table describes potential questions that measurement could address in these three areas. Not all questions relate to all projects.

<p><b>1. Housing Sector Project</b></p>	<ul style="list-style-type: none"> <li>• What does the project seek to do?</li> <li>• What part of the housing continuum does it target?</li> <li>• Who does it specifically target?</li> <li>• How is it affordable?</li> <li>• What is the quality of the housing (size of units, age, upkeep, amenities, location)?</li> <li>• Does it fit in well with the community and existing amenities?</li> <li>• Does it include features that will enhance the community and its amenities?</li> </ul>
<p><b>2. Impact on individuals and families</b></p>	<ul style="list-style-type: none"> <li>• How many individuals/families are directly impacted (over life of project and/or beyond)?</li> <li>• How is the quality of life of these individuals/families impacted?</li> </ul>
<p><b>3. Broader community impact</b></p>	<ul style="list-style-type: none"> <li>• Is the vitality of the neighbourhood enhanced?</li> <li>• How are property values impacted?</li> <li>• How has the local economy benefited? (jobs, local spending etc.)</li> </ul>

## Measurement Tools and Research Evidence

### 1. Housing Sector Projects

In expressing the basic value of the project (what it seeks to do, how it addresses the housing continuum, who it will target, and how it is affordable), keep in mind the terminology used by the audience you will communicate with, while also making sense to your work. Consider standard classification systems that government bodies use in your region (e.g. B.C. Housing, Homelessness Partnering Strategy, City of Vancouver), and the IRIS classifications developed for Impact Investing.<sup>1</sup>

Sample classifications

<sup>1</sup>IRIS has indicators relating to the quantity, value, location of units. [iris.thegiin.org/indicator/downloads](http://iris.thegiin.org/indicator/downloads)

What does the project do?

- Maintain or increase the availability of affordable housing stock
- Provide outreach to connect people with services and housing
- Foster the development of partnerships to address community need
- Increase the affordability of housing (e.g. rent subsidies, mortgages)
- Support people to maintain housing and integrate housing with other service.

How does it contribute to the housing continuum?

- Emergency shelters and housing for the homeless
- Transitional, supportive and assistive living
- Independent social housing
- Rent assistance in the private market
- Co-op housing
- Private market rentals
- Life leases
- Home ownership

Who does it help?

- General population
- Men
- Women
- Families
- Youth
- Aboriginal
- First-time homebuyers
- People after foreclosure
- New immigrants
- Renters
- Young professionals
- New parents
- Seniors
- Person living with mental illness
- People with disabilities
- People with addictions
- People in conflict with the law
- Multiple-barriered

Answering the following questions are more complex:

- What is the quality of the housing?
- Does it fit in well with the community and existing amenities?
- Does it include features that will it enhance the community and its amenities?

Research suggests that the location of social housing is as crucial as the design and operation of the facility itself. Social housing units that are located in neighbourhoods with easy access to community amenities such as recreation, shopping and transit, facilitate

more community involvement and more physical exercise for the families in these units, with resulting health benefits.<sup>2</sup>

Housing and neighbourhood quality has also been shown to have a strong influence on the stability and health care cost of people living with mental illness. A British study found that people living in newer and properly maintained buildings had lower mental health care costs and residential instability. Buildings with a richer set of amenity features, neighborhoods with no outward signs of physical deterioration, and neighborhoods with newer housing stock were also associated with reduced mental health care cost.<sup>3</sup>

Useful measurement practices and tools that look at housing quality include:

- Corporation for Supportive Housing: The Seven Dimensions of Quality for Supportive Housing: Quality Assessment [Tools](#)
- HCA Housing Quality Indicator [Calculator](#):
- Housing Quality Questionnaire (HQQ) was developed as a self-reported instrument for measuring the physical aspects (i.e., structure) of a home and the resident's perceptions (i.e., crowding and satisfaction) about their home
- Walkability Index ([Walk Score](#), [Metro Van Walkability Index](#))
- [A Livability Index for Age-Friendly Communities](#) (under development)
- Frameworks and processes that identify and measure development attributes as part of municipal planning and zoning practices.
- Neighbourhood asset mapping by the community (e.g. The Carnegie Community Action Project mapped out assets and needs in [Our Place & Our Words: Mapping Report on Downtown Eastside community assets and challenges](#)).

Aspects of housing quality that are included in these tools include: location, community amenities and fit, site design, units (size, layout, noise, light, services, accessibility), green building, property management, input & leadership.

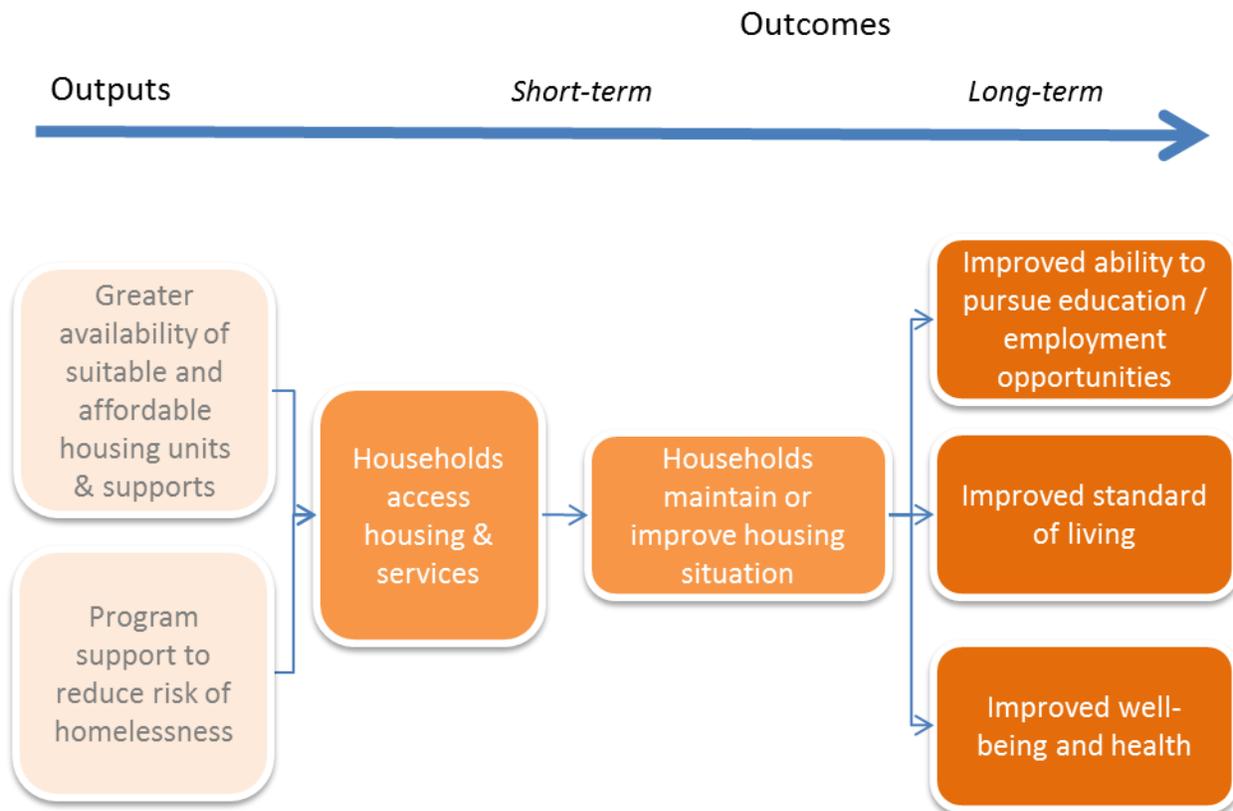
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<sup>2</sup> Canada Mortgage and Housing Corporation (CMHC), “Affordable Housing for Families: Assessing the Outcomes” CMHC research highlight, Socio-economic Series 10-007, July 2010.

<sup>3</sup> Harkness, Joseph; Newman, Sandra, and Salkever, David. The Cost-effectiveness of Independent Housing for the Chronically Mentally Ill: Do Housing and Neighborhood Features Matter? Health Services Research, v.39(5); Oct 2004, p. 1341–1360

## 2. Impact on individuals and families

When investigating impact it is often useful to lay out a logic model, the chain of outcomes that are influenced by the project (sometimes known as an Impact Map or a Theory of Change). A generic, simplified model is shown below for how a project in affordable housing could impact individuals and families. While activities and inputs will vary for different projects and are not shown here, the outcomes for affordable housing projects would stem from an increase in the availability of suitable and affordable housing units (and services) and the ability of households to maintain decent housing. This ultimately leads to improvements in housing stability (a household maintains or improves its housing situation) and long term outcomes such as improved standard of living, an increased ability to pursue educational and employment opportunities and increased well-being and health.



This is a simplified model, and the design of your program/project, as well as many external factors, would influence the degree to which any one of these outcomes occurs. Nevertheless this can be useful framework to identify indicators that can be tracked to understand impact and to evaluate the project. Potential indicators, tools and research are presented and discussed below for different sections of this model.

## Short term Outcomes

Showing that households are accessing housing and services, as well as maintaining or improving their housing situation can be fairly straight forward to measure.

### *Households Access Housing & Services*

The following indicators are suggested by the Urban Institute / Centre for What Work [Outcome Indicator Project](#):

- # of people/families placed in more stable housing
- # of different people/families receiving any housing loss prevention services
- # people/families who maintained housing for at least 3 months
- # of program referrals

### *Maintaining or Improving Housing Situation*

One method for measuring whether households maintain or improve their housing situation is to relate progress to a housing continuum. While there are many subtle variations in continuums, here is one that is used by Canadian Mortgage and Housing Corporation.<sup>4</sup>

### Housing Continuum

Emergency Shelters	Transitional Housing	Supportive Housing	Subsidized Housing	Market Rental Housing	Market Homeownership Housing
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There is evidence that transitional housing is successful in improving housing status: a large-scale literature review of more than 75 transitional housing programs (supplemented by 6 case studies) found that from 66 per cent to 90 per cent of the residents moved to permanent housing or achieved other forms of success.<sup>5</sup> This study could only comment on the short-term success of these programs; long-term effects of transitional housing and the impacts of various types of case management are unknown. In general long-term impacts are much more challenging to study, particularly if the people supported by these programs are transient and challenging to contact, and when their path involves multiple organizations. Case studies and narrative may be a useful tool for showing this impact.

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<sup>4</sup> Image Source: 'About Affordable Housing in Canada, CMHC [www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce\\_021.cfm](http://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce_021.cfm)> Accessed October 23, 2013

<sup>5</sup> Canada Mortgage and Housing Corporation (CMHC), *Transitional Housing: Objectives, Indicators of Success and Outcomes*, Socio-economic Series 04-017 February 2004.

## Long term outcomes

Long term outcomes relate to changes in standard of living, access to employment and education opportunities, and improvement to well-being and health.

### *Standard of living*

Standard of living refers to a household's level of wealth, comfort, material goods and available necessities. Having decent housing is clearly directly related to standard of living. Also, by providing affordable housing, household income that would have been spent on housing is now directed to other uses, including savings and investment. This contributes to improvements to a household's standard of living, along with potential benefits from improved housing design and neighbourhood amenities.

Measures of standard of living include both direct income data and asking families directly about whether they can afford certain necessities (for instance, the [Ontario Deprivation Index](#)).

### *Greater educational and employment opportunities.*

Housing stability can contribute to greater educational and employment opportunities. Family educational opportunities and outcomes in particular have been related to housing. A CMHC commissioned literature review of outcomes from affordable housing looked at more than 100 studies found that the stability of housing has been shown to give rise to improvements in educational performance.<sup>6</sup> Some studies also found positive associations with home ownership although this was not conclusive in all cases, especially for lower-income owner households.

The same literature review also identified a relationship between housing stability and employment/skills development outcomes, through the increased sense of security of the household. Factors affecting employment outcomes:

- Location of housing relative to job opportunities.
- Linkage between housing program and employment/skills development programs.
- Availability and accessibility of means of transportation.
- Disincentives to improving employment earnings in rent structure (when high earning equals higher rent)

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<sup>6</sup> Canada Mortgage and Housing Corporation (CMHC), *Overview of the Current State of Knowledge on Societal Outcomes of Housing*, Socio-economic Series 10-001, January 2010, p. 3.

### *Well-being and health*

Well-being and health are high-level outcomes that have been measured in different ways. Typically well-being refers to changes health, emotional well-being, resilience, meaning and connection in life. These outcomes can be measured by surveying residents and/or program. There are many personal well-being assessment tools that have been developed to understand changes in personal and family well-being. Homeless Link has an excellent guide to navigate relevance of outcomes and measurement tools:

Homeless Link. [Review of Outcomes Tools for the Homelessness Sector](#). Homeless Link. 2<sup>nd</sup> Edition. 2010

There is a wealth of research to draw on that examines the relationship of affordable housing on the well-being of individuals and families. For instance,

- A study based on 85 interviews in British Columbia found for a majority of families in housing need, a move into social housing can have a positive impact on health, education and social wellbeing outcomes.<sup>7</sup>
- A longitudinal study found that safe, secure, and affordable housing is a vital factor for recovery from mental health issues.<sup>8</sup>
- Safe, affordable, and accessible housing is a key determinant of health, particularly for seniors, and is imperative in promoting healthy and successful aging.<sup>9</sup>

### **3. Broader community impact**

Questions relating to the broader community impact of affordable housing include:

- Is the vitality of the neighbourhood enhanced?
- How are property values impacted?
- How has the local economy benefited? (jobs, local spending etc.)

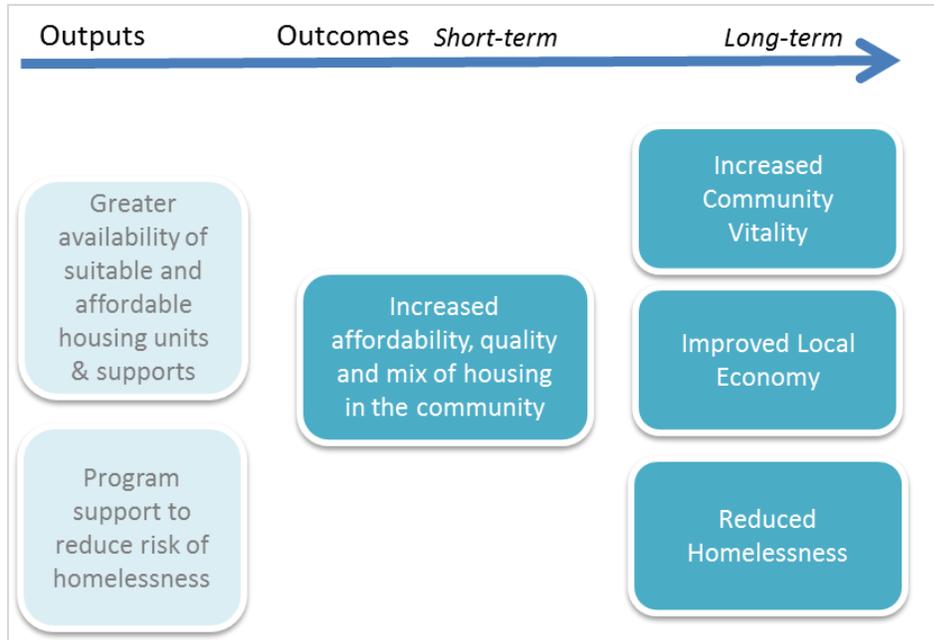
As in the previous section on the impact on families and individuals, it is helpful to address questions about broader community impact by describing a simplified logic model.

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<sup>7</sup> Canada Mortgage and Housing Corporation (CMHC), “Affordable Housing for Families: Assessing the Outcomes” CMHC Research highlight, July 2010, Socio-economic Series 10-007

<sup>8</sup> Canada Mortgage and Housing Corporation (CMHC), “A Longitudinal Study of Housing for Mental Health Consumer-Survivors” CMHC research highlight, February 2010, Socio-economic Series 10-002

<sup>9</sup> BCNPHA Research Department, “The Need for Non-Profit Seniors’ Housing in British Columbia” BC Non-Profit Housing Association, June 2010



### Short term Outcomes

Short term outcomes relate to both the availability of affordable housing stock and the risk of homelessness for people who are currently housed (which in turn relates to the financial means of individuals and households among other issues)

The table on the following page shows examples of indicators that can be used to assess these outcomes. These are drawn from work by Metro Vancouver in its [Affordable Housing Strategy \(2007\)](#) and by the Federation of Canadian Municipalities in its report on the [Trends & Issues in Affordable Housing & Homelessness](#).

Indicator	Data Sources in Canada
The number of new purpose built rental housing units added	CMHC
Number of units created through innovative strategies and approaches adopted at the municipal level to facilitate an expanded range of housing choices and increased supply of affordable units	Housing Action Plans/Survey of Municipalities (FCM)
The number of new subsidized units added	BC Housing
The number of renter households in core housing need	CMHC/Census Data
# of units at various rent ranges in metro Vancouver	CMHC
Ratio of housing prices to median household income	Statistics Canada/CMHC
Ratio of average rental housing to median household income	CMHC
Average age of dwellings	Statistics Canada
Housing Unit Completions, by Type	Canada Mortgage and Housing Corporation, Starts and Completions Survey, 2001-2006
Average Vacancy Rates - All Rental Units	Adapted from Canada Mortgage and Housing Corporation, Rental Market Survey, 2001-2006
90-10 Income Gap	Statistics Canada
Social Assistance Gap	National Council of Welfare
Gap Between Minimum Wage Monthly Salary and Salary Needed to Afford an Average 1-br Apartment, 2001 and 2006 (2002\$)	Canada Mortgage and Housing Corporation
% Change in Monthly Rent by Quartile Thresholds	Canada Mortgage and Housing Corporation

## Long term Outcomes

Longer term outcomes of affordable housing often focus on community vitality, the local economy and the reduction of homelessness.

### *Increased Community Vitality*

While definitions vary, community vitality can be understood as having (1) the capacity in a community to plan, make decisions, and act together, and (2) that the community realizes positive social, economic, and environmental outcomes.<sup>10</sup> Community Vitality can also be termed Community Quality of Life or Community Sustainability.

Community indicator projects are one of the best places to look for measures around community quality of life. Canadian projects include:

- [Quality of Life Reporting System](#) The Federation of Canadian Municipalities established the Quality of Life Reporting System (QOLRS) in order to measure, compare and monitor the quality of life in 20 of Canada's urban municipalities.
- [Genuine Progress Indicators](#) - A broad-based index of sustainable development and well-being that has been developed as an alternative to Gross Domestic Product.
- [Vital Signs](#) - Annual community check-up conducted by community foundations across Canada that measures the vitality of our cities .
- [Regional and municipality indicator projects](#). Various initiatives have been developed to develop region-specific sustainability indicators (e.g. New Westminster Healthy and Sustainable Indicators Project, Richmond Poverty Report card, Richmond State of the Environment, Surrey Social Futures, City of Vancouver Social Indicators, Downtown Eastside Monitoring Report, Sustaining the Islands: Measuring our Progress)

Contrary to opinions that subsidized housing will always lead to neighborhood decline and change, research suggests that subsidized housing was almost as often associated with positive impacts.<sup>11</sup> For example, a study looking at the experience of New York City suggests that well-designed, well-managed projects built on distressed sites played an important role in helping to revitalize a community.<sup>12</sup> Both theory and existing evidence suggest that the neighborhood impacts of subsidized, rental housing will differ depending

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<sup>10</sup> This is based on a definition suggested by [oregonexplorer.info/rural/CommunityVitality](http://oregonexplorer.info/rural/CommunityVitality)

<sup>11</sup> Lance Freeman and Hilary Botein, "Subsidized Housing and Neighborhood Impacts: A Theoretical Discussion and Review of the Evidence," *Journal of Planning Literature* v.16, 2002: 359

<sup>12</sup> Ingrid Gould Ellen "Spillovers and Subsidized Housing: The Impact of Subsidized Rental Housing on Neighborhoods," Joint Center for Housing Studies, Harvard University, March 2007.

on where it is built, the scale of the development, the characteristics of its tenants, and the nature of ownership and management.<sup>13</sup>

### *Improved Local Economy*

A vibrant local economy is part of a vibrant economy. This element is expanded on in more detail because it has been subject to considerable inquiry particularly in the area of whether affordable housing projects influence property values, and how it may influence economic activity.

#### Property Values:

Social housing projects have been perceived as negatively influencing neighbouring property values and sales. Research evidence suggests otherwise. A 1996 study by the Housing Ministry in BC looked at the impacts of seven social housing projects on neighbouring property values. The study demonstrated that social housing projects have not had a negative impact on the sale prices of nearby homes based on a comparison with a control area. A literature review by CARMHA (Centre for Applied Research in Mental Health and Addiction) at SFU indicates that property values have not declined with supportive housing.

#### Economic Activity:

Positive local economic outcomes of affordable housing stem from construction jobs and increased spending both during construction and after the homes are occupied. When housing is more affordable, families have more income to spend on local goods and services (i.e. increases in consumer spending). Investing in affordable homes also increases revenues for regions and municipalities. Some of the most significant sources of revenue during the construction or rehabilitation phase are sales taxes on building materials, corporate taxes on builders' profits, income taxes on construction workers, and fees for zoning, inspections, and the like.<sup>14</sup>

Reviewing statistics that relate to economic development in a community can help you develop a picture of how a neighbourhood is evolving. For instance, employment and income opportunities, retail space and mix, commercial space and mix, housing, public and private community resources (# doctors, dentists community centres, etc.). Statistics Canada has Census Tract (CT) Profiles which provide 2006 Census data for small geographic areas (including city neighbourhoods)

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<sup>13</sup> Ibid.

<sup>14</sup> Keith Wardrip, Laura Williams, and Suzanne Hague, "The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of the Literature," Center for Housing Policy, January 2011

It is also possible to estimate the economic impacts associated with an activity. This type of analysis can be specialized to undertake; many consultants work in this area. Studies typically model the relationships between spending in the community and economic activity (usually described in terms of jobs and income generated). New Economics Foundation developed a tool called [Plugging the Leaks](#) specifically for community development.

### *Reduced Homelessness*

The final long-term outcome in the simplified logic model for broader community impact is 'reduced homelessness'. This is challenging to measure given the transient nature of homelessness. Nevertheless many regions have homeless counts that are conducted periodically, and data are made available publically. For instance, the Metro Vancouver Count is found at: [stophomelessness.ca/homeless-counts/](http://stophomelessness.ca/homeless-counts/)

The data typically include individuals living on the street and in shelters over a specific period. Note: comparison between regions is challenging because of an absence of agreed definitions, across time and place, of what constitutes homelessness.<sup>15</sup>

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<sup>15</sup> Malcolm Williams, "Can we measure homelessness? A critical evaluation of 'Capture-Recapture'" Methodological Innovations Online, Vol 5,2 (2010) 49-59.