AGENDA

COUNCIL WORKSHOP

Monday, January 28, 2013
7:00 p.m.
Committee Room, Municipal Hall
355 West Queens Road,
North Vancouver, BC

Council Members:
Mayor Richard Walton
Councillor Roger Bassam
Councillor Robin Hicks
Councillor Mike Little
Councillor Doug MacKay-Dunn
Councillor Lisa Muri
Councillor Alan Nixon

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DISTRICT

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District of North Vancouver
355 West Queens Road
North Vancouver, BC, Canada V7N 4N5
604-990-2311
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COUNCIL WORKSHOP

7:00 p.m.
January 28, 2013
Committee Room, Municipal Hall
355 West Queens Road, North Vancouver

AGENDA

1. Opening by the Mayor

2. Metro Vancouver Presentation "What Works: Affordable Housing Initiatives in Metro Vancouver" **p. 7-72**
File No. 13.6480.30/003.000

Presentation: Janet Kreda, Senior Housing Planner, Metro Vancouver and Margaret Eberle, Senior Housing Planner, Metro Vancouver

3. Adjournment

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REPORTS

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NORTH VANCOUVER
DISTRICT

Memo

January 7, 2013
File: 13.6480.30/003.000

TO: Mayor and Council

FROM: Phil Chapman
Social Planner

SUBJECT: Metro Vancouver Presentation on January 28th, 2013 - "What Works: Affordable Housing Initiatives in Metro Vancouver"

Attached to this memo are two information reports items as background to the above mentioned Council workshop. The first pertains to background material on the market and non-market multi-family housing situation in Greater Vancouver and, more particularly, in the District of North Vancouver. The second attachment is the Metro Vancouver's new publication "What Works: Affordable Housing Initiatives in Metro Vancouver Municipalities".

Attachment 1 provides a District staff summary that outlines three recent housing studies: a) the first outlines the future demand for new rental and low income rental housing as estimated by the BC Non-Profit Housing Association; b) the second provides a risk analysis undertaken by Coriolis Consulting/Metro Vancouver of the District's existing purpose built market rental housing; and c) the third study identifies the potential problem in the non-market housing sector as Provincial operating subsidies expire over the next 10-15 years. Together these three studies identify several key issues and challenges facing this municipality and many others in the region if existing affordable market and non-market rental housing is to be retained and additional housing is to be provided to meet current deficiencies and new housing demands by new residents in the coming years as both the region and the District grow.

These reports are provided here as background to the presentation to Council by Metro Vancouver staff on some of the tools available to local governments to address the issues pertaining to housing outlined in these studies. These tools are presented in a new Metro Vancouver publication entitled "What Works: Affordable Housing Initiatives in Metro Vancouver Municipalities". This work stems from Metro Vancouver's "Regional Affordable Housing Strategy" adopted by the Metro Board in 2007 and the "Regional Growth Strategy" adopted by this municipality in March, 2011.

The publication focuses on the role of local governments and their important leadership with respect to the planning and provision of affordable housing. The booklet highlights the planning tools available to municipalities, assesses their costs and benefits in successfully achieving affordable housing and examines in detail 12 housing projects to identify the lessons learned by the municipalities involved. The report is attached for Council's review as Attachment 2 and Ms. Janet Kreda and Ms. Margaret Eberle, Senior Housing Planners from Metro Vancouver will present the report and lead the discussion that may follow. The report was presented to the Metro Housing Committee of the Regional Board, of which Mayor Walton is a member, at its November meeting. It was suggested at that time that District Council may be interested in the report for information.

It is intended that the discussion at this workshop focus on the "What Works" document and takes advantage of the extensive expertise of the Metro staff in this area of housing while they are available. District Planning staff could make further presentations to Council on the three background studies referenced in Attachment 1 at a future workshop if Council wished. This information may assist in the development of housing action plans and strategies as part of implementation of the District's new OCP.

Phil Chapman
Social Planner

Attachment 1- Staff Information Report – "Future Rental Demands, Rental Housing Risks and Expiring Social Housing Agreements." January 3, 2013. CDNV DISTRICT HALL-#1950092-V3Future Rental Demand, Rental Housing Risk and Expiring Agreements

Attachment 2- Metro Vancouver Publication- "What Works: Affordable Housing Initiatives in Metro Vancouver Municipalities." September, 2012. http://www.metrovancouver.org/planning/development/housingdiversity/WhatWorksDocs/1267_WhatWorks_LR.pdf

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Attachment 1

Future Rental Demands, Rental Housing Risks and Expiring Social Housing Agreements- Summary of Recent Metro Vancouver and BC Non-Profit Housing Association Reports

District staff has received three reports from outside agencies that have direct bearing on the current and future market and social housing stock of the municipality. These reports are:

1. "Our Home, Our Future: Projections of Rental Housing Demand and Core Housing Need." by the British Columbia Non-Profit Housing Association. September, 2012.
2. "Metro Vancouver Purpose Built Rental Housing Inventory and Risk Analysis-Profile for the District of North Vancouver." by Coriolis Consulting for Metro Vancouver. May, 2012 and.
3. Metro Vancouver extract of "Expiring Social Housing Agreements" by the British Columbia Non-Profit Housing Association. September, 2012.

This memo aims to provide a short synopsis of these reports as well as the potential implications for both market and non-market housing in the District for Council's information. These reports also serve as background material for the presentation Metro Vancouver Planning staff will provide Council on January 28th, 2013 regarding the publication entitled "What Works: Affordable Housing Initiatives in Metro Municipalities".

SUMMARY: Projections of future demand for rental and core need housing, development pressures on aging rental stock and the eventual expiration of social housing agreements as documented in the three reports serve to add to our existing challenges in trying to provide affordable market and non-market housing. The ability of the market, of the non-profit organizations and of government at the local level to continue to provide affordable housing in the future will require the use of many new, creative and non-traditional tools and roles to succeed. At the municipal level many of these tools and roles will be reflected in the forthcoming Town and Village Centres Implementation Plans and housing strategies such as neighbourhood infill projects and backyard cottage program.

DISCUSSION: The first of these three reports provides an estimate of how much rental stock will be need over the next 25 years. The second report looks at how much of the current affordable purpose built rental stock might be lost in the next 10 years and the third report outlines the potential problems current non-profit housing organizations will be facing as their operating agreements expire over the next 40 years.

1. **Our Home, Our Future: Projections of Rental Housing Demand and Core Housing Need.** View report from the BC Non-Profit Housing Association at : http://www.bcnpha.ca/media/BC_Need_and_Demand_Reports/15_Greater_Vancouver_120921.pdf
   This report provides an assessment of rental and core housing demand for all regions of the Province. The Report projects a provincial rental housing demand increase of up to 36% over the next 25 years. More than two-thirds of that demand will be in Greater Vancouver. For renters unable to afford market rents, the projected increase is up to 43% over the same period. The projected increases come at a time of low vacancy rates for market rental and long wait lists for social housing.

   The report projects a demand for 150,000 new rental units in Greater Vancouver by 2036. Assuming the District constitutes approximately 3% of the regional population this would translate into a local DNV demand for 4,500 new rental units. This number exceeds the Metro Vancouver projection of an estimated 3,500 new rental units needed locally included in the Regional Growth Strategy. Using the BCNPHA report some 1500 or 1/3rd of these local units would need some form of assistance to make them affordable. This compares with the Metro Vancouver estimate for an additional 2500 units of assisted rental housing. Perhaps most germane for our municipality, the Association report projects that core housing need among senior households will increase by 120% by 2036 if their propensity to rent or own stays the same as today. This is because households in core housing need cannot afford market rents.

   ***Implication for DNV*:** The municipality will be very challenged to meet these demands especially without new Federal or Provincial initiatives. The numbers do however clearly identify future rental and core housing needs for consideration within the Centre's Implementation Plans.

2. **Metro Van/Coriolis Consulting Study of Purpose Built Rental Housing Inventory and Risk Analysis- Profile for the District of North Vancouver. May 2012.** View report at: http://www.metrovancouver.org/boards/Housing%20Committee/Housing_Committee_June_22_2012-Agenda.pdf

   Existing purpose-built rental units are an important source of affordable housing for low and moderate income residents and are more affordable than new purpose-built condominium rentals. While typically 20% – 40% of new strata units may become rental units, replacing an older rental building with them means the new units are not in the permanent rental supply, are generally smaller in size, and are definitely less affordable. In fact, on a price-per-square-foot basis, the rent in a new condominium can be double that of the purpose built rental housing it replaces.

   Coriolis Consulting was retained by Metro Vancouver to do an Inventory and Risk Analysis to assess the degree to which the aging purpose built rental housing stock in the region (outside Vancouver) is at risk of redevelopment. The Metro Vancouver study suggests that 14% of the stock outside Vancouver or almost 7,000 units are currently at risk of redevelopment. The study also projected the number of units at risk over the next 10 years in six "case study" municipalities- one of which was the District of North Vancouver. In our case the study found that the numbers were substantially higher than the regional average and showed that 91% of the existing purpose built rental stock was at moderate to high risk of re-development in the next 10 years.

The Profile for the District of North Vancouver included the following information:

- There are about 1,238 rental units in 42 properties in the District of North Vancouver.
- Between 840 and 1,128 of these units (or about 68% to 91% of the rental stock) are properties that were identified as being currently at risk of redevelopment.
- The high District land values, age of existing stock and the low density of the current rental lands has combined with the new opportunity for redeveloping at higher densities to create redevelopment pressure on the existing rental housing stock.

Implications for DNV: Given the importance of the existing rental stock in providing affordable housing and the pressures on these sites to re-develop, the DNV may wish to consider opportunities to incentivize preservation of existing rental stock or rental replacement through tax reductions, density transfers, density bonusing or managing the rate of change. Several other strategies are outlined in the full report. Requirements of rental replacement in redevelopment or application of community amenity contribution funding may also be considered for example in Centres Implementation Plans.

3. **Metro Vancouver Housing Sub-committee Meeting of September 27th, 2012- Extract on Expiring Social Housing Agreements.** View report at: CDNV_DISTRICT_HALL-#1950116-phil's pages from Metro housing sep 27/12
This Metro Vancouver report presents information from BCNPHA concerning the expiration of provincial social housing agreements. It notes that for over 40 years social housing has been funded through operating agreements between social housing providers and the federal government. Across Canada over 600,000 low-income households live in social housing and pay geared-to-income rents normally set at 25 to 30% per cent of household income. This makes the housing affordable for these households.

At present, these operating agreements – between 25 and 50 years in duration - have begun to expire with many more set to do so in the coming years. While the expiration of these agreements normally corresponds with the end of a social housing provider's mortgage, many providers will still have significant costs even though they no longer have a mortgage payment. This is because their rental revenues are required to be low and must cover on-going and rising operating costs along with provisions for capital repair and replacement costs.

The effects of the expiring operating agreements will depend upon the type of agreement, the condition of the building and the income and rental mix of tenants. The post-expiry viability of non-profit housing will therefore vary widely across buildings and providers. According to a 2009 BCNHP report only 36% of BC's non-profit stock are in a "positive" financial state, while up to a quarter of the non-profit housing providers are deemed to be in a vulnerable position and highly unlikely to be viable post-expiry. The remaining 40% are in an indeterminate state, with their viability hinging on whether they implement market reforms to improve their revenues.

This is a national housing problem and BC Non-Profit Housing Association is beginning to prepare its members by conducting a survey of readiness/awareness and developing a tool to support small providers (like to ones we have the most of in the DNV) who may be facing insolvency if the agreements are not renewed. BC Housing says there is no agreement to renew the subsidy funding but is lobbying the Federal Government to extend the funding. Metro Vancouver is preparing a report to their Board shortly recommending support of a no net loss policy regarding these units and that the legacy funding be re-invested in social housing. This report is coming forward in the next month or 2 but this information report can serve as an early warning for Council who may begin to hear from the local non-profit operators expressing their concern about these expiring agreements.

Implications for DNV: There are 1084 social housing units in the District on North Vancouver. These comprise of 411 low income family, 398 low income independent seniors, 89 frail seniors and 26 special needs housing units. 160 of these units are located on leased municipal land and 120 are on leased Provincial land. The status of these agreements is not known at this time. While the local agreements do not begin to expire until 2015 there is a need to monitor this situation and begin to develop a transition strategy in case the local non-profit operators need municipal assistance to continue to provide affordable housing. Some steps the municipality could consider if the financial viability of these social housing projects is threatened in the future include:

- Planning/zoning support for appropriate intensification, regeneration and retrofit of social housing, including flexibility to redevelop properties
- Potentially share expertise such as energy management/retrofits
- Pro-active engagement in the development and design of solutions with providers
- Ensure that Housing Action Plans include an assessment of social housing in the community and a commitment to assist in the preservation of affordable housing.

Conclusion: The 3 reports presented articulate the coming challenges related to the market and non-market rental housing both provincially and for the District of North Vancouver. The report identifies some possible opportunities to address these issues noting they will considered in the development of the Implementation Plans for the Town and Village Centres and other housing strategies to be brought forward to Council in the coming months.

Photo: City of Burnaby

WHAT WORKS:

Affordable Housing Initiatives in Metro Vancouver Municipalities

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

Metro Vancouver Regional Housing
November 2012

CONTENTS

INTRODUCTION

Metro Vancouver is committed to preserving and enhancing the supply of affordable housing and increasing the diversity of housing choices in the region. The Metro Vancouver *Regional Affordable Housing Strategy* 2007 sets out specific goals and actions to increase the supply of the continuum of affordable housing in the region. The *Regional Growth Strategy (RGS)* 2011 sees affordable housing as an essential component of complete communities and goal 4 of the RGS sets out expectations for Regional Context Statements to include policies to meet estimated housing demand and for municipal Housing Action Plans.

The estimated demand for rental housing in the region is about 6,500 units per year to meet the needs of our growing population, of which 4,300 are from moderate income households earning above 50% of median income, and 2,200 are for low income households earning below 50% of the median income. Achieving the estimated demand for affordable housing, particularly rental housing that is affordable to low and moderate income households, requires partnerships and support from all levels of government, including significant investment from federal and provincial governments, the private sector and non-profit sector.

Housing is not a primary responsibility of municipalities; however local governments have an important leadership role to play with respect to the planning and facilitating affordable housing[1]. The range of measures local governments can use to facilitate and develop affordable housing are outlined in the Regional Affordable Housing Strategy:

- *Fiscal measures* designed to improve the economics of housing production such as direct funding, provision of city owned land, and relief from fees and charges.
- *Regulatory measures* which use the planning and development control process to encourage and increase the supply of housing such as community and area land use plans, inclusionary policies, density bonuses, or small lot zoning.
- *Education and advocacy measures* which build community awareness and support for affordable housing such as rental housing inventories, guides for developers and advocacy for increased senior government support.
- *Direct service provision* through a housing corporation that provides housing and supports to low and moderate income households such as the Metro Vancouver Housing Corporation, or Bowen Island Housing Authority.

The Regional Affordable Housing Strategy (RAHS, Goal 1) identifies four key components of the housing continuum:

Emergency/Transitional and Supportive Housing
These three housing types provide emergency accommodation for homeless persons (usually 30 – 120 days), housing with supportive services on a time limited or transitional basis (18-24 months) or long term housing with supportive services for vulnerable populations such as the homeless, women fleeing violence, and persons with mental illness and/or addictions. They serve primarily low income individuals earning below 50% of regional median income.

Non-market Rental Housing - Rental housing affordable to low income households, funded by a senior government housing programs and managed by non-profit or cooperative housing agencies. Senior government housing programs have been responsible for most social housing built in the region since the 1970s. The target income level is generally low-income or below 50% of regional median income, but there is some income mixing. There is virtually no new non-market rental housing for the low income household being developed today.

1 The Ontario Professional Planners Institute. 2001. The Municipal Role in Meeting Ontario's Affordable Housing Needs: An Environmental Scan of Municipal Initiatives and Practices, Edward Starr and Christine Pacini.

Market and Low end of Market Rental – Purpose built rental housing as well as rental housing supplied through the secondary market such as secondary suites and rented condominiums. Units may benefit from limited government or other assistance to reduce rents slightly below market rent, called "low-end market rent". The income level targeted for these units is low and moderate income household earning between 50 and 80% of median household income and for market rental units, households earning above 80% of median.

Entry Level Home Ownership Housing – Lower cost home-ownership options usually in the form of multi-unit housing or small lots that are affordable to households with incomes at or below 120% of median household income. The sale or resale price may be restricted in some way.

Metro Vancouver will continue to take a leadership role on affordable housing in the region, including advocating to federal and provincial governments for affordable housing (including supportive and transitional housing), supporting municipalities in the development of their Housing Action Plans and supporting the Metro Vancouver Housing Corporation to increase the number of affordable housing units in the region.

PURPOSE AND OBJECTIVES OF THIS REPORT

This document highlights what we know about effective municipal measures for a diverse and affordable housing supply, and some exemplary affordable housing projects and programs in Metro Vancouver municipalities (and elsewhere) that demonstrate recent efforts to tackle this critical issue. Specifically, it:

- provides overview of which municipal actions and tools have the best results in creating an affordable and diverse housing stock;
- highlights the successful use of these tools and actions in 12 housing projects and program profiles; and
- identifies lessons learned by municipalities along the way and some potential next steps.

Table 1 summarizes the profiles that are included here.

Table 1 Housing Projects and Programs Profiled

Housing Continuum	Project or Program Name	Municipality	Target Group	Number & Type of Affordable Units	Key Municipal Affordability Tools Used
Supportive/ Transitional and Emergency Housing	Timber Grove Apartments	Surrey, BC	Mental health clients, homeless and those at risk of homelessness	52 Studio units	• Provincial-municipal MOU • Long-term lease of City-owned land • Waiver of development fees • Property Tax Relief
	Chesterfield House	City of North Vancouver, BC	Mental health clients	10 studio, 8 one-bedroom, 6 two-bedroom	• Affordable housing reserve fund • Increased density • Preservation of existing rental • Infill development • Reduced parking
Low-end Market Rental & Market Rental	Loreen Place	Victoria, BC	Low and moderate families with annual income less than $65,000	51 two-bedroom, 1 one-bedroom	• Capital grants from affordable housing trust funds • Increased density • Housing agreements • Parking variance
	Kiwanis Towers	Richmond, BC	Low income seniors	296 one-bedroom	• Inclusionary zoning • Density bonusing, • Housing agreements • Affordable housing value transfers • Affordable housing reserve fund • Waived DCC's & development fees • Affordable Housing Strategy
	Inclusionary Zoning/Density Bonusing Approach	Richmond, BC	Low to moderate income households earning between $33,500 and $51,000 annually	496 total since 2007	• Inclusionary zoning • Density bonusing • Housing agreements • Affordable housing reserve fund • Affordable housing strategy
	The Poppy Residences	Burnaby, BC	Moderate income seniors	70 one-bedroom	• Infill development • Increased density • Affordable housing reserve fund to offset fees and property tax
	Rental 100 Program	Vancouver, BC	Moderate income households with annual incomes between $21, 500 and $86,500	Target: 3350 units by 2021 (25% of which will be 2Bdr+)	• Waived development fees • Reduced parking requirements, • Additional density • Housing agreements • Smaller unit sizes • Expedited permitting processes
Entry-level Home Ownership	60 West Cordova	Vancouver, BC	Moderate income residents and employees	72 one-bedroom, 40 two-bedroom (12 below market units)	• Reduced parking • Increased density • Smaller unit size • Expedited approval process.
	Whistler Housing Authority	Whistler, BC	Resident employees and retirees	1413 units since 1997 (147 studio, 266 one-bedroom, 449 two-bedroom, 325 three-bedroom, and 226 four-bedrooms+)	• Employee housing service charge • Municipal housing authority • Municipal housing reserve fund
	Langford Home Ownership Program	Langford, BC	Households of 2 or more earning a maximum of $60,000 annually	48 total (40 single-family, 8 multi-family	• Affordable housing strategy • Inclusionary zoning • Density bonusing • Waived DCCs and development fees • Expedited approval processes
	Attainable Home Ownership Program	Calgary, AB	Moderate income households earning 80%-120% of area median income ($80,400)	48 Total (11 one-bedroom, 110 two-bedroom, and 37 three-bedroom)	• Gifted down payment • City-owned non-profit • Shared appreciation structure • Transfer of City-owned land
	Clarence Gate	Ottawa, ON	Low income households with annual income between $31,000 and $48,000	30 units Total, 5 one-bedroom, 9 two-bedroom, 16 three-bedroom (11 market, 19 non-market)	• Waived municipal development fees • Delayed payment of City-owned land

WHAT WE KNOW ABOUT WHAT WORKS

Because municipal resources are limited, allocating them effectively and efficiently is of critical importance. Most experts agree that municipalities have an important role to play in facilitating the supply and preservation of housing, including affordable housing. However, there is little evidence demonstrating the impact or effectiveness of various municipal affordable housing measures. In particular, it is not well understood which measures are most effective at addressing which areas of the housing continuum nor the relative effectiveness of different types of tools. Most published work on this topic simply describes the municipal tools available and provides some examples of their use, with the aim of promoting replication elsewhere (see SmartGrowth BC's 2007 report "Review of Best Practices in Affordable Housing").[2]

A report[3] for the Ontario Professional Planners Institute noted that the impacts of various affordability measures will differ depending on the community context. In other words, one affordability measure may be highly effective in an area where rapid development is occurring, but less effective in slower growth areas. The authors also rank a series of affordability measures based on their direct cost to a municipality (low, med, high), and rank the benefit of each measure depending on the development context (rural, urban, growing urban). Inclusionary zoning and density bonusing are identified as being highly effective in urban settings while also having a low direct cost to municipalities. Other measures identified as being low cost were secondary suites, demolition control, and infill development. Examples of measures that have high benefit but also high direct costs are housing levies, grants and loans, and direct provision of housing.

2 SmartGrowth BC. Review of Best Practices in Affordable Housing, 2007, prepared by Tim Wake.

3 The Ontario Professional Planners Institute, The Municipal Role in Meeting Ontario's Affordable Housing Needs: An Environmental Scan of Municipal Initiatives and Practices, 2001, Edward Starr and Christine Pacini

Table 2 - Municipal Cost/Benefit of Selected Practices

Practices	Direct Cost			Benefit		
	Low	Medium	High	Rural	Urban	Growing Urban
Housing First Policy		X		MED	MED	MED
Second Suites	X			LOW	MED	MED-HIGH
Housing Levy			X	MED	HIGH	HIGH
Inclusionary Zoning	X			LOW	HIGH	HIGH
Density Bonusing	X			LOW	HIGH	HIGH
Demolition Control	X			LOW	MED	LOW
Exaction Programs	X			LOW	HIGH	HIGH
Infill	X			LOW	HIGH	MED
Alternate Development Standards	X			LOW	MED	HIGH
Streamlining Approval Process		X		LOW	MED	HIGH
Performance Based Planning	X			LOW	MED	MED
Exemption of DC & Other Fees		X		LOW	MED	HIGH
Tax Credits		X		LOW	HIGH	HIGH
Grants & Loans			X	MED	HIGH	HIGH
Trust Funds		X		MED	MED	MED
Advocacy	X			MED	MED	MED
Direct Provision			X	HIGH	HIGH	HIGH
Public/Private Partnerships		X		HIGH	HIGH	HIGH

SOURCE: THE MUNICIPAL ROLE IN MEETING ONTARIO'S AFFORDABLE HOUSING NEEDS. OPPI. 2001

An international review of inclusionary housing approaches found that this type of measure has been successful at creating affordable housing in England, Ireland and the US.[4] For example, in England over half of all affordable units created in 2007/2008 were through the inclusionary measure called Section 106 (of the *Town and Country Planning Act*). Looked at another way, Section 106 was responsible for 17% of house completions in England in 2006. Similarly, in Ireland nearly one third of affordable housing units built prior to the financial crisis were created through its inclusionary mechanism, Part V of the *Planning and Development Act.* In the US, states like New Jersey and California where inclusionary policies have been in use for an extended period of time, there have been positive results although figures are scarce. The authors conclude that inclusionary measures are most successful in larger, fast growing markets, arguably where affordable housing is most needed. Inclusionary approaches will not produce affordable housing in periods of slow growth, and there are limitations to its effectiveness due to use of cash in lieu provisions.

4 Calavita, Nico and Alan Mallach Eds. 2010. Inclusionary Housing in International Perspective: Affordable Housing, Social Inclusion and Land Value Recapture. Cambridge, MA: Lincoln Institute of Land Policy

Given the limited municipal resources available for housing and the need for immediate impacts on affordability, it is beneficial to identify measures that are low cost and that can be implemented in the short-term. In a report for the Halifax Regional Municipality in 2004[5], the authors examined affordability measures based on their potential impact and their financial cost. Table 3 summarizes the authors' assessment of the potential impact of various affordability measures in the short-term (low, med, high), and in what development context they are most effective. Due to the financial constraints of local governments, measures that can be effective in the short term are also those that do not require significant financial outlays of municipal resources. Specifically, they found that regulatory and planning measures are most effective in the short-term because they do not require a substantial financial contribution from municipalities. They also found that with the exception of density bonusing, financial measures are more expensive to implement than regulatory and planning measures.

5 Halifax Regional Municipality, Municipal Land Use Policy and Housing Affordability, Ray Tomalty and Ross Cantwell, 2004

Table 3 - Potential Positive Impacts of Measures on Housing Affordability

Type of Measure	Development Context		
Regulatory Measures	Urban	Suburban	Rural
Adopt alternative planning standards	Low	High	Low
Adopt alternative engineering standards	Low	Medium	High
Reduce parking standards	High	Medium	Low
Reduce restrictions on manufactured/mobile homes	Low	High	Medium
Facilitate lot splitting/subdivision	Low	Medium	High
Financial Measures			
Employ density bonusing	High	Low	Low
Establish a housing reserve fund and levy program	High	High	High
Financial incentives/assistance	High	High	High
Planning Policy Measures			
Introduce inclusionary planning	High	High	Low
Adopt strategies to encourage brownfield redevelopment	High	Medium	Low
Adopt policies to facilitate greyfield redevelopment	Medium	High	Low
Planning Policy Measures			
Streamline municipal approval process	High	High	Low
Address local resistance to affordable housing projects through public education and mediation	High	High	Medium
Appoint a municipal housing facilitator	High	High	High

SOURCE: HALIFAX REGIONAL MUNICIPALITY, MUNICIPAL LAND USE POLICY AND HOUSING AFFORDABILITY, RAY TOMALTY AND ROSS CANTWELL, 2004"

WHAT IS WORKING IN METRO VANCOUVER MUNICIPALITIES

According to a 2011 survey, Metro Vancouver municipalities have responded to the housing affordability and diversity challenges in the region by collectively adopting over 270 regulatory, fiscal, planning, approval process, rental loss prevention, education/advocacy and direct provision measures, many in the last two decades.[6]

This section reports on what we know about the effectiveness of these municipal measures, particularly as they relate to the four housing types along the continuum. It provides informative profiles of 12 innovative and diverse housing projects and programs that illustrate how municipalities have been using the tools at their disposal to facilitate emergency, transitional and supportive housing, non-market rental housing, market and low end market rental and entry level homeownership. Typically several municipal measures are employed on any single project - they are not employed in isolation. And these are not the only factors. Other key ingredients include partnerships with the private sector and non-profit housing sector, affordable financing, and in many cases, senior government funding for capital and/or operating expenses.

6 Eberle, Woodward, Thomson and Kraus. 2011. Municipal Measures for Housing Affordability and Diversity in Metro Vancouver

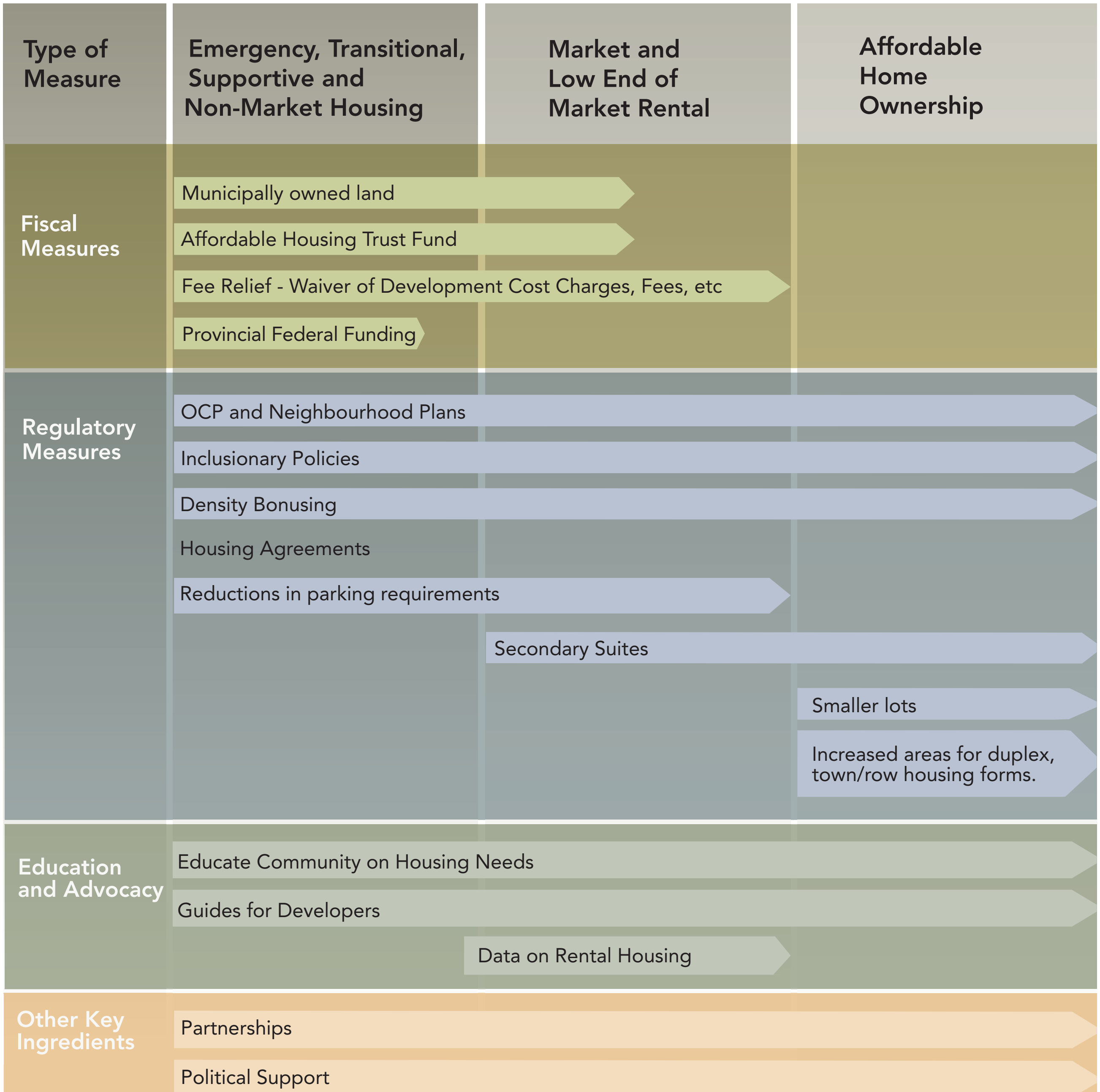
The 2011 survey asked municipal staff to rate each measure's effectiveness. Figure 1 shows their assessment based upon experiences. Some measures are perceived as effective for several housing types, for example, OCP and neighbourhood plan policies in favour of diverse housing choice. This is the most common planning measure reported by Metro municipalities. OCP housing policies establish the broad outline for a community or neighbourhhood's vision and goals, and the RGS requires that municipalities develop plans and policies that accommodate a variety of housing types and densities. OCP and neighbourhood plans connect higher-level policies to local contexts and provide the framework for facilitating non-market and market affordable housing at the neighborhood level. All Metro municipalities have adopted OCPs or neighbourhood plans which commit to providing for a range of housing choices, demonstrating a commitment at the regional level to address housing affordability, including the most vulnerable populations that require emergency, transitional or supportive housing.

Other measures are viewed as more effective for facilitating certain housing types: such as municipally owned land for supportive/transitional and non-market housing, and small single family lot sizes for entry-level homeownership.

Photo: City of Burnaby

Figure 1

Effective Ways to Support Affordable Housing Development



SOURCE: BASED ON EBERLE, WOODWARD, THOMSON AND KRAUS. 2011. MUNICIPAL MEASURES FOR HOUSING AFFORDABILITY AND DIVERSITY IN METRO VANCOUVER.

EMERGENCY, TRANSITIONAL, SUPPORTIVE AND NON-MARKET HOUSING

Emergency, transitional and supportive housing provide accommodation for the homeless or other vulnerable populations with complex health, addiction and mental health conditions. Non-market housing is housing developed under government social housing programs, and both housing types typically require senior government funding to provide ongoing subsidies.   In Metro Vancouver there are about 50,000 units of non-market housing making up about 16% of the rental housing stock, including 3,600 units operated by Metro Vancouver Housing Corporation. The individuals served by these types of housing are primarily low income individuals earning below 50% of regional median income.

The 2011 Metro Homeless Count showed that homelessness continues to be a problem in the region, however the numbers are virtually unchanged since the last count in 2008. This trend reflects the efforts of the Province and municipalities to prevent and reduce homelessness.

Addressing emergency, transitional and supportive housing needs requires expensive and complex solutions. For most emergency, transitional and supportive housing projects to be viable, senior government financial support is necessary, in the form of both capital contributions and ongoing operating funding. In addition, these projects often require multiple partners, each bringing significant contributions and expertise to the table. Partner contributions tend to be fiscal, such as capital grants or land.   Municipalities have played a key role in the development of emergency, transitional and supportive housing projects throughout the region in recent years. Timber Grove in Surrey and Chesterfield House in the City of North Vancouver are profiled here as examples of how Metro municipalities have been actively facilitating this type of housing (see Timber Grove Apartments and Chesterfield House Profiles).

The survey of regional municipalities found that the municipal measures determined to be most effective at facilitating emergency, transitional and supportive housing, as well as non-market housing were long-term leases of city-owned sites, affordable housing reserve funds, and housing agreements. In addition, parking reductions were viewed as effective for non-market housing and this measure has been adopted in 12 of 18 municipalities. Many or all municipalities have adopted these measures and most of these measures were instrumental in the Timber Grove and Chesterfield projects profiled.

Measure	Number of Municipalities Adopted
For emergency, transitional and supportive housing	
Long-term lease of City-owned sites	12/18
Affordable housing trust/reserve funds	11/18
Housing agreements	12/18
Grants for affordable housing	7/18 (1 pending)
For non-market housing	
Parking reductions	12/18 (3 for affordable housing, 5 near transit, 4 for both)


Photo: Metro Vancouver

According to the survey, the leasing of municipally owned sites to non-profit providers and the use of housing reserve funds are two of the most commonly used and effective fiscal measures by Metro municipalities to facilitate emergency, transitional, supportive, and non-market housing. Recent provincial government MOUs under the Provincial Homelessness Initiative have actually required the long-term leasing of municipal land as a condition of funding.

Land costs represent one of the largest capital costs in any affordable housing development. For example, in the Timber Grove Apartments project, the value of the city-owned land provided was $2.3 million (see Timber Grove Apartments Profile). The donation or sale of municipal land can also represent a sizeable contribution, however, the long-term leasing of land is the preferred practice in the region. The advantage of long-term leases over the donation or sale of property is that it enables municipalities to make significant contributions to support affordable housing development while retaining the public interest in the land asset. The terms of lease agreements can vary, however, they are typically 60 years in length, with lease payments ranging from 75% of market value to nominal fees of $10.

Housing reserve funds can assist municipalities to accrue and access funds to make financial contributions towards emergency, transitional and supportive housing projects, as well as other kinds of housing. These funds can be used as a way to leverage additional capital from other levels of government, as well as private and non-profit partners. Eleven municipalities in the region have established affordable housing reserve funds; however, only Burnaby, North Vancouver, Richmond, Surrey, and Vancouver are actively using their funds, as shown in (see Appendix 2). For example, the City of North Vancouver made a contribution of $1.6 million from their Affordable Housing Reserve Fund to fund the redevelopment of Chesterfield House, which attracted an additional $2.7 million in provincial and non-profit equity contributions (see Chesterfield House Profile). Some municipalities have used their funds to provide capital grants in support of affordable housing projects, others to offset municipal development fees. The funding sources and the terms of reference for these funds vary for each municipality. The typical funding source is cash-in-lieu developer contributions; however, other sources can include the sale or development of municipal land, general revenue, and private donations.

Surrey Homelessness and Housing Fund

The City of Surrey has focused their affordable housing fund on homelessness and stands apart in terms of the structure of their affordable housing fund. In 2009, the City created a new Homelessness and Housing Fund and transferred $9 million from the existing Affordable Housing Reserve Fund. The City also established the Surrey Homelessness and Housing Society, a registered non-profit society, to oversee the fund in coordination with the Vancity Community Foundation. The Fund continues to be financed from community amenity contributions routed through the City's Affordable Housing Reserve Fund. However the society's non-profit status also enables non-municipal funding sources such as donations and grants. In addition, the fund is operated as an endowment, ensuring that the principal amount in the fund remains largely intact. The society's mandate is to grow the endowment funds and make investments in affordable housing projects through the distribution of annual grants. The expectation is that as the endowment grows over time, it will be able to attract larger donations, leverage greater investment, and have a larger impact on housing affordability.

Capital Regional District Regional Housing Trust Fund (RHTF)

In BC's Capital Regional District, the concept of an affordable housing trust fund has been applied on a regional scale. The fund established in 2005, focuses on leveraging municipal contributions to attract senior government and private sector investment in affordable housing projects. The CRD boasts an annual ratio of leveraged funding of between 8:1 and 16:1. Initially, only 6 of the region's 13 municipalities elected to participate, but that number has since grown to 12.

Funding source: Municipalities contribute a combined $882,000 each year; funds which are raised from property taxes and based on 50% population and 50% converted assessment formula.

Terms of Reference: The fund provides capital grants for the acquisition, development, and retention of affordable housing, and targets households with low or moderate income in the Capital Region. Funds are distributed in the form of capital grants of $5000-$15,000 per unit for "bricks and mortar" investment in affordable housing.

By the Numbers: From 2005 to 2011, the RHTF has granted $4.9 million in capital grants towards capital projects worth $67 million. This works out to an average contribution of $12,343 per affordable unit. 397 affordable units have been secured for the long-term (258 new construction, 139 acquired/retained), housing over 120 families and over 270 singles.

The CRD Regional Housing Trust Fund was instrumental in the success of the Loreen Place development in Victoria, providing a $370,000 grant, matching the funds provided by the City of Victoria. This equity was used to secure the site and financing for the project (see Loreen Place Profile).

http://www.crd.bc.ca/housingsecretariat/trustfund.htm

Housing agreements are another widely used measure in the region with 11 municipalities having both adopted and used them, and they are viewed as being highly effective for emergency, transitional and supportive housing and non-market housing. Housing agreements help ensure that affordable housing units remain affordable in the long-term, and this is particularly important when a municipality has made significant contributions in the form of land or capital. It is for this reason that housing agreements are commonly used in combination with the leasing of municipally-owned land and municipal capital grants (from housing funds).

Other Key Ingredients for Emergency/Transitional and Supportive Housing

Provincial Homelessness Initiative and MOUs: As part of the Provincial *Housing Matters BC* strategy, the provincial government provided capital grants and ongoing operating funding for newly developed emergency, transitional and supportive housing on City owned sites throughout the region. The Provincial-local government partnerships, or Memorandums of Understanding (MOUs), gave priority to projects that create new housing for the homeless and at risk populations. Under these MOUs, the municipal partner is required to provide city-owned land on a long-term lease, waive all application and development fees, and consider partial or full property tax exemption for the non-profit operator. Timber Grove Apartments is an example of successful project developed through a Provincial-municipal MOU *(See Timber Grove Apartments Profile).* This initiative, introduced in 2006, supported 18 such projects in Metro Vancouver, adding 1,682 new supportive and transitional units. There is no further funding.

Community partnerships: Time and again, community partnerships and community support prove to be critical to the success of supportive/ transitional and non-market housing projects. Community partners, such as non-profit organizations, can play an important role in overcoming public opposition that so often accompanies emergency, transitional and supportive housing initiatives. These partnerships can also be a valuable source for capital contributions that help bring projects to fruition. In addition, these organizations are knowledgeable about their communities or client group and often act as the operating partner, managing the housing and support services on an ongoing basis.

Operating funding: Emergency, transitional and supportive housing more often than not requires ongoing operating funding if it is to continue to provide services on a long-term basis to residents. Provincial rent subsidies help offset some of the costs of housing for tenants and assist in the servicing of debt but are not sufficient to support ongoing services. Chesterfield House in North Vancouver is a unique exception to this where Provincial, municipal, and non-profit partners each provided equity to purchase land and building outright, thus avoiding long-term financing and allowing below-market rents to subsidize limited onsite services *(see Chesterfield House Profile).*

Other municipal contributions: Municipalities can waive permit fees and development cost charges, and offer property tax exemptions for projects that provide supportive housing services. Some municipalities have the ability to waive these costs outright; others allocate funds from affordable housing reserve funds to offset these fees. Municipalities can also facilitate the expedited approval of supportive housing development applications *(see Timber Grove Apartments in Surrey Profile).* In 2010, the BC *Assessment Act* was amended to include a new property classification for supportive housing. Properties that are designated into this class are valued at a nominal amount, thus reducing their annual property tax burden.

Sustainable and energy efficient buildings: Sustainable and energy efficient building practices offer the potential for reduced operating expenses over the long-term. The intent is that by investing early in energy-saving and energy-efficient materials and technologies, there will be significant operating cost savings that can be passed on to residents as reduced rents. These practices also provide opportunities to tap into additional funding sources for green and sustainable building initiatives. The Chesterfield House project in North Vancouver incorporated a number of upgrades including water and energy efficiency enhancements and a connection to the City's District Heating System *(see Chesterfield House Profile).*

Chesterfield House, North Vancouver, BC

PROJECT PROFILE

Supportive Housing

Tools Used: Affordable housing reserve fund
Increased density
Preservation of existing rental
Infill development
Reduced parking

Chesterfield House in North Vancouver provides 24 units of safe and affordable housing to individuals and families coping with mental illness along with supportive services to assist in the recovery process and community integration. This housing is the product of a unique joint-venture between the City of North Vancouver, BC Housing and Marineview Housing Society. Through this joint-venture a 16-unit rental property was purchased, upgraded and expanded to include a new 9-unit infill building. The City of North Vancouver's interest in participating in this joint venture was to preserve existing rental housing and ensure the long term affordability of the units.

HIGHLIGHTS				
Number of Units and Type	Total: 24	Studio 10	1 Bedroom: 8	2 Bedroom: 6
Monthly Housing Cost		$375	$375 or $570	$570
Type of Development	Rezoning, infill development, retention of existing rental housing			
Area(s) of Housing Continuum Served	Supportive housing			
Client Group(s) Served	Mental health clients			
Municipal Affordability Measures Used	Affordable Housing Reserve Fund Rezoning for increased density Acquisition/preservation of existing rental Infill development Reduced parking			
Development Timeline	Property purchased: January 2007 Rezoning application date: January 28, 2008 Rezoning approval date: July 31, 2008 Construction commenced: Fall 2009 Project completion: Spring 2011			

The Affordable Housing Solution

Chesterfield House arose from the unmet need for supportive housing that catered to the needs of mental health clients in the City. The objective of the joint venture between the City of North Vancouver, BC Housing, and Marineview Housing Society was to acquire an existing rental property and ensure the long-term affordability of the rental units. In January 2007, a 16-unit rental building built in 1961 was purchased. The building, located in an area of the City that has experienced significant redevelopment, was at risk of being lost from the rental inventory. The joint-venture was structured such that each partner owns a portion of the property's 26 shares – the City and the Province each own 10/26 shares, with Marineview owning the remaining 6 shares. Each partner's contribution to the purchase and upgrades of the site were based on this share structure.

In July of 2008, the density on the site was increased through rezoning to allow for the addition of a nine unit infill building on the property. Construction of the new 9-unit infill building began in the fall of 2009 and was completed in the spring of 2011. Space for the new building, constructed at the rear of the property, was made possible through a reduction in the City's parking requirements from 15 spaces to 7, with 2 visitor spaces provided on grass permeable surfaces. The parking reduction was justified based on the location of the project close to quality transit connections in the central Lonsdale area and that most Marineview tenants do not drive.

Photo: City of North Vancouver

While the new building was under construction, extensive upgrades were also undertaken on the original 16-unit building including the addition of an elevator, amenity room, new common areas, and common kitchen. Marineview Housing Society completed an energy evaluation assessment and report, which facilitated access to LiveSmart BC funding for comprehensive water and energy efficiency upgrades that included new roof insulation, bathroom fans, low consumption water fixtures, and energy efficient lighting. The building was also connected to the Lonsdale Energy Company's (LEC) District Heating System, providing the heat and hot water for both buildings. Chesterfield House was the first residential property to be connected to the District Heating System. The $40,000 cost of the connection fees was

Photo: City of North Vancouver

paid for through the Affordable Housing Reserve Fund.

Completed in the spring of 2011, the final product was a 24-unit development in two buildings, containing 10 studio units, 8 one-bedroom units, and 6 two-bedroom units. Rent for these units is based on the Provincial disability shelter allowance. Individuals living in studios or 1-bedrooms pay $375 monthly, while couples or families occupying the 1 and 2-bedroom units pay $570 per month.

On-site supportive services and programs at Chesterfield House are coordinated by a full-time manager of supportive housing. Marineview is provided with a management fee funded out of rent revenues which help fund the manager of supportive services position. However, Vancouver Coastal Health has agreed to fund this position in their 2012-2013 budget. The onsite services are provided in collaboration with Marineview, Community Mental Health Services and North Shore Mental Health and Addictions. In addition, Community Mental Health Service has assigned a psychiatric nurse and occupational therapist to Chesterfield House.

ACHIEVING AFFORDABILITY	
Project Partners & Role	City of North Vancouver – Equity Partner BC Housing – Equity Partner Marineview Housing Society – Equity Partner, Operator
What makes it affordable?	Government funding (Municipal and Provincial) Non-profit equity contribution Rezoning for increased density, infill, & reduced parking Sustainable & energy-efficient building practices
Total Project Capital Cost	Total capital cost: $4,340,000 $2,500,000 purchase price 16 units and land $1,800,000 upgrades and addition of 9 units City of North Vancouver Affordable Housing Reserve Fund: $1,625,000 including $40,000 for the district heating connection BC Housing: $1,625,000 Marineview Housing Society: $1,050,000
Cost per Unit of Affordable Housing	$179,167 per unit
Municipal Contribution	$69,375 per affordable unit
Ongoing Funding	Staffing provided by Marineview and funded from operating budget (rent) and Vancouver Coastal Health Authority

Lessons Learned

This project's success can be credited to the unique partnership that was forged, the strong funding to support the development, and the timely acquisition of a suitable property. With the funding committed to the project by the City, Province and Marineview no financing was required, which lowered the operating costs and enabled the project to be self-sufficient. Increasing the energy efficiency of the existing building also contributed to ongoing affordability of the units. The ability to tap into district energy heating is another unique feature of this project. The strong municipal commitment to the project was essential to achieving affordability including: use of the City's Affordable Housing Reserve Fund, rental housing retention policy, permission for increased density, and reduced parking requirements.

The features that made Chesterfield House successful also make the project difficult to replicate in other municipalities. It takes time to develop strong equity partnerships and all three partners were prepared to contribute significant funds to the project. In addition, the project relied on finding the right property which could also prove to be a challenge.

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Additional Information	BC Housing: http://www.bchousing.org/Media/NR/2007/11/02/3643_0711021521-891 City of North Vancouver: http://www.cnv.org Marineview Housing Society: http://www.marineviewhousing.com/index.html

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Timber Grove, Surrey, BC

PROJECT PROFILE

Supportive Housing

Tools Used:
Provincial-municipal MOU
Long-term lease of City-owned land
Waiver of development fees
Property tax relief

Timber Grove Apartments is a 52 unit project that provides supportive housing for homeless people and individuals with a history of mental illness. Coast Mental Health manages the onsite services and BC Housing provides ongoing funding for support staff. Clinical case management support is through Surrey Mental Health and Addictions. The Timber Grove Apartments were made possible through two initiatives – a Provincial-Municipal Memorandum of Understanding (MOU) signed in 2008 that committed the Province and the City of Surrey to develop additional supportive housing units and the Olympic Legacy Affordable Housing Project, a one-off partnership between the Vancouver Olympic Organizing Committee (VANOC) and BC Housing. The development is made up of repurposed modular homes that were originally used as temporary housing during the Vancouver Winter Olympics. As part of the Olympic Legacy Affordable Housing Project, these modular homes were donated to BC Housing to create permanent affordable housing in five BC communities.

HIGHLIGHTS		
Number of Units and Type	Total: 52	Studio 52
Monthly Housing Cost		$375
Type of Development	Rezoning, new development, modular construction	
Area(s) of Housing Continuum Served	Supportive housing	
Client Group(s) Served	Homeless or those at risk or homelessness, mental health clients	
Municipal Affordability Measures Used	Provincial-municipal MOU City-owned land on long-term lease Waiver of development fees Property tax relief Landscaping grant	
Development Timeline	Rezoning application date: August 31, 2004 Rezoning approval date: March 17, 2008 Project completion: February 2011	

The Affordable Housing Solution

The Olympic Legacy Affordable Housing Project saw the conversion of 300 temporary rooms in modular units used during the Olympic Games, to a total of 156 of affordable housing units. 52 of these units are located at Timber Grove in Surrey. The units at Timber Grove are all studio units, each approximately 350 sq. ft, and rent for $375 per month or social assistance rates. On-site support to residents includes 24 hour on-site staff, meal programs, peer support programs, employment preparation and placement, Clean Start Program, case management, and medication management assistance. In addition, tenant participation in building and grounds maintenance is encouraged, as is tenant engagement in a recovery plan.

Photo: Metro Vancouver

There are several factors that contributed to making this project affordable. In April 2008, the Province of BC and the City of Surrey entered into a Memorandum of Understanding to create 103 new supportive and affordable housing units in the City using City-owned land and provincial capital funding. This partnership was part of the Provincial Housing Strategy, Housing Matters, and has been used in several communities across the Province to develop new supportive housing on city-owned sites.

The City provided the site for Timber Grove on a long-term 60 year lease at a nominal rate of $10 per year. The City of Surrey also provided a landscaping grant, waived municipal development fees, and expedited the development application approval process. In addition, the facility operator, Coast Mental Health, may apply each year for a property tax exemption under the terms of the MOU. Fraser Health, also a partner in the project, contributed $90,000 to the construction of a commercial-size kitchen that will facilitate the onsite meal program.

Lessons Learned

The combination of the Olympic Legacy Project with the Provincial-Municipal MOU initiative allowed for the creation of quality supportive housing units at a relatively small cost to the municipality. The formalized Provincial partnership with local government not only provided the necessary capital to fund the project, but also established a commitment to fund supportive housing, giving the City a much needed level of certainty with respect to the funding and provision of affordable housing in the City. The project is an example of what can be achieved when the provincial and local governments make strong commitments to provide affordable housing units.

Supportive housing requires significant up front capital and ongoing operating funding, which is only possible through senior government support. The legacy program was a one-off opportunity and the funds made available for Provincial-municipal MOU's under the Housing Matters strategy have already been committed by the Province. The success of this project hinged on the funds committed by the Province through the Provincial-municipal MOU, and the commitment of funding for ongoing operations and support services. The opportunity to use modular construction was helpful, but may not necessarily have contributed to making the project affordable. The experience with modular construction is that there are benefits in terms of the timing and duration of construction, but not necessarily an overall cost savings, particularly where transport and reconfiguration is involved.

ACHIEVING AFFORDABILITY	
Project Partners & Role	City of Surrey - Land owner, waived fees and taxes BC Housing - Capital grant VANOC - Provided modular housing Fraser Health - Capital grant Coast Mental Heath - Service provider and housing operator
What makes it affordable?	Long-term lease of City-owned land Provincial-municipal MOU Provincial capital grant Waiver of municipal development fees and property taxes Expedited approval process Small units Grants and services from non-profits
Total Project Capital Cost	Total capital cost: $13.2 million City of Surrey: • Lease land valued at $2.3 million for nominal $10 fee • $306,506 in waived fees and taxes • $22,835 landscaping grant BC Housing: • $10.5 million capital grant Fraser Health • $90,000 grant for commercial kitchen
Cost per Unit of Affordable Housing	$253,846 per studio unit
Municipal Contribution	Total contribution: $329,341 + value of the land lease $6334 per unit of housing + value of the land lease
Ongoing Funding	$488,000 annually from the Province of BC

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Additional Information:	City of Surrey: http://www.surrey.ca/plans-strategies/3176.aspx
	Province of BC: http://www.bchousing.org/Media NR/2010/09/13/5590_1009131407-249
Coast Mental Health:	http://coastmentalhealth.com/whatsnexthtml#timbergrove

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No new non-market rental housing for low income households is being developed today. Rather senior government funding emphasis has been placed on housing the most vulnerable in emergency/transitional and supportive housing, while the need to ensure retention of the existing supply of market and non-market rental housing becomes more apparent. Inlet Centre Residences in Port Moody is an example of non-market housing (see Box).

Inlet Centre Residences – Port Moody

Inlet Centre Residences in Port Moody is an example of the type of non-market housing created in Metro Vancouver in the past. The project was developed through a City-led process that brought together funding from the Federal and Provincial governments and partnerships with Metro Vancouver Housing Corporation (MVHC) and several non-profit organizations. The Federal government through CMHC provided a capital grant of $4,032,000 to the project, while MVHC contributed $560,000 in equity. BC Housing supported the project by granting $584,000 in ongoing operating funding, funded through the Homes BC program (which ended in 2001). The City of Port Moody's primary contribution to the project was the City-owned land which was leased to Inlet Centre for 60 years at a discounted rate of $90,000 per year (a 35% discount, or 65% of market value). Inlet Centre Residences consists of 96 units of housing in three separate buildings, each catering to a specific clientele – seniors, women and families. Inlet Centre provides 41 seniors housing units, 23 units for single women, 22 low-to-moderate income family housing units, and a 10 bed hospice for the terminally ill. Inlet Centre Residences can be considered a successful model for inter-government cooperation, however, it also stands as a reminder that to achieve non-market housing, significant contributions are required from senior governments.

Redevelopment of existing non-market rental housing has begun to take place as these projects reach the end of their useful life. Occupied in August 2012, the Army and Navy Air Force Veterans (ANAVETS) Seniors Housing Redevelopment in the City of North Vancouver is a good example. ANAVETS partnered with a developer, Intracorp, to re-develop the 88 bachelor unit ANAVETs complex built in 1968-69. The redevelopment included replacement of the ANAVETS building with 76 larger units of new seniors housing and a separate market residential building. The City excluded floor area calculations of the ANAVETS building from the FSR calculations, waived Development Cost Charges, and parking was reduced by approximately half. A Housing Agreement was used to secure the property for affordable seniors rental housing.

Each municipality has unique terms of reference for the use of their affordable housing funds. For example, the City of Burnaby has established two categories of projects that can be eligible for support from the City's Community Benefit Bonus housing fund – City initiated projects and community sponsored developments. Funds are used to enhance the viability or overall value of the project – most often to offset the cost of City-related development permits and fees. Since the introduction of this policy in 2008, the City has supported a number of projects including the Swedish Canadian Rest Home, Dixon Transition Society, Wenda Women's Housing, and the Poppy Residences. The City's aim is to enhance the viability of non-market rental projects by reducing any component of the project's development costs. The City does not, however, make funds available to support ongoing operating costs.

Granting reductions in parking requirements through parking variances is another useful municipal tool to promote affordability in non-market housing projects. Ten out of 18 Metro municipalities surveyed indicated support of reduced parking requirements either in areas in close proximity to good transit, areas suitable for affordable housing, or both.

Other Key Ingredients for Non-Market Housing

Low cost financing (BC Housing):
The low cost financing arranged by BC Housing is another key ingredient that could facilitate non-market housing developments. Even with substantial capital contributions from government and non-profit partners, most non-market rental projects are still required to finance a significant portion of the development costs. BC Housing offers low cost financing during the design and construction phase as well as favorable financing for the balance of costs once the project is complete.

LOW-END OF MARKET AND MARKET RENTAL HOUSING

A little over one third of Metro Vancouver households are renters (35% according to the 2006 census)[7]. Of these households, 33% live in purpose-built rental units, 22%-24% in secondary suites, 12% in private condos, and 16% in non-market or social housing. The remaining 15% occupy townhouses and single detached dwellings.[8] While purpose-built rental housing makes up the largest share of rental housing in the region, the data shows that over the past 10 years, the supply of this form of rental declined by over 2000 units.[9] In addition, since the cancellation of senior government tax incentives for rental apartments in the 1970's, investment in purpose-built rental units in the region has been stagnant.

Low-end of market and market rental housing includes purpose-built rental housing as well as rental housing provided through the secondary market such as secondary suites and private condominiums. Low-end market units may benefit from limited government or other assistance to slightly reduce rents to below market levels and it may be assured through the use of a housing agreement. The income level targeted for these units is low and moderate income households earning between 50 and 80% of median household income and for market rental units, households earning above 80% of median.

Given the high costs of ownership in the region and continued population growth, demand for rental housing has remained high, estimated at 6500 units per year. This demand has been met in part by the private condo rental market. Unfortunately, few new purpose-built rental units are being constructed and others are being lost to demolition or strata conversion. High land costs in the region, combined with the limited returns associated with purpose-built rental projects, have resulted in a developer preference for condominiums which offer the opportunity for significantly greater returns on investment.

The key to addressing low-end market and market rental housing affordability in the region is to focus on boosting the supply of new rental housing while also preserving the existing supply. For shortages in low-end market and market rental housing to be adequately addressed, a comprehensive policy and incentive package is required from senior governments to make rental projects competitive with condominium developments. However, municipalities can facilitate the creation of new rental housing through policy and regulation at the local level with a number of measures that can help to bridge this viability gap by making investments in rental projects more attractive to the development community. Four profiles are included here as examples of municipal efforts to create or promote low-end market and market rental housing: Vancouver Rental 100 Program, Richmond Inclusionary Zoning/Density Bonusing Approach, Poppy Residences in Burnaby, and Kiwanis Towers in Richmond.

Planning and regulatory measures are the principal tools that municipalities have to stimulate the creation of rental housing. The most common regulatory measures are those which aim to increase density in areas appropriate for affordable housing, to permit secondary suites in all single family areas, and to provide density bonuses. Inclusionary policies are another regulatory measure that Metro area planners deem to be well suited for the creation of low-end and market rental housing. These measures are high impact and have little direct costs to local governments.

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7 SmartGrowth BC. Review of Best Practices in Affordable Housing, 2007, prepared by Tim Wake.

8 Metro Vancouver Housing Data Book, 2009 figures.

9 Metro Vancouver Housing Data Book, 2011 figures.

Measures	Number of Municipalities Adopted
Increased density in areas appropriate for affordable housing	17/18
Secondary suites permitted in all residential neighbourhoods	17/18
Density bonus provisions	14/18 (1 pending)
Strata/Condo conversion policies	13/18
Inclusionary zoning policies	6/18 (2 support)
Modified building code standards (typically related to secondary suites)	4/18
Demolition policies	3/18

Virtually all municipalities in the region have endorsed policies to increase density in areas appropriate for affordable housing. Generally, areas deemed appropriate for affordable housing are those close to town-centers, close to transit hubs and in frequent transit corridors, near services and amenities. Both the RGS and TransLink's *Transport 2040* support increased density and focused growth around the region's Frequent Transit Network. There are also opportunities to connect increased density near transit with reduced parking requirements to support the creation of rental housing. By and large, renters are less likely to own a vehicle and more likely to frequent public transit. Relaxed parking requirements can reduce development costs, thus creating an opportunity for lower housing costs and affordable rents. The City of Vancouver Rental 100 Program incorporates these ideas in an effort to stimulate private sector investment in market rental housing *(see Vancouver Rental 100 Program Profile).*

Secondary suites have come to be regarded as both an accepted and desirable form of affordable, ground-oriented rental housing. Permitting secondary suites is a proven method of introducing additional diversity, density, and affordability into single family neighbourhoods while also respecting the character of these neighbourhoods. From a municipal perspective, secondary suites are an inexpensive way to boost affordable rental stock in single family neighbourhoods. These units provide mortgage helpers for homeowners, create new units without adding to infrastructure burdens, and integrate affordable rental housing into the neighbourhood.

Secondary suites are ubiquitous throughout the region, with numbers estimated at between 69,200 and 75,500 units in 2009[10]. Seventeen out of eighteen municipalities permit secondary suites in all single family residential zones. Coach houses, which share many of the advantages of secondary suites, are less prevalent, permitted by only 50% (2 pending) of municipalities surveyed. A number of municipalities are working to develop more flexible approaches to building codes as a means of encouraging owners to both create new secondary suites and register existing illegal suites. New Westminster in particular has developed policy in this area. The City provides comprehensive guides, design standards, and other resources for home owners wishing to create or legalize a secondary suite. (See box)

10 Metro Vancouver Housing Databook 2012.

Photo: Centretown Citizens Ottawa Corporation

Secondary Suites in the City of New Westminster

Since 1998, the City of New Westminster has permitted secondary suites in areas zoned for single-detached dwellings or duplexes as a way of introducing affordable, ground-oriented affordable housing and additional density into single family areas while preserving the character of these single family neighbourhoods. The City has developed numerous resources to support the creation and legalization of secondary suites. Online resources provide the zoning bylaw, general guidelines, technical requirements, and design standards for secondary suites. Since adopting the policy in 1998, there have been 269 legal secondary suites created in the City (2010), with estimated total of legal and illegal suites of 2425[11], which represents up to 10% of the city's housing stock.

http://www.newwestcity.ca/residents/property_improvement/secondary_suites.php

11 Metro Vancouver, Housing Data Book

Inclusionary policies are ideal for creating low-end market and market rental housing, and in some cases entry-level homeownership options. In 2007, the City of Richmond adopted an inclusionary zoning and density bonusing approach which has been effective in leveraging development activity to create affordable rental housing units throughout the city (see *Inclusionary Zoning/ Density Bonusing Approach Profile*). Richmond's Kiwanis Tower development is an interesting application of the City's inclusionary zoning policy and a demonstration of how flexibility and creativity are often required for low-end market and market rental housing projects to be successful (see *Kiwanis Towers Profile*). In 2011, the City of Vancouver adopted the Cambie Corridor Plan which requires inclusion of affordable housing, including affordable rental housing, in target rental areas, on large sites and elsewhere.

Inclusionary policies can result in affordable rental units being developed on separate sites or integrated with ownership units in mixed tenure developments. There are merits to each, but no consensus exists as to which is the best approach. The District of North Vancouver has used an inclusionary approach for the proposed Seylynn Village project to obtain 70 rental units in perpetuity (renting at 80% of District median household income) in a proposed 790 unit project. The mix of rental units is to reflect the mix of market units. The City of Vancouver's experiment with Short-Term Incentives for Rental (STIR) program illustrated some of the financial downsides of mixed tenure developments vs. 100% rental projects. City staff concluded that more rental units were created in 100% rental projects, that STIR incentives such as concurrent processing were more effective in 100% rental projects, and that 100% rental projects provided better value for the City. According to the City, the cost of incentives for 100% rental projects averaged $4900/unit, while mixed strata-rental projects averaged $70,000 per unit. This difference is due in large part to $20.2 million in CAC's that were allocated to create rental units rather than other community amenities.[12]

Inclusionary zoning is commonly used in conjunction with density bonusing or other incentives to encourage developer participation in the creation of housing units that are affordable. Density bonusing policies in the region vary, particularly in how the developer contribution is received – some require affordable housing to be built, some require community benefits to be provided which can include affordable housing, and others permit cash-in-lieu contributions to their Affordable Housing Funds. Some policies are explicit, clearly laid out in a policy or zoning bylaw, such as Richmond's, while others are negotiated on a case by case basis. This tool is ideally suited for markets that are experiencing growth and rising land values where development activity can be harnessed to create affordable rental units *(See Richmond Inclusionary Zoning/Density Bonus Approach Profile).*

An important factor in ensuring adequate access to rental housing, both low-end market and market, is the preservation and protection of existing rental units. Retaining existing housing through policy and regulation is inexpensive for municipalities and does not require senior government funding. In addition, it is less costly to retain existing rental housing than it is to build new housing. In many communities throughout Metro Vancouver, older rental stock is under increasing redevelopment pressure or pressure to be converted to strata condo units. A recent report by Metro Vancouver,

12 City of Vancouver. (2012). Secured market rental housing policy, Council report

Metro Vancouver Rental Inventory and Risk Analysis, showed that about 14% of the region's pre-1980's purpose-built, private rental stock is currently at risk of redevelopment (excluding the City of Vancouver, which is higher at 21%[13]), and this number is expected to rise to nearly 25% over the next decade.

There are a number of measures employed in the region to protect the existing rental stock. Over 70% of municipalities surveyed have strata conversion policies in place to guard against rental units being converted to condos for private ownership. These conversion policies are often linked to local vacancy rates, protecting existing rental from conversion provided that vacancy rates are below a certain threshold (e.g. below a vacancy of 4% or 2%). Other municipalities have enacted moratoriums, rate of change policies, 1 to 1 replacement policies, or have entrenched conversion policies in their OCPs. Demolition policies are another municipal measure to ensure the preservation of existing rental housing.

13 City of Vancouver. (2010). City of Vancouver rental housing strategy research and policy development: Synthesis report.

Other Key Ingredients

Parking reductions: The reduction of parking requirements offers a significant opportunity to improve housing affordability, particularly for market rental and entry-level homeownership units. Policies that reduce parking requirements are consistent with regional sustainability objectives and can help focus growth in urban centres and in Frequent Transit Corridors and drive demand for sustainable modes of transportation. While 17 out of 18 municipalities support the idea of increased density in areas appropriate for affordable housing, 6 of 18 municipalities have adopted policies for reduced parking requirements for affordable housing, and 6 of 18 support reduced parking requirements in areas with good access to transit (Burnaby and Surrey are the only municipalities supportive of both).

Incentive packages: The City of Vancouver's Short-term Incentives for Rental (STIR) program demonstrated the effectiveness of municipal polices in stimulating investment in market rental. The STIR program showed that to encourage investment in market rental and to make market rental competitive with condo developments, a robust package of incentives is required. The program used a host of incentives including waived development cost levies, reduced parking requirements, reduced unit sizes, expedited permitting processes, and additional density in exchange for rental units. Incentive packages give flexibility to developers, enabling customizable solutions for bridging the viability gap for purpose-built rental housing. The lessons learned from the STIR program have informed the City's new Rental 100 Program (see Profile).

Non profit partners: Non-profit partners have a role to play in the development of market rental housing. Non-profits can be vital sources of land or capital, as demonstrated in the Poppy Residences project in Burnaby, where the Royal Canadian Legion provided valuable land for the creation of seniors' market rental housing (see Poppy Residences Profile). Richmond's Kiwanis Towers development offers another example of a non-profit providing equity to a project, with Kiwanis Seniors Housing Society contributing land valued at $21 million (see Kiwanis Towers Profile). In addition, non-profits can act as the developer or project manager, which can significantly reduce development costs, enabling lower rents. This was the case in the Loreen Place development in Victoria, where the Greater Victoria Rental Development Society acted as the development consultant (see Loreen Place Profile).

Advocate for senior government support: Metro Vancouver has been instrumental in the creation of the Canadian Rental Housing Coalition (CRHC) and the development of its Charter outlining a plan to increase the supply of rental housing across Canada which includes reinstating federal tax incentives for market rental housing. Metro municipalities can help advocate for senior government leadership and support for rental housing by endorsing the CRHC's Charter.

Kiwanis Towers, Richmond, BC

PROJECT PROFILE

Low-end Market Rental

Tools Used:
- Inclusionary Zoning
- Density Bonusing
- Housing Agreements
- Affordable Housing Value Transfers
- Affordable Housing Reserve Fund
- Affordable Housing Strategy

Kiwanis Towers is a proposed development in Richmond, BC that has taken an innovative multi-stakeholder approach to bring together non-profit, private, and public sector funding and expertise to create 296 one-bedroom units of subsidized rental housing for low-income seniors. The project will be made possible through amendments to two of the City's area plans and its Affordable Housing Strategy to permit Affordable Housing Value Transfers which give the City the ability to accept cash contributions for council approved affordable housing projects under 'special development circumstances'.

HIGHLIGHTS

Number of Units and Type	Total: 296	1 Bedroom: 296
Monthly Housing Cost		$680-$830 Rent ($755-$905 Shelter cost including heat etc.)
Type of Development	New construction, rezoning	
Area(s) of Housing Continuum Served	Low-end market rental	
Client Group(s) Served	Low income seniors	
Municipal Affordability Measures Used	Inclusionary zoning & density bonusing Housing agreements Affordable housing value transfers Affordable housing reserve Fund Waived DCC and development fees etc. Affordable housing strategy	
Development Timeline	Redevelopment Proposal: February 2011 Rezoning application date: October 2011 Staff report & recommendations: May 2012 Public Hearing: July 2012	

The Affordable Housing Solution

The City of Richmond adopted its Affordable Housing Strategy (AHS) in 2007 based on a density bonusing approach that favours the creation of affordable housing units over cash-in lieu contributions. However, with limited senior government funding available to support the creation of subsidized rental housing, the City is now proposing amendments to the AHS and other bylaws to allow cash-in-lieu contributions to the Affordable Housing Reserve Fund under 'special development circumstances'. These cash contributions, termed Affordable Housing Value Transfers (AHVT), give the City additional flexibility in developing affordable housing.

The amendments were prompted by an application by Polygon Homes Ltd. and Kiwanis Seniors Housing Society to develop a low-income seniors housing complex as part of a larger redevelopment of a Kiwanis owned site. The project is the product of a collaboration between city staff, Kiwanis, Polygon, and many other key participants including: BC Non-Profit Housing Association, BC Hydro, BC Housing, Vancouver Coastal Health, CHIMO Crisis Services, and the Seniors Minoru Place Society Executive Board. The applicants propose to create 296-units of affordable seniors housing in two concrete towers. For the project to be feasible, Kiwanis is requesting AHVT contributions from 6 current and proposed Polygon projects. Rather that constructing affordable units separately at these 6 sites, cash contributions would be made to the Affordable Housing Reserve Fund and subsequently transferred to the Kiwanis Towers project. This request requires Polygon to be released from two existing housing agreements that have secured affordable housing in other projects and amendments to City bylaws to permit AHVT contributions.

Under the existing density bonusing policy, cash-in lieu contributions for apartment developments are restricted to projects of 80 units or less, and transfers of affordable housing units to projects in other areas of the city are not permitted. Two area plans – the City Centre Area Plan and the West Cambie Area Plan – as well as the City's Affordable Housing Policy each need to be amended to permit developers to provide cash contributions for council approved affordable housing projects in 'special development circumstances' in developments over 80 units.

For the City, it is important that this project not set a precedent for all future projects, and therefore has made it clear that a project must be classified as a 'special development circumstance' to be considered for AHVT contributions. To be considered a 'special development circumstance' projects must secure rents below the Affordability Strategy rates, seek financial support from other levels of government, be in line with the Affordable Housing Strategy proposal review and approval criteria, and meet the Affordable Housing Reserve Fund Policy funding priority for the provision of subsidized rental housing (i.e. low income seniors). The City views the Kiwanis Towers proposal as a rare opportunity to provide subsidized seniors housing on a large scale without significant senior government support. The project will create a comprehensive development of affordable housing for seniors where a greater number of services can be provided within close proximity to quality transit and community amenities.

Due to the absence of senior government funding for this project, Kiwanis is requesting a considerable amount of municipal fiscal support to make the project financially viable. The City will contribute $2,147,204 from the Affordable Housing Reserve Fund; funds which were received from previously approved developments. Kiwanis has also applied for consideration of City contributions towards development cost charges, permit fees, and service cost charges valued at $3,305,468. The total value of the City's Affordable Housing Value Transfer will be $18,690,406. Kiwanis Seniors Housing Society has proposed to contribute $21,070,000 in equity to the project in the form of land.

Rental rates in the proposed development are estimated to range from $680-$830 for the 1-bedroom units, with total shelter costs to range from $755-$905, which would include rent, hydro charges, and tenant insurance. These rents are below the maximum affordable rents set out in the AHS.

ACHIEVING AFFORDABILITY

Project Partners and Roles	Kiwanis Seniors Housing Society – Non-profit partner and operator City of Richmond - Municipal partner Polygon Carrera Homes Ltd. - Developer BC Housing - Construction financing
What makes it affordable?	Inclusionary zoning & density bonusing Kiwanis' equity contribution Affordable Housing Value Transfers Waived DCC's, fees etc. Housing agreements Affordable housing strategy BC Housing low cost financing
Project Capital Cost Totals	Total Project Capital Costs - $58,489,000 Kiwanis Seniors Housing Society - $21,070,000 City of Richmond - $24,143,079 BC Housing financing secured by Kiwanis - $13,275,922.
Cost per Unit of Affordable Housing	$197,598 per unit of seniors affordable housing
Municipal Contribution	$24,143,078 total contribution $81,545 per affordable unit
Ongoing Funding	None

Lessons Learned

While the City of Richmond has had success using the inclusionary zoning approach established in the AHS, the Kiwanis Towers project demonstrates a high level of creativity and commitment to creating affordable housing in the City that truly reflects the needs of its residents. The additional flexibility that the proposed amendments provide will likely prove to be invaluable to the City in the future.

The approach taken by the City of Richmond and Kiwanis/Polygon is innovative; however, the process has been complex and lengthy. Kiwanis/Polygon approached the City with the redevelopment proposal in February 2011. Due to the complexity and the significant policy changes required, a land economics consultant company was brought in to work with the City and Polygon to develop fair and consistent AHVT rates. In the fall of 2011, the rezoning application was received, City staff presented their recommendations in May 2012, and a public hearing was held in July 2012. Council approval of the application could be received as early as the fall of 2012, with a completion date for the project yet to be determined.

Metro Vancouver Contact: Janet Kreda, 604-432-6384, janet.kreda@metrovancouver.org

Additional Information: City of Richmond
http://www.richmond.ca/agendafiles/Open_Planning_6-19-2012.pdf

Polygon Carrera Homes Ltd.
http://www.polyhomes.com/

Loreen Place, Victoria, BC

PROJECT PROFILE

Low-end Market Rental

Tools Used: Capital grants from affordable housing trust funds
Increased density
Housing agreement
Parking reduced

Like many Canadian cities, the City of Victoria is struggling with a shortage of affordable rental housing. Loreen Place is a 52-unit low-end market rental development targeted at low-to-moderate income families with children. The project is the product of a joint-venture partnership between two Greater Victoria non-profit societies. The development is an excellent example of a low-end market rental project created without senior government capital subsidy or ongoing operating subsidy.

HIGHLIGHTS			
Number of Units and Type	Total: 52	1 Bedroom: 1	2 Bedroom: 51
Monthly Housing Cost		$800	$875 – $1300
Type of Development	New construction, infill development		
Area(s) of Housing Continuum Served	Low-end market rental		
Client Group(s) Served	Low to moderate income families		
Municipal Affordability Measures Used	Capital grants from reserve funds Increased density Reduced parking requirement Housing agreement		
Development Timeline	Joint Venture formalized - 2010 Property Purchased, rezoned, construction commenced – 2010 Construction completed - February 2012 Occupancy date – March 2012		

The Affordable Housing Solution

Loreen Place is the first project stemming from a unique partnership between the Greater Victoria Rental Development Society (GVRDS) and the Greater Victoria Housing Society (GVHS). Both organizations are registered non-profit societies and each brought their particular expertise to the project – GVRDS development consulting expertise, and GVHS property management expertise. GVHS has operated as a registered charity since 1956 and currently manages over 600 affordable rental units in the Greater Victoria area. GVRDS was established in 2009 with the mandate to develop new affordable market rental housing on Vancouver Island without subsidy for low to moderate income households.

In 2010, the two societies formed a joint-venture partnership for the purpose of acquiring, constructing and managing new low-end market rental housing units. Loreen Place is composed of 52 units of below-market family housing – 51 two-bedroom units, and 1 one-bedroom units. The units are targeted at low to moderate-income households earning annual incomes of less than $65,000. The 2 bedroom units are restricted to small families with at least one working adult, and are ideally suited for a household size of 3-4 persons. The units are not subsidized and rents have been set below market rates – 39 (75%) of the units are priced below CMHC Affordability Level 1, which is 80% of market rent, and the remaining 13 units are priced below the average rent in the Victoria area. The goal is to keep the rents as low as possible and to reduce the rents over time as the mortgage is paid down.

Photo: Greater Victoria Housing Society

In the absence of senior government funding or ongoing subsidies, alternative funding sources were required for this project to be possible. CMHC provided seed funding and Project Development Financing (PDF) grants and loans to help get the project off the ground. The City of Victoria and the Capital Regional District each provided capital grants of $370,000 from their affordable housing trust funds. These grants provided the equity with which GVRDS and GVHS were able to secure the construction financing from BC Housing which was used to purchase the site. All told, funding of $740,000 from the City and the CRD was leveraged into $9.62 million in financing.

In addition to providing a sizeable capital grant, the City of Victoria supported the project by approving the rezoning for increased density as well as permitting reduced parking. The parking requirement on the site was reduced from 68 to 57 stalls. This reduction was justified based on the location of Loreen Place on a transit route, and the proximity to nearby amenities including schools, shopping, and community centres.

Another key factor in keeping the development costs down, was the structure of the joint-venture. GVRDS provided development consulting services through an arrangement with RealHomes; an estimated value of $212,000. A donation of $20,000 was also received and applied to the first year's operating costs. The self-ownership of the land and buildings will

enable the project to remain below market rental in perpetuity, i.e. after the debt has been retired (in 35 years).
In addition, GVHS will act as the property manager going forward, ensuring that the affordable housing asset is managed responsibly.

To ensure that the housing remains affordable in the long-term, a housing agreement is in place between the City of Victoria and GVHS/GVRDS. The agreement requires that a minimum of 37 units be designated as Moderate Income Units, which is defined as households earning equal to or less than the before tax median income of CRD residents as published by Stats Canada. Monthly rent for these units is not to exceed 30% of the monthly before tax income.

GVHS and GVRDS hope that their model for low-end market rental housing can be self-sustaining. The partnership has established three objectives for any operating surpluses – to ensure below-market rents, to provide capital funding of new projects, and to pay down the mortgage upon renewal. The rent revenues at Loreen Place will cover all operating expenses, with the help of some fundraising efforts through the societies.

ACHIEVING AFFORDABILITY

Project Partners and Roles	• GVRDS – 50% owner of land and building, donated development consulting services; contracted RealHomes Ltd. to provide the development consulting services. • GVHS – 50% owner of land and building, provided property management expertise and assisted with the development process. • CMHC – Seed funding and PDF funding (project development financing) – loan of $80,000, $64,000 of which is repayable - $10,000 seed and $16,000 pdf grant not repayable. • City of Victoria – Capital Grant $370,000 • Capital Regional District Grant $370,000 • League Assets – $20,000 donation for first year's operating costs
What makes it affordable?	• No development fees – consulting services donated estimated at $212,000 • Capital grants from City of Victoria and CRD • Seed and PDF grants and loans from CMHC • High ratio mortgage arranged by BC Housing • Non-profit joint venture, owners and equity partnership • Housing agreement ensures affordability is maintained long-term
Total Project Capital Cost (Partner Breakdown)	Total Cost: $10.3 million ($10.662 million) BC Housing Loan (via TD): $9.62 million City of Victoria: $370,000 capital grant CRD: $370,000 capital grant RealHomes Ltd.: $212,000 in-kind development consulting fees CMHC: $80,000 ($64,000 loan, $26,000 grant
Cost per Unit of Affordable Housing	$204,846 per unit
Municipal Contribution	Total Municipal Contribution: $370,000 grant $7115 per unit
Ongoing Funding	None

Lessons Learned

The capital grants provided by the City of Victoria and the Capital Regional District, along with the seed and PDF funding from CMHC were critical in getting this project off the ground and enabling both the site and project financing to be secured. The project is an example of the effective use of affordable housing trust funds at both the city and regional level. The monies committed by these funds made it possible to secure the construction financing for the project. The commitment of the non-profit partners was also a key to making this project a success, as was a patient vendor (previous land owner). In addition, the development and design partners understood the product and were committed to keeping construction costs down while also forgoing profits on the project.

According to the development partners (GVHS & GVRDS) the key challenges of this project included navigating the development approval process, the lengthy and complex process to secure financing, management of environmental issues, the uncertainty of interest rates, and the complexity of construction that required time consuming on-site management.

Metro Vancouver Contact: Janet Kreda, 604-432-6384, janet.kreda@metrovancouver.org

Additional Information: Greater Victoria Housing
http://greatervichousing.org/

GVRDS
http://gvrds.org/

Inclusionary Zoning/Density Bonusing Approach, Richmond, BC

PROGRAM PROFILE

Low-end Market and Market Rental

Tools Used:
Inclusionary zoning policy
Density bonusing
Housing agreements
Affordable housing reserve fund
Affordable housing strategy

The City of Richmond adopted a new Affordable Housing Strategy in May 2007. The central focus of this strategy is to provide a range of housing options for the City's diverse population through partnerships with the private sector, local groups, agencies and other levels of government. The strategy recommended an inclusionary zoning and density bonusing approach as the best way to achieve new affordable housing units through the development process. The current inclusionary zoning and density bonusing approach favours the construction of affordable units over cash-in-lieu contributions; however, amendments to the policy that would give Council additional flexibility with respect to accepting cash-in-lieu contributions to the Affordable Housing Reserve Fund are currently under consideration.

HIGHLIGHTS			
Number of Units and Type	Total: 496	Multi-family: 401	Coach House/ Secondary Suites: 95
Type of Development	New construction		
Area(s) of Housing Continuum Served	Low-end Market to Market Rental for households with annual incomes between $33,500 and $51,000.		
Client Group(s) Served	Low and moderate income individuals and households		
Municipal Affordability Measures Used	Inclusionary zoning policy Density bonusing Housing Agreements Affordable Housing Reserve Fund Affordable Housing Strategy		
Development Timeline	Policy created: 2007 Policy amended: 2012 (pending)		

The Affordable Housing Solution

Richmond's inclusionary zoning and density bonusing policy provides the opportunity for a trade-off between the municipality and the developer where additional density in residential developments is permitted in exchange for the provision of affordable housing units. Cash-in-lieu contributions are allowed only in limited circumstances where delivery of affordable housing units is impractical. The City's priority is for the delivery of affordable units by the developer.

The City's inclusionary zoning and density policy varies by development type. Floor Area Ratio (FAR) density bonus provisions are utilized in rezoning applications to secure affordable housing units as follows

Apartment development - more than 80 units: FAR bonus is allowed if 5% of the building area and not less than 4 affordable units are developed and secured as affordable housing.

Apartment development – 80 units or less: FAR bonus is allowed if a cash contribution of $4.00 per buildable square foot or less is paid into the affordable housing reserve.

Townhouse: FAR bonus is allowed if a cash contribution of $2.00 per buildable square foot is paid.

Single detached housing: FAR bonus is allowed if a secondary suite or coach house is built on at least 50% of lots being rezoned or subdivided, and that the suites are secured with an affordable housing agreement.

Since adopting the Affordable Housing Strategy and the inclusionary zoning and density bonusing approach in 2007, 401 affordable rental housing units and 95 coach house/secondary suite units have been created, representing about 7% of all new housing starts in Richmond over the same time period.

2012 Update

Amendments to allow flexibility around cash-in lieu contributions to the Affordable Housing Reserve Fund for developments of 80 units or more in 'special development circumstances' are currently under consideration by Richmond City Council. To be considered a 'special development circumstance', projects must secure rents below the rates set out in the Affordable Housing Strategy, seek financial support from other levels of government, meet the Affordable Housing Reserve Fund Policy funding priority for the provision of subsidized rental housing (i.e. low income seniors), and be in line with the Affordable Housing Strategy proposal review and approval criteria. These cash contributions, termed Affordable Housing Value Transfers (AHVT), can be combined with other funds in the Affordable Housing Reserve Fund and used to develop special affordable housing projects in the city. The proposed amendment will uphold the City's preferred method of securing built units through the density bonusing approach, while also allowing for AHVT contributions to City approved affordable housing projects in special development circumstances.

Lessons Learned

Richmond's inclusionary zoning policy has been successful in leveraging development activity in the City to create affordable housing units. The policy clearly outlines in advance the conditions that developers must meet in order to receive a FAR bonus. The City's preference for the construction of affordable housing units rather than cash-in-lieu contributions has resulted in affordable units being distributed throughout the City. The proposed amendments will still require units to be built; however, Council will have additional flexibility to decide when cash-in-lieu contributions will be considered. This provides a practical enhancement to the policy that will allow for the creation of affordable housing units that best serve the community's needs.

Preference for units not cash has created some limits on flexibility and creativity. However, requiring units to be built within individual buildings or developments results in the scattering of affordable units throughout the City, which can lead to management challenges and "diseconomies of scale". Thus far, the units generated under this policy have been low-end market to market rental units. The increased flexibility promised by the proposed amendments may offer opportunities in the future to provide non-market units in the City through this policy.

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Additional Information:	City of Richmond:
	http://www.richmond.ca/services/socialplan/housing/strategy.htm

The Poppy Residences, Burnaby, BC

PROJECT PROFILE

Market Rental

Tools Used:
Infill development
Increased density
Affordable housing reserve fund to offset development fees
One-time property tax exemption

The Royal Canadian Legion has a history of leadership and community service in Canada. This commitment was evident when the South Burnaby Legion redeveloped the site of its former clubhouse to provide much needed rental units for seniors. With support from BC Housing, the City of Burnaby and CMHC, the South Burnaby Royal Canadian Legion developed 70 units of senior's supportive housing. The City made significant contributions that made this project viable, including rezoning to allow increased density of the site and funds from the City's Community Benefit Bonus Housing Fund to offset municipal development fees.

The Affordable Housing Solution

In 2000 the South Burnaby Legion established a building committee to explore options for their clubhouse which was too large for their current needs and too expensive to maintain. The site was valued at $4 million and the Legion was interested in redeveloping the site for senior's supportive housing. After several unsuccessful attempts to secure private sector financing for redevelopment, the Legion worked with BC Housing to provide direct financing for the 70-unit supportive housing Poppy Residences project. The LEED Gold designed facility provides on-site services including weekly maid service, 24-hour on-site support staff and security, fitness and recreation services, and resident laundry facilities. Other amenities include a commercial kitchen, dining room, fireside lounge, multi-purpose spaces and the new South Burnaby Royal Canadian Legion's clubhouse, 'Club 83'. The one-bedroom units at the Poppy Residences are targeted at moderate income seniors. The monthly cost for these units is between $1900 and $2800, of which approximately half is rent and half for the various services provided by the facility ($950-$1400/month).

HIGHLIGHTS		
Number of Units and Type	Total: 70	1 Bedroom: 70
Monthly Housing Cost		$950-1400
Type of Development	Rezoning, infill development, new construction	
Area(s) of Housing Continuum Served	Market rental, with some support	
Client Group(s) Served	Moderate income seniors	
Municipal Affordability Measures Used	Infill development Increased density City's Community Benefit Bonus Housing Fund • *Development fees offset* • *One-time property tax exemption (2008)*	
Development Timeline	Rezoning application date: August 31, 2004 Rezoning approval date: March 17, 2008 Project completion: February 2011	

Photo: City of Burnaby

There were several elements that made this project possible. The South Burnaby Legion spearheaded this project and provided the land for the development. The Legion secured an interest free Proposal Development Financing (PDF) loan from CMHC that covered the costs of the early project development work including the architectural, engineering and survey work, as well as the property appraisal, market study, and development consulting fees.

BC Housing provided interim financing at a low rate of 1% for the duration of the construction process, saving the Legion upwards of $300,000 in construction costs. BC Housing also secured mortgage financing for highly competitive rates for final project costs.

PROJECT PROFILE: The Poppy Residences, Burnaby, BC

The City of Burnaby contributed $227,065 from the City's Community Benefit Bonus Housing Fund to offset development cost charges, application fees, as well as a one-time waiver of property taxes in 2008. In addition, the City approved the rezoning for increased density on the former Legion clubhouse site and provided staff support during the application process.

Lessons Learned

The Poppy Residences development was initiated by a local non-profit society which provided both the land and the vision necessary to allow the project to be successful. Funding for the project was supported primarily by low cost government financing rather than senior government grants, with tenant rents supporting the financing for the project over the long-term. A small interest free loan from CMHC was critical in the early stages of the project to help the project get off the ground. Low cost construction financing was instrumental in keeping costs down during the construction phase of the project. The City of Burnaby made effective use of its Community Benefit Bonus Housing Fund to offset municipal development and application fees. Overall the project is an example of good value for money from a municipal perspective, costing the City of Burnaby only $3,244 per unit of seniors housing.

This project achieves market rental supportive housing for moderate income seniors. Achieving affordable rents for low-income seniors requires capital contributions or subsidies from senior governments.

ACHIEVING AFFORDABILITY	
Project Partners & Role	South Burnaby Royal Canadian Legion – Land owner & project leadership City of Burnaby – rezoning for increased density BC Housing – Project financing CMHC – Pre-development funding loan
What makes it affordable?	Infill development with increased density Waived development fees & property tax offset from Community Benefits Bonus Housing Fund Low interest capital financing (BC Housing) Low interest interim construction financing (BC Housing) Interest-free Proposal Development Funding (PDF) loan (CMHC)
Project Capital Cost Totals	Total capital cost: $18,360,347 South Burnaby Royal Canadian Legion • $4 million (land value) BC Housing • $14,360,347 in project financing
Cost per Unit of Affordable Housing	$265,534 per unit of housing
Municipal Contribution	$227,065 from Housing Fund to offset waived municipal fees $3,244 per unit of housing
Ongoing Funding	None

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Additional Information:	BC Housing www.bchousing.org/MediaNR/2011/02/18/5590_1102181051-840 South Burnaby Royal Canadian Legion No. 83 www.rclbr83.ca/ CMHC www.cmhc-schl.gc.ca/en/inpr/afhoce/prpr/upload/66986_EN_Dec06_w.pdf The Poppy Residences www.thepoppyresidences.com/team/

Rental 100 Program, Vancouver, BC

PROGRAM PROFILE

Market Rental

Tools Used:
- Waived development cost levies
- Reductions in parking requirements
- Additional density in certain cases
- Housing agreements
- Smaller unit sizes
- Expedited permitting processes

HIGHLIGHTS				
Number of Units and Type (STIR 2009 – 2011)	Total: 1651	Studio 809 (49%)	1 Bedroom: 644 (39%)	2 Bedrooms: 198 (12%)
Target for New Secured Rental Policy 2012 - 2021	Total: 3350	Studio and 1 Bedroom 2513 (75%)		2 Bedrooms: 837 (25%)
Total 2009-2021	5,000	3,750 studio/1 bedroom		1,250
Type of Development	Rezoning or development permit, new construction			
Area of the Housing Continuum Served	Market rental			
Client Group(s) Served	Moderate income households with annual incomes of between $21,500 and $86,500			
Municipal Affordability Measures Used	Waived Development Cost Levies Reductions in parking requirements Additional density in certain cases – *(commercial areas, neighbourhood 'high streets', arterials, and areas in close proximity to transit)* Housing Agreements – 60 years or life of the building Unit size reductions Speedier permitting processes No separate sales covenant			
Anticipated Rental 100 Program Costs	Anticipated DCLs waived per unit: $5,000 Target rental units (Rental 100): 3,350 Total estimated DCLs over 10 years: $16,750,000			
Program Timelines	STIR Program: July 2009 - Dec 2011 Rental 100: May 2012 -			

The new Rental 100 Program, approved by the City of Vancouver in May 2012 is designed to stimulate the construction of 3,350 new rental units over the next 9 years (by 2021) to meet the City's affordable housing targets for market rental housing (5,000 new units by 2021). The new program was developed based on the lessons learned from the Short Term Incentive for Rental Housing (STIR) program developed in 2009 in response to the shortage of market rental units in the city and the need to stimulate the creation of construction jobs during the economic recession. The STIR program ran from July 2009 to December 2011 and resulted in an estimated 1651 new rental units (approved or in application) in the City.

The Affordable Housing Solution

The City of Vancouver estimates that an additional 1500 rental units are required each year to keep up with demand. While rental demand in the city has consistently remained high, investment in market rental units in Vancouver been stagnant since senior government tax incentives were cancelled in the early 1970's.

In recent years this growing demand has been met by private condo rentals, but this trend has its drawbacks. Private condo rentals do not provide the same level of stability for tenants largely because landlords are individual investors who are more likely to sell a unit or decide to use it for their own purposes. However rented condos provide a much needed source of rental housing. In contrast, secured or "purpose built" market rental is a stable source of rental supply and also tends to become more affordable over time. Given the high costs of home ownership in the city, for households earning between $21,500 and $86,500 rental is the most affordable option. For these reasons, the City focused on providing a package of incentives aimed at stimulating rental construction that included: waived Development Cost Levies (DCL's), reductions in parking requirements, reductions in unit sizes, speedier permitting processes, and additional density in exchange for rental units.

Photo: Metro Vancouver

The success of the STIR program in stimulating the creation of market rental housing illustrated that municipal incentives can work. Key lessons from this pilot program informed the new Secured Market Rental Housing Policy. One lesson from the STIR pilot program was that it is far more cost

Photo: Metro Vancouver

effective to create 100% rental buildings than mixed tenure buildings. According to the City, the cost of incentives for a 100% rental project averaged $4900/unit vs. $70,000/unit in a mixed strata-rental project. This difference is due largley to $20.2 million in CACs that were allocated to create rental units in mixed strata-rental projects.

Another important lesson was that STIR created primarily studio and 1 bedroom units. While smaller units help reduce costs, rental housing is a cost effective alternative to ownership for families in the City, and families require larger two and three-bedroom units. The new policy requires that 25% of units be targeted towards families, i.e. 2 bedrooms or larger.

Another take-away from STIR is that density bonusing offered as part of the incentive package has to be implemented in a way that respects neighbourhood character. The new policy enhances clarity for both developers and the public as to where increased density will be considered: commercial areas, neighbourhood 'high streets', arterials, and areas close to transit.

Finally, reducing parking requirements can make a significant difference in lowering the cost of a proposed project, thus making secured rental projects economically viable and more competitive with market condo projects.

Under the new Rental 100 Program, the incentives offered to developers of purpose built secured market rental properties are: waived Development Cost Levies (DCL's), reductions in parking requirements, unit size reductions, speedier permitting processes, and additional density in certain cases.

Lessons Learned

In the City of Vancouver, where 55% of the households are renter household, and where rental housing is significantly cheaper than home ownership, stimulating the rental market is a key component of reaching affordable housing targets. Municipal incentives for rental housing have worked to create rental housing that would not otherwise have been built. Demand for rental units is high and developers will respond to incentives offered by municipalities. The lessons learned through STIR are transferable to other municipalities in the region, particularly those with low rental vacancy rates.

The STIR program and now the Rental 100 Program require significant municipal contributions and strong political will to work. Vancouver has made rental housing a priority as part of its affordable housing strategy and has political support for this approach. A challenge in other communities is recognizing the importance of rental housing and prioritizing rental in terms of resource allocation. Also, it is important to note that a robust package of incentives is necessary to create market rental housing. To create non-market and special needs rental housing for low income households, senior government funding and support is required.

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Additional Information: City of Vancouver:

STIR: http://vancouver.ca/commsvcs/developmentservices/stir/

Secured Market Rental Housing Policy: http://vancouver.ca/ctyclerk/cclerk/20120515/documents/cfsc2.pdf

http://vancouver.ca/ctyclerk/cclerk/20120515/documents/cfsc2_staff_presentation.pdf

ENTRY-LEVEL HOMEOWNERSHIP

Increasing the supply of affordable housing in the region also includes ensuring that entry-level homeownership opportunities are available to residents. Presently, approximately 65% of the region's households are homeowners; however, homeownership is increasingly out of reach for some as housing prices continue to rise relative to incomes. In Metro Vancouver, the average price of a single detached home in 2011 was $809,500, $518,000 for a semi-detached/row house, and $407,000 for an apartment/condominium.[14] Entry-level homeownership options typically take the form of multi-unit housing or small single detached lots that are affordable to households with incomes at or below 120% of median household income, and the sale price may be restricted in some way.

The cost of home ownership is impacted by a number of factors including land costs, development and construction costs, interest rates, down payment requirements, and mortgage financing capacity. 60 W Cordova is one local example of how municipalities can facilitate this type of housing (see Vancouver's 60 W Cordova Profile), and Clarence Gate provides an example from the Ottawa area (see Clarence Gate Profile). Other profiles include home ownership programs and initiatives operating in Whistler, BC; Langford, BC; and Calgary, AB (See Profiles: Whistler Housing Authority, Langford Affordable Home Ownership Program, Calgary's Attainable Homes Program).

Municipalities can influence the supply of local entry-level homeownership primarily through planning and regulatory actions. The survey of Metro municipalities found that in addition to OCP and neighbourhood plan policies, the measures best suited for enhancing entry-level home ownership were increased density in areas appropriate for affordable housing, infill development, smaller lots (or units) and reduced parking requirements. Measures aimed at increasing affordability and diversity by harnessing the private market through zoning measures such as inclusionary zoning policies are also viewed as effective measures for promoting entry-level home ownership.

Measures	Number of Municipalities Adopted
Increasing density in places appropriate for affordable housing	17/18
Infill development	15/18
Providing for smaller lots	13/18 (1 support)
Reduced parking requirements (for housing with good access to transit or for affordable housing)	12/18
Inclusionary zoning policies	6/18 (2 support)

Municipal policies for increased density in areas appropriate for affordable housing are found in virtually every municipality in the Metro Vancouver region. The areas best suited for both increased density and affordable housing are town centres and frequent transit corridors. These areas are ideal for affordable housing and low income households due to lower transportation costs associated with close proximity to quality public transportation. This idea of focusing additional density in town centres and in areas well serviced by transit is also supported by the Regional Growth Strategy. Focusing increased density in these specific areas can be achieved through the use of financial tools and other incentives including infill development, smaller lots (or units), inclusionary zoning, and density bonusing.

Infill development makes use of lots in existing urban areas, thus making more efficient use of land and taking advantage of services and amenities that are already in place such as public transportation. This measure is widely adopted in the region with 15 of 18 municipalities surveyed supporting infill development in their jurisdiction. Infill is an important municipal tool for increasing both the supply and diversity of housing choices and offers opportunities for entry-level home ownership.

14 Metro Vancouver. (2012). Metro Vancouver housing data book (2011 figures).

Lot size is an important factor in determining affordability, particularly for entry-level home ownership. Municipalities can influence land cost and ultimately the affordability of entry-level single family dwellings by introducing small lot policies. Smaller lots translate into lower land costs and therefore lower housing costs. Thirteen of 18 municipalities surveyed have adopted small lot provisions with one other municipality supportive of the idea. Smaller lots and smaller unit sizes promote greater housing density, diversity, and affordability and are supported in the RGS.

City of Langley – Multi-Family Densification

In 2008, the City of Langley adopted new bylaws designed to reduce restrictions on developers to both attract new multi-family development and promote opportunities for increased density. Multi-family developments are an example of housing that can offer entry-level affordability options. Increasing density and attracting multi-family development is part of the City's strategy of increasing the diversity of housing choice, improving affordability, revitalizing downtown, and better supporting local infrastructure, services and amenities by making more efficient use of the City's land base. The new bylaws permit higher residential densities through increased UPA (units per acre), increased lot coverage, reduced parking requirements, and increased height limits.

Reduced municipal parking requirements are a proven measure that can be used to influence the cost of entry-level home ownership and have been adopted in 12 out of 18 Metro municipalities. The 2012 *Metro Vancouver Apartment Parking Study* found a parking oversupply and that by unbundling parking from units and reducing parking requirements in areas with access to quality transit service, municipalities can create opportunities for significant developer savings, which can be passed along to homebuyers. This is precisely what was done with the 60 W. Cordova project in Vancouver, where reduced parking was a key tool used to achieve affordable prices for entry-level homes (*see 60 W Cordova Profile*). In downtown Vancouver, it is estimated that the cost of an underground parking stall is in the range of $30,000 to $45,000. In 60 W Cordova parking was reduced from a requirement of 72 stalls to 19, which reduced development costs considerably, allowing the units to be priced at below market and non-market levels.

The City of Langford located on Vancouver Island is a rapidly growing suburban municipality located west of Victoria that has employed an inclusionary zoning approach to facilitate new entry-level home ownership units since 2004 *(see Langford Home Ownership Program Profile)*. While it may be difficult to duplicate this model in all Metro Vancouver municipalities, there are certainly areas in the region where this approach could be successful. As of 2012 six Metro municipalities have adopted inclusionary zoning policies in their jurisdictions, and an additional two are supportive of the idea but have yet to adopt such an approach.

Other effective measures include waiving or reducing municipal fees, and direct provision of affordable housing through a municipally held arms length housing authority. Clarence Gate in Ottawa is designed to offer residents of non-profit housing an affordable homeownership option. The municipality's role in this project was to provide relief from municipal development charges, parkland levies, and building permit fees, which altogether amounted to a savings of approximately $7,500/unit. As the original landowner the City also agreed to defer payment for the land for a period of 8 months, saving the project considerable money and enabling the project to move forward without delay *(See Clarence Gate Profile)*.

A significant amount of entry-level ownership housing has been created directly by arms length housing authorities outside of Metro Vancouver *(see Whistler Housing Authority and Calgary Attainable Home Ownership Program Profiles)*. These arms length non-profit corporations are fully owned by their respective municipalities and aim to be self-funding. Their targets are varied, including moderate income ownership or ownership and rental households in markets with very high housing costs. Affordability is achieved through some combination of municipal land, linkage fees (in the case of Whistler), and funds from a housing reserve fund or provincial and municipal governments. Whistler

Photo: Whistler Housing Authority

Housing Authority currently manages 1969 units of restricted housing, of which approximately 54% are ownership. In 2012, Bowen Island became the first Metro municipality to create a municipal housing authority – the Bowen Island Municipal Housing Corporation (BIMHC). Modeled after Whistler's Housing Authority, BIMHC has a mandate to facilitate the creation of entry-level ownership units and rental housing through partnerships with the private development community.

Resale restrictions are an important way to protect the affordability of entry level home ownership units once they have been built. One of the key questions that must be addressed when facilitating affordable ownership housing options is how affordability is to be preserved, if at all, and for how long? Should the price be affordable for the first purchaser then be governed by the market, should affordability be controlled for a certain time period, say 20 years, or in fact, in perpetuity? Entry level homeownership initiatives vary quite considerably in terms of the way occupancy, resale and affordability is controlled. Table 4 summarizes some the terms and conditions of a selection of entry-level homeownership projects located in Metro Vancouver and elsewhere showing the type of resale restrictions including covenants placed on the unit to control occupancy or resale, who holds the covenant, presence of a buy-back option, buyer eligibility criteria, the rate of equity gain and how it is determined, and for how long affordability is preserved.

Other Key Ingredients

Non-profit and Private Sector Role: Some affordable home ownership programs have a non-profit organization acting as the developer or project manager *(see Clarence Gate profile).* 60 W. Cordova is an excellent example of a private sector-driven project where a developer and progressive financial institution, with the cooperation of the City, created low-end market and below-market ownership units *(see 60 W. Cordova profile).*

Table 4 – Terms and Conditions of Entry-level Homeownership Initiatives

Project/program	Type of Covenant	Held By	Buy Back Option	Buyer Criteria (income test)	Equity Gains	Control of Long-term Affordability
Verdant, Burnaby BC	Restrictive Covenant on title	Held by SFU; Admin by SFUCT	Buyback: 75% of below-market value	No income test; limited to faculty or staff, families	Units are resold at 20% of Fair Market Value; Equity gains tied to market.	Yes
Whistler Housing Authority, Whistler, BC	1. Housing Agreement; 2. Right of First Refusal Option	Held by Whistler Admin by WHA	Option to Purchase	No income test; employees and retirees of Whistler	Equity gains tied to Canadian Consumer Price Index	Yes
Langford Home Ownership Program, Langford, BC	S.219 Restrictive Covenant on title	Held by Langford	No buyback option	Income test: Max annual household income of $60,000 for single-family units, $40,000 for multi-family units	The resale price limited to max of $165,000 in first 5 years; In each year after 5 years owner may increase price by $2000; after 25 years may be sold at market value.	Yes (for 25 years)
Dockside Green, Victoria, BC	S. 219 Restrictive Covenant on title	Held by BC Housing Admin by Capital Region Housing Corporation	Buyback: up to 95% of below-market value	Income test: target, $30,000 to $60,000	Equity gain tied to market - Maximum price of 15-16% below Fair Market Value (depending on which phase of development)	Yes
Attainable Homes, Calgary, AB	Restrictive Covenant on title	Held by Attainable Homes		Income test: Target households earning 80%-120% of area median income (less than $80,400)	Equity gains tied to market but limited based on years of ownership: Year 0-1, 0%; year 1-2, 25%; year 2-3, 50%; year 3+, 75%	No; only 'attainable' to the first purchasers
Clarence Gate, Ottawa, ON	Restrictive Covenant on title	Held by CAHDCO		Income test: households with annual income between $31,000 and $48,000	Equity gains tied to Canadian Consumer Price Index	Yes
Options for Homes, Toronto, ON	2nd Mortgage for difference between the cost and market price, repayable when original owner sells the unit	Held by Home Ownership Alternatives		No income test	If value appreciation on the property occurs, the owner receives a proportional share of that appreciation; proportion is based on 1st vs. 2nd mortgage.	No; only affordable to the first purchasers

60 W. Cordova, Vancouver, BC

PROJECT PROFILE

Entry-level Home Ownership

Tools Used: Increased density
Reduced parking
Smaller unit size
Expeditied approval process

Vancouver's Downtown Eastside is currently experiencing a period of revitalization. This process has created conflict between the interests of the local community and the development industry, and there is concern that local residents are being pushed out of the neighbourhood. 60 W Cordova was the result of a collaboration between Vancity and Westbank Developments that sought to balance these interests and put home ownership within reach of those who may not have imagined it possible. The project is composed of 112 units – 100 entry-level market ownership units and 12 below-market affordable home ownership units.

The Affordable Housing Solution

In 2009 Vancity acquired the vacant site located near the border of Gastown and the Downtown Eastside (DTES). The developer for this project was Westbank Developments, the same group that guided the nearby Woodward's development. Westbank's goal was to develop a prototype for affordable home ownership in the City where units could be priced at low-end of market values, and targeted to local community members by giving current residents and employees of the DTES first priority on purchases. Additional community partners were brought in to manage the below-market units – 8 below-market ownership units were sold to Portland Hotel Society, and BC Housing partnered with Habitat for Humanity to acquire the 4 family units from Westbank.

Affordability was assured in a number of ways. The most significant factor in making this project work was the rezoning of the site for increased density and a reduction in the parking requirement. Height restrictions on the site were relaxed to allow a building height of 100 ft; an increase from the maximum 75 ft that allowed an extra 24 units. The requirement of 73 parking stalls was reduced to only 19, two of which are reserved for car share vehicles. The reduced parking immediately contributed to affordability since the estimated cost of building a parking stall in downtown Vancouver is between $30,000 and $40,000. The limited parking also permitted construction to proceed much faster since excavating for underground parking was not required. Additionally, the parking reduction was intended to limit investor interest and attract local residents and employees who do not own or need cars. The parking variance was justified based on the location of the project close to rapid transit options, two nearby parking garages, and local employment opportunities.

HIGHLIGHTS			
Number of Units and Type	Total: 112	1 Bedroom: 72	2 Bedroom: 40
Market Units Below-Market Units	100 12	64 8	36 4
Housing Costs Market Units Below-Market Units		1 Bedroom $240,900 - $321,900 $185,650 - $214,200	2 Bedroom $299,900 - $428,900 $263,200 - $274,750
Type of Development	Rezoning, infill development		
Area(s) of Housing Continuum Served	Entry-level home ownership Below-market affordable home ownership		
Client Group(s) Served	Moderate income local residents and employees *based on 40% of income, 4.1% interest, 35yr amortization, 25% down payment		
Municipal Affordability Measures Used	Increased density Reduced/limited parking Smaller unit size Expedited approval process		
Development Timeline	Rezoning application date: June 6, 2010 Project completion: Spring 2012		

Photo: Metro Vancouver

Small unit sizes contributed to the affordability of the units as well. The one-bedroom units range in size from 524 to 619 sq. ft., and the two-bedroom units from 755-791 sq. ft. While the units are smaller than average, the developer incorporated storage lockers and bicycle storage for each unit in the building.

There were other factors that contributed to affordability. The building's finishes were modest and the developer incurred negligible marketing costs by conducting minimal marketing and managing it in-house. No outside realtor commissions were paid and the legal fees for purchase transactions were waived for owners in exchange for volunteer work in the DTES community. 70% of the units were priced below $300,000, and 50% of the units were targeted to those earning between $29,000 and $36,000 annually.

In addition to owning the land, Vancity contributed a number of innovative and customized mortgage financing options for potential buyers. Eligible buyers not able to provide a 10% deposit were offered a 5% down payment or cash back option. Qualifying buyers able to pay a 2% deposit were eligible to receive 3% cash back from Vancity to make the minimum 5% down payment.

Additionally, Vancity's Springboard mortgage was available to buyers of the below-market units, where qualified owners could finance up to 100% of the purchase price to a maximum of $300,000. The Springboard mortgage is comprised of a 2 part loan – an interest-free loan repayable over 10 years to make up the 20% down payment, and a 10 year fixed rate mortgage with interest-only minimum payments amortized over 25 years. Vancity also provided a grant to Habitat for Humanity and Portland Hotel Society to subsidize the cost of some of the below market units.

Westbank was the driver behind many of the restrictions designed to discourage investors and encourage local buyers. The sales team gave existing residents, employees, and volunteers in the DTES community first priority on the purchases. Buyers of the market units are required to participate in the management and maintenance of the building. The below-market units required buyers to meet community residency and employment criteria (and log a minimum of volunteer hours in the local area prior to the close of their purchase).

ACHIEVING AFFORDABILITY	
Project Partners & Role	Vancity - Landowner, financing for homebuyers Westbank - Developer Habitat for Humanity - Family below-market housing partner BC Housing - Family non-market housing partner Portland Hotel Society - Below-market housing partner
What makes it affordable?	Reduce/limited parking and car sharing Innovative & customized financing through Vancity Smaller unit size Low-key, limited marketing Buyer legal fees waived through volunteering in DTES Vancity grant to non-profits to secure below-market units
Municipal Contribution	No financial contribution

For the below-market units, the non-profits have an option to Purchase/Right of First Refusals. The units must be resold to an eligible purchaser (household income plus CPI). The purchase price is restricted to the original purchase price plus CPI.

Lessons Learned

This project was a private-sector driven solution to affordable home ownership. The project was designed for and marketed to residents and workers in the DTES, for whom home ownership would otherwise have remained out of reach. The partnership with Portland Hotel Society and Habitat for Humanity helped extend affordable home ownership even further to those of very modest means in this unconventional development.

While there are unique circumstances that made the project successful, including the partnership between Vancity, non-profits, and the private sector, the acquisition of the land, and the willingness to try something different; these are elements that could be replicated elsewhere in the city and region.

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Additional Information:	Westbank Developments http://www.westbankcorp.com/60wcordova/ Vancity https://www.vancity.com/AboutUs/OurNews/AdditionalNews/60WCordova/ Habitat for Humanity http://www.habitatgv.ca/60wcordova

Whistler Housing Authority, Whistler, BC

PROJECT PROFILE

Entry-level Home Ownership
Low-end Market Rental &
Market Rental

Tools Used: Employee Housing Service Charge
Municipal Housing Authority
Municipal housing reserve fund

Located less than two hours from Vancouver, Whistler is a small resort community that has experienced sharp increases in housing costs over the past several decades. The rising costs are the result of a combination of the constrained geography of the Whistler Valley, growth management policies, and the surging popularity of the resort, both globally and with residents of Vancouver's lower mainland. By the 1980's, housing costs had become disconnected from local incomes making it increasingly unaffordable for local residents and challenging for local businesses to attract and retain employees. Municipal efforts to address the housing affordability problem began in the 1980's and in 1997 the Whistler Housing Authority was created with the mandate to develop affordable rental and home ownership units for residents, employees, and retirees.

HIGHLIGHTS						
Number of Units and Type (Prior to 1997)	Total: 556	Studio 0	1 Bdrm 50	2 Bdrm 351	2 Bdrm 115	4 Bdrm 40
After 1997 under WHA	Total 1413	Studio 147	1 Bdrm 266	2 Bdrm 449	3 Bdrm 325	4 Bdrm 226
Total Units	1969	Rental Units Pre 1997: 397 1997- : 466			Ownership Units Pre-1997: 159 1997- : 922	
Monthly Housing Costs	Rental: $1.35/sq. ft. per month ($535-$2441 based on sq. ft 396-1808) Ownership: Target Price - $250 - $300/sq. ft. Range of square footage 400-2800 (2012 sales range $185,281 - $543,810)					
Type of Development	New construction, acquisition (purchased by WHA for rental or ownership)					
Area(s) of Housing Continuum Served	Low-end market and market rental Entry-level home ownership					
Client Group(s) Served	Resident employees and retirees					
Municipal Affordability Measures Used	Employee Housing Service Charge Municipal Housing Authority Municipal housing reserve fund					
Program Timeline	First resident restricted housing unit created: 1980 Whistler Valley Housing Society created: 1983 Whistler Valley Housing Corporation created: 1988 Employee Housing Service Charge bylaw introduced: 1990 First project with resale restrictions: 1995 Whistler Housing Authority created: 1997					

The Affordable Housing Solution

Municipal efforts to address housing affordability in Whistler began in the 1980's. The municipality created the Whistler Valley Housing Society (WVHS), a non-profit society that would be eligible to receive senior government funding, and the Whistler Valley Housing Corporation (WVHC) to develop housing for Whistler residents. The first and only fully subsidized affordable housing project was developed in 1984 in partnership with CMHC and BC Housing. However, there was desire by community leaders to develop an affordable housing solution that was not reliant on senior government funding and that suited the local community context.

The Whistler Housing Authority (WHA) was established in 1997 as an incorporated housing authority with the Resort Municipality of Whistler (RMOW) as sole shareholder. The WHA was tasked with performing the combined functions of the Whistler Valley Housing Corp and the Whistler Valley Housing Society. The authority is designed to be self-funded and not reliant upon local taxpayer contributions. The WHA has a target of housing 75% of Whistler's workforce within municipal boundaries. This is measured each year using an employer housing needs assessment and as of 2011 WHA achieved a level of 82%.

Photo: Whistler Housing Authority

To support the development of affordable housing in Whistler, WHA was provided with $6 million from the municipality's housing reserve fund. These funds were generated through the Employee Housing Service Charge bylaw that was enacted in 1990. The bylaw requires developers of commercial, tourist and industrial land to either build resident housing or contribute cash in-lieu to the housing reserve fund. Developers are required to provide $5,908 per employee, with the number of employees calculated based on formulas for each type of development or business. Under this approach, it is the local business and development community that subsidizes resident restricted housing and provides workforce housing for the employees that are essential to the successes of local businesses. WHA leveraged the original funds to secure an additional $13 million in bank loans used to acquire four properties that were secured as resident restricted affordable rental units between 1997 and 2002.

The WHA's financial model ensures that the monthly rents from resident restricted rental units cover debt servicing of mortgages, property management, contributions to capital reserves, and WHA's operating costs. Funding for new resident restricted housing continues to be collected through the municipality's Employee Housing Service Charge and retained in the housing reserve fund. Contributions to the housing reserve fund vary each year depending on the level of development activity. The balance of the fund by the end of 2012 is expected to be $1,554,000.

New units are acquired using a combination of funds from the Employee Housing Service Charge Reserve fund and debt financing. In addition, some developers provide affordable units in-lieu of cash contributions. Over the years, WHA has also sold real estate assets and used the proceeds to develop additional resident restricted housing.

WHA's properties are restricted to local employees and retirees and two waitlists are maintained, one for rental units and one for home ownership units. After experimenting with lottery and points schemes, WHA chose a first-come first-served system to maintain the waitlists due to its relative fairness and ease of administration. WHA does not employ an income test for its rental restricted housing. To be considered for the waitlist, applicants must be of legal age and a Canadian citizens or landed immigrant. A local employee is defined as someone who works a minimum of 20 hours per week within Whistler. A retiree is defined as someone who was employed in Whistler for 5 of the last 6 years prior to retirement. For ownership units, applicants must obtain a mortgage pre-approval for their desired unit type. Finally, applicants or their spouses must not own non-restricted housing in Whistler at the time of application.

Occupancy restrictions are enforced through covenants on title and managed by WHA. Ownership units are either occupancy restricted or occupancy and resale restricted. Resale restrictions are also guaranteed through covenants registered on title and are in place to avoid windfall profits for first purchasers as well as to ensure the long-term affordability of the resident restricted housing. Initially, maximum resale prices were tied to the Royal Bank of Canada prime lending rate, and later to the Vancouver Housing Price Index. However, these formulas were abandoned in favour of the current scheme which links the maximum resale value to the Canadian Consumer Price Index. This formula is now applied to all new properties and any resale units that were originally sold under the old formulas. WHA controls the resale process by calculating the maximum resale price and working with the seller to list and market the property to qualified buyers from the waitlist.

Whistler's early efforts at creating affordable resident restricted housing generated a greater proportion of rental units – 71% rental vs. only 29% ownership units Since the creation of WHA in 1997, this trend has reversed with new units favouring ownership – 69% ownership vs. 31% rental This shift was initiated based on the stated preference of local residents.

Lessons Learned

WHA's resident restricted housing program is an example of a successful strategy for a community with high housing and real estate costs relative to income. It may be possible for the WHA model to be replicated and adapted for Metro Vancouver municipalities. WHA states that its model is most suitable for a high growth market with sustained, rather than cyclical growth patterns. Since WHA's funding comes from the development of local businesses, it is also ideal for an area with expanding commercial, industrial or tourism industries. An approach to affordable housing like this requires strong support from council, public, and especially the business sector which is relied upon to finance new resident restricted housing for employees and retirees.

The housing challenges of Whistler are unique to that community. It is a small, fast-growing resort community that is addressing the rental and entry-level ownership parts of the housing continuum, and not special needs and non-market housing. This model results in community amenity and affordable housing funds generated from development being allocated towards market rental and entry-level homeownership.

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Additional Information: Whistler Housing Authority
http://www.whistlerhousing.ca/

Langford Home Ownership Program, Langford, BC

PROGRAM PROFILE

Entry-level Home Ownership

Tools Used:
- Affordable housing strategy
- Inclusionary zoning and bonusing
- Waived DCC's and development fees
- Expedited approval process

The City of Langford is a small, growing city west of Victoria on Vancouver Island. Like most regions across Canada, housing affordability in the Greater Victoria area has been eroded in recent years. By 2004, the City of Langford was beginning to struggle with affordability issues as development in the city began to take off. City officials were seeing current residents and employees being priced out of the local real estate market. In 2004 the City of Langford created an Affordable Housing Strategy that incorporated a Home Ownership Program targeted at local residents and employees for whom home ownership was increasingly out of reach. The centrepiece of this program is the Affordable Housing, Park and Amenity Contribution Policy which requires 1 small lot and affordable housing unit for every 15 single-family lots created through rezoning, or a cash contribution of $1000 for each new lot created. (Updated in February 2012 in response to higher land and construction costs, this '1 in 15' policy evolved from an original policy of '1 in 10').

HIGHLIGHTS

Number of Units and Type of Units Since 2004	Total: 48	Single Family (3 Bdrm) 40	Multi-family 8
Housing Costs	Target price for the units is $165,000 or less		
Type of Development	Rezoning, new construction		
Area(s) of Housing Continuum Served	Entry-level home ownership		
Client Group(s) Served	Households of 2 or more earning a maximum of $40,000 to $60,000 annually		
Municipal Affordability Measures Used	Affordable housing strategy Inclusionary zoning and bonusing Waived DCC's and development fees Expedited approval process		
Program Partners	The City of Langford Local developers Local realtors, mortgage brokers, & financial institutions		
Total Program Costs	$8 million or $167,000 per unit - estimated value of contributions since 2004		
Program Timeline	Program created: 2004 Program revised: 2007 & 2012		

The Affordable Housing Solution

The central feature of Langford's Affordable Housing Strategy is the '1-in-15' Home Ownership Program. This program is described as a 'made in Langford' approach developed by the Mayor, staff, and local developers. Affordable units are achieved through inclusionary zoning and bonusing, and affordability is maintained through housing agreements registered on title. The housing agreement establishes the maximum sale price of the homes at $165,000 and requires the homes to be sold to purchasers approved by the City of Langford Affordable Housing Committee.

The Affordable Housing, Park and Amenity Contribution Policy mandates that for each group of 15 rezoned single-family lots, one small lot and affordable housing unit must be provided by the developer, or a cash contribution of $1000 per new lot created where a development provides more than 15 new lots. For all multi-family dwelling units and single-family lots created in multiples of less than 15, a $1000 contribution per dwelling unit to the Affordable Housing Reserve Fund is required. These funds are used to fund the construction of additional subsidized units in the City.

Photo: City of Langford

The developer is responsible for registering a housing agreement on title outlining the resale restrictions on the property. The target price of $165,000 is designed to be about 50-60% of the market price and approximates the cost recovery of construction for the developer. The resale price of the units is limited to a maximum of $165,000 in the first 5 years. In each year after 5 years, the owner may increase the sale price by $2000, and after 25 years the house may be sold for market value.

The policy establishes a number of minimum requirements and workmanship standards for the affordable units with the aim of maintaining consistency with the market units. In addition the developer must comply with design guidelines established by the Affordable Housing Committee. The units are required to be a minimum of three-bedrooms and at least 893 sq. ft. (not including garages, carports, or decks), and each unit must include a garage and 100 sq. ft. of storage space (including closets but not garages). The homes must also meet minimal visitability standards including zero-step entrances, wider doorways on the ground floor, and a half bathroom on the main floor. Other requirements include professional landscaping and window coverings.

The Affordable Housing Committee is responsible for selecting purchasers of the affordable units from a list of qualified buyers. The program targets households of two or more people with annual incomes of less than $60,000 ($40,000 for multi-family units). Applicants to the program must have lived in Langford for at least 2 years prior to purchase, have been employed in the city for at least 6 months, or be members of the Canadian Armed Forces stationed in the Greater Victoria area, with preference given to residents of Langford. In addition, applicants and household members may not own real estate or have total household assets in excess of $50,000 and are required to obtain a confirmation of mortgage pre-approval.

The City relies upon the development industry to create the affordable housing units. Since the program began in 2004, the value of the development industry's contributions to the building of affordable housing in the City is estimated to be $8 million. The City of Langford contributes to the creation of the affordable units by waiving DCC's and development fees and expediting development approvals. The City and the development community have also developed strong partnerships with local realtors, mortgage brokers, and financial institutions to provide discounted services to buyers of affordable units. Since the program was introduced in 2004, 40-single family homes and 8 apartments have been created.

The Affordable Home Ownership Program has been revised on two occasions. In 2007 a requirement to provide a $500 per unit contribution to the City's Affordable Housing Reserve Fund was introduced. This contribution was increased to $1000 in 2012. In addition, the original policy called for '1 in 10' rezoned lots to be developed into affordable units. When the policy was implemented in 2004, the difference between the market price and the affordable price was about $50,000. However, over time this gap had increased to $150,000-$200,000 due to rapidly rising house prices. In February 2012, in response to rising land and construction costs this requirement was adjusted to '1 in 15', which will result in fewer units, but ensures that the price of the affordable units can remain $165,000 or less.

Lessons Learned

Langford's Affordable Housing Program is promoted as a policy with no direct cost to taxpayers, relying on the development industry to finance and build affordable homes in the City. The program was designed in consultation with developers and the policy has strong political support. Direct municipal investment in the program is small, through the waiver of DCCs and other fees.

The development industry has to see itself as a partner in the provision of affordable housing in order for the program to work well. Also, the program is predicated on continual new development requiring rezoning; however increased development pressures actually limited the program effectiveness, with price pressures reducing the number of units that could be produced.

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Additional Information:	City of Langford:
	http://www.cityoflangford.ca/EN/meta/city-hall/affordable-housing-program.html
	CMHC:
	http://www.cmhc-schl.gc.ca/en/inpr/afhoce/prpr/upload/Langford-Affordable-Housing-Program_EN.pdf

Attainable Home Ownership Program, Calgary, AB

PROGRAM PROFILE

Entry-level Home Ownership

Tools Used:
- Gifted down payment
- City-owned non profit
- Shared appreciation structure
- Transfer of City-owned land

Over the past decade, home prices in Calgary have increased significantly while household incomes have failed to keep pace. In response to an increasingly unaffordable real estate market, the City of Calgary developed the Attainable Home Ownership Program in 2009. The program, operated by Attainable Homes Calgary Corporation (AHCC) a non-profit organization fully owned by the City of Calgary, offers the opportunity for moderate income individuals and families to build equity through home ownership. The target of the initiative is to create 1000 entry-level homes over a 5 year period (2010-2015) – 500 of these units are to be initially 'attainable' to the first purchaser, while a second 500 units are intended to remain 'attainable' in perpetuity through retained ownership of the land by AHCC.

The Affordable Housing Solution

The Attainable Home Ownership Program provides the opportunity to build equity and financial stability through home ownership. The program works to bridge the affordability gap in Calgary by providing down payment assistance and below market units to moderate income households earning annual income of less than $80,400.

Attainable Homes Calgary Corporation (AHCC) was created as a special purpose body to administer the program. The Corporation acts as a catalyst for private and public sector development of entry-level housing by partnering with established local builders to provide entry-level home ownership units at below market prices. AHCC has developed relationships with financial institutions, lawyers, and mortgage insurers all in an effort to further reduce the costs of purchasing the units. The Corporation also manages the marketing of units to potential buyers and operates a home ownership education program.

The below market pricing of Attainable Homes units is made possible through close partnerships with local builders that are able to deliver the units at reduced prices. AHCC purchases the units in bulk directly from the builder. By buying blocks of homes, AHCC accepts the risk of marketing and selling the units and thereby relieving the builders of the same risks and costs. The difference

HIGHLIGHTS				
Number of Units and Type of Units Since 2004	Total: 48	1 Bdrm 11	2 Bdrm 110	3 Bdrm 37
Housing Costs		$154,361 to $210,091	$192,500 to $262,100	$204,500
Type of Development	New construction and retrofit projects			
Area(s) of Housing Continuum Served	Entry-level home ownership			
Client Group(s) Served	Moderate income households less than $80,400 based on 2006 census			
Municipal Affordability Measures Used	Gifted down payment City-owned non profit Shared appreciation structure Transfer of City-owned land to be leased for future developments			
Program Partners	City of Calgary Local developers Local realtors, mortgage brokers, & financial institutions			
Program Costs	Provincial government start-up grant - $945,946 City of Calgary matching grant - $945,946 $400,000 loan from the City for predevelopment of City owned lands			
Program Timeline	Program Established: November 2009			

Photo: Attainable Homes

between the attainable price and the market price covers AHCC's overhead expenses and also enables the Corporation to provide a 'gifted' 5% down payment to the buyers of the units, which is a key feature of the Attainable Homes Program. The 5% down payment is provided as a gift, with eligible home buyers not required to pay it back. Mortgage underwriters that work with AHCC recognize this forgivable loan as a non-traditional down payment.

To qualify for the Attainable Homes Program, applicants are required to be Canadian Citizens or permanent residents and employed in Calgary.

Household income must be less than $80,400 and personal assets must not exceed $100,000 (excluding down payment, primary vehicle, and any registered investments or pensions). Applicants are also required to provide a minimum deposit of $2000, confirmation of mortgage pre-approval, and have completed an AHCC approved home owner education program. Once purchased, the home must be the permanent sole residence of the buyer.

Home buyers are able to provide an initial down payment of up to a maximum of 20% of the purchase price. Supplementing the gifted down payment with personal savings does not affect the gifted portion of the down payment as this is provided to the buyer through the below market sale price of the unit. Qualified buyers purchase the attainable units from AHCC; however, purchases close with the builder with AHCC acting as a facilitator for the transaction.

Purchasers of attainable units have the freedom to sell their properties at any time. When the property is sold, a portion of the home's appreciation goes to AHCC and is reinvested into the Attainable Homes Program to help develop additional attainable units in the future. This resale arrangement is secured by covenants registered on title. The home owner's share of the appreciation is based the number of years of ownership as follows: less than 1 year, 0%; 1-2 years, 25%; 2-3 years, 50%; and 3+ years, 75%. AHCC's portion of the appreciation will provide new funds for the Attainable Home Ownership Program which will be used to create additional home ownership opportunities for other moderate income households in the city.

The program was initially funded by the Government of Alberta through a $945,946 start-up grant; funds which were matched by the City of Calgary. The City also provided an additional loan of $400,000 for predevelopment work on numerous City-owned sites. These sites were transferred to AHCC to be used for development of units under land lease agreements that can remain 'attainable' in perpetuity. This loan will be repaid to the City over a 10-year period from future program revenues. The program and the corporation are intended to be self-sustaining; therefore the capital for future projects will come from AHCC's share of the appreciation when owners sell or refinance their homes.

Thus far, Attainable Homes has built new units as well as retrofitted existing buildings for attainable home ownership. The start-up grants from the Province and the City of Calgary were used to acquire the properties for the program's first 2 projects – Beacon Heights and Deer View Village (retrofit). The construction and retrofitting of 'attainable' units are financed privately by the program's building partners. The program focuses on creating units in multi-family projects rather than in single family developments. As a result, all of the entry-level homes created are apartment style condos and town homes. Since 2009, 158 entry-level home ownership units have been created – 11 one-bedroom units priced between $154,361 and $210,091; 110 two-bedroom units prices between $192,500 and $262,100; and 37 three-bedroom units priced at $204,500. The two and three-bedroom units were all located in retrofit projects, thus creating less expensive units for buyers. So far, the units created have been 'attainable' to the first buyer only.

Lessons Learned

The program leverages partnerships with local builders and businesses to deliver units at below market prices, enabling AHCC to offer a gifted down payment and 'attainable' entry-level home ownership options for moderate income individuals and families. Start-up capital was provided by the Province and City; however, the program is designed to be self-funding and will not require additional subsidy to develop additional 'attainable' units. In addition, the creation of AHCC as a separate, arms-length organization alleviates risk for the municipality.

Since the financial sustainability of Attainable Homes is based on the reinvestment of the appreciation gains at the time of resale, the program hinges on the assumption that housing prices will continue to increase indefinitely. Any prolonged depression of housing prices could adversely impact the long-term sustainability of this model. However, the program is also vulnerable to a 'hot' real estate market. Builders will be less inclined to transfer sales and marketing risks to AHCC through the sale of blocks of units if they can easily move the units themselves. Additionally, half of the units to be created under this program will be 'attainable' to only the first-time home buyer and therefore considerable investment will be made in units that will not remain affordable over the long-term.

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Additional Information:	Attainable Homes Calgary Corporation http://www.attainablehomescalgary.ca/

Clarence Gate, Ottawa, ON

PROJECT PROFILE

Entry-level Home Ownership

The Clarence Gate development is a 30 unit affordable homeownership project in Ottawa targeted to low-income households with annual incomes below the Core Income Need Threshold (CNIT) and who are living in or eligible to live in subsidized housing. The project was developed by Centretown Affordable Housing Development Corporation (CAHDCO), sister organization to Centretown Citizens Ottawa Corporation (CCOC) a non-profit organization that specializes in the development of affordable housing. CAHDCO maintains the affordability of the below market units in perpetuity by limiting equity gains and ensuring resale to buyers meeting the eligibility requirements. The model is founded on the belief that with a little help many households living in subsidized housing can afford to buy their own home, which will then free up space in subsidized housing for other families in need. CAHDCO strives to create models for affordable housing that ensure long-term affordability, that do not require government subsidy, and that can be duplicated elsewhere.

HIGHLIGHTS				
Number of Units and Type of Units Since 2004	Total: 30	1 Bdrm 5	2 Bdrm 9	3 Bdrm 16
Housing Costs	Cost to own ranged from $417 to $888 per month (2003), including heat, hydro, and half of condo fees.			
Type of Development	Rezoning, new construction			
Area(s) of Housing Continuum Served	Entry-level home ownership			
Client Group(s) Served	Low income households with annual incomes between $31,000 and $48,000 who are living in or eligible to live in subsidized housing			
Municipal Affordability Measures Used	Relief from municipal development charges, parkland levies, and building permit fees Municipal Encroachment fees were waived City of Ottawa delayed payment for the land for 8 months			
Program Timeline	Project completion: 2003			

The Affordable Housing Solution

Clarence Gate is a condominium project located in downtown Ottawa in close proximity to transit and amenities and was the first ownership project of its kind developed in Ottawa. Completed in 2003, Clarence Gate consists of 30 units – 5 one-bedroom units, 9 two-bedroom units, and 16 three-bedroom units.

To make the project financially viable and to achieve the required level of affordability, 11 of the 30 units were sold at market rates, with the remaining 19 sold below market prices. However, despite the difference in the sale price, both market and non-market units were built to the same specifications. The below market units were targeted at first-time home buyers, young couples, single parent households, and fixed income households with annual incomes between $31,000 and $48,000 (based on 2003 CNIT) who were eligible for the City of Ottawa's rent subsidy. Buyers were required to provide a 5% minimum down payment and meet the bank's mortgage eligibility guidelines which required that total housing costs not exceed 32% of household income.

Photo: Centretown Citizens, Ottawa Corporation

To ensure the below market units remain affordable to future buyers, affordable units are sold back to CAHDCO, or in some cases directly to a qualified buyer who has entered into an agreement with CAHDCO. The units are sold at a controlled price which is the original purchase price plus an inflation factor based on the Consumer Price Index. Units sold back to CAHDCO can be resold at a slighly higher price if the rise in CNIT allows it, enabling CAHDCO to recover their costs of reselling the unit such as land tax, legal fees, marketing, and repairs. This model, while limiting the ability of home owners to realize market equity gains, ensures that the below market units are sustainable over the long-term and that unit prices remain affordable.

This project was made possible through a creative partnership between CAHDCO, CCOC, the City of Ottawa and the Bank of Montreal. The CCOC provided an initial start up loan of $700,000 to help get the project off the ground. In addition, CCOC also provided security for the construction loan and the Ontario New Home Warranty Program letters of credit ($225,000). CMHC contributed with an insured bank construction loan of $3,240,000 through the Bank of Montreal. The CMHC insured loan provided 85% of the funds required for construction of the project, with the remaining equity coming from CAHDCO and the initial start up loan. Bank of Montreal also offered preferred rates to all purchasers at a rate of Prime less 1%. In situations where buyers could not qualify for mortgages with BMO, CAHDCO worked with mortgage brokers to find an alternative solution.

The City of Ottawa provided relief from municipal development charges, parkland levies, and building permit fees which altogether amounted to a savings of approximately $7,500/unit. Municipal Encroachment fees were also waived in the amount of $25,000. As the original land owner the City agreed to defer payment for the land for a period of 8 months, saving the project considerable money and enabling the project to move forward without delay.

Other keys to maintaining the affordability of the units were a modest design and the non-profit status of the developer (CAHDCO) that operated at zero profit. In addition, the condominium corporation is also permitted to rent out unused parking, providing revenue to the building, and owners manage some of the onsite maintenance of the property which also helps to keep monthly costs down for all owners.

ACHIEVING AFFORDABILITY

Project Partners & Roles	CAHDCO – Development coordinator CCOC – Start up funding CMHC – Mortgage insurance City of Ottawa – Land owners, waived fees Bank of Montreal – Private financial partner, mortgage lender
What makes it affordable?	Start up funding from CCOC Loan guarantees from CCOC Waived fees City of Ottawa City owned land at market value, with delayed payment Non-profit developer Modest building design Parking rented for additional revenue
Cost per Unit of Affordable Housing	Construction cost per unit: $89 per square foot (2003)
Cost per Unit of Affordable Housing	$179,167 per unit
Municipal Contribution	City owned land – deferred payment of market value City waived development fees approx total $225,000 Approximately $7500/unit ($11,842 per affordable unit)
Ongoing Funding	None

Lessons Learned

This project was a success due primarily due to the strong partnerships developed by CAHDCO, the market/non-market mix of housing, and the non-profit status of the developer (CAHDCO). The City's contributions were also critical to achieving affordability and removing potential barriers that could have slowed or halted the development. The limited equity structure employed by CAHDCO is a promising model that ensures the long-term affordability of the units, thus ensuring the long-term sustainability of the model.

While the units at Clarence Gate will remain affordable without additional start up investment for other projects, this model will likely prove to be slow at creating new affordable units. The model ensures long-term affordability at Clarence Gate, however, it does not provide an income stream that can be used to expand or replicate the model elsewhere. Another challenge of this limited equity model is that there is no incentive for home owners to make any improvements to their units. A poorly maintained unit has the same value as a well maintained unit and any investment would not be recouped at resale. Finally, owners were given the expectation that property taxes would be based on the controlled resale price of their units. However, owners are currently paying property taxes based on the full market value on homes that have restricted resale value.

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LESSONS LEARNED

For most municipalities, planning for affordable housing is a relatively new area, one that is complex and changing. The unique circumstances of each municipality mean that one idea cannot necessarily be transferred to another directly. Nonetheless it is helpful to transmit knowledge about successes as well as challenges to ensure that others can learn from them. Provided here are some examples of particular challenges faced by Metro municipalities and some valuable lessons derived from them.

Richmond – Defining income and rent thresholds

A key priority of the City of Richmond's Affordable Housing Strategy adopted in 2007 is to provide rental housing options that meet the income requirements of low to moderate income households. Rents and associated housing costs in affordable housing developments governed by housing agreements in the City are not to exceed 30% of household income. When the policy was created in 2007, the rent and income thresholds were based on an average of CMHC's 2003 Core Need Income Threshold (CNIT) across all unit types, rather than by individual unit type, and maximum increases to these thresholds were set to Canadian Consumer Price Index.

Since 2007, these thresholds have required amendments in response to concerns that the current rent maximums and income thresholds were too low to support the costs associated with the creation and operation of affordable units. To stimulate the creation of affordable units through the City's inclusionary zoning and density bonusing approach, realistic measures of affordability are required to support their development. Thresholds must reflect current data on income and housing costs while also maintaining affordability for low and moderate income households and recognizing the economics of affordable housing delivery.

The income and rent thresholds of the City's Affordable Housing Strategy have been amended on three occasions – 2009, 2010, and 2012. In 2009, the thresholds were updated to reflect the current CNIT figures for each unit type, as well as to allow maximum annual increases of CPI plus 2%, which was the method used by the Residential Tenancy Branch and a generally accepted practice. In addition, provisions were made for annual staff adjustments of annual income thresholds and the maximum permitted rents. In 2010, staff recommended the use of Housing Income Limits (HILs, formerly known as Core Need Income Threshold, CNIT) which are determined from the annual CMHC Rental Market Survey. In 2012, the thresholds were updated to reflect the most recent HILs data.

Richmond's struggle with determining affordability thresholds is an illustration of the challenge faced when balancing housing affordability for low to moderate income households with ensuring that rates support the participation of key stakeholders.

	Income Thresholds		
Affordable Housing Priorities:	2007	2012	
1. Affordable subsidized rental housing	< $20,000	< $33,500	Studio $33,500
2. Affordable low-end market rental housing	$20,000 - $37,700	$33,500 - $55,000	1 Bedroom $37,000 2 Bedroom $45,500 3 Bedroom $55,000
3. Affordable entry-level home ownership	$37,700 - $60,000	< $60,000	< $60,000

Surrey – Home Ownership Assistance Program

The City of Surrey operated a Home Ownership Assistance Program from 2000 until 2007. The program provided down payment assistance to first time home buyers (residents and employees of Surrey) with income levels below the average Surrey household income. The assistance took the form of interest free loans of up to $20,000, half of which was forgivable after 5 years. The program sought to both assist renter households entering the housing market while also freeing up existing rental units for other low and moderate income households. The program was funded from the interest accrued on the City's Affordable Housing Reserve fund and was administered by the Greater Vancouver Housing Authority (MVHC) until October 2007. However, the program was discontinued based on recommendations arising from the Mayor's Task Force on Homelessness and Housing which recommended reallocating the Affordable Housing Fund to support the homeless and other vulnerable populations in the City, rather than home ownership.

City of Vancouver Short-term Incentives for Rental (STIR)

The City of Vancouver's three-year experiment with the Short-term Incentives for Rental program resulted in a number of valuable lessons for both the City and the region. Staff identified seven core lessons from STIR which have been incorporated in the City's new Rental 100 Program.

100% rental projects are better: 100% rental projects created more units and are better value for money for the City than mixed tenure developments. They are also more publicly acceptable.

Affordability: STIR demonstrated that by providing a host of incentives, a city can successfully incentivize the development of purpose-built rental units. However, the resulting units will more than likely be market rate units for moderate income households. To create rental units at below market rates, senior government involvement is required.

Stability: The stability of purpose-built rental housing is one of its key benefits, and therefore it is important to ensure this stability through municipal regulatory measures. Under the City's new policy, all rental units will be secured using housing agreements for 60 years or the life of the building, whichever is longer. In addition, stratification and separate sales covenants will not be permitted.

Diversity of Unit Mix: Due to the economics of rental housing development and the lack of specific policy requirements, the STIR program produced primarily bachelor and one-bedroom units. Learning from this, the new policy places greater emphasis on creating family units, requiring 25% of units to be two-bedrooms or larger.

Clarity on Density: The STIR program received considerable criticism from the public and development community over the lack of clarity on development form, particularly with respect to density and where additional density is appropriate.

Parking: STIR proved that parking reductions can dramatically improve the economics of purpose-built rental development while also helping to achieve other City and regional objectives.

NEXT STEPS

Metro municipalities have adopted many measures promoting housing affordability and diversity, and some unique housing projects and programs have been developed as demonstrated in the profiles. New affordable housing units have been created, particularly emergency, transitional and supportive housing, low-end of market and market rental housing and entry level homeownership. What we don't know is how many low-end market or market rental units, for example, have been created in each municipality, or their level of affordability. Current municipal record keeping is silent on the question of rent level or sale price, so we do not know how many units have been created that are affordable for different income levels – critical information required to understand success in achieving the goals of the RAHS and municipal housing action plans (HAP). There is a need for better, consistent and comparable measures to aid in understanding of the outcomes of RAHS and municipal HAPs. Metro Vancouver can play a crucial role in collecting information from municipalities, synthesizing it, drawing the regional picture, and reporting back to municipalities what impacts policies are having in different communities.

Metro Vancouver has done some exploratory work to further understanding of how to measure the impacts of municipal housing policies, in terms of the number and relative affordability of units created or preserved (see Seeton, M. 2012 *Tracking the Impacts of Municipal Housing Policy Changes)*. It reviewed data sources available for tracking the number and relative affordability of units created as a result of six different housing measures. It concluded that some of the options for tracking the number and affordability of units rest at the municipal level including cross-referencing databases, such as permit databases, GIS systems and BCAA information. Other options included tracking online classifieds, piloting collecting rent information through municipal permitting processes, and finding ways to integrate databases and flag the connection between permits and particular recently adopted policies in the permit tracking system. The challenge is to find comparable measures and data sources across different municipalities. Seeton recommends first developing common definitions for policy areas, including definitions of tenure and structure type, as well as potential sources of housing data. The work also highlights the need to track both the "stock and the flow" of affordable units – current units, new units developed, units that are converted, and units that are demolished.

The next step in Metro's efforts to aid in the understanding of effectiveness of municipal housing measures is to conduct a pilot project with several municipalities to explore how to implement a simplified system of tracking housing outcomes for a number of key variables in a way that is cost effective and comparable across municipalities. Further work to develop a work program in this area is envisioned.

Municipal Actions	Bowen Island	Burnaby	Coquitlam	Delta	Langley City	Langley (TSHP)	Maple Ridge	New Westminster	North Van City	North Van District	Pitt Meadows	Port Coquitlam	Port Moody	Richmond	Surrey	Vancouver	West Vancouver	White Rock
FISCAL ACTIONS																		
City owned sites appropriate for affordable housing for lease to non-profits		Yes	**Yes**		**Yes**		Yes	Yes	Yes	Yes			Yes	**Yes**	Yes	Yes	Yes	
Donate City-owned Land to facilitate Affordable Hsg		Yes						Pending	Yes	Pending						Yes	Yes	
Grants to facilitate Affordable Housing		Yes				**Yes**	Yes	Pending	Yes					Yes	Yes	Yes		
Property tax exemption or forgiveness					**Yes**		Yes		Yes					Pending		Yes		
Heritage Grants address housing affordability								Yes										
Waiving development permit fees								Support		Yes		Yes			Yes		Yes	
Waive/reduce municipal development cost charges									Yes						Yes	**Yes**	Yes	
Land Trust for Affordable Housing													Exploring			Yes		
Affordable Housing Reserve/Trust Fund		Yes	**Yes**					Yes	Yes	Yes		**Yes**	**Yes**	**Yes**	Yes	Yes		Yes
Other Fiscal Actions									Yes							Yes		
PLANNING PROCESS																		
Affordable Housing Strategy or Action Plan	Yes		**Yes**		**Yes**	Pending	Yes	**Yes**	Yes	Pending			**Yes**	**Yes**	Pending/ Review	Yes	Pending	Pending
Official Community plan policies showing commitment to providing a range of housing choices	Pending/ Review	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	**Yes**	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Neighbourhood plans / Area plans showing commitment to providing a range of housing choices		Yes	**Yes**	Yes	**Yes**	Yes	Yes	**Yes**		Yes				Yes	Yes	Yes	Yes	Yes
Identifying suitable affordable housing sites in neighbourhood and area planning processes		Yes	**Yes**				**Yes**	**Yes**		Yes				Yes		Yes		
Heritage Program includes provisions to consider/ address housing affordability								Yes									Support	
Other Planning Actions	Yes								Yes							Yes		

Municipal Actions	Bowen Island	Burnaby	Coquitlam	Delta	Langley City	Langley (TSHP)	Maple Ridge	New Westminster	North Van City	North Van District	Pitt Meadows	Port Coquitlam	Port Moody	Richmond	Surrey	Vancouver	West Vancouver	White Rock
ZONING/REGULATORY ACTIONS																		
Increased density in areas appropriate for affordable housing		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Smaller Lots		Yes	Yes	Yes		Support	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Coach Houses			Yes	Yes			Yes		Yes	Pending	Yes		Yes	Yes	Yes	Yes		Pending
Secondary Suites	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Infill Housing		Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Broadening row house/ townhouse & duplex zoning		Yes	Yes			Yes	Yes	Yes		Pending		Yes		Support	Yes	Yes		Yes
Density bonus provisions for affordable housing		Yes	Yes			Yes	Yes	Yes	Yes	Yes	Pending	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reduced parking requirements for all housing located in areas with good access to transit		Yes	Pending		Yes		Yes	Yes		Yes			Yes	Exploring	Yes	Yes	Yes	
Reduced parking requirements for affordable housing		Yes	Yes				Yes		Yes					Yes	Yes	Yes		
Comprehensive development zone guidelines favour Affordable Housing			Yes							Pending				Yes		Yes	Yes	Pending
Inclusionary zoning policies	Yes	Yes					Yes			Yes			Exploring	Yes		Yes	Support	Support
Modified building standards (ie. Code related)								Yes		Yes						Yes	Yes	
Housing Agreements		Yes	Yes				Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	
Other Zoning Actions									Yes							Yes		
APPROVAL PROCESS																		
Fast track approval of affordable housing projects		Yes						Yes	Yes			Yes		Yes	Yes	Yes		Yes
Provide assistance			Yes					Yes	Yes	Yes				Yes	Yes	Yes		Yes
RENTAL HOUSING LOSS PREVENTION																		
Replacement policies for loss of rental housing stock			Exploring			Yes		Pending	Support	Pending			Exploring	Yes		Yes		
Demolition policies							Yes		Support					Yes		Yes		
Condo/Strata conversion policies		Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes			Exploring	Yes	Yes	Yes	Yes	Yes
Standards of Maintenance by-law				Yes				Yes	Yes	Yes				Yes		Yes		
Retention Policy - Other			Yes					Pending								Yes		
EDUCATION AND ADVOCACY																		
Guide to development process for affordable housing options such as secondary suites.		Yes	Yes					Yes	Yes			Yes		Yes		Yes	Yes	Yes
Monitor rental housing stock			Yes		Yes	Pending		Yes	Yes	Pending				Yes		Yes	Pending	

Appendix 2: Affordable Housing Trust Funds

Municipality	Year Created	Funding Source(s)	Has it Been Used?	Current Balance	Fund Aims, Targets, Goals, Funding Priorities, Criteria, Guidelines, Terms of Reference for projects etc.	Number of Affordable Units Created by Type				
						Special Needs	Non-Market	Low-end Market to Market	Entry-level Afford-ability	Total Units/ projects
Burnaby - Community Benefit Bonus Fund	1997 (Revised in 2006)	Of the cash-in-lieu funds received, by policy, 20% are automatically assigned to CBB Housing Fund . Council also has the option of increasing the dedicated housing amount (up to 100%) on a case by case basis, or to draw on the balance of available unallocated cash-in-lieu contributions for housing or other amenity purposes. The City accepts a cash contribution-in-lieu, rather than a direct amenity or housing, for all rezonings generating less than $800,000 in bonused value.	Y	$ 7.2 m Sept 2012	Community Benefit is defined as 1) a community amenity, 2) affordable or special needs housing, or 3) a cash contribution-in-lieu; affordable or special needs housing is housing which is affordable to low or moderate income households or which has features that the private market generally does not or cannot provide	72 seniors supportive housing, 64 seniors assisted living, 9 women & children				145 (in 3 approved developments)
North Vancouver City -Affordable Housing Reserve Fund (AHRF); Housing Initiatives Grant program (HIG)	1989 (revised 1995)	Affordable Housing Reserve Fund is funded through a fixed sum from general revenue of $260,000 annually; sale of City lands; and General Revenue Surplus, provincial grants, & amenity contributions.	Y	$ 2300000		25 bed shelter, 25 transition beds	77 total: (19 Units of Family; 42 Units , 16 units)	27 seniors		154 Units total: (5 developments created (2009)
Surrey Affordable Housing Reserve Fund (1992); Homelessness and Housing Fund (2007)	1992	Affordable Housing Reserve Fund established in 1992, funded from cash-in-lieu of density bonus etc.; Homelessness and Housing Fund reveived created in 2007, funded by $9 million from the City's Affordable Housing Reserve Fund, also set up as a society to receive donations, operated as an endowment managed by Vancity Community Foundation and Surrey Homelessness and Housing Society. City Staff and Council sit on the board for the Society, but it is not owned by the City of Surrey.	Y	$ 8841138	The aim of the Homelessness and Housing Fund is to raise, manage and distribute funds to support initiatives that address homelessness.					
Richmond Affordable Housing Reserve Fund	2007	Cash in lieu payments as part of inclusionary zoning and density bonusing policy	Y	$ 11700000	To be used for capital purposes including: purchasing and exchaning property or residential dwelling units for affordable housing; financing the construction of affordable housing projects; securing funding commitments form senior governments and/or private partnerships; and partnering with other levels of government and/or private agencies to achieve affordable housing in Richmond.	7-10 person group home	2 pending projects: 129 units and 296 units (used to offset development fees)			
North Vancouver District - Affordable Housing Fund	1995	1 contrubution to this fund in 2006; Potential funding sources are the sale and development of land, density bonusing, development cost charges, and/or developing innovative housing types on District lands; DRAFT OCP: Expand the District's Housing Fund to ensure that it is set up and publicised to receive funds from non-municipal sources such as cash-in-lieu contributions from philanthropic residents, developers upon rezoning and other amenity related density bonus contributions.	N	$ 140000						
Coquitlam - Affordable Housing Reserve Fund	2008	The AHS suggests that fund contributions could include cash-in-lieu contributions through development incentives, a portion of proceeds from City land sales, and/or a percentage of the City's annual budget. CIty contribution to the Affordable Housing Reserve Fund for a $50,000 per year increment to a maximum of $200,000 annually..	N	$ 1048081.42	AHRF could be used to contribute to the development of new affordable housing stock or the purchase of older rental units for non-market housing. The focus of the Fund has been broadened to include projects that meet a range of housing needs and have more limited senior government involvement					
Vancouver Affordable Housing Fund	1981		Y	?	Grants for social housing projects developed on City-owned land.					1981-2003 over $40 million distributed from the fund
New Westminster - Housing Reserve Fund	2010	Direct cash contributions from density bonusing initiatives or other sources that are earmarked for affordable housing into the City's Housing Reserve Fund.; 30% of density bonus revenues go into fund (Eberle)	N	?	Housing Reserve Fund can be used to purchase land for the purposes of affordable housing and/or to provide grants to non-profit housing providers and support other affordable housing initiatives.					
Port Coquitlam	2008	Cash contributions through density bonus program, split 50/50 between reserve funds for community amenities and social housing amentities	N	?	City may look at offsetting development cost charges and fees for non-market housing through the social amenity fund.					
Port Moody	2007	Limited contribtions from cash in lieu payments; Consideration of a 10% bonus density where proposed redevelopment in an RM zone provides significant community benefit such as affordable housing; Encouraging the development of affordable housing through measures such as density bonusing up to 15% for innovative forms of housing such as laneway housing, assisted housing and co-housing opportunities;	N	?	Terms of reference not yet in place - Clear guidelines are needed for the collection and potential use of the funds.					
White Rock	?	Density bonusing policy; The community amenity or affordable housing to be provided will be secured through a development agreement, covenant, letter of credit, and/or other necessary documentation, prior to adoption of the CD zoning amendment. The type of amenity will be determined through discussion and negotiation between the City and the developer.	?	?						

TERMS

Affordable Housing: Housing that costs no more than 30 per cent of a household's gross income regardless of whether they are living in market or non-market housing.

Co-operative Housing: A housing development where residents or members own and manage the building. Each member has one vote and members work together to keep their housing well-managed and affordable.

Core Housing Need: Core housing need is a measure of housing need in Canada. Core housing need reports on the number of households in a community who unable to find housing that is suitable in size, in good repair and affordable without spending 30 per cent or more of their income on housing.

Density bonuses permit developers to build at higher densities than current zoning allows in exchange for community amenity contributions such as affordable housing.

Emergency Shelters: Emergency shelters provide single or shared bedrooms or dormitory type sleeping arrangements with varying levels of support to individuals usually on a limited time basis. Emergency shelters play an important role in responding to homelessness but are not a long-term solution.

Housing Action Plans: A Housing Action Plan (HAP) establishes a framework that municipalities can use to identify objectives and actions for increasing the supply, diversity, and affordability of housing in a municipality. This tool can be used to raise the profile of housing issues in the community, to implement housing policies and practices to help address housing affordability and supply, help target those policies to local needs, and assess the effectiveness of municipal actions in meeting housing needs.

Housing Continuum: The housing continuum provides an important organizing framework for understanding housing needs and housing choices. In most cases the housing continuum can include emergency shelters, transitional/ supportive housing, non-market housing, market rental housing and ownership housing.

Housing Agreements: Housing agreements are a regulatory tool that takes the form of contractual arrangements between local governments and property owners or housing providers that govern the tenure, occupancy, rent levels and resale restrictions of affordable housing units. When in place, these agreements help ensure the long-term affordability of housing units and are typically used in combination with the leasing of municipally-owned land and municipal capital grants (from housing funds).

Inclusionary Zoning policies: Inclusionary zoning policies require the provision of some type of affordable housing as part of rezoning for a development. These policies may dictate that a percentage of units or square footage, or a specific number of units be affordable. Some policies require units to be built on site, others allow for units to be transferred to other sites, and some permit cash-in lieu contributions.

Non-Market Housing refers to government assisted housing which was built through one of a number of government-funded programs. This housing is typically managed by the non-profit or co-op housing sectors. Most non-market housing receives an operating subsidy. (See also non-profit housing, social housing, and co-operative housing).

Non-Profit Housing: Non-profit housing is housing that is owned and operated by non-profit housing providers. This housing is typically built through government funded housing supply programs.

Private Market Rental Housing: The private rental market provides the majority of low cost housing. This can include purpose-built rental housing as well as housing supplied through the secondary rental market including basement apartments as well as rented condominiums.

Social Housing: Social housing refers to housing built under Federal, Federal/ Provincial or Provincial housing programs and is designed to accommodate households with low to moderate incomes in core housing need. Social housing includes public housing as well as non-profit and co-op housing.

Supportive Housing: Supportive housing is housing which includes on-going supports and services to assist those who can not live independently. There is no time limit on the length of stay for supportive housing.

Transitional Housing: Transitional housing also referred to as second stage housing can include a stay of anywhere between 30 days to two or three years. Transitional housing provides access to services and supports needed to help individuals improve their situation and is viewed as an interim step on the housing continuum.

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