



HOUSING, SOCIAL INTEGRATION AND LIVABLE ENVIRONMENTS:

A CASE STUDY ON THE CITY OF MONTRÉAL

FOREWORD

This case study was developed jointly by the City of Montréal and Canada Mortgage and Housing Corporation (CMHC), with the assistance of La Société Biancamano Bolduc, in collaboration with the housing expert Jules Hurtubise. It synthesizes a number of publications prepared or commissioned by the City and draws as well on various compilations of existing statistics.

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1. INTRODUCTION

This paper presents, as a case study, the general as well as specific strategies developed by the City of Montréal to meet the challenges facing it in terms of housing, social integration, and the living environment. It identifies, first, the challenges facing Montréal, and then describes the approaches and initiatives that have been adopted.

In producing this report, we have drawn upon a number of existing documents and data sources, including many City of Montréal publications, in particular the Master Plan and Housing Policy. We wish to acknowledge our indebtedness to the authors of these documents.

1.1 *A Brief Overview of the History of Montréal*

The City of Montréal was founded by a group of French explorers in 1642. Ville-Marie, as it was then named, was situated on a site that was already recognized by the native peoples as a trading centre. Fur trading, the main activity of this French colony, benefitted from being at the point of confluence of several waterways, and thus Montréal was able to extend its trade networks far into the vast territories of the North American continent.

In the 18th century, Montréal was a fortified city and its walls surrounded the area corresponding more or less to what is currently called Old Montréal. The first suburbs, or "faubourgs," were not built until the end of the 18th century (Faubourgs Québec, Saint-Laurent, and des Récollets), and these faubourgs were developed outside the walls, along the roads.

Initially part of a colony of France, and then of Great Britain, Montréal entered the 19th century under English rule. Great Britain, which was embarking on its Industrial Revolution, strengthened its trade links with the colonies, and Montréal's importing and exporting activities grew rapidly. Industrialization was initiated along the river, along the Lachine Canal, and soon afterwards along the first railroad lines. The increasing labour requirements were met by the first waves of immigrants. As the population grew, so did the city: in 1861, Montréal was home to 90,000 people.

In the mid-19th century, Montréal's industrial development underwent a major surge. As Canada's economic capital, the city played a dominant role in heavy and light industry, commerce, and finance. Ever-growing labour needs attracted large numbers of immigrants: first from Great Britain, then from across Europe, and finally from the rural areas of Québec. By the end of the 19th century, Montréal's population had reached 260,000.

The Depression of the 1930s had a shattering effect on Montréal, though war industry activities eventually hastened the city's recovery. As the 1940s approached, Montréal extended its urban boundaries, and by 1941 it had a population of 900,000. However, Montréal's position of dominance in the national economy was being threatened, as the growing importance of Canada's links with the United States was now giving Ontario the advantage.

As the second half of the 20th century unfolded, the Montréal area extended even further, through the proliferation of expressways, the growing popularity of "suburban" housing, and the displacement of the industrial and manufacturing sectors undergoing modernization. Montréal has thus emerged as the heart of a vigorously expanding region, with its downtown core becoming the focal point for a multitude of activities, including those of the tertiary sector.

1.2 *Montréal as the Core City of a Metropolitan Area*

The geographic location of Montréal along the St. Lawrence River conferred on it a crucial role as an urban centre in New France and then Canada, and as a part of the American northeast, especially in the axis of the Great Lakes and the Richelieu and Hudson Rivers.

Montréal, with its million inhabitants, is now at the hub of a region with 3.1 million inhabitants. At the same time it is part of a vast urban and economic network that includes such Canadian and American metropolitan regions as Toronto (3.6 million), Detroit (4.6 million), Cleveland (2.8 million), Pittsburgh (2.3 million), Boston (4.1 million), Philadelphia (6 million), and New York (18.1 million).

Montréal and its metropolitan area clearly represent the engine of the Québec economy. Greater Montréal encompasses approximately 45% of the total population of Québec and accounts for more than half of its total production. It is the only urban centre in Québec that brings together a critical mass of service industries. Over 80% of the research and development staff of companies in the province is concentrated in metropolitan Montréal.

The city of Montréal has the highest population of any municipality in Québec, and it also assumes a leading role on the regional level within the Montréal Urban Community, which is made up of 29 municipalities on Montréal Island¹.

1. For the purposes of this report, the expression "Montréal Island" corresponds to the Montréal Urban Community.

As a regional metropolis, Montréal extends its zone of influence beyond the city proper to a number of municipalities (Laval, South Shore of the St. Lawrence, North Shore of the Rivière-des-Mille-Îles) to form the Montréal metropolitan area (3.1 million inhabitants).

Montréal has been undergoing profound changes for many years. These include major structural changes that are affecting its population as well as its economic base and consequently its built environment. Like other "older" North American urban centres, Montréal is grappling with the effects of powerful forces that are striking hard at core cities in large metropolitan areas.

Alongside the economic impact of the decentralizing of manufacturing activities and the shift to tertiary activities, there is also the socio-demographic impact of the gradual aging and declining income of a part of the resident population, and the integration of immigrants. Added to this, there is the impact on the built environment, resulting from the obsolescence of the infrastructure and the accelerated deterioration of equipment. As a core city, Montréal must assume responsibilities that extend far beyond the limits of its immediate boundaries.

1.3 *The Legal and Institutional Framework Governing Urban Planning and Housing*

The Legislative Framework Governing Land Development and Urban Planning

In Canada, land use regulation is the prerogative of the provincial governments, though the federal government has, on several occasions, had an indirect influence on land development through policies and programs in areas such as transportation, housing, agriculture, and the environment.

In Québec, up until the adoption of the Act respecting land use planning and development ("Loi sur l'aménagement et l'urbanisme") in 1979, municipalities were, generally speaking, free to exercise their development authority through planning by-laws (zoning, sub-divisions, building code, housing code, etc.). The municipalities' role in this area, and their relative independence as far as land development is concerned, was characteristic of, and peculiar to, Québec. Thus, unlike the case in other countries, and contrary to the general rule in other provinces of Canada, Québec did not have any centralized policies and practices for land development and urban planning. Control over these areas was exercised at the municipal level, and was thus very decentralized.

The Act respecting land use planning and development of 1979, however, instituted a hierarchy of planning jurisdictions. At the regional level, municipalities were amalgamated into regional municipalities, which were assigned responsibility for drawing up development plans. The municipalities, in turn, are required to draw up their own plans and planning by-laws in accordance with the development plans. In consideration of its large population and the complexity of the problems it faces, the City of Montréal has been granted unique powers under a special charter.

It should also be made clear that there is no regional planning authority that takes in the entire metropolitan area of Montreal and its surrounding communities. In addition to the Montréal Urban Community there are some twelve other regional municipalities in the Greater Montréal area, all functioning independently, without the benefit of any joint coordinating mechanism having been established.

Since the beginning of the 1970s and until recently, the City took action in matters of urban planning without the benefit of an overall urban development plan. The year 1987 marked a turning point, for that was when the City started to draw up the first Master Plan in its history; it was officially adopted in December 1992. As well, the City developed a number of sectoral policies in the areas of housing and economic and cultural development.

The Policy Framework for Housing

Both the provincial and federal levels of government in Canada deal with housing matters. Municipalities also assume an essential role in the supply of housing.

Canada Mortgage and Housing Corporation (CMHC) is the country's national agency responsible for housing. The federal government's mandate for taking action in the field of housing is found in the National Housing Act.

The provincial and territorial governments all have either housing corporations or departments responsible for housing or municipal affairs. In a number of cases, the main objective of these agencies is to serve as a cost-sharing vehicle and to deliver national housing programs through agreements entered into with the federal government. However, these agencies are also responsible for managing other housing programs and policies that reflect provincial and territorial objectives. In general, these programs are focused on areas such as renovation and improvement in housing and assistance to first-time buyers and to owners. Certain provinces also administer housing allowance programs.

The provinces and territories have implemented acts to govern the operation of housing agencies and programs. The Province of Québec and a number of other provinces have also enacted legislation on tenant-landlord relations, housing rents, and land use, and have made it mandatory for municipalities to regulate the construction of residential buildings, including health and safety aspects.

Municipalities assume an important role in the delivery and administration of federal, provincial, or territorial housing programs. Sometimes this involves cost-sharing. Housing programs that are purely municipal are quite rare, generally speaking, however, municipalities do have their own policies and standards regarding construction and maintenance.

These fairly broad powers granted to municipalities such as Montréal have allowed them to design and control specific programs. Limited at first mainly to renovation and restoration, these powers have been broadened to include land acquisition, site development, and residential construction, as well as the disbursement of grants and the setting up of specific agencies to carry out work. Through agreements based on a model of partnership among various levels of government, the City of Montréal has been able to assume a leading role in the area of housing. The Province of Québec's municipal tax reform of 1979 freed the municipalities by formally recognizing the principle of municipal budgetary autonomy and by giving over to them almost the entire field of real estate tax.

2. A PROFILE OF MONTRÉAL

2.1 Population

Montréal remains Canada's largest city, and is situated in the second largest metropolitan area in Canada. Nevertheless, like other core cities in all the large urban areas of North America, Montréal has seen a decrease in population over the past thirty years, due to a lower birth rate and to the shift by young households, especially those with children, to the suburbs, thus contributing to urban sprawl.

A Progressively Decreasing Population

Montréal's relative demographic weight within Québec is significant. In 1991, the metropolitan area, with 3.1 million inhabitants, represented nearly half the population of Québec; the city of Montréal had 1,020,000 inhabitants.

The population of the city of Montréal stabilized over the last decade, after a net loss of nearly 20% between 1971 and 1981. Montréal's demographic weight vis-à-vis the metropolitan area slipped sharply, though recently this trend has been decelerating somewhat: from 1971 to 1991, Montréal's population as a proportion of the metropolitan area decreased from 46% to 35%. Table A in Appendix 1 clearly illustrates Montréal's increasing loss of population and the shift towards the second and third outlying "rings" of urban development.

A Rapidly Aging Population

There has been a noticeable aging of Montréal's population over the past decade, due to a gradual reduction in the number of children and an increase in the number of elderly, with a concomitant narrowing of the age pyramid.

Montréal does however have a slightly larger proportion of people in the 25-to-44 age group than the rest of the region, but the proportion of children is lower. The age group that is increasing in Montréal is that of people who are 65 and older, and in particular those who are 75 and older.

This redistribution of age groups is a result of the combined effect of a major decline in the birth rate in Québec over the past two generations (3.8 children per woman in 1961, as opposed to 1.4 in 1987) and the migration of young couples to the suburbs. Such changes have inevitable repercussions on the demand for municipal services, on the adjustments that need to be made in the housing market, and on the renewal of neighbourhoods.

The High Proportion of Non-traditional Households

Although the number of inhabitants in Montréal remained substantially the same between 1981 and 1991, there was a 13% increase in the number of households. These households now contain an average of 2.3 people, somewhat lower than the regional or provincial level, which is 2.6.

Out of the 444,000 households living in Montréal in 1986, nearly half (44%) were non-family households (compared with 25% for Québec as a whole), made up of one person living alone (36%) or of unrelated people sharing the same unit. Montréal families have an average of 1.1 children (1.3 for Québec as a whole).

The dissolution of the traditional nuclear family (two-parent family with children) has clearly had a greater effect in Montréal than in the rest of the metropolitan area. The rapid increase in the number of single-parent families, which currently account for 20.3% of all Montréal families (15.9% in the metropolitan area), is an indicator of this trend.

Disparities among Social Groups and the City's Social Responsibilities

Tenants form 75% of all households in Montréal. Montréal thus sets itself apart from the province as a whole, where 45% of households are homeowners. Furthermore, the average income figure for Montréal households is one of the lowest of all Canadian metropolises. Indeed, in 1986, the average income of Montréal households (\$26,332) was markedly lower than that recorded in the region (\$33,050), the province (\$34,999), or the country as a whole (\$34,261). In comparison with other Canadian metropolises, such as Toronto (\$39,118), Vancouver (\$32,384), or Calgary (\$40,553), the average income of Montréal households is singularly low.

In 1986, 34% of people living below the poverty line in Québec lived on Montréal Island. Of these, over 70% lived within the city of Montréal, concentrated in various under-privileged areas that formed pockets of extreme poverty. In fact, the distribution of wealth in Montréal is relatively polarized. In 1988, 36% of individuals in Montréal earned an income under \$10,000, while at the other end of the scale almost 10% earned over \$40,000.

Because of its central location within the metropolitan region, Montréal has had to assume special responsibilities in terms of social policy. It is in core cities such as Montréal that one finds cases of individuals with multiple problems, individuals who

are often rejected by society, and whose difficulties are not solely economic in nature. Homeless people, young runaways, people who have been de-institutionalized - these are but a few examples of the urban clientèle that Montréal has to accommodate.

Disparities in wealth combined with other forms of socio-economic inequality — in levels of schooling, for example — are dominant features in the social and economic profile of Montréal's population. It is a population that is polarized between a majority of people with little or very little schooling on the one hand and a sizable group of university-educated people on the other.

Montréal's Cultural and Ethnic Diversity

In 1986, nearly two out of every three people in Montréal declared French to be their mother tongue, making Montréal a predominantly francophone city. As for the English language, in 1986 it was the mother tongue of 11.7% of the population. In spite of the fact that inhabitants with English as their mother tongue are in the minority, Montréal's history, its heritage, and its social, cultural, and economic life are infused with the presence and the wealth of both linguistic communities.

But Montréal's cultural dynamics are not solely the product of the marriage of these two major groups, with all its attendant benefits and difficulties. In fact, nearly one out of every four persons in Montréal (24.1%) declares that he or she has a mother tongue other than French or English, or another one in addition to French or English. In the 1991 census, nearly 22% of the population of Montréal consisted of immigrants, coming mainly from Italy, Haiti, Greece, Portugal, and Vietnam.

Indeed, Canadian and Québec immigration policies, combined with the major international migration trends of recent years, are in the process of substantially changing the cultural face of Montréal. From the end of the Second World War up until the 1970s, most immigrants were of European origin. Most of the immigrants who arrived in the 1980s and 1990s are from developing countries.

The Montréal metropolitan area absorbs almost nine out of every ten "allophone" people immigrating to Québec. Nearly half live in the city of Montréal itself. It is clear that Montréal and its immediate environs are the ultimate destination of a large majority of immigrants arriving in Québec.

Incorporating recent immigrants into the social fabric and giving them access to economic opportunities in Québec society is a major challenge, the repercussions of which will be felt first and foremost in the city of Montréal.

2.2 *Employment*

Over the past twenty-five years, the economy of the city of Montréal has switched rapidly from a manufacturing base to a service-oriented base.

This situation can be explained not only by the strong thrust of the tertiary sector and the major downsizing operations in the "traditional" industries, but also by the fact that new manufacturing activities have been set up in the peripheral zone around the core city. This spatial shift in manufacturing activities is yet another example of the urban sprawl phenomenon that many large metropolitan areas in North America have experienced.

The city of Montréal, in 1988, provided slightly over 600,000 jobs, i.e., 45% of the 1.4 million jobs in the metropolitan area. Of these, 20% were in the secondary sector and 80% in the tertiary sector.

Tertiary Activities

The structural transformation of Montréal's economy has thus been marked by an increasing degree of "tertiarization." In 1990, tertiary activities on Montréal Island accounted for 74.5% of the total number of jobs and had attracted 81.5% of the total investments made or planned in the period from 1988 to 1990, compared to 16.8% for the manufacturing sector.

Tertiary activities focused on exporting and production are concentrated in the downtown core of Montréal. These activities enhance Montréal's role as Québec's metropolis. The tertiary sector also includes head offices, consulting firms, specialized services, and research and development centres. The sector employs over 225,000 people, accounting for nearly 40% of the jobs provided in Montréal.

Nearly 66% of the office space in the entire metropolitan area is found in Montréal's downtown core, making it one of North America's most dynamic urban centres. This economic activity supports a broad series of other economic, commercial, and cultural activities that energize Montréal's downtown.

Other tertiary activities have grown in the suburbs. Commercial activities followed the population shift and certain office activities (accounting, engineering, legal) also set up shop near new industrial locations.

The Manufacturing Sector

Supplying a little over 20% of the jobs in Montréal, the manufacturing sector occupies virtually the same rank in the core city as it does in the entire metropolitan area (see Appendix 1, Table B).

Unfortunately, the industrial sector of the city of Montréal must undergo restructuring. The older industries, often dating from the first stages of industrial development (clothing, tobacco, shipbuilding, railroad equipment, mining, metallurgy) have fallen into obsolescence. In their place have emerged more modern activities often associated with higher productivity (pharmaceutical products, aerospace and petrochemical industries), usually found in industrial areas in the suburbs.

In the context of free trade and the increasing globalization of markets, the fact that Montréal's manufacturing activities are concentrated in those areas that are most vulnerable to foreign competition has resulted in the decline of certain traditional sectors. It explains to a great extent why approximately 40,000 jobs in the manufacturing sector disappeared in Montréal between 1971 and 1986 which represents a 27% loss in these types of jobs.

The Match between Skills and Employment Opportunities

The shifts in population and in economic activity that have occurred in the metropolitan area in recent years have made the skills of a part of the labour force increasingly incompatible with employer needs. The city of Montréal has been particularly affected by this phenomenon, due to the fact that it has within its boundaries a large number of traditional industries that have been hit by large layoffs. Other factors have included computerization and the rationalization of many activities in the service industries.

The end result of this situation has been the underemployment of a labour force that is able-bodied and available but short on training, and a scarcity of qualified labour in the growth sectors (specialized business service industries, health, aerospace, etc.). In 1992, the unemployment rate rose above the 14% mark in Montréal and was over 17% in certain neighbourhoods of the city.

2.3 *Assets of the Core City*

Despite the social challenges and economic difficulties that typically beset a core city, Montreal has resources it can draw on for regeneration. The vitality of its business centre, the quality of its residential neighbourhoods, and the diversity and general affordability of its housing still exert a powerful attraction. The exceptional beauty of Montréal, with its river setting and its parks, is another major factor contributing to the distinctive sense of place that its residents enjoy.

The Vitality and Multifunctionality of the Downtown Core

Unlike the downtown areas in many other North American cities, Montréal's downtown core remains an active, dynamic, multifunctional, and safe place. Over a quarter of the metropolitan area's jobs are found in the downtown core, provided mainly by the upscale tertiary sector, such as company headquarters and financial institutions. Also found concentrated here are major cultural facilities and widely-influential institutions: national and international agency headquarters, universities, and health centres. In addition, it is an area that has a major residential function.

A Dynamic and Safe Urban Living Environment

Montréal's neighbourhoods contribute a great deal to the feeling among its citizens that they belong, and that the city belongs to them. For the most part residential in nature, and forming a relatively dense built environment, Montréal's neighbourhoods are vibrant places, offering a wide range of commercial and community services. Daily life in these neighbourhoods is active and rich, and each of them has its own unique atmosphere.

Montréal's residents live in neighbourhoods that offer a wide choice of housing suitable for various income groups. The varied make-up of the households and the diversified cultural origins of the inhabitants of Montréal's neighbourhoods result in a very lively and heterogeneous environment.

At the heart of a typical neighbourhood one usually finds a commercial street, along which are concentrated not only businesses but also public amenities such as schools, cultural centres, and health clinics. The quality of these services and amenities is high, and they are distributed evenly across the city.

On the whole, Montréal benefits from a positive environment, both on a social as well as on a "built" level. There is a feeling of safety both day and night, a social and ethnic mix that fosters cultural diversity, and an environment that is improving.

The Housing Stock

Montréal's housing stock consists of approximately 460,000 units. One-third of this stock dates from before 1945, the largest concentration being from 1870 to 1930. Another third was built after the war, and the last third over the last thirty years.

Compared with other North American cities, Montréal's housing stock contains a low proportion of single-family houses. Even though single-family structures account for 32% of the number of buildings, they account for only 8% of the number of units. What one sees mostly is the "plex" model: buildings of up to three storeys containing two to five units, each with a private entrance. These plex accommodations, built between the turn of the century and the early 1980s, contribute to the general quality of housing in Montréal. In plex structures, the owner usually resides on the ground floor, which makes it easy for landlord and tenant to communicate with each other. The rents charged in plexes are often lower than in other rental buildings. In 1988, there were nearly 47,000 duplexes, over 22,000 triplexes, and some 15,000 four- or five-unit multiplexes.

The preponderance of plexes notwithstanding, Montréal's housing stock is fairly diversified. The downtown neighbourhoods generally have more high-density buildings (highrise multi-unit rental buildings and row duplex/triplex models), while some sections of the city of Montréal have the texture and residential density of the suburbs with their single-family homes.

Though the residential stock is generally in good condition, it is estimated that some 50,000 units are in buildings judged to be in a poor state of repair.

While homeownership costs are higher in Montréal's downtown core than in the suburban areas (construction cost per square metre, assessment rate, etc.), the fact remains that the average price of detached houses in the Montréal area is well below that in the other main urban centres in Canada. In 1991, one would have paid an average of \$119,000 to become the owner of a detached house in Montréal, whereas the average price for such a house in Toronto was \$253,000, and in Vancouver \$248,000 — in other words, more than double.

2.4 Summary

Montréal shows signs of being a typical North American core city caught in the grip of late-20th-century social and economic problems that can be traced, in part, to the baneful effects of urban sprawl.

Nonetheless, Montréal enjoys a number of advantages over other cities of comparable size. The layout of the city allows for a balance between the downtown core and the residential neighbourhoods. The housing stock is generally in good condition and remains affordable in a variety of income ranges. The diversity of high-quality services and amenities, combined with an integrated transportation network, make for a choice urban living environment.

It is with these facts in mind that the City of Montréal has undertaken to develop a coherent set of strategies in the areas of urban planning, housing, and economic development.

The following section of this report presents a summary look at the content of these strategies, with an emphasis on specific measures that have been adopted by the City of Montréal in the area of housing.

3. STRATEGIC OBJECTIVES

In response to the host of problems facing it, Montréal has put in place an integrated series of counter-measures. Thus, numerous programs designed to stimulate the development of the core city have been proposed, including the purchase and development of sites, renovation of the residential stock, renewal of older manufacturing zones, the creation of new industrial parks, the revitalization of commercial arteries, and protection of the architectural heritage.

This pro-active approach to rejuvenating Montréal's urban functions and enhancing its attractiveness to the population as well as to businesses was carried out with the agreement and support of various players.

With the aim of achieving success in a sustainable way, Montréal has put forward integrated solutions designed to enhance the assets it already has, as a means of preserving the vitality of the city.

3.1 Overall Objectives of the Master Plan

For the first time in its modern history, the City of Montréal has adopted a Master Plan that sets forth the directions and strategies for urban planning and development in Montréal. The Master Plan, in the vision that it proposes for Montréal, has four main objectives.

Reinforcing Montréal's Role as a Metropolis

Montréal's influence, in Québec as well as on a continental and international scale, is a source of collective wealth and an important precondition for growth.

Various measures strengthen the central business district and ensure its expansion. The particular growth requirements of institutions of research and higher education will be taken into consideration. The Master Plan outlines particular strategies to consolidate Montréal's presence on the international scene. As well, the Master Plan provides for measures to augment the cultural role of the downtown core.

Ensuring a Diversity of Economic Activities

In scarcely two generations, Montréal has gone from an industrial economy to a service economy. This means that Montréal is faced with two challenges.

First, it must develop the service industries and provide the conditions necessary for their further growth. Second, the City must consolidate the existing industrial base: the manufacturing sector is still an important source of employment, and industrial and manufacturing activities contribute to fuelling the growth of the commercial service industries.

Enhancing the Quality of Residential Neighbourhoods

The quality of residential life in Montréal is a function of the wide diversity of housing types among its 460,000 units (1991). But one lives not just in a unit, but in a neighbourhood, and this is why housing goals overlap with goals relating to the enhancement of the quality of residential neighbourhoods.

The Master Plan deals with two major challenges. First, the population wants to live in areas that have a varied supply of housing and a full range of amenities. Second, the urban residential environment must conform to certain standards of quality (comfort, peace and quiet, safety, health, natural surroundings, etc.).

In spite of their age, most units in Montréal are in good if not excellent condition. This fortunate situation is attributable to the fact that homeowners make a good effort at maintaining their properties, and to the fact that financial assistance for renovation work has been a tradition in Montréal for a number of years now. As a result, the quality of Montréal's housing units has increased substantially since the beginning of the 1970s.

In support of this, the Master Plan defines measures intended to consolidate Montréal's built environment: increasing the number of units; renovating existing stock; and consolidating and maintaining community services and amenities (shops, parks, schools, health clinics, recreational facilities). The Master Plan also provides for measures intended to improve the residential environment: creation of reserved bus lanes, elimination of harmful or incompatible land uses, mass planting of trees, etc.

Improving Montréal's Urban Environment

The approach of the Master Plan to improving the urban environment is based on the conservation of natural resources and the reduction of the impact of urban activities on the quality of water, air, and soil.

The principle measures focus on the integrated management of garbage and snow removal, the creation of green spaces, the mass planting of trees, and priority attention to urban transit.

3.2 *Housing Policies and Programs*

While it was developing its first Master Plan, the City of Montréal undertook the preparation of a sectoral housing policy that was adopted by the Municipal Council on September 19 1990 under the name "Habiter Montréal" ("Living in Montréal").

By adopting such a policy — something the governments in Québec City and Ottawa have yet to do — the City of Montréal has led the way in the field of housing by establishing benchmarks to guide its actions.

The decision to intervene so energetically in housing was based on the magnitude of the stakes involved and also on the City's capacity to act effectively in this field, in contrast to other fields such as employment and education. Montréal has been extensively involved in housing in the past (a subject that will be dealt with in the next chapter) and its housing policy is a natural outgrowth of earlier municipal programs.

"Habiter Montréal" was intended to be a balanced, coherent, and comprehensive policy. For the City of Montréal, economic development and social development are not incompatible. On the contrary: housing policy must deal with both the production as well as the distribution of wealth.

It is in this spirit that the City of Montréal seeks, through private development, to attract and hold onto a clientèle that generates a sufficient tax base to maintain the level of services it offers. It is also in this spirit that the City aims to integrate the various social layers comprising its population and to provide for good, affordable housing.

The Twin Objectives of the Housing Policy

The City of Montréal's housing policy has two explicit objectives:

- to promote good, affordable residential conditions for Montréal households, in an adequate environment;
- to encourage increasing control by Montréalers over their own housing.

The first objective is very broad in scope, and represents, at the same time, a commitment which is difficult to achieve, especially in light of the current state of public finances. For a start, the provision of affordable housing is a major element in municipal policy. In addition, the city aims at promoting a quality living environment for all. This can only be achieved in the long term and involves a broad series of measures that extend far beyond the housing sector.

The second objective makes it clear that ownership is the preferred housing option, be it individual or collective (cooperatives). This objective, which may seem surprising in a context where tenants clearly dominate, is understandable in light of the City's desire to offer people an alternative to moving to the suburbs, and to make it possible for those wishing to live in Montréal, especially families, to become owners of their own units. But Montréal, unlike the suburbs, does not have a large supply of inexpensive vacant lots to offer to developers and builders. This objective consequently involves looking into types of housing that are suited to Montréal's central location and which are in an affordable price range.

Implementation of the Housing Policy

These two objectives gave rise to a series of specific programs, classified under six strategies (see box below).

These programs are closely interrelated: even though they have been grouped under particular strategies, any one measure may apply to a number of strategies. Thus they complement and reinforce each other. These programs will be implemented gradually, in conjunction with the City's partners in housing matters: various levels of government, the private sector, and non-profit groups.

For the purposes of this study, three programs have been chosen as examples, and they are presented in the following section. In each case, the concrete results are highlighted, and the relationship of the program to other housing programs and strategies is explained.

Housing Policy Strategies

■ To Facilitate Both Collective and Individual Homeownership

The City of Montréal seeks to increase the possibilities for collective and individual homeownership. Its measures are aimed at diversifying the supply of residential products in order to meet the needs of households wishing to become homeowners. The City has, for example, facilitated the conversion of rental apartments into condominiums. It should be noted that under the housing policy, housing cooperatives are seen in terms both of social housing (see below) and of homeownership, since, like private homes, they enable households to better control their own residential situations.

■ To Sustain the Growth in the Residential Stock

Given the prospects of low growth in the number of households in the region and in view of the competition among municipalities and the increasingly limited number of lots, available for development, Montréal has adopted an aggressive strategy to sustain the growth of its residential stock. Residential development is seen as a means to build the city and to organize its development in a sustainable manner. In particular, Montréal wants to encourage the development of innovative approaches to meeting the needs of urban families and of other groups.

■ To Increase the Social Housing Stock

Although in principle social housing falls under the jurisdiction of the provincial and federal governments, Montréal has long encouraged the creation of social housing. Successive budget cuts by these governments are making municipal action in this area all the more necessary. The City exerts pressure, in particular, to ensure that current government budget levels are maintained and that programs are adapted to local needs. Moreover, through new real estate policies and new production and financing techniques, it seeks to optimize the budgets allocated for social housing.

■ To Preserve and Upgrade the Residential Heritage

Under this strategy, the focus is not so much on architectural heritage as on the value of rental properties as sources of good, quality affordable housing. The measures being taken are aimed at dealing with deteriorating properties while at the same time holding rent increases to a minimum and enabling people to stay where they are.

■ To Promote a Quality Residential Environment

The City of Montréal seeks to promote a quality residential environment, adapted to the diverse realities of Montréal. To this end, measures in the area of housing will be reinforced by a broad range of municipal actions that bear on the quality of the residential environment. These actions must take into account the diversity of neighbourhoods and their distinctive characteristics — things that define the essence of life in Montréal.

■ To Enable People to Stay Where They Are

Though some moves are normal and inevitable, the housing policy seeks to limit sudden and undesirable changes in the residents' environment and to see to it that housing units and the residential environment remain adaptable to the households evolving needs.

4. EXAMPLES OF HOUSING POLICIES AND PROGRAMS IN FORCE

4.1 Support for Private Residential Development: Operation "Habiter Montréal"

Faced with the rapid growth of the suburbs and the increasing appeal of the suburbs to Montréal households wishing to own a home, the City of Montréal has adopted a dynamic strategy to sustain the growth of its residential stock. One important element of this strategy is Operation "Habiter Montréal," which was established in 1990. Under this program, the City conveys its own lots, through proposal calls, to private or non-profit builders, with the understanding that the builders will build projects based on the City's specifications.

Background

Operation "Habiter Montréal" is a modified version of a program that the City launched in the late 1970s under the name Operation "20,000 Units."

At that time, housing starts within the boundaries of the city of Montréal were practically nonexistent. Extremely concerned by the massive exodus of more than 235,000 residents during the 1970s, municipal authorities in September 1979 embarked on a large-scale operation to interest residential builders in the supply of lots in the city's land bank by making these lots available under very attractive terms.²

Virtually all units built during the 1970s were rental units — mainly bachelor and one-bedroom apartments — whereas most of the people who left for the suburbs were families looking for single-family houses.

Operation "20,000 Units" was very successful. In all, some 19,000 units were built under this initiative, representing nearly 40% of all housing starts registered in Montréal between 1980 and 1988. Between 1979 and 1982, the City's share of total regional housing starts went from 13% to 35%.

2. This section stresses, above all, the partnership that the City attempted to establish with the private sector in Operation "20,000 Units." It should be noted, however, that one-third of the actual production under this operation was in the form of low-rent housing units, housing cooperatives, and housing managed by non-profit organizations.

Objectives

Despite the City's success, towards the end of the 1980s there was a noticeable increase in urban sprawl, abetted by government dezoning of agricultural land, grants for infrastructure, construction of expressways, and assistance to homeowners. The popularity of the suburbs grew apace, and Montréal's share in total regional housing starts declined.

In 1990, the City of Montreal revised and improved the Operation "20,000 Units" formula and renamed it Operation "Habiter Montréal." Like the earlier Operation "20,000 Units", this program is targeted at rental households interested in switching over to homeownership and seeks to offer them varied and affordable alternatives to the suburban home. The new program puts greater emphasis on the construction of affordable units for varied clientèles, with the accent more on quality than on quantity. Through Operation "Habiter Montréal" the City aims to showcase innovative approaches, in order to prove their viability and stimulate the private sector to explore them further. Also, under Operation "Habiter Montréal" a special effort is being made to promote the residential function of the downtown core.

Terms and Conditions

To achieve its new objectives, the City prepares a detailed call for proposals for each site conveyed or sold. A development program is drawn up for each lot, taking into account the architectural context and market conditions of the area involved, as well as housing policy objectives, in particular the City's interest in promoting homeownership.

Depending on the lots involved, the program could include regulations governing the type of building and type of tenure (single-family, row-house, or condominium models, with or without access to private or shared yard), density (number of buildings, number of units and storeys, set-backs), unit price, architectural style, and compatibility of new buildings with their urban surroundings (size of units, exterior façades).

The price offered for the land is not taken into consideration when the lots are granted. In fact, the lot price is fixed from the outset, and is generally close to market value. The proposals submitted by teams of builders and architects are reviewed by a committee of municipal officials and are assessed in terms of their compliance with the development program, the quality of the buildings and units, and the degree to which the project fits into the surrounding neighbourhood. The lot is then offered to the builder whose proposal has been judged the best.

There are many advantages for builders who submit proposals under Operation "Habiter Montréal." The development programs drawn up by the City prescribe sufficient densities to make the projects profitable. The programs override existing municipal by-laws and are often more lenient. All of which is to the builder's advantage, as he does not have to make representations to have the zoning or other by-laws modified.

In addition, the terms of payment are attractive for the builder. Only 5% of the cost of the lot is required at the time of sale. The remainder is not required until 50% of the units built on each site are sold or rented. This procedure helps to reduce the costs associated with the development of new forms of housing and with the location of certain projects, such as in the downtown core.

Market studies are conducted for the larger sites, allowing the builders to better target their projects. Municipal departments provide technical and administrative help with the tracking of applications for permits or zoning changes, infrastructure, grant programs, etc. Moreover, the City of Montréal takes an active role in promoting the projects selected.

An Example: Cité-Jardin Fonteneau

Some of the projects built under the first phase of Operation "Habiter Montréal" have left their mark on the residential market in Montréal and are now regarded by housing specialists as benchmark projects. A case in point is the "Cité-Jardin Fonteneau," which resulted from a proposal call issued in February 1991; it has won several awards, and has turned out to be remarkably successful from a commercial standpoint at a time when activity on the housing market was very slow.

When the project first got underway, the housing market was dominated by first-time buyers, most of whom were Montréal tenants looking for single-family houses. Given the high cost of land in Montréal, making a profit required building higher-density projects, for which the demand was weak.

In the development program returned for "Cité-Jardin Fonteneau" the City of Montréal recommended that the builders consider a new model developed by two researchers at McGill University, Witold Rybczynski and Avi Freedman. Their "Grow Home," with its 4.26-metre façade, was offered as a possible way to produce affordable units for young families.

The winning proposal, developed by architects Aurèle Cardinal and Michel Hardy, consists of 110 single-family semi-detached or row houses, each with access to a private back yard, a very important feature for the North American buyer. These narrow houses make use of an unadorned and open style of architecture. It is a concept that reduces construction costs considerably, at the same time that it allows users to decide for themselves how to best use the space in the houses, according to their own needs. Nevertheless, these are spacious houses, with floor areas of nearly 150 square metres. A number of them include finished or unfinished attics. Over 60% of the units have a private parking space, another feature that is very popular among the project's targeted clients.

The inspiration behind "Cité-Jardin Fonteneau" was the idea of the garden project. An integrated network of yards and tree-lined paths was designed, with gardens featuring various themes. To minimize infrastructure costs, and in order to increase the open spaces, the width of certain streets was reduced. Some 85% of the houses sold for \$93,000 to \$125,000, a very affordable price range for the Montréal market.

The Architectural Signature of Operation "20,000 Units"

Although the kinds of buildings produced under Operation "20,000 Units" varied from one site to another, there was nevertheless a concentration on a few typical architectural models. One innovation of this program was the introduction into the Montréal market of condominium units in three-storey buildings, based on duplex and triplex architecture. These models were not only repeated time and again within the Operation "20,000 Units" program, but were also copied by a number of housing developers both in Montréal and in the suburbs. In this manner Operation "20,000 Units" provided a benchmark, leaving ripple effects through the 1980s in a large number of projects in the Montréal metropolitan area. Its architectural signature has become unmistakable.

4.2 Renovation Assistance Program

Montréal has a long tradition of providing municipal assistance for renovations. As was mentioned above, the main focus of municipal assistance is not so much on architectural values as on upgrading housing conditions. Montréal is concerned with maintaining the quality of its rental units as important sources of affordable housing that need to be preserved.

Background

Like all large cities in the western world, Montréal in the mid-1960s was facing serious problems of unfit, deteriorating housing and neighbourhoods. Conscious of the mistakes made in earlier urban renovation projects (such as the massive demolition of buildings in poor repair), the social and urban repercussions of which were widely criticized in the early 1960s, the City of Montréal opted for the renovation and rehabilitation approach.

Starting in 1968, the City adopted a Housing Code and initiated programs of assistance for renovations, with the emphasis on conservation and rehabilitation. While the Housing Code was used as an instrument to require owners of rental units to comply with public health and safety standards, the assistance programs were designed to rehabilitate buildings in need of major repairs at costs below replacement costs.

At that time, the City of Montréal acted alone: the provincial and federal governments did not become involved in assistance for renovations until 1973 and 1976 respectively. To start with, assistance was limited to just 25% of the value of eligible work. Later, the municipal programs were enhanced by contributions from the governments of Québec and Canada.

Since 1989, the federal government has no longer been subsidizing renovation work on rental buildings. The City has maintained its commitment, however, and is now responsible for delivery of the province's renovation program for rental buildings (known by its French acronym, PRIL). The City administers this program within its own boundaries and has also enhanced it with additional grants.

The main shortcoming of the earlier subsidized renovation initiatives (i.e., prior to 1987) was in the repercussions that often affected the existing tenants: insufficient assistance for moving, difficulty finding affordable units for the duration of the renovation work, and post-renovation rent increases that often made it impossible for modest-income tenants to return to their units once the work was completed. This is why the City of Montréal introduced major changes to its Renovation Assistance Program in 1987, to facilitate the return of tenants to their units after the completion of renovations.

Objectives

With the changes made in 1987, the City sought to reduce the effects of subsidized renovation on the costs of housing. The City of Montréal thus brought its renovation program in line with the objectives of its housing policy: to preserve the affordable rental housing stock in Montréal, encourage its upgrading, and promote the idea of keeping people in their units and neighbourhoods.

Impact of Renovations on Tenants and Rents

The principal instrument that is employed to limit the impact of renovations on rents is the grant amount. To obtain financial assistance, the owner must produce an agreement, signed by a majority of the tenants, on the type of work to be executed, the moving arrangements involved, compensation for temporary accommodations, and the post-renovation rent levels.

The owner must undertake to respect the program's conditions, particularly those concerning the post-renovation rents. Rent control is exercised over a five-year period. Should the owner sell, the new owner must undertake to respect the same conditions.

If the renovation work requires that tenants leave their units for a period of time, it is mandatory that a portion of the grant be paid to them to assist in covering temporary housing costs.

In addition to financial assistance, the City of Montréal staff, in conjunction with community organizations, offers an information and assistance service to ensure that owners and tenants alike are well informed of their respective rights and obligations.

Terms and Conditions

Since the abolition of the Federal government's assistance program, the Société d'habitation du Québec (SHQ) has taken over and implemented a subsidy program to assist in the renovation of rental buildings (PRIL). The City of Montréal and the Société d'habitation du Québec have thus pooled their respective programs. This combination makes it possible for the owners of rental buildings in Montréal to obtain easier access to financial assistance. Within its own boundaries, the City takes full charge of administering the province's renovation program for rental buildings (PRIL), and it enhances this program with its own grants. Only one grant application is necessary, and the regulations and administrative procedures have been simplified.

All owners of rental buildings and rooming houses, as well as housing cooperatives and other non-profit organizations, are able to take advantage of grants. To be eligible, the building has to require work to correct defects in one of the following areas: structural, electrical, plumbing, heating, or fire safety.

Financial assistance varies, depending of the size of the unit, the rent, and the cost of the work. Owners of private rental units are assured of aid covering at least 50% of the eligible work. The maximum amount of assistance is \$12,000 per private two-bedroom unit and \$15,000 per private unit with three or more bedrooms.

For renovation work on rooming houses, housing cooperatives, or buildings managed by non-profit organizations, assistance can be as high as 90% of the eligible work, up to a maximum of \$10,800 per bedroom and \$21,600 per unit with two or more bedrooms. The post-renovation rent increase is practically nil.

Renovation of Rooming Houses

One of the most remarkable results of municipal assistance to renovation relates to rooming houses. In the wake of the International Year of Shelter for the Homeless (1987), Montréal modified its grant program in order to promote the renovation of this type of housing, which is used by the homeless and the disadvantaged. Financial assistance for renovating rooming houses could cover as much as 90% of the eligible work. The City similarly subsidized the transformation of non-residential buildings into rooming houses (the conversion component of the program was phased out in 1990).

These grants have assisted in stemming the recent decline in the number of rooming houses. Many owners opted to keep and renovate their rooming houses, and some operators of unreported rooming houses came out into the open in order to take advantage of the grants. Virtually the entire rooming house stock, which had been plagued with health and safety problems, has been upgraded to comply with standards.

Results

Originally, the aim of the municipal assistance programs was to compensate for market deficiencies and to encourage investment in older neighbourhoods. As far as the conservation and improvement of the existing stock is concerned, this commitment is unwavering. The market has improved substantially, and owners are increasingly acting like investors. The current popularity of older neighbourhoods and the downtown core has actually resulted in an increased demand for renovated housing units.

Since 1988, the program has focused mainly on low-rent buildings and has set conditions to limit the repercussions of renovation costs on tenants' rents. As well, tenants are able to return to their original units once the work is completed.

The economic impact of all this is clearly enormous. Between 1969 and 1993, Montréal invested \$169.2 million in renovating 28,578 units and 4,382 rooming-house units, and in demolishing 26,483 outbuildings (coal sheds). Over the same period, the provincial and federal governments came up with contributions for renovations in Montréal totalling \$113.6 million and \$43.6 million respectively. The 1992 grants are estimated to have generated over \$65 million in renovation work and to have created nearly 3,000 jobs.

The Société d'habitation et de développement de Montréal

Renovation assistance from the City makes it possible for the Société d'habitation et de développement de Montréal (SHDM), a paramunicipal corporation, to renovate the rental properties it acquires, thus facilitating their transfer to reidents, in the form of housing cooperatives, or to non-profit organizations.

The program to acquire rental units (known by its French acronym, PALL) aims at providing modest-income households with the opportunity to take control of their own housing conditions. Compared with the Montréal population as a whole, these households tend to be younger and to include a higher proportion of immigrants and families with children. PALL is also used to acquire problem-ridden buildings, some of which are used by organized crime for the sale and consumption of drugs.

With the help of municipal grants, SHDM also acquires and renovates rooming houses, as a means of increasing the level of resources directed at the homeless and at other disadvantaged persons.

In both cases, the renovation grants are augmented by municipal downpayment assistance when the actual sales are concluded. This makes the City of Montréal one of the few municipalities in Canada to take such direct action in the development of social housing. From 1988 to 1992, the SHDM acquired 3,176 units.

GRANTS FOR RESIDENTIAL RENOVATIONS (1987—1991)

	Grants for restoration				Grants for transformations				Demolition and rebuilding				Demolition and removal		Total budget for renovations
	New units underway		Municipal budget		Units under-way		Municipal budget		Units under-way		Municipal budget		Units under way	Muni-cipal budget	
	U	BR			U	BR									
1987	715	459	4 900 000		-	-	500 000		97		3 600 000		1 259	4 000 000	13 000 000
1988	972	1392	4 371 400		1	232	4 351 300		19		701 000		1 252	3 803 700	13 227 500
1989	1013	935	5 810 000		38	492	4 270 400		-		300 000		991	1 759 600	12 140 600
1990	934	352	11 140 635		23	43	4 799 436		-		122 800		787	2 799 118	18 861 989
1991	2204	357	17 368 838		-	-	-		-		-		783	2 245 724	19 614 562

U = number of units
BR = number of bedrooms

4.3 *Housing in the Downtown Core*

In comparison with other North American cities, Montréal's downtown core serves an important residential function. Its population, after having declined between 1960 and 1980, has been holding steady at about 50,000, and is concentrated in very specific areas. This population contributes to the lively, dynamic nature of the downtown area as well as to its safety.

Through the adoption of Montréal's Master Plan and the Master Plan for the Ville-Marie District, the City of Montréal clearly expresses its political will to develop housing in the downtown core.

By increasing the number of units in the downtown core, the City hopes to meet the housing needs of the many workers, students, managers, and professionals whose daily lives are based there. This would allow for some proximity between one's place of residence and place of work or study — a considerable benefit. Increasing the number of residents would relieve some of the pressures on the transportation systems servicing the downtown area and would ensure a human presence there outside of office or business hours. Lastly, Montréal hopes to gradually eliminate the vacant lots in the downtown area. The number of new units that could potentially be brought onstream is estimated to be about 10,000.

A large number of vacant lots and areas remain to be developed. Development is proceeding in stages and within costs considered reasonable by the City. With very few exceptions, the areas in question are already serviced by infrastructure. Their development will generate additional revenue for the municipality without the City having to make major investments, as would be the case in new residential areas.

To encourage the development of housing in Montréal's downtown core, a number of strategies have been implemented simultaneously. These include:

- revising the by-laws;
- developing certain sites under Operation "Habiter Montréal" and through measures taken by paramunicipal corporations;
- developing the public domain;
- fiscal incentives for those buying residential units in the downtown core.

Revising the By-Law Framework

Following the adoption of Montréal's first Master Plan, the zoning and by-laws for the downtown core were revised. This exercise presented an opportunity to remove discriminatory regulations that dictated lower density ceilings for residential projects than for other activities in the downtown. As a result, housing is now the dominant function in a number of areas. A procedure to allow conditional uses will facilitate the introduction of small businesses and resident-support services into the neighbourhood.

Development of Sites under Operation "Habiter Montréal" and by Paramunicipal Corporations

In recent years, the City has acquired a number of vacant lots in the downtown core, in what is called the "faubourgs," the areas where the original "suburbs" of the formerly walled Montréal had sprung up. This action by the City has made it possible to reassemble land within the three faubourgs (Québec, Saint-Laurent, and des Récollets), which are now being offered to developers through Operation "Habiter Montréal" or through the activities of paramunicipal corporations. These corporations have greater administrative flexibility than the municipal departments, but the way in which they encourage the development of the faubourgs is not unlike the strategy adopted by Operation "Habiter Montréal": selling lots to the private sector, through proposal calls, for residential development purposes.

In addition to sustaining the development of the faubourgs, the paramunicipal corporations and the City, through Operation "Habiter Montréal," promote the downtown core as a quality residential environment. Together, these three faubourgs represent a potential of nearly 5,000 units. Their development, which will be staged over ten years, should confirm the viability of the downtown core as a residential area, which, in turn, should have a spin-off effect for the owners of other lots in the downtown core.

Public Investment in the Downtown Core

Development of public lands is another strategy adopted by the City to sustain residential development in the downtown core. The Master Plan proposes the creation of public spaces to improve residential areas and to encourage neighbourliness.

For example, the City of Montréal has undertaken work in the order of \$8 million to support the development of Faubourg Saint-Laurent. This sum is being used to improve public property, to put in new streets and sidewalks, to plant trees and shrubs, and to create a new public square, the "Place de la Paix."

Tax Incentives

Since 1990, Montréal has offered tax rebates of \$5,000, over five years, to the purchasers of new houses or condominiums within the city boundaries. The "Crédit-Proprio" program, as it is called, was modified in 1993 to further encourage residential development in the downtown core. The tax rebate is now \$2,000 for the entire city, with the exception of the downtown core, where buyers of new units may receive property tax refunds of up to \$10,000 over three years. This program is open to any purchaser of a new principal residence in Montréal, regardless of price. The residence may be a single-family house, a condominium or plex unit, or a unit resulting from the transformation of a non-residential building. The program has had a marked effect on sales for projects that are planned or underway.

Housing starts forseen for 1994 in the three faubourgs and on other sites in the downtown core could mean as many as 1,000 new units.

Faubourg Québec

The idea behind Faubourg Québec is to set up a complete neighbourhood on a site along the St. Lawrence River immediately to the east of Old Montréal. Its first major impact will be the development of nearly 100,000 square metres of land that was formerly used as a railroad shunting yard and then left "fallow" for many years. The Société d'habitation et de développement de Montréal, the coordinator of the project, was responsible for planning this initiative. The residences will open onto large yards with restricted access. Public spaces will encourage pedestrian traffic and afford excellent views of the River and its islands. Faubourg Québec will make a special effort to integrate a diversified clientèle in various types of housing with varying types of tenure, at prices ranging from \$95,000 to over \$200,000. The 5,000 new residents in Faubourg Québec, together with the 2,000 residents of Old Montréal, should form a critical mass of sufficient magnitude to attract services and businesses to the area. A private builder was chosen to carry out the first 275-unit phase, scheduled for delivery in 1994. The entire project is to include nearly 2,000 units.

5. CONCLUSION

Montréal's course of development over the past two decades illustrates very well the challenges facing many core cities in large metropolitan areas. The main trends in development, which have been traced briefly in this report, are typical of large North American cities hit by the effects of urban sprawl.

Although Montréal's population includes a wide range of income groups, the city contains a higher concentration of poor people than the regional average. Its population is also older, and there is a higher proportion of non-traditional households. These phenomena can be traced mainly to the drop in the birth rate and to the exodus of many young households from the core city to the suburbs during the 1960s and 1970s.

The globalization of the world economy and competition from developing countries has had a shattering effect on the traditional economic structures of this old industrial city. Furthermore, the city's newer industrial complexes have been set up along highway arteries, mainly in the suburbs. Jobs have thus been moved or eliminated, leaving a part of the population chronically unemployed.

There are, nevertheless, certain assets to Montréal that can counteract these strong trends. The central business district and large institutions of post-secondary education, research, and health constitute a major source of jobs and a vital economic base for the service industries. The quality of life in the residential neighbourhoods, the degree of safety, and the wide availability of commercial services and public amenities, continue to satisfy and attract residents.

The City of Montréal has developed three integrated policy approaches in the areas of urban planning, housing, and economic development, in order to capitalize on these assets and ensure the economic and social development of the city. The basic objectives of these three policies are to maintain an active and dynamic resident population, to improve the quality of the urban environment, and to ensure affordable housing for all.

In light of the specific jurisdictional powers of municipalities in the Canadian and Québec context, the City of Montréal has concentrated on developing innovative measures in the area of housing, with results that speak for themselves.

By dedicating considerable efforts to the renovation of housing for over two decades, Montréal has been able to keep its housing stock in good condition. It has also succeeded in integrating its social housing within the urban fabric, thus avoiding the creation of ghettos. Over the past decade it has also succeeded in slowing down the flow of young households to the suburbs by encouraging the switch to homeownership and fostering the construction of new housing that is suited to the needs of households while still compatible with the densely-built environment of the city. Montréal is taking action to increase the population in the downtown core and at the same time meet the needs of various income groups. Additional measures are aimed at increasing the stock of social housing, preserving and upgrading the residential heritage, and enabling people to stay where they are.

All of these housing strategies are tied to other measures aimed at maintaining a quality residential environment.

Montréal's experience does not provide the answers to the problems facing all other core cities in metropolitan areas, but it does show that governments and municipalities can play a decisive role in reversing certain trends and making our large cities more viable.

APPENDIX 1: POPULATION AND JOB STATISTICS

TABLE A: POPULATION OF MONTRÉAL
(in 1000s)

	1971	1981	1986	1991
City of Montréal	1,254	1,019	1,015	1,018
Montréal Urban Community	1,959	1,760	1,753	1,776
Metropolitan Region	2,743	2,828	2,921	3,127
Québec	6,027	6,438	6,532	6,896
City's Percentage in Urban Community	64.0	57.9	57.9	57.3
City's Percentage in Metropolitan Region	45.7	36.0	34.8	32.6
City's Percentage in Québec	20.8	15.8	15.5	14.8

TABLE B: EMPLOYMENT BY SECTOR

CITY OF MONTRÉAL

	1971		1986	
	(in 1000s)	%	(in 1000s)	%
Primary Sector	1,335	0.3	1,890	0.4
Secondary Sector	155,750	29.8	129,035	25.7
Manufacturing	133,320	(25.5)	109,450	(21.8)
Tertiary Sector	311,055	59.5	371,275	73.9
Transport, communication, public service	46,965	(9.0)	38,605	(7.7)
Commerce	74,605	(14.3)	82,350	(16.4)
Finance, insurance	27,300	(5.2)	29,725	(5.9)
Social, cultural, commercial services	134,830	(25.8)	192,110	(38.2)
Public administration	27,355	(5.2)	28,485	(5.7)
Miscellaneous	54,294	10.4		
Total	522,435	100.0	502,200	100.0

METROPOLITAN REGION

	1971		1986	
	(in 1000s)	%	(in 1000s)	%
Primary Sector	6,005	0.6	10,680	0.7
Secondary Sector	327,600	30.3	381,380	26.0
Manufacturing	276,650	(25.6)	310,705	(21.2)
Tertiary Sector	646,070	59.8	1,075,290	73.3
Transport, communication, public service	102,805	(9.5)		(9.0)
Commerce	101,550	(14.9)	132,260	(18.6)
Finance, insurance	61,505	(5.7)	272,335	(6.4)
Social, cultural, commercial services	264,205	(24.5)	94,595	(33.7)
Public administration	56,005	(5.2)	493,880	(5.6)
			82,220	
Miscellaneous	100,110	8.7		
Total	1,079,785	100.0	1,467,350	100.0

APPENDIX 2: MUNICIPAL HOUSING ACTION

MUNICIPAL HOUSING ACTION

Municipal Housing Office

The Office is a parapublic non-profit organization created at the City of Montréal's request under the "Loi de la Société d'habitation du Québec", Québec's housing corporation law. Through this intermediary, the City builds and manages housing where rent is set according to tenant's incomes and destined for low-income households. By the end of 1991, the Office provided housing for some 28,000 people in over 17,400 units.

Montréal Housing and Development Corporation

Through SHDM, its housing and development corporation, the City undertakes, alone or in cooperation with private and non-profit organizations, projects which meet municipal housing needs and are complementary to private housing projects. SHDM supports the development of affordable housing for households which cannot afford ownership. It also encourages households to take charge of their housing through cooperative projects. At the end of 1991, SHDM had 4,889 residential units (including 261 rooms) spread throughout Montréal.

The Acquisition Program for Cooperative and Non-profit Groups

This program, which is implemented by the SHDM, consists of investing \$4.1 million over three years in the form of a loan to the Fonds d'investissement social en habitation and the Fédération des coopératives d'habitation de l'île de Montréal, in order to offer Montréal's co-ops and non-profit organizations favourable borrowing terms. This also helps these organizations to participate in assistance programs offered by the Canada Mortgage and Housing Corporation (CMHC) and the Société d'habitation du Québec (SHQ).

The Acquisition Program for Rental Units

Since October 1989, this program has allowed the SHDM to acquire rental buildings, and renovate them by taking advantage of renovation subsidies. The City participates in the funding required for each building and by doing so lowers the capital return required by \$75 per month per unit over ten years. Units acquired this way can be transferred to tenants in cooperative and non-profit groups. This program provides subsidies for the purchase and renovation of buildings in neighbourhoods where there is little or no vacant land. The objectives are to provide for the possibility of co-operative ownership of quality housing at an affordable price; to preserve and improve existing housing; and to make it easier for households to remain in their neighbourhoods. As of January 1993 approximately 2,900 units had been acquired.

The Rooming House Acquisition Program

In 1989, the City established an acquisition program for rooming houses in need of repair. Purchased by SHDM, the rooms benefit from renovation subsidies, and are eventually turned over to non-profit organizations. This program helps make housing available to the homeless. As of January 1993 a total of 436 rooms had been acquired.

The Municipal Renovation Subsidy Program

The City and the provincial housing corporation, the Société d'habitation du Québec, have combined their subsidy programs for the renovation of rented housing and rooming houses. The City manages the provincial rental renovation program (Programme provincial de rénovation d'immeubles locatifs - PRIL) on its territory, and adds its own subsidies to it. This program results from the City's participation in a federal-provincial renovation subsidy program (PARCO), and its objectives and methods are similar. The program addresses owners of rented housing and rooming houses as well as housing cooperatives and other non-profit organizations. A majority of the tenants must agree before any work can be begun. A rent regime is then enforced for a period of five years after the renovation and the maintenance of the room and housing stock and favours maintaining households in their existing environment. In 1992 a total of 2,472 units and 613 rooms were renovated.

Assistance for Shed Demolition

Through this program the city has helped eliminate a major cause of fires, as well as improved Montréal's residential quality. Nearly 26,500 sheds have been demolished since 1980.

Crédit-Proprio Program

Since December 1989, the City has offered property tax refunds for people purchasing new residences. Through this program the City seeks to facilitate new homeownership in Montréal, to increase the proportion of homeowner households, and to promote growth in the residential stock. Modified at the beginning of 1993, this program offers grants of up to \$10,000 over three years to purchasers of residences in the downtown area. In other parts of Montréal grants are for up to \$2,000. Some 2,300 households have already taken advantage of this program.

The Residential Construction Program

Started at the end of 1990, this program to encourage residential development is the successor of "Opération 20,000 logements". The City sells lots to private builders in exchange for a promise to build swiftly and in accordance with a specified development program. This program favours the construction of quality units. The projects are evaluated according to their integration into the existing environment, architectural quality and functional nature. Lots can also be reserved for projects meeting the Crédit-Proprio Program's requirements. This measure aims to encourage the construction of affordable quality housing destined for a varied clientele. Lots sold under this program represent a potential of 747 units.

Pilot Projects

The City has undertaken several "pilot" projects to test innovative housing solutions, mainly in the areas of urban development, architectural design and energy conservation. The City thus hopes to create new residential models adapted to various urban contexts, to facilitate the marketing of promising concepts and to sustain the reproduction of concepts chosen by the market. A total of 114 units have been built as part of the "Cité-Jardin Fonteneau Project" and two other projects are underway as a result of the competition "L'art de vivre en ville."

Municipal Land for Public Housing

Since 1987, the City has pursued its policy of making municipal land available to launch new projects by cooperative and non-profit organizations, subsidized by the federal and provincial governments. The municipality in this manner encourages access to collective ownership and the development of the social housing stock. From 1987 to January 1993, some 100 lots were allocated, resulting in the production of nearly 2,500 units.

Support for Infrastructure Improvements

Improving residential neighbourhoods also involves developing and maintaining the physical infrastructure. In 1992, Montréal's public works department planned and carried out projects valued at \$75 million. This work involved the construction and repair of sewers, water mains, streets, sidewalks, bridges, tunnels, signs, traffic signals, and lighting. About \$27 million was spent on street lighting alone.

The City estimates that \$2.2 billion will be required over the next ten years to maintain, modernize, and replace portions of Montréal's infrastructure. It is estimated that research and development activity could result in efficiencies that would reduce this amount by 20 percent.

APPENDIX 3: DOCUMENTS CONSULTED

DOCUMENTS CONSULTÉS

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