

# AFFORDABLE HOUSING INNOVATIONS

## SOCIÉTÉ D'HABITATION ET DE DÉVELOPPEMENT DE MONTRÉAL IMPROVES HOUSING AND QUALITY OF LIFE

In the late 1980s, Terrasse St-Michel, a 127-unit housing complex on Robert Blvd. in Montréal, was in poor shape. Occupied mainly by people on low incomes, many of the complex's 14 buildings were unsafe.

In 1990, the Société d'habitation et de développement de Montréal (SHDM) stepped in, bought the property, and piloted its rehabilitation. By 1995, SHDM had completely renovated the complex, turning it into a comfortable and affordable housing project, in compliance with safety standards.

Terrasse St-Michel is but one of 79 housing projects that SHDM acquired on behalf of the City of Montréal between 1989 and 1994. Founded by the City in 1988 as a para-municipal corporation, SHDM helps revitalize neighbourhoods by renovating residential buildings. In fulfilling this role, it now oversees more than 5,500 affordable housing units that cater to people who have modest incomes, or distinct needs.

Once it has bought and renovated a property, SHDM always seeks to hand over day-to-day management to either a tenant housing cooperative or a community non-profit organization. Consequently, SHDM spoke to the tenants about establishing a co-operative. SHDM ultimately concluded, however, that Terrasse St-Michel required a different property management approach. SHDM then set out to convince neighbourhood organizations to create a property management non-profit organization.

Few community groups were familiar with property management, however, and many felt that managing these 14 buildings did not fall within their expertise or their mission. To address those concerns, SHDM promised to train the new organization's administrators and teach them how to take care of these properties. In 1995, two years after the initial discussions, the non-profit Terrasse St-Michel was formed.

"It took time and patience to get the people to appreciate the benefits that a community-run organization offers," explains Marcel Lebel, Director, Programs and Buildings with SHDM. "Even though the neighbourhood was poor, it had some very dynamic aspects and it offered unbounded potential. It was mainly through consultation with all the community organizations that the idea made its way. We simply had to tap that potential."

With a non-profit property management organization, costs can be minimized and, as a result, rental rates can be reduced. In fact, although Terrasse St-Michel rents are unsubsidized, tenants pay slightly less than market rates for their accommodation. Tenants can also thank the City of Montréal and the Quebec government for this savings. The City's Programme d'acquisition de logements locatifs (PALL) paid for the building's down payment (a bank loan covered the balance), and both the municipal and provincial governments largely subsidized the \$2.3 million renovations.

"Terrasse St-Michel tenants enjoy affordable housing," says Mr. Lebel, "but they also enjoy improved living conditions. They've developed a feeling of pride about the place, and it shows. At the beginning, some tenants would go to the property manager to complain," explains Mr. Lebel. "Now they go to him to make suggestions. That change in attitude says a lot about the success of the project."

The Société d'habitation et de développement de Montréal is a finalist in the Process and Management category of the 2002 Canada Mortgage and Housing Corporation (CMHC) Housing Awards Program, **Affordable Housing Innovations**. The Housing Awards recognize individuals, companies and organizations that have made significant contributions to improving housing affordability in Canada.

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