

Working Paper #2: The Challenges and Opportunities

A Regional Housing Affordability Strategy for the Capital Region

March 2003



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The Regional Housing Affordability Strategy is being developed by a partnership of the CRD, Vancouver Island Health Authority, BC Housing, Capital Regional Hospital Board, Canada Mortgage and Housing Corporation and the Capital Regional Housing Corporation

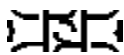


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Housing Affordability in the Capital Region – The Challenges

The housing need problems are concentrated in the lower income levels.

- **22,000 households**, or one in six households in the CRD, are in core need, that is **involuntarily having to spend** over 30% of their income on shelter that is in reasonably good condition and has adequate space. Of these 16,000 are renters and 6,000 are owners. This number does not include homeless people, although many of the core need renters may be a pay cheque away from being homeless. It does not include people living in subsidized housing.
- Core need renters include **seniors and the working poor** – those earning low wages in the service sector, for example working in tourism one of the mainstays of the Region's economy. They include janitors, cooks, hotel clerks, sales assistants, care workers and others in the service industries.

How much can these people afford to pay for rent?

Over 10,000 people living alone earning \$15,224/year cannot afford to spend more than \$400/month

Over 2,500 lone parent families earning \$18,543/year cannot afford to spend more than \$499/month.

Over 1,330 couples (with children) earning \$24,627/year cannot afford to spend more than \$600/month.

Close to 4,500 seniors having incomes between \$15,000 and \$22,000 /year cannot afford to spend more than \$400 to \$499/month.

* Income data from 1996 Census (not adjusted)

- Given the **cost of rental construction (without subsidy)**, in Victoria the rent for a new townhouse would be in the area of \$1425 per month and the rent for a one-bedroom apartment would be about \$777 per month. The minimum household incomes needed for such accommodation would be \$57,000 and \$31,000 respectively.
- Social housing wait list information shows the predominant need to be in family housing but less than half the 7,000 social housing units in the Region are **family housing**, or about 2% of the Region's total housing stock. Exacerbating the situation there is a shift in provincial policy away from funding family housing to funding supportive living units for the elderly.
- In the first five months of 2002, BC Housing's **waiting list tripled** compared to the same period in 2001. The current waiting list of the Capital Region Housing Corporation is longer than it has been since January, 1998 and is 30% higher than it was at the same time in 2001.

- Within the Capital Region the **largest numbers of core need renters live in Victoria (over 9,000) and Saanich (over 3,000)**. However, in proportion to total number of renters Langford is highest at 42%, followed by Victoria (41.6%), Esquimalt (38.9%) and Sidney (36.2%). Housing for core need renters may be more common in some municipalities than others, but there is a collective responsibility for regional local governments to share and support the housing needs of this segment of the population as part of supporting economic growth. Having to move frequently because of high housing costs impacts opportunities for employment, education, and training and the ability to sustain stable social networks – for younger and older residents.

"It's really depressing actually. I've been in this circuit for a long time...They don't leave people a lot of options. Sometimes you feel like it would be easier if you didn't exist. Easier for yourself, easier for the community, easier for the government not to have one more poor person to worry about." (J. Boyle)

"Housing is a basic citizenship issue. You can't participate as a citizen, as a productive member of society, unless you have a place to live." (M. Reitsma-Street)

(Above are quotes from "The Cost of Rent", Monday Magazine, January 30 - February 5, 2003, p.9)

Building a Stable Workforce and Community – Providing Homeownership Opportunities

The opportunity and the ability to buy a home are important for Canadians. **Housing is a cornerstone for building a strong community**. If ownership opportunities are out of reach for many people in a community, economic development may suffer and community stability may be adversely affected. Victorians face the third highest housing costs in Canada, a fact that has an unknown but no doubt highly significant impact on community health and vitality.

- After Toronto and Vancouver, Victoria has the highest housing costs in the country according to the CMHC Housing Outlook First Quarter 2002 report.¹
- In 1999, the median income of economic families in the Victoria metropolitan area was \$56,986. Average weekly wages and salaries in BC have increased by 6% between 1999 and 2002. Assuming that the median income has also increased by 6% and is now \$60,405,² a family earning that level of income could theoretically afford to pay as much as \$289,000 for a home, assuming a 10% down payment, an

¹ The report is based on the mortgage payment required to purchase average priced of a newly completed and occupied condominium apartment unit with a 5% down payment and a 5 year mortgage rate of 5.85% amortized over 25 years.

² Another data base from Statistics Canada based on tax returns indicates that the median income of husband/wife families in the Victoria CMA was \$60,800 in 2000, so using an estimate of \$60,404 for economic families in 2002 is probably very close to reality.

amortization period of 25 years, a mortgage rate of 5.5%, and a gross debt service ratio of 32%.

- Between January and July 2002, more than 50% of the 512 new single-detached homes that were completed in the Victoria CMA sold for less than \$300,000. During the same period, almost 700 existing single-detached homes sold for less than \$200,000.
- Based on local MLS sales data, it is estimated that 70.8% of the existing single-detached units, 87.0% of the existing townhouse and duplex units and 95.4% of the apartment condominium units sold in the Victoria area could have been purchased by a household with a median family income of \$60,405 in 2002.³
- On the surface, this suggests that access to homeownership in the Victoria CMA is not a major problem for a significant segment of the population. The true situation however has been disguised by the fact that mortgage interest rates over the last year have been at a historic forty-year low.
- Homeownership affordability is very sensitive to changes in market interest rates. An increase in the mid-2002 rates by even a couple of percentage points would have a profound impact on affordability. For example, if mortgage interest rates rise by only 1 1/2% from 5.0% to 6.5 %, the minimum household income needed to purchase a new modest single-detached unit costing \$247,550 would increase from \$62,000 to about \$75,400 even though the cost of construction had not changed. At 9% interest rate it would increase to \$90,000.
- Many inexperienced homeowners overlook another aspect of homeownership affordability, namely the operating and maintenance costs. The lower cost more-affordable homes are likely to need maintenance, renovation, etc., that in addition to PIT monthly payments can create financial problems, and put owners at risk of foreclosure.

Housing and Health – the Societal Benefits and Costs

- “Police forces, educators, social service providers and health workers are realizing there is a direct correlation between the quality and availability of appropriate housing in a community and the (benefits of) **well-being and functional capacity of that community**. The importance of stable and secure housing in building a strong platform for economic growth is also becoming a cornerstone of the community economic development movement.” (*Developing a Municipal Quality of Housing Measure, Federation of Canadian Municipalities, April 1998*)
- Municipalities are partners in maintaining the health of residents by supporting the development of stable neighbourhoods through the provision of recreational space, appropriate public services and an appropriate level of housing affordability and

³ Calculations assume a 10% downpayment, an amortization period of 25 years, a mortgage rate of 5.5% and a Gross Debt Service Ratio of 32%.

choice. Locally, work a decade ago on the “CRD Tomorrow – Values, Goals and Priorities Project” identified the value of managed growth and ***maintaining community stability***; affordable housing was seen as an important concern and part of the goal of preserving and fostering community stability.

“People believe that channelling growth and providing appropriate incentives and disincentives for development can protect the sense of community, natural environment, housing affordability, personal security, and ease of travel throughout the region.”⁴

- ***Personal health and security*** may be affected if people have substandard accommodation, or are in a transitory state such as single parent families fleeing abusive situations. Children in these families are particularly vulnerable to stress, health and dental problems, and at an ***educational disadvantage*** which perpetuates the poverty cycle and ultimately the cost to society.
- “The lack of adequate and appropriate housing will directly result in ***increased costs in the health and social service sectors***.⁵ Inadequate housing increases the level of dissatisfaction a person has in their life leading to isolation, stress and breakdowns, and frequent moves; all of which disrupt personal life and undermine quality of life, while increasing the use of health services, police and emergency resources.
 - “Lower individual costs for primary medical care and hospital services are related to adequate housing”⁶
 - A Winnipeg study found individuals in low-income neighbourhoods were hospitalized more frequently than individuals in middle income neighbourhoods.⁷

Factors that Increase the Cost of Housing in the CRD

- ***The Cost of Building Housing***. Housing cost for homeowners, landlords and tenants is largely a function of three key variables: land, construction costs and a group of other expenses that are sometimes referred to as “soft costs”.
- ***Impact of Costs on Homeownership***:
 - ***Land Costs*** - already high, land costs in the Region will further ***increase*** as the supply of developable land inside the Urban Containment Boundary (UCB) diminishes, exacerbating the problem for lower income households. The RGS policy of an Urban Containment and Servicing Boundary restricts outward extension of urban development. Land costs typically account for 30% to 50% of total costs, depending on the housing form.
 - ***Construction Costs*** – these hard construction costs are standard across Canada; a ***modest***, three-bedroom 1,400 square foot single-detached house

⁴ CRD Tomorrow – Values, Goals and Priorities Project, 1993 P. 19

⁵ “Health and Housing”, Capital Region Trends, Vol. 17 No. 1, April 2001

⁶ Vancouver/Richmond Health Board, “Strategic Plan for Housing Services – A Discussion Document”, April 2000

⁷ Roos, Noralou P. and Cameron A. Mustard, “Variation in health and health care use by socioeconomic status in Winnipeg, Canada: Does the system work well? Yes and no”. The Millbank Quarterly, 75(1), 89-111

hard construction would range from \$98,000 to \$112,000 and an average 1,200 square foot town house would cost between \$81,600 and \$86,400 to build in the Region.

- **Soft Costs** – these include items like soil tests, legal fees, building permits, bonding, insurance, architectural or design fees, engineering fees, interest during construction, a wide array of government fees and charges, municipal approval processing time, public process and marketing expenses, and warranty costs. Soft costs typically represent as a percentage of total cost :
 - *single-detached house 10%,*
 - *row house 15%,*
 - *wood-frame apartment unit 20%.*
- **Labour shortages** in the construction trades may result in increased hard costs. In the mid 1990s some builders and trades people from the region moved to Alberta and the U.S. The loss of trades combined with an aging baby boom generation creates the potential for increased construction costs due to a shortage of skilled labour. The latter is a nation-wide problem facing the housing construction industry and one the industry has been advocating for training and employment programs. Local governments have an opportunity to avoid further exacerbation of the situation by supporting training and measures to alleviate labour shortages.
- **New rental construction is not viable:** Current market rents are too low to justify the cost of new construction. Economic rents⁸ are estimated to be at least 30% higher than market rents, even with today's historically low interest rates. Raising rents to economic levels would vastly increase the number in core need.
- **Limited Land Supply:** This will have a significant impact on housing affordability and providing more-affordable housing stock for lower income households. RGS forecasts indicate all capacity for single detached/duplex units will be consumed by 2011 (or earlier). Capacity for townhouse units will also be exhausted before 2026. The change to a mix of unit types that will be available after 2011 will require a considerable shift in the aspirations of buyers, if we are to accommodate the population projected for 2026. RGS data indicates the following:

Housing form	Projected demand	Potential supply
Single-detached / duplex	53%	28%
Townhouse	13%	28%
Apartment	34%	43%

⁸ Economic rent is the level rent required to support the capital costs of the project with mortgage financing at 6.5% and a market capitalization rate of 8%. The economic rent level is the minimum rent level at which a private developer would ordinarily consider investing in the project.

The Regional Housing Affordability Strategy and the Economic Development and Transportation Strategies – The Links

- High housing costs deter **economic development**. Residents spending too high a proportion of their income on housing have less money to spend on other goods and services. They may be forced to make trade-offs. At lower income levels, they may be need to cut back on other essentials such as food, dental and health care, or they may have to live in accommodation that is overcrowded, substandard, or too far from work or school. High ownership costs mean that many people who want to buy a house cannot potentially creating a **less stable work force**. Housing that is too expensive for average-income households makes it **difficult to attract qualified workers**, may cause employers to locate in more affordable communities and may result in significant **loss of revenue to local business**. People who want to improve their housing conditions may have to move away.
- An effective **transportation strategy** can improve housing affordability. For example, multiple family projects concentrated around public transportation nodes and major routes provides the option for reducing residential development parking requirements, thereby lowering the cost of housing. The costs of vehicle ownership could also be directed to other expenses.

Recent disquieting events and trends:

- *In 2001, the vacancy rate plunged to a level (0.5%) not seen since the late 1980s, although it recovered marginally in October 2002 (1.5%).*
- *Recent rent increases have been roughly double the inflation rate.*
- *Housing starts have been at reduced levels for a number of years and inventories are very low.*
- *After years of decline, house prices have started to increase.*
- *Between 1991 and 1996, the number of renter households in core need increased by 25% although the total number of renter households increased by only 5%.*
- *The number of renter households who can afford to buy a home has consistently been lower in Victoria and Vancouver than in any other metropolitan centre in Canada⁹.*
- *Waiting lists for social housing units are growing quickly.*

These are the challenges the Capital Region faces. In addition there is the added **complexity of new arrangements resulting from changes in the public policy environment**. On a positive note there has been a groundswell of community-based

⁹ CMHC, "Renter to Buyer: CMHC's 27 Year Historical Affordability Report 1970-1997".

energy and expertise across all sectors in recent years directed at the housing needs and issues – the decision by the CRD to undertake a Regional Housing Affordability Strategy is a testament to that energy. ***The strategic challenge is to provide a flexible and pragmatic combination of solutions – there is no single solution.***

1.0 Introduction

As a prologue, we ask you to fast forward to March 2013 and look at two articles we find in the *Times Colonist*.

“The Capital Region takes top spot as Canada’s most exclusive housing market”

Winning this status is a mixed blessing for the Capital Region. The supply of land for new single detached housing has virtually disappeared; as a result housing prices have increased significantly – the result of higher land costs. According to a region-wide poll released today by the Housing Affordability Partnership, residents of the Capital Regional District worry about the growing housing crisis more than any other municipal problem. “Finally, people are recognizing the serious housing problems we are facing” said HAP’s President. This concern was reinforced by the Chamber of Commerce Executive Director, “The lack of affordable housing is a serious barrier to attracting and keeping skilled workers. We heard about ‘Aspenhood’ and we feared becoming like Whistler, but we didn’t pay attention to the warning signs”. Now the list of problems is long and growing:

- *25,000 low income renter households – single parents, the elderly, the working poor – struggle to pay their rent, buy enough food, and get their children to school.*
- *Although the number of homeless shelters has tripled, homeless people are a very visible presence on the streets.*
- *Because of higher mortgage rates and higher housing costs, median income households – the teachers, the nurses, the policemen - have become increasingly unable to buy the kind of housing they need where they want to live. Many have decided to leave Victoria.*
- *Others have increasingly moved to lower cost housing in outlying communities north of the Malahat. Traffic congestion has become an increasing burden in the region; commuters are spending around 4 hours a day on the road.*
- *Because of the increasing out-migration of moderate income households from the region, companies can’t find enough employees for their businesses and they too consider relocation.*
- *Service industries are particularly hard-hit by the shortage of workers. The tourism industry struggles to maintain Victoria’s reputation as a top tourist attraction.*

So how did the Capital Region get itself into this situation? In 2003, the community couldn’t agree on what action to take. Local government budgets were tight and regionally people felt senior governments should be continuing their support for housing. It was easier to ignore the issue than to act. Plus, the situation escalated as a result of the following:

- *Interest rates have increased from the 40 year lows recorded a decade ago. Five year mortgage rates now average 9%.*

- *Since reaching a 30 year low in 2001, interprovincial migration to British Columbia has grown at normal rates, resulting in pressure on housing costs and transportation networks.*
- *The economics of new rental housing construction have not changed appreciably over the last 10 years, reflecting a four decade trend. The stock of rental housing, particularly affordable rental housing, continues to age and deteriorate.*
- *Because of declining numbers of new single detached homes, the number of secondary suites added to the affordable rental stock has also declined.*
- *No new government policies or programs aimed at increased the supply of affordable housing have been implemented for many years.*

“The Capital Region receives accolades from the urban policy forum.”

In Victoria's Capital Region interests have really worked together to make the region a special place to live for all. Faced with housing issues a decade ago, the community rallied to collaborate and respond with energy and enthusiasm. The results are impressive:

- *Young families with children have greater choices of more-affordable rental housing or ownership opportunities with legal secondary suites to help them with mortgage payments.*
- *Seniors have a wide range of housing choice from independent living through supportive housing to care accommodation.*
- *Single on lower incomes can choose between secondary suites in family neighbourhoods, or renting attractive, small units, or other housing tenure options in neighbourhoods close to services and public transit.*

In accepting the accolades of the urban policy forum, the Chair of the CRD echoed the sentiments of the vast majority of residents when she said, “Thank goodness the community had the conviction to act in 2003. With the quality of life we have built we are deservedly the envy of other Canadian communities – it goes beyond our weather, scenery and gardens. Why would anyone want or need to move?”

Back to March, 2003 and reality.

Building on Working Paper #1, in this second Working Paper the pragmatic solutions that provide a range of responses offering flexibility and choice to local governments and other stakeholders in the CRD are examined.

The challenge has been growing over the last decade with provincial and federal funding cuts, and a changing public policy environment. While deep subsidy solutions are the ultimate answer to many of the housing issues in the Region, this is not reality today.

There is no ready, single solution; the approach is a complex process of implementing a

combination of solutions to reduce the difficulties facing those trying to improve housing affordability in the Region. A regional problem, it needs regional solutions. To do this a community-based commitment is essential - putting the control in the hands of the community, generating community awareness, and building community resources and energy. The involvement of the Region and local governments are key not only to a community-based strategy but, as a corollary to this, in advocating senior government policy changes to improve housing affordability, for example policies affecting the production of rental housing.

The Housing Affordability Strategy does not rely on the senior governments' deep subsidy programs but rather on what municipalities and the community can do for both low and moderate income households. The Strategy is based on tools and powers that local governments have at their disposal to improve housing affordability regionally in collaboration with other community stakeholders and resources.

One key challenge of the Housing Affordability Strategy will be to nurture a supportive local government environment across the region that encourages collaboration and innovation, in looking at ways to build and generate capacity. While local governments cannot make up for the lost funding for new social housing units, they do have considerable resources to contribute. First, and probably most importantly, they are in the best position to bring on board the wide range of community interests – including public and private sector providers, and community-based organizations – that could contribute to addressing local housing affordability needs. Second, local governments have control over policy and regulatory areas that can have a significant impact on housing affordability, including land availability, zoning regulations, development fees, property taxes, and so on. Finally, in the longer term the Regional Housing Affordability Strategy should provide credible local information to be used first to lobby senior governments for changes, and then to take advantage of housing programs should they materialize

All local governments can offer support and take action. While it is recognized that not all municipalities can or should directly provide housing that is more-affordable to low and moderate income households given the rural and agricultural nature of some jurisdictions, all municipalities can work together and contribute by supporting the general direction of the solutions including a regional housing levy and a resource centre.

A considerable range of potential solutions to the housing affordability situation in the Region has been raised in consultations (workshops, focus groups, advisory committee) on the Strategy. All potential practical solutions suggested have been considered. Those with most impact and feasibility in the current public policy environment are included in more detail in the Appendix: Identification of Potential Solutions. Information on others

which are not timely in the present policy climate will be available through Frequently Asked Questions on the CRD web site.

2.0 Achieving the Strategic Vision

The vision for this project is: “improved housing affordability that will ensure that all residents of the Capital Region – especially low and moderate-income households, the elderly, youth, those with special health and other needs, and the homeless – have reasonable choice of housing by type, tenure, price, and location.”

To achieve the vision the following key goals and related objectives were identified for the project.¹⁰

Goal: To develop a practical and effective Regional Housing Affordability Strategy for the Capital Region over both the short and the long term resulting in a significantly greater number of more-affordable homes than if there was no strategy at all.

Objectives:

- To create buy-in for the solutions recommended, by municipalities, senior governments, housing providers, the home building industry and the public.
- To define specifically how the municipal level of government, and other stakeholders, will address housing affordability needs.
- To identify specific, immediate actions that can be taken by specified stakeholders in the short, medium and long term, to address housing issues and needs.
- To foster and achieve innovation and creativity in resolving housing issues.
- To facilitate the development and maintenance of housing stock.
- To develop a strategy that is integrated with the other regional strategic initiatives on transportation and economic development, and which recognizes the interrelationships between housing and these other aspects of the sustainable community.

Goal: To improve community understanding of housing affordability issues in the CRD.

Objectives:

- To provide reliable, widely accessible information that is a common base for the community and for public and private stakeholders when participating in creating housing solutions.
- To increase awareness of the hardships of living without safe and affordable housing, and of resulting effects on the whole region and its economy.
- To develop model policies and actions to increase awareness and change public attitudes.

¹⁰ The objectives were identified for the Regional Housing Affordability Strategy in conjunction with the Steering Committee of the Housing Affordability Partnership, a local entity made up of representatives from numerous stakeholder organizations.

- To provide strategies to reduce unwarranted opposition to change in residential and other neighbourhoods, and to challenge this attitude at the individual, neighbourhood and municipal levels.
- To shift public attitudes towards “affordable” housing and multiple housing forms in general.

Goal: To establish a working model community-based support and for partnerships for improving housing affordability.

Objectives:

- To develop the strategy via an inclusive process that involves the community, stakeholders, and all levels of government, and encourages awareness of housing issues, and dialogue between the parties mentioned above.
- To encourage mechanisms for inclusive, efficient and effective cross-sectoral participation.
- To develop lasting partnerships and cooperation among the stakeholders.

Goal: To make recommendations to improve the public process to increase housing affordability and the supply of housing that is more-affordable.

Objective:

- To look at options for facilitating mediation and reducing the time and costs associated with the public process while retaining its principles.

Goal: To establish financing options that are community based and allow community groups and municipalities to work together.

Objective:

- To suggest mechanisms that coordinate related programs and services, and increase funding leverage.

Goal: To make recommendations to alleviate regulatory complexity and associated costs that impact housing affordability.

Objectives:

- To make recommendations to remove obstacles to the supply of affordably priced market and non-market housing, region-wide, consistent with the overall growth management goals of the RGS.
- To recommend short and medium term policies that are focussed and practical, and will take into consideration the need for housing for people of all incomes and situations, abilities, genders, family structure and age.
- To develop a strategy that is flexible, that can be adjusted to meet the different needs of different parts of the region, and with solutions that are transferable to various jurisdictions.

Goal: Establish a framework for on-going monitoring and evaluation.

Objective:

- To establish reasonable targets, measurable outcomes and the framework of a monitoring system with which to evaluate short and long term progress toward the strategy's goals, in each municipality of the region.

2.1 Setting a Target

Establishing meaningful targets that are measurable, and over which there is control, is difficult – but not impossible, for a number of reasons.

- Traditionally housing targets were based on the backlog in need and demand and on the subsidized units available to create affordable (social) housing. An example would be the \$25,000/unit that the Federal government made available under the recent F/P Agreements. However, in BC these funds are not available for non-senior housing. *The establishment of a Regional Housing Fund would provide a basis for a unit target, e.g. 75 units / year (\$2.0M. to \$2.5M.)*
- One option is to look at the households in core need as a percentage of total households in the CRD (see Working Paper #1 Summary, p. 26), and to target a reduction in the percentage, e.g. 5% over five years, for both renters and owners.
 - Renters in core need represent 38.5% of total renter households in the CRD¹¹
 - Owners in in core need represent 8.8% of total owner households in the CRD
 - Total households in core need represent 19.5% of total households in the CRD

This approach permits use of a credible target that is based on Census data and can be monitored every five years.

- It can also be argued that the need is great (22,000 households in core need) and identifying a numerical target of any size, e.g. 2,000 units, is at least moving in the right direction. However, to do this means being able to: (i) identify the unit; (ii) identify it as affordable to the target population, i.e. \$400-\$600/month; and, (iii) identify it as an additional unit, i.e. not existing prior to 2003. As a number of the more affordable units are likely not in conventional stock, there are no official records, and no rigorous monitoring is possible.
- It may be possible to establish sub-sets of targets for some need groups and housing types, and perhaps tenure options. One of the merits of this approach is that it starts to build capacity and collaboration across community partners, as well as a buy-in to the Strategy.
 - Secondary Suites – municipalities that have legalized secondary suites have information on the number of new suites approved. By working with these municipalities, and community associations, a count could be established that would permit targets to be established and monitored. But there are a large number of illegal suites that are not counted.
 - Rental RRAP (Residential Rehabilitation Assistance Program) units are geared to those in need and can be counted. Assuming continuation of the

¹¹ Note these are from 1996 Census; 2001 Census data for core need will be available late 2003

program funding, it might be possible to establish a target for rental RRAP in the Region and strategically use the program.

- In consultation with non-profit housing providers to the extent they are able to construct new and/or renovate existing units, and societies such as Habitat for Humanity, it may also be possible to arrive at some realistic targets for new housing or the renovation of existing stock. This approach would be mutually beneficial to the housing providers, as local governments would be aware of the Regional targets collectively committed to as part of the Strategy.

Within the five year Census period it may be possible to look at annual increments from these categories, and also to count the number of units municipalities or providers have been able to produce through additional measures such as tax incentives or partnership arrangements.

Municipalities could make commitments and set targets through their Regional Context Statements. If the Regional Growth Strategy is adopted, municipalities will be required to state how they will deal with housing affordability in their Regional Context Statement.

3.0 The Opportunity – the Solutions

“We heard from regions where the housing shortage is critical and will only get worse without a large infusion of capital and creative thinking on the parts of all orders of government.” (Canada’s Urban Strategy – A Blueprint for Action, Final Report Prime Minister’s Task Force on Urban Issues, November 2002, p. 11)

A national survey of 1,500 housing organizations found 73% of the respondents agreed that without government subsidy it is only possible to create more affordable housing with changes to the housing development process or new mechanisms. These include: tax concessions (40%); easing the development approval process (20%); mortgage financing assistance (16%); use of partnerships (14%); subsidies (14%); waiving/reduced fees by local governments (11%).¹²

While deep subsidy solutions are the ultimate answer to many of the housing issues in the Region, this is not reality today. In the absence of deep subsidies, the Region and local governments must focus efforts on:

- reducing housing construction and development costs;
- raising funds;
- developing and maintaining stock;
- community based collaboration and partnerships;
- resource support;
- awareness raising of housing issues and solutions; and,
- use of remaining senior government programs and advocacy by local governments for policy change at senior government levels.

Solutions are dependent on strong commitment and collaboration from all community interests. It is part of building community capacity. The principles include: building on strengths of local individuals, associations and institutions; ensuring local decision-making and ownership; drawing upon the resources of the larger community; and, sharing experience and knowledge to promote continuous learning.¹³ Local governments are key players.

Municipalities throughout the Capital Regional District are currently in the process of developing their regional context statements. The Regional Housing Affordability Strategy will be part of the Regional Growth Strategy and, as such and if adopted, municipalities

¹² Canadian Housing & Renewal Association, “New Ways to Create Affordable Housing”, CMHC, 1998, p.19

¹³ <http://national.unitedway.org/cbpmcpls.cfm>

will be required to state how they will deal with housing affordability in their regional context statement.

The Regional Housing Affordability Strategy recognizes that there are **urban and rural municipalities** in this region, consequently the intent of the strategy is to provide a range of options that may provide combinations of solutions to meet individual needs of municipalities. For example, potential solutions for rural-based municipalities might include secondary suites/accessory dwellings, manufactured homes and small-scale infill.

Before looking at solutions it is useful to understand what financing is required to improve housing affordability. The following recaps information provided in previous papers and background material on this project to show the combination of solutions that would be required if the regional community was to deal with the issue without support from senior governments.

3.1 Understanding the Financial Issues

A major impediment to improving housing affordability regionally is the cost of rental construction. To appreciate this it is necessary to look at the financial viability gap in the production of rental housing in the CRD. This involves the:

- ❑ gap between economic rent¹⁴ and market rent; and,
- ❑ gap between market rent and core need renter affordability

To make the construction of new rental accommodation financially viable, overall development costs would have to be reduced by at least 25% to 30% based on modest sized units, 6.5% mortgage interest rates and typical land costs. The only other option for encouraging new rental construction would be an increase of more than 30% in market rents. For a typical rental housing project in the CRD, this would mean that either total construction cost would have to be reduced by \$18,000 to \$45,000 per unit or market rents would have to increase by \$150.00 to \$375.00 per month, depending on the form of housing.

¹⁴ Economic rent is the level rent required to support the capital costs of the project with mortgage financing at 6.5% and a market capitalization rate of 8%. The economic rent level is the minimum rent level at which a private developer would ordinarily consider investing in the project.

Figure 1: Typical capital cost reductions required to make new rental viable

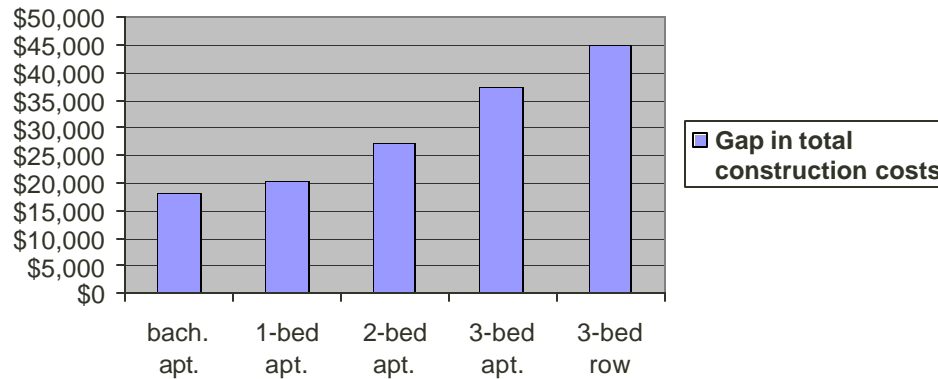
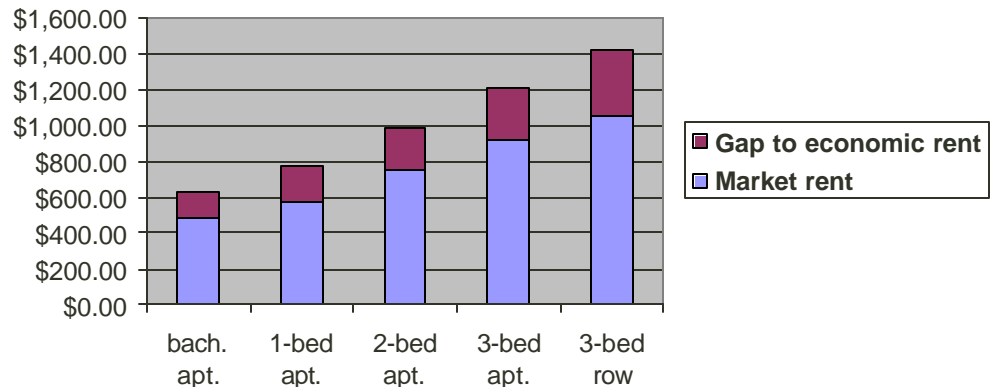


Figure 2: Typical monthly market rent increases required to make new rental viable



Source: CMHC Rental Market Survey, October 2001 and construction cost data from BTY Group and Helyar & Associates – Quantity Surveyors.

The construction of new rental accommodation at market rent levels would only address part of affordability problem that exists in the CRD. Simply adding to the stock of market rental accommodation would not address the housing requirements of the 16,245 renter households in the Victoria CMA who are in Core Need, except through higher income renters moving to new rental units or purchasing homes.

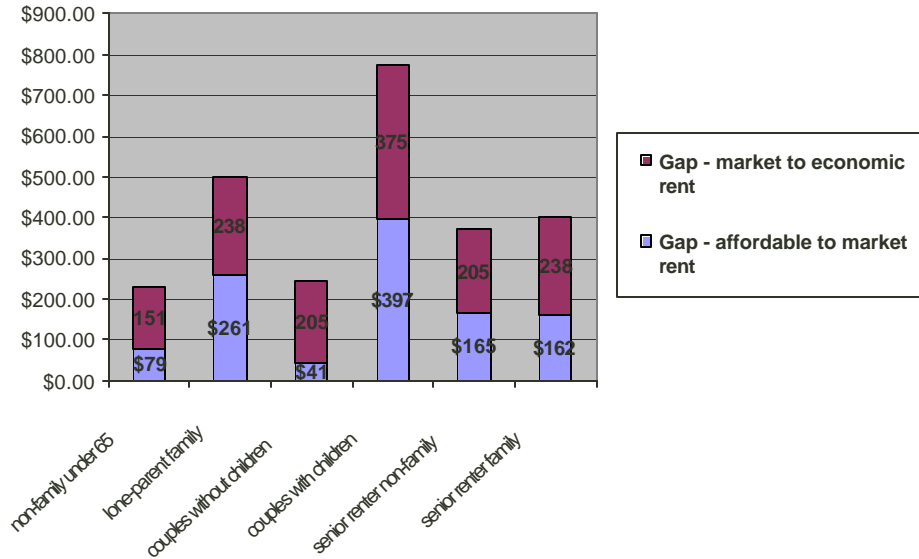
Based on an average Core Need household income of \$18,020¹⁵, the gap between 30% of income and the market rent was about \$215.50 per month in 2002.

If the gap between what a Core Need household can afford to pay in rent is added to the shortfall between market rents and what is required to encourage new private rental

¹⁵ Adjusted from 1996 Census.

accommodation, it means that a rental subsidy of between \$230.00 per month for a single individual under age 65 in a bachelor apartment unit and \$772.50 per month for a couple with children in a three-bedroom townhouse would be required.

Figure 3: Average core need renters affordability gap for new construction¹⁶



Impact of potential solutions

There is no one single approach that will make new rental housing construction financially viable and provide affordable accommodation to those in Core Need. A successful strategy, therefore, would have to be based on a series of initiatives that in combination will result in the elimination or reduction in the substantial gap between the cost of new rental housing and what is affordable for individual households.

Some of the suggestions where the financial implications are identifiable and others that have been raised in workshops and focus group sessions for the Regional Housing Affordability Strategy are noted in the chart below. They are described briefly later in this paper and in further detail in the Appendix: Identification of Potential Solutions.

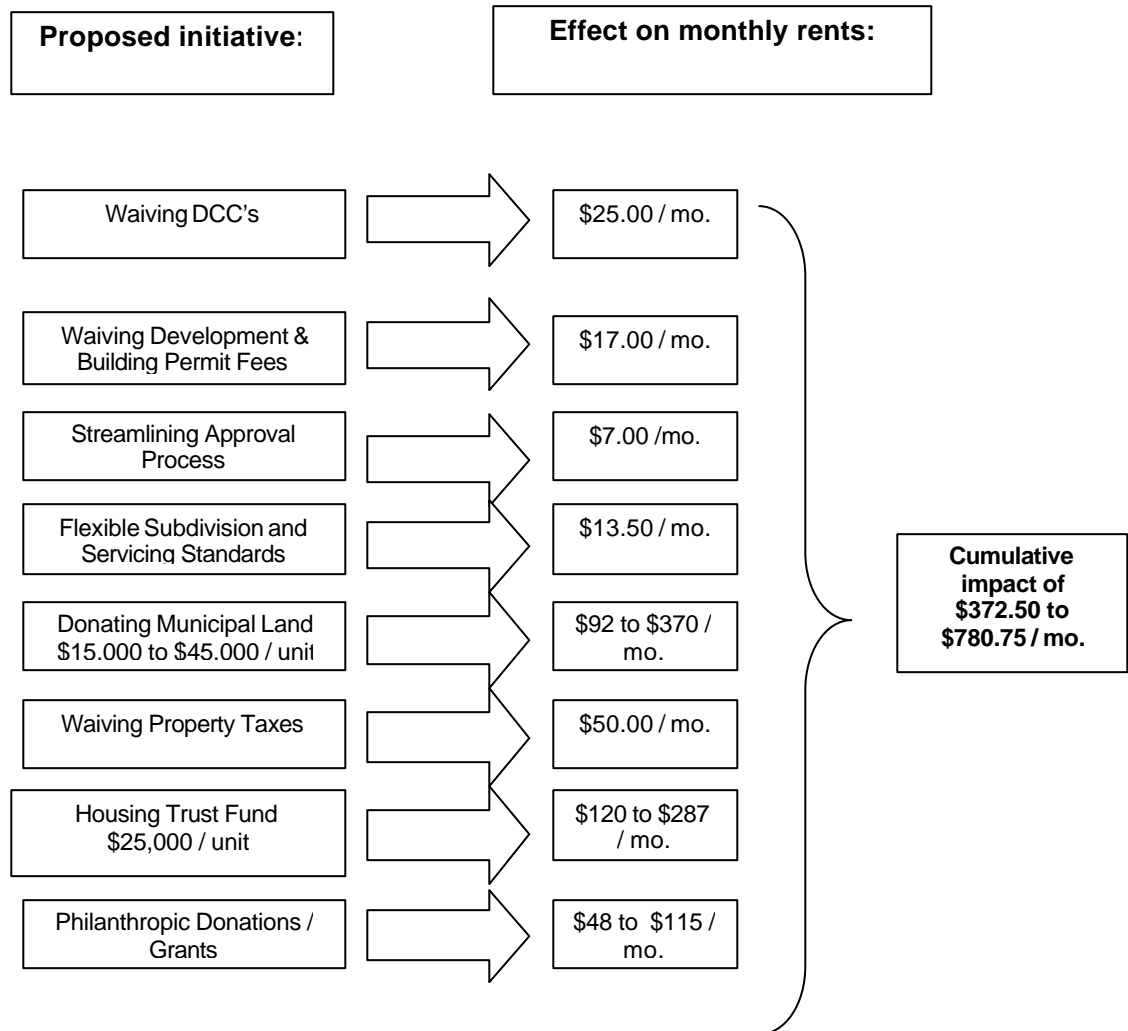
While none of these proposed solutions¹⁷ can by themselves make new rental housing affordable for those in Core Need, in combination they have the potential for bridging the financial gap that ranges from \$230 to \$772.50 per month, depending on the form of housing.

¹⁶ Detailed information is contained in tables in Appendix: Identification of Potential Solutions

¹⁷ For more detail on these see Appendix: Identification of Potential Solutions

Clearly, too, the ability of municipalities to affect housing prices through regulatory means is limited. The most effective way for local governments to do so is through land sales/leases. It is recognized, however, that not all municipalities in the Region have a supply of land that can be used in this way.

Potential impact of proposed initiatives



Note: For more information refer to table on "Impact of proposed solutions on affordable (Core Need) rents" in Appendix: Identification of Potential Solutions. Estimates are based on modest rental accommodation and 6.5% mortgage financing over 25 years.

New construction vs. existing acquisition

The gap between the rent levels required for new rental accommodation and market rents can be reduced if existing rental properties are acquired at market values instead of building new units. The cost of purchasing an existing property at market values can be as little as two-thirds of the cost of constructing a new project across the street.

At current market rents, a modest rental townhouse project would only support a purchase price of about \$100,000 to \$110,000 per unit because the purchase price would be based on the income flow generated by the project's market rents. The cost of building the same project would probably be in the area of \$155,000 to \$165,000.

This means that the level of assistance required to bridge the gap between rents required to support the project and the rents that could be afforded by those in Core Need can be significantly reduced.

Figure 4: Gap in Rents for Core Need households: new vs. existing housing

Housing form	New construction	Existing purchase
Bachelor apartment / low-rise Non-family single	\$229 / mo.	\$79 / mo.
One-bed apartment / low-rise Couple without children	\$250 / mo.	\$45 / mo.
Two-bed apartment / low-rise Lone-parent	\$498 / mo.	\$261 / mo.
Three-bed apartment / low-rise Couple with children	\$555 / mo.	\$267 / mo.
Three-bed townhouse Couple with children	\$772 / mo.	\$397 / mo.

Even though the two projects are not directly comparable, the difference in the cost of acquiring the 97 single residential occupancy (SRO) unit Ritz Hotel and the cost of building the Mike Gidora Place project with 45 SRO units demonstrates the immediate cost advantage of purchasing an existing housing project over building new. The average cost of the Ritz Hotel project in August 2000 was about \$42,500 per unit. The average cost of a unit in the Mike Gidora Place project was \$71,000 per unit by the time its construction was completed in 2000.

In an environment where new private rental construction is not financially viable, the purchase of existing rental accommodation for those in Core Need will not overcome the long-term housing requirements of the CRD. New more affordable housing will inevitably be needed to fill the gap and measures will have to be taken to ensure that new rental accommodation is built

3.2 Solutions

The following solutions are grouped by category in order of importance in responding to housing needs (See Appendix: Identification of Potential Solutions Paper for more details). There is a dichotomy between the need for deep subsidy solutions to assist households in core need and the limited power and resources municipalities are able to contribute.

3.2.1 Reducing Costs

Reducing or waiving development cost charges for affordable housing

The municipalities within the CRD could help to encourage the development of more affordable housing by waiving, or giving grants to offset, development cost charges for non-profit and affordable market housing projects.

Municipalities levy development cost charges in order to recover the infrastructure costs associated with new development. They are traditionally intended to cover the cost of new community services, such as sewers, water, drainage, roads and parks. Development cost charges attempt to collect the cost of new community services from those who will be directly benefiting from them on a “user pay basis” instead of relying on the general community tax base.

Development cost charges in the region vary from zero in Esquimalt and Oak Bay to as high as \$23,366 per unit in some parts of Saanich. Across the region, development cost charges are typically in the range of \$3,000 to \$4,000 per unit.

A typical development cost charge of about \$3,000 can add as much as \$25.00 per month to the economic rent required for a new apartment unit. The elimination of development cost charges for more-affordable housing projects would only bridge about 5 to 10% of the gap that exists between market and economic rents. Such a change in policy would however be very helpful in combination with other possible initiatives.

If the municipalities within the region waived the development cost charges for the construction of 200 new more-affordable housing units each year, the annual costs in terms of lost revenue would be in the range of \$600,000 to \$800,000. The cost in some municipalities would be zero, while in others would be much more significant.

Reducing or waiving development permit and building permit fees

By waiving or reducing development permit and building permit fees for non-profit developments, affordable market housing projects and secondary suites, municipalities could help to encourage the development of more-affordable housing.

The cost of development permits in the region range from \$100 to \$2,500 depending on the municipality. Building permit fees for a modest single-detached unit in most areas vary from \$1,684 up to \$2,940. On average, development permits and building permits add about \$2,500 to the cost of a housing unit.

If the cost of development permits and building permits were to be absorbed by the municipality for affordable new rental accommodation, the required economic rent of such a unit could be reduced by about \$17.00 per month on average.

Using development cost charges to encourage density and improve housing affordability

Development charges may also have an effect on urban form through variations in the schedule of charges that can influence residential densities location and mix. A recent national study found that municipalities tend to focus on the role of DCCs in generating revenue to help cover their capital infrastructure needs, and have little interest in the implications of DCCs for land use or planning outcomes.¹⁸ Varying charges within a municipality can encourage development in select locations, on smaller lots, as well as certain house types and sizes; in turn, this can help to improve housing affordability.

If DCCs are:

- sensitive to lot size then there will not be subsidization of large lots by small lots;
- structured to reflect the different infrastructure costs associated with different house types, then housing that is less expensive to service (e.g. duplexes, townhomes and apartments) will not be subsidizing housing that is more expensive to service;
- able to vary by house size, i.e. are not calculated on a flat-rate basis, then smaller units will not be subsidizing larger units; and
- area specific charges instead of municipal-wide charges then cross-subsidization of development can be avoided.

Streamlined municipal approval processes

Processing times for development permits range from 36 days on average in Langford to 176 days in Saanich. Rezoning applications take about four to six months in Victoria but more than eight months in Saanich.

A municipality could facilitate the timely production of housing by streamlining the municipal development approval process, for example by:

- reviewing rezoning and development permit applications simultaneously;

- giving priority (fast-tracking) to applications for affordable housing units by placing such applications at the top of the pile";
- providing better information about the local approvals process to reduce uncertainty and improve understanding.

If the time required for rezoning applications could be reduced from eight to four months, the interest costs of holding undeveloped land for a typical apartment project could be reduced by \$500 to \$1,000 and could reduce the required economic rent by as much as \$5.00 to \$7.00 per month

Subdivision and Construction – Alternative Development Standards

Municipalities could contribute to the development of more affordable housing by promoting initiatives in new, larger scale developments that promote lower servicing costs without necessarily impacting the quality of the services provided. The introduction of such things as higher densities (smaller lots), narrower roads, sidewalks on only one side of the street, storm water systems that rely more on surface drainage and the use of common utility connections could greatly reduce end costs of residential land.

A cost benefit analysis undertaken for the Burke Mountain lands in Coquitlam indicates that neo-traditional planning (high density, more compact “nodal” development) instead of conventional land use pattern could lower municipal DCCs by as much as 45% and reduce annual operating costs by up to 18%.¹⁹

If typical development cost charges could be reduced that much, the total costs of construction for new housing could be lowered by about \$2000 per unit. This could make new modest single-detached units slightly more affordable by reducing the cost of a typical mortgage by as much as \$13 to \$18 per month, depending on the prevailing interest rates.

Use government land for affordable housing purposes

Municipalities could review their land holdings and make suitable sites available for more-affordable housing purposes at a nominal cost on either a freehold or long-term lease basis. After the actual “hard costs” of construction, land costs represent the most expensive component of a typical multi-family residential development. By either donating land or by providing it at a below market cost, Municipalities could have a dramatic impact on the economic viability of new affordable housing projects.

¹⁸ CMHC, “The Effects of Development Charges on Urban Form”, CMHC (Peck & Associates and Urban Aspects Consulting Group), 2000.

¹⁹ Northeast Coquitlam Development Strategy, KPMG, 1998 and District of Maple Ridge for the Silver Valley Area.

Based on unedited data from the B.C. Assessment Authority, the region's municipalities hold almost 2,300 acres of vacant land of all types, but much of it appears to be dedicated to municipal parks.

Although an analysis of the development potential of these sites has not been undertaken, it suggests that there is at least some opportunity for the municipalities to make land available for the development of new affordable housing (or on the sale of such lands contribute the proceeds to a housing fund) within the CRD. The number of suitable municipally-owned sites in appropriate locations is probably quite limited.

If parcels of suitable municipal land were to be either sold and the proceeds donated to non-profit organizations or transferred directly to such organizations for the development of affordable house rental apartments, the capital costs of such projects could be reduced by \$12,000 to \$60,000 per unit depending on the location and the market value of the land. The impact on the economic rent required to support a new affordable apartment unit could be reduced by \$92.00 to \$182.00 per month.

Somewhat related to this solution, is the suggestion that municipalities lease residential properties acquired through non-payment of property taxes to CRHC and other non-profit housing corporations for the purpose of more-affordable housing purposes.

In addition to municipally-owned land, crown-owned federal and provincial lands, as well as surplus School Board sites, could also be a source of land for more-affordable housing. Examples exist where, in the past, School Districts have provided land for uses such as the Oak Bay Recreation Centre and non-profit housing projects such as the Baptist Housing project on Elgin Street.

On the surface it appears as if there is a significant supply of publicly owned land in the region. The federal and provincial governments, as an example, hold about 5,900 acres of vacant land in the region according to unedited data obtained from the BC Assessment Authority²⁰. The B.C. Building Corporation and the B.C. Hydro and Power Authority hold another 1,650 acres.

The reality on the ground, however, is somewhat different. A representative from the federal government's Canada Lands Corporation has indicated that they currently do not hold any land within the region. They also confirmed that if they did have any land, their mandate requires it to be disposed of at market value.

²⁰ One of the recommendations of Canada's Urban Strategy, November 2002, is to establish a central inventory of federally owned lands and buildings, their current use and future use that could have potential for strategic urban redevelopment.

The Province of B.C. had an “Affordable Housing First” Lands policy that allowed the sponsors of social housing projects to access surplus lands at below market values. Unfortunately, the policy is no longer in effect. Local examples of this policy include CRHC’s Harbour Lane project at the corner of Kingston and Pendray Streets in James Bay, and the St. Andrews Victoria Housing project on West Saanich Road in Victoria. The former is on approximately 1 acre of property previously owned by BCBC and transferred to CRHC at a 50% discounted cost basis in 2000.

The Department of National Defence (DND) - at the Canadian Forces Base Esquimalt - also holds considerable acreage within the ‘urban’ region. However, redevelopment of some Crown lands would be complicated by First Nations claims.

If parcels of federal and provincial land were to be either donated or leased to non-profit organizations for the development of affordable rental apartments, the capital costs of such projects could be reduced by \$12,000 to \$60,000 per unit depending on the location and the market value of the land. The impact on the economic rent required to support a new affordable apartment unit could be reduced by \$92.00 to \$182.00 per month. The economic rent of a rental townhouse could be reduced by about \$370.00 per month.

Infill

Opportunities exist for residential development on an infill basis in most of the region’s urban areas, according to the RGS. These possibilities could be examined and the opportunity for more-affordable housing could be encouraged by increasing the allowable density, inclusionary zoning, and other methods.

Small scale infill in the form of duplexes, patio homes and small row housing development is suited to some of the smaller communities in the Region, and is in keeping with the RGS encouraging infill to be small scale, ground oriented single family, duplex, and townhouse. It can provide a solution to housing affordability, especially where the housing type is predominantly single family detached and land costs are high. Central Saanich is currently completing a set of Evaluation Guidelines geared to encouraging small scale infill, including legalized secondary suites to secure rental stock, to provide more-affordable housing for young families, independent seniors and renters.

Redeveloping existing non-profit housing projects

This was discussed above under increased density in downtown/regional centres, but also applies to other infill opportunities where there are existing under-developed sites owned by non-profit housing societies.

Reducing or waiving property taxes for affordable housing units

Municipalities could help to encourage the development of new more-affordable housing by waiving the property taxes for housing projects where the proponent is a non-profit society.

Property taxes for a modest new rental three-bedroom town house in most areas of the region would be in the range of \$850 to \$950 per year, depending on the property's assessed value. This is roughly equal to one months rent for the some unit.

By eliminating the property taxes for non-profit rental housing, the municipality could reduce the gap between the rent required to support the construction of a new modest town-house accommodation and the current market rents by \$70.00 to \$80.00 per month.

If municipalities waived the property taxes for the construction of 200 new more-affordable housing units each year, the accumulated lost revenue would amount to about \$2,700,000 by the end of the fifth year and would continue to grow.

As part of initiatives to reducing housing costs, local governments should also be **ensuring or securing housing affordability through covenants** limiting profit on re-sale to a proportion of original sale price, or securing the units as part on the on-going rental stock.

3.2.2 Raising Funds

Access to mortgage funding for the development of more affordable housing is not an issue in today's market. The problem is the level of mortgage financing that can be supported by the income generated by market rents. A private developer can only obtain first mortgage financing for about 60% to 70% of the cost of constructing new rental accommodation.

Without the loan guarantees that were part of the province's B.C. Homes Program, non-profit groups can no longer get the 100% financing that was once available to them. Even with the flexible underwriting criteria that is applied by CMHC's Canadian Centre for Public / Private Partnerships, non-profit organizations are typically limited to loan levels of 65% to 75% of total costs for new construction.

This means that the development of new more affordable rental housing will require either a considerable equity investment by the proponent or access to other funds from within the community. Any future interest rate increases will exacerbate the burden.

Some of the potential options that might be available include:

- Land trusts
- Housing trusts
- Philanthropic support
- Charitable tax credits
- Borrowing from the Municipal Finance Authority

Regional Land trusts

Land can be accumulated and held for future affordable housing purposes through a land trust.

A land trust can acquire land through purchase or donation and hold it in perpetuity in order to remove the property from the speculative market and to preserve its use for specific purposes in the future, such as affordable housing. There are several examples of land trusts in B.C. but almost all of them are environmental land trusts used to preserve natural habitat.

As a charitable organization, a land trust could accept financial donations, and gifts of property, and provide charitable tax receipts to its donors.

If land for a modest new town housing project could be secured on beneficial terms from a land trust today, the total capital costs of the project could be reduced by as much as \$30,000 to \$50,000. The impact of such a reduction in cost would lower the required economic rent of the units by \$200.00 to \$440.00 per month.

Establishing a regional housing trust fund / reserve fund / levy program

Housing trust funds, housing reserve funds and housing levy programs are essentially different names for the same thing. In the United States, either state or local governments typically administer them. In Canada, several municipalities have a form of a housing trust in place. In British Columbia, housing trust funds are relatively new addition to the housing scene. Current examples include the Affordable Housing Statutory Reserve Fund in Richmond, the Employees Housing Service Charge in Whistler, the Housing Reserve in Kamloops and the Affordable Housing Reserve Bylaw in the City of North Vancouver. Vancouver's Affordable Housing Fund is supported by the city's capital budget, as well as development cost charges levied by the city on new developments.

Housing trust funds generally obtain their funds directly or indirectly from government sources, such as property taxes (general revenues), development charges, interest from real estate escrow accounts, and the sale of public lands. They do not typically receive significant amounts of funding from philanthropic donors.

Housing trust funds can facilitate the construction of new affordable housing by:

- Donating land for development
- Leasing land at below market cost
- Making capital contributions for construction
- Providing grants for project development
- Lending funds to affordable housing providers

If the CRD established a housing trust fund in order to help fund the construction cost of just 75 new affordable apartment and townhouse units each year, the annual capital investment required would be in the range of \$2 to \$2.5 million. This would require either a property tax levy of on average \$20.00 per household or an increase of \$1,500 to \$2,000.00 in the average development cost charge for new residential construction²¹.

In the U.S., establishing a Housing Fund is a tool that can leverage additional financing from alternate sources notably other government funding. Given the structure of senior government programs this is much less the case in Canada and BC, nevertheless this tool would have the potential to leverage other funds.

Philanthropic support

The community-based organizations that are involved in developing and operating affordable housing projects do not necessary have to depend entirely on their own resources and borrowed funds to finance their projects. They can also access financial support from the general community, private organizations and philanthropic foundations.

Philanthropic organization such as the Vancouver Foundation, the VanCity Community Foundation, Coast Savings Foundation and the Real Estate Foundation of British Columbia could be sources of capital funding for affordable housing purposes.

Between December 31, 2001 and September 2002, the Coast Capital Savings Foundation provided grants totalling \$330,000. The VanCity Community Foundation approved \$415,963 in grants and loans in 2001-2002 for community economic and employment development, as well as affordable housing. In 2001, the Real Estate Foundation of British Columbia provided 86 grants to various groups across the province totalling more than \$2.8 million.

For every \$1,000 per unit of funds donated, the gap between the economic and market rent of a typical new apartment unit can be reduced by about \$6.75 per month.

²¹ To be consistent with the overall intent of the Strategy, the more-affordable units would have to be excluded from such a charge.

Using Municipal / Charitable tax credits

Organizations with a charitable tax status, including municipalities, can provide a charitable tax receipt to the vendor when purchasing a property, for the difference between the sale price (provided it is equal to or more than the un-depreciated capital costs) and the market value of the property. The vendor could use the receipt to reduce the capital gains on the transaction and recapture any excess capital cost allowances that may have been deducted to prior to the sale.

Because capital gains can be taxed at a rate of up to 50%, vendors with potentially severe tax burdens could find it attractive to trade off a below-market sale price in return for the savings represented by a significant tax credit²².

The potential financial impact of using tax credits to facilitate the purchase of residential properties by charitable organizations would depend entirely on the tax position of the vendor. It is conceivable that this approach could allow a charitable non-profit organization to finance the purchase of an existing rent building using very little of its own resources.

Borrowing from the BC Municipal Finance Authority

The Municipal Finance Authority provides infrastructure loans to BC municipalities at a more favourable rate than they could obtain independently. A brief discussion with the Municipal Finance Authority of B.C. indicated that they do not have the authority to provide residential mortgage financing and that such a program might negatively impact the Authority's AAA credit rating. It was confirmed however that individual municipalities could legally borrow funds through the MFA and re-lend the funds for residential purposes. Municipalities might consider advocating for the extension of the infrastructure loans to include housing.

CMHC's NHA Insurance allows a guarantee that in normal fiscal environments can reduce market rates. CMHC also initiated its **Canada Mortgage Bond (CMB) program** in 2001, with the backing of the federal government's credit rating that is used to provide mortgage financing at competitive rates. At the end of 2002, about \$4.7 billion in CMB bonds had been issued. However, it has to be noted that in the current fiscal environment CMB mortgage interest rates are not significantly better than those that are available in the market place for NHA insured loans.

Employers and Employee housing

In high-cost markets, communities concerned about employee housing costs are charging new commercial projects a development fee to establish a fund to build employee housing and improve housing affordability. This creates a stable workforce and strengthens the

²² Use of Municipal / Charitable Tax Credits to Facilitate the Acquisition of Property for Affordable Housing, Homegrown Solutions, Prepared by CRHC, December 2001

community. Access to an employee housing fund would allow municipalities to selectively support the development of much-needed more-affordable housing. The fund could either lend funds or donate capital to the sponsors of affordable housing projects that conformed to the Regional Growth Strategy and met the highest priority needs of the community. A range of more-affordable housing options is important to a successful economic development strategy.

Local business organizations could be encouraged to adopt policies in support of employee housing. Some local employers offer assistance. For example Thrifty Foods has a homeowner grant (\$1,500) which is available to full time employees who are first time home purchasers. They also offer discounts on home insurance, and other home purchase expenses.

3.2.3 Developing and Maintaining Housing Stock

This group of opportunities includes those directed at improving housing affordability by creating new (ownership and rental) units and maintaining existing (rental) stock.

A number of regulatory tools and design innovations aimed at intensification and more efficient use of land are available including the following.

Subdivision and Construction – Alternative Development Standards

Local governments could contribute to the development of more affordable housing by promoting initiatives such as higher densities (smaller lots, maximum lot sizes, smaller units), narrower roads, reduced sidewalk requirements, storm water systems that rely more on surface drainage and the use of common utility connections. Municipalities need to evaluate municipal standards to determine the impact they have on servicing costs and opportunities for improving housing affordability. Higher-density development reduces the cost of land and servicing on a per unit basis. These cost savings could be reflected in lower housing costs. More efficient subdivision standards could also reduce a municipality's ongoing maintenance costs and result in lower household property taxes over time. Research on financial analyses of the benefits of efficient/effective planning and engineering standards resulted in the following conclusions:

- Greatest savings are achieved by reducing lot size;
- Innovative standards can result in savings of between 9 to 12% of the per metre servicing costs; and,
- The primary benefit of a reduction in road right-of-way width from 20.0m. to 16.0m. is a reduction in land usage.²³

Pre-zoning for housing affordability (Inclusionary Zoning)

Some local governments use their regulatory authority to either encourage or require developers to designate land for more affordable housing as part of the development permit and comprehensive rezoning process for major private development sites. In return for designating land for more-affordable housing, the developer generally receives either density bonuses or other concessions, such as, fee waivers, fast-tracked approvals or reduced development standards. The rationale behind these initiatives has been to ensure that major new residential developments include a mix of housing and that land is available for future more affordable housing projects.

Increased density in Downtown/regional centres

Opportunities exist for intensified residential development in the Downtown Core and major centres identified in the RGS. An opportunity for more-affordable housing could be created by trading density for more-affordable units or development sites for more-affordable housing. The private sector's interest and ability to pursue development that will increase density in these areas would be encouraged by various factors, for example:

- Market conditions should be conducive to development, i.e. healthy economic environment,;
- The municipality should be supportive of new development, namely zoning should be responsive to current market needs, density of development should be sufficiently high to encourage viable development, municipal costs and charges, should be reasonable and affordable;
- Development should be supported by municipal residents and adjacent neighbours; and,
- Development should be viable, i.e. adequate financial incentives for investors and developers.

Allowing for increased densities in the Downtown and major centres is recommended in the Regional Growth Strategy. It would optimize the use of existing municipal services and infrastructure while reducing transportation costs for those employed in the urban centres. Increased densities would also lower the per unit cost of land for new and more affordable residential developments.

Harris Green in Victoria is an example of increased density using new zoning that is flexible and easy to work with. This was the result of a strong partnership of the development industry and local property owners with the City of Victoria, where the City showed leadership with constructive policies and investment in infrastructure. The result is the potential for a diversity of housing types and a range of accommodation, including low-income and special requirement housing, plus services for the needy (e.g. Open Door and

²³ CMHC, "Achieving Infrastructure cost Efficiency/Effectiveness Through Alternative Planning Approaches", Report prepared for Workshop on Infrastructure and Housing Challenges and Opportunities, London, Ontario, 1992.

Upper Room). While some development has proceeded and is encouraging, it has not been fully supported by market conditions.

While typical land costs per unit for low-rise wood-frame apartment construction in the Victoria/Saanich area can range from \$12,000 to \$60,000 per unit, high-rise land in the Harris Green area appears to be available at a cost of between \$7,500 and \$10,000 per unit because of the higher densities that can be achieved.

The benefit of the lower per unit cost of land can be off-set by the higher construction costs associated with high-rise construction compared to low-rise, wood-frame construction.

Redeveloping existing non-profit housing projects

A large part of the existing social housing stock in the CRD was developed more than twenty-five years ago and many of these non-profit housing societies have built up considerable equity in these projects through the repayment of their original financing and the appreciation of land values. These projects typically involve a much lower density than would be expected today and, in some cases, they are coming to the end of their useful economic life. At least part of this stock could be redeveloped at increased densities, using the existing land as equity, community non-profit organizations can increase the supply of more affordable housing without having to access government subsidies to bridge the gap between market and economic rents.

By “recycling” existing social housing sites, non-profit housing groups could increase the stock of more affordable housing while reducing the cost of a new project by \$20,000 to \$30,000. The resulting economic or breakeven rents could be decreased by at least \$135 to \$200 per month.

Mixed use development or residential over retail / commercial space

The fact that retail and commercial space can usually demand higher rents than residential space on a square foot basis means that more affordable housing could have greater financial viability in a mixed-use development. By constructing residential units on the second and third storeys of a retail / commercial building, the relatively high land costs associated with urban core areas can be offset by the project’s non-residential revenue.

The potential for this approach was demonstrated in the recent analysis of a proposed development in Saanich. The results suggest that a mixed residential and commercial development could be made to work with a land cost of \$15.50 per square foot while a townhouse project at a density of 20 units per acre would only be viable if the land costs were reduced to \$11.50 per square foot. The difference in land costs between the two is

about 35%²⁴ or \$5,600 per unit for an apartment project and about \$11,000 per unit for a townhouse project.

Market conditions have to support mixed use development. To date there are examples in Sidney, Langford and in Oak Bay over the library; however, Central Saanich has mixed use zoning but has been unsuccessful in attracting development – market conditions are cited as the reason by the development community.

Mixed development has been successfully used in several locations within the Greater Vancouver area.

Residential over shopping malls

The concept of building residential accommodation above an existing shopping mall site or on the parking area would theoretically have the same financial advantages as a low-rise mixed-use development, assuming the cost of the land would already be carried by the operation of the shopping mall. A possible approach would be to develop new residential accommodation in the parking area surrounding a shopping mall and to replace the lost parking with a multi-storey parking garage. The benefits of this approach include the following:

- Cost of the land is carried by the existing commercial development.
- There are a number of shopping centres in the Capital Region where this type of development might be possible.
- Proximity to services for lower income renters.
- Consistent with regional centre policy of the RGS.

As part of the consultation process for this strategy, it was noted that the City of Victoria provided for this use as part of the development of the Hillside Mall but it did not proceed.

Preserving affordability through housing agreements and covenants

The municipal development approval process gives local governments the opportunity to use housing agreements to ensure that direct financial subsidies, land and other benefits, such as density bonusing that are provided to enhance housing affordability purposes are used and maintained over time as intended. More than thirty local governments in B.C. have used housing agreements.

In the United States where the use of mandatory inclusionary zoning for private market developments is much more common, controls on the long-term affordability and use is often enforced through a covenant registered in the deed. These covenants ensure that

²⁴ Planning for Quadra and Mackenzie, The Economics of ‘Building Block’ Development, G.P. Rollo & Associates Ltd. Land Economics, May 2002.

units, which are sold or rented at below market prices as a result of indirect subsidies from the municipality, remain affordable.²⁵

Housing agreements and covenants provide a legally enforceable way for local governments to require the development and ongoing supply of affordable rental and special needs housing. These agreements can address issues such as the form of tenure, the groups that will have access to the units and the level of rent. Housing agreements and covenants can be used in conjunction with other initiatives to help address the housing needs of low-income families, seniors and single individuals, as well as, those with special needs by providing new accommodation.

Housing Forms

The form of a housing unit can also be varied to address housing affordability issues. A variety of house designs can offer a range of incremental adaptation to either the interior and/or exterior. Historically, people in need of housing have found ways to solve their needs either with government support (e.g. self help housing, shell housing, etc.), or without government support where the regulatory environment was less of an impediment. Today, building codes and zoning bylaws are often restrictive, but in the last decade, a number of prototypes of flexible housing designs that meet code requirements have been researched, including CMHC's FlexHousing concept, The Grow Home™ and the Next Home (McGill University), as well as Pro-Home (Planning Alliance, Toronto).²⁶ These allow staged expansion of the home emphasising a more affordable housing development process based on either incremental (progressive) housing or shell housing that can be contractor or owner (sweat equity) built.

The concepts offer solutions to financial and spatial/design problems by allowing residents to adapt to life changes as they move through the lifecycle. Typically the prototypes are small starter homes ranging from 700 to 1,100 square feet designed to accommodate expansion. They can combine ownership and rental opportunities, including the option of secondary suites as revenue generators.

Another alternate form of housing is a **mobile or manufactured housing unit**. On either a rental pad or on a freehold lot this housing form can represent a cost effect alternative to homeownership in the form of either a traditional single-detached or townhouse unit in many areas. A potential solution for addressing the need for more-affordable housing is to encourage the development of additional mobile home parks in the rural parts of the region.

²⁵ Municipal Regulatory Initiatives: Providing for Affordable Housing, CMHC Research Report, 1999.

²⁶ Planning Alliance, "Pro-Home: A Progressive Planned Approach to Affordable Home Ownership", CMHC External Research Program, 2000

Legalize and financially encourage secondary suites.

A secondary suite is a second self-contained unit in a building, typically a single family home. These rental units include basement apartments, apartments in houses, accessory apartments, in-law suites and “illegal” suites. They are an important segment of the more affordable housing stock in the Region. Traditionally associated with single family detached homes, innovative ways of including suites in apartments and townhouses are being introduced. Secondary suites improve housing affordability for both the homeowner and renter, by allowing more households to access ownership with revenue from the secondary suite and increasing the supply of rental stock.

Within the CRD, eight municipalities permit suites and six do not. Safe, legal suites provide a more affordable housing option, but where single family zoning restricts their use, homeowners rent illegal, and in some cases unsafe and unhealthy, suites.

“Encourage secondary suites – it is a way to increase awareness of density. If people see secondary suites (legal ones), they then get the idea density is okay.” (Workshop #2 participant)

Preservation of Existing Rental Stock

There are a number of subsets of potential solutions directed at preserving existing rental stock, including the following.

Monitoring of existing rental stock: The Census provides the most comprehensive information on tenants, but the Census does not distinguish between tenants living in purpose built rental housing and tenants living in non-conventional rental housing such as secondary suites or rented condominiums. A number of municipalities in the region monitor rental units in some form. In the City of Victoria, where two-thirds of the population lives in rented accommodation, monitoring is done on the basis of Census and CMHC data, and through bylaw enforcement (building inspectors respond to complaints made pursuant to Victoria’s Building Standards and Maintenance Bylaw). Sidney also monitors business licences, in addition to CMHC data.

Strategic Use of Residential Rehabilitation Assistance Program (RRAP): This can be used to preserve existing affordable rental housing or expand the supply of affordable rental units through conversion of non-residential buildings. Under RRAP (CMHC program), rental properties requiring major repair are eligible for forgivable loans of up to \$18,000 per unit, or \$12,000 per rooming house bed, as long as the useful life of the building is extended for at least 15 years.

Standards of Maintenance Bylaws: The BC Local Government Act allows local governments to enact a Standards of Maintenance Bylaw to enforce basic levels of

maintenance for rental accommodation. Standards of Maintenance Bylaws are viewed as critical for the protection of the single room occupancy stock by some local governments, while others regard them as requiring too many scarce staff resources to warrant adoption. Victoria has had a Standards and Maintenance Bylaw since the 1970's. It also provides a method of closing down the worst of poor quality housing without involving the Vancouver Island Health Authority (VIHA) and health regulations which are more complex and difficult to apply.

Conversion (of non-residential properties into rental) and Repair of Existing Rental

Stock: A variety of programs across Canada have responded to this policy option. The key elements include an interest free loan from provincial or local governments (generally a 10 year period), which may be required to be paid back, or be for a portion of the financing required for conversion or renovation. The programs are directed at converting vacant commercial space above stores into apartments or to renovate existing apartments in commercial buildings to bring them in compliance with the Property Standards Bylaw and fire code. They have been funded at the municipal level (Hamilton currently operates a program) or at the provincial level (Ontario 1985). Victoria's Tax Incentive Program for heritage buildings is a variation of this option. One solution is to consider establishing a program offering a loan to be paid back by clients.

Tenant Landlord Cooperation: This is a program that works well in areas with higher proportions of rental stock. It is used in Winnipeg to raise building standards through renovation or better management, and by signs posted on buildings to recognize rental housing that meets program requirements.

3.2.4 Community Based Collaboration and Partnerships

Given the constraint of limited resources, collaboration and partnerships are increasingly playing critical roles in program and service delivery. They bring collective expertise to deal strategically with issues. Partnering means that each agency/partner contributes a piece to the product/ project/ program, e.g. financing, construction, service. Building community capacity involves encouraging the development of networks, collaboration and partnerships. There are a number of opportunities.

Local Government Partnering with the Community

Many local governments establish advisory committees, task forces, workshops and forums to consider how to meet the need for housing affordability. Some local governments partner with existing community-based social planning or non-profit groups to look at housing issues. Community workshops, charrettes and forums can also be used to increase people's understanding of issues and help to resolve community conflict. Partnering helps achieve community buy-in through community involvement and by finding practical solutions that are tailored to the community.

Within the Region there are a number of examples where partnering by local governments has proved successful. A few examples include the Harris Green project in Victoria, and the Saanich and Victoria committees established to work on an on-going basis with housing industry representatives from the UDI (Urban Development Industry) and CHBA (Canadian Home Builders) on development issues.

Housing Affordability Partnership (HAP)

(Note: For more information on HAP's role see later in Section 3.0)

This entity is an active local partnership that has achieved community profile and credibility working primarily on a volunteer basis. It is an example of the energy and impact that can be brought generated in a partnership. HAP members represent a diversity of stakeholder interests and potentially could galvanize their respective stakeholder groups by meeting and working with them to generate interest/support. However, inherent in any volunteer partnership is the issue of sustainability and membership burn-out, as well as the capacity of the organization to grow. Without resources and funding support HAP is limited in what it can take on and achieve. In fact its continued existence is constantly in question. Its role could expand or be integrated with other solutions based on the results of HAP's strategic planning sessions.

3.2.5 Resource Support

Building community capacity in housing and implementing the Regional Housing Affordability Strategy will require resources.

Regional Housing Facilitator and Housing Resource Centre

Regional Housing Facilitator. Given the limited resources available to municipalities for the most part, an office providing expertise and support to local governments, the housing industry and the community at large is pivotal to effective implementation of the Regional Housing Affordability Strategy. This is viewed as a senior responsibility and position that brings substantial housing expertise to facilitate the development of projects through brokering partnerships in support of community based initiatives. It is *action oriented* and not solely a policy research role. Some of the key attributes of this position are seen to include experience in:

- developing and brokering low end of market housing projects;
- housing finance;
- establishing and working with housing networks;
- community economic development and capacity building;
- leveraging resources; and
- facilitation and communication.

This is a leadership position. It calls for proven skills and an individual who can command respect within the community.

“Need more than a facilitator, need an individual/organization with deep real estate/development experience married to a commitment to building affordable housing, e.g. Bill Turner and TLC.” (Participant in Workshop #2)

The location of this position is open to discussion but could be associated with the Housing Trust or Fund.

Regional Housing Resource Centre: This would focus on the provision of resources to support local governments and the implementation of the Regional Housing Affordability Strategy, for example including collection and dissemination of Best Practices information and establishment of a regional housing network structure. The Centre would help to develop the region’s capacity in terms of:

- Resources
- Organizational ability
- Programs
- Networking
- Political lobbying / Advocacy

From a governance perspective, organizational positioning of the Housing Facilitator and Housing Resource Centre is important. There has to be accountability and the position/centre must have credibility. If funding is through the CRD and / or member municipalities, the accountability is to the CRD. This is reinforced if the position should assume responsibility for implementing the Regional Housing Affordability Strategy.

Given the expectations and qualifications required for this senior position the budget for a Facilitator and Centre may be in the order of \$200,000 to \$250,000.

Developing Resources at the Local Government Level - Establishment of a Resource Network

Several local governments in the Region have few or no resources to allocate to housing issues. Establishing a Resource Network is a first step in building capacity, developing collaboration and facilitating sharing of information and access to a support network. It would provide support to municipalities with scarce resources. If a Housing Resource Centre is established a network may be one of its responsibilities, but in its absence the initiative could be spearheaded through municipal representatives on HAP (Housing Affordability Partnership) or through IMPAC (Inter-Municipal Planning Advisory Committee).

Objectives of the Resource Network might include:

- Advice and assistance in the researching, policy planning and decision-making regarding local government housing actions.
- Develop and promote best practices information.
- Help educate the public and increase awareness of housing issues
- Collaborate with similar stakeholder organizations/networks provincially and nationally

A Resource Network would initiate sharing of information and a focus for collaboration among local governments regionally.

Housing Affordability Partnership (HAP)

The composition of HAP was described briefly under Community Based Collaboration and Partnerships. Discussion here focuses on its role. While the role of HAP is still evolving, its present role, as described by the HAP Steering Committee is one of “facilitator, advocate, champion, and promoter of capacity building and sustainability”.

At a HAP Steering Committee in May, 2002, suggestions for enhancement of that role as part of implementation of the Regional Housing Affordability Strategy included the following:

- HAP’s ability (because of its neutrality) to ‘take the high road’ and be objective on issues, and to offer support to RHAS by explaining options/mechanisms/tools as necessary. It was agreed unanimously that HAP can, and has to, retain its independence.
- HAP members represent a variety of stakeholder interests and potentially could galvanize their respective stakeholder groups by meeting and working with them to generate interest/support.
- It was felt that in relation to the RHAS, HAP has a role as a community resource – although it is now apparent it requires a stable source of funding to continue.
- Educating elected officials about issues relating to housing affordability.

It must be emphasised that as a volunteer body, HAP’s future role is limited without additional, secure resources.

3.2.6 Awareness Raising

Awareness and understanding of the issues by residents and decision-makers are fundamental to building community and commitment. This requires an appreciation of a number of complex elements and public policy implications. They include:

- Issues and needs
- Consumer expectations
- Attitudes towards density
- Factors affecting housing costs and financing arrangements
- The options available:

- Within control of the community
- Not within control of the community
- The resources required to implement options/solutions

Some degree of awareness raising will begin through the preparation of the Regional Housing Affordability Strategy, but it will still have to be a priority in the implementation phase. A variety of solutions are proposed.

“All of the community, including high end, needs to understand housing issues” (Workshop #2 participant)

Changing Consumer Expectations - The housing market is driven by consumer needs and expectations, and over the last few decades the primary driving force has been the baby boom generation and their need for homes in which to raise their families. These homes have been ground oriented for the most part. The needs of this generation are changing as the boomers age and their children leave home; research indicates there will be a wide variety of housing forms in demand (low through high density, downtown living versus rural retreats), and high expectations regarding its quality. In addition, there is increased expectation regarding the environmental and social quality of neighbourhoods and communities.

Making changes to expectations will require:

- promotional campaigns profiling the benefits of change
- innovative projects demonstrating alternatives to the single family home and responding to changing lifestyles

Changing Values and Attitudes

The 'ideal' housing in Canada since the Second World War has been primarily the single family house on a freehold lot. However, the size of the house and lot desired by the consumer and provided by the industry in response to market demand has increased from the modest homes built in the late 1940s and 1950s with unfinished basements and one bathroom to the present day's considerably larger homes with finished basements and several bathrooms.

Advocates for environment, health and sustainability have only just begun to influence attitudes. Some impact is beginning to be made on housing form and urban development but it is far from the norm. Particularly in this region, the value placed on preservation of parkland, ecological areas, trees, water bodies and the ensuing benefits to the community mean that the potential for expansion of urban development is limited, and growth has to be accommodated within existing neighbourhoods through intensification and

redevelopment. This is the direction of the RGS but it means that there will be a clash of values as infill is developed.

Changing attitudes toward intensification and neighbourhood change will involve:

- Education - regarding the costs, benefits and options of increasing density – local councils, advisory planning commissions, social planning or housing advisory committees, and neighbourhood associations are key groups to be made more aware of housing affordability and density issues;
- Negotiation – between developer, community (residents, neighbourhood associations, advisory committees) and elected officials; and,
- Demonstration – the promotion of innovation through demonstration projects
- The natural working of the market – high housing costs drive people to more dense housing forms.

Community Profiling Initiatives

Recognition of 'homegrown' achievements by a community has many benefits, among them promoting awareness. Possibilities include:

1. Housing Affordability Challenge – Regional Competition for Demonstration Projects

A region-wide competition to build a demonstration project(s) based on collaboration between the private and not-for-profit sectors, local governments and the community. The objective would be to find out how:

- flexible local governments can be;
- innovative the private/not-for-profit sectors can be; and,
- supportive and accepting the community can be.

Such a challenge would engage local governments in creating 'on the ground' projects; encourage innovation; raise awareness within the community; promote collaboration; and, build community capacity.

2. Regional Awards to Recognize Projects Improving Housing Affordability

Similar to CHBA's Care Awards and the UDI Georgie Awards, these would be awarded annually in October in association with Housing Affordability Week.

3. Community Profiling of Success Stories in Improving Housing Affordability

In cooperation with the media, preparation of a strategy to profile positive / success stories relating to improving housing affordability within the region.

The Regional Awards and Community Profiling of success stories in improving housing affordability are also linked to the Promotion of Best Practices (see below).

4. Leadership - Local Champions for Housing Affordability

Local leaders would make credible spokespersons on improving housing affordability, able to influence public opinion, their peers, and sectors of the community. There is also the opportunity for elected officials to become champions: one workshop participant suggested “every municipal council should select a member to be liaison/champion for more affordable housing”.

On-going funding and resources would be required to develop and maintain this approach.

Promotion of Best Practices

Compiling Best Practices is an efficient way of sharing information and facilitating awareness of issues regionally. Categories of Best Practices that would be useful to share include regulatory mechanisms, financing, partnerships and tenure arrangements directed at improving housing affordability. The basis for a set of Regional Best Practices is contained in the database compiled in Phase 1 of the Regional Housing Affordability Strategy.

At a professional level: this information could be provided to the region’s planners, developers, builders, building inspectors, elected officials and community associations.

At the community level: there is also an opportunity for community associations /organizations in the region to exchange experiences and knowledge, particularly where they have received funding for pilot/demonstration projects or may be involved in self-help projects. Valuable work is being accomplished at the neighbourhood level and the local knowledge is part of community capacity building. Experiences would be readily transferable across different jurisdictions and community associations in the region.

Making Decisions Using the Housing Affordability Lens

This tool helps develop an understanding of, as well as strategies to deal with, housing affordability.²⁷ Public officials (elected and non-elected) are challenged to develop housing affordability questions and indicators as a checklist for use when making decisions and evaluating actions. Typical questions could include:

- Will the decision or does the action make the situation worse for those who have housing affordability issues?
- Will the decision or does the action make the situation better for those who have housing affordability issues?

To answer these questions, some municipalities have developed indicators (e.g. Edmonton) or evaluation guidelines (e.g. Central Saanich) to monitor housing affordability

²⁷ The City of Edmonton has used the QOL Lens. In September 2000 the City of Edmonton Council considered a ‘Vision for Social Well-Being and Quality of Life’. A Progress Report was published in January 2002.

on an on-going basis, identify municipal initiatives that fit with Council policy, and to assess development proposals.

The purpose of this solution is to develop understanding of and strategies to deal with housing affordability.

The City of Edmonton has used the approach to develop a Quality of Life (QOL) Lens to evaluate its policies and programs. In September 2000 the City of Edmonton Council adopted a 'Vision for Social Well-Being and Quality of Life'. A Progress Report on the Vision was published in January 2002.

Locally, the Capital Urban Poverty Project (2000) recommended the use of a "poverty lens" to assist in poverty reduction.

3.2.7 Self-Help - Facilitating Local Community Initiatives

These are directed at assisting those in core housing need to use their own resources to help themselves. Highlighted below are examples of solutions in the self-help area that have been available over the years, and some recent innovations that have emerged in the absence of government funding.

Pro-housing / Shell housing is an incremental approach to housing development is not a new concept. A couple of homeownership examples include the "Shell Housing" model that was popular in the Maritimes in the 1970's and 1980's, the Grow Home, as well as, the Pro-Home concept that has recently been the subject of a review by CMHC's Research Division. All three approaches allow the homeowner to start with a home they can afford and then expand or alter it as their circumstances and finances change. The Shell Housing concept involves the construction of a new home with a complete exterior "skin" but the interior is left unfinished. . A Pro-Home can be built either in sections, beginning with a core unit (as small as 20 ft. X 20 ft.) that can be added to, horizontally or vertically, or can be built as a complete shell with the interior left unfinished.

Non-profit Co-operative Housing (Building Co-operatives) is a self-help solution involving, private not-for-profit developers and consultants, working in conjunction with community based building co-operatives, to construct more-affordable housing. When the project is completed, the individual units are transferred to the co-operative housing members on an individual private strata-title or condominium basis. This approach to the development of more-affordable housing could be greatly facilitated if the municipalities actively supported them with land and streamlined approvals. An example is "Options for Homes" in the Toronto area that has successfully produced more than 900 condominium apartment and townhouse units for its co-operative housing clients. Developments can cost up to \$40,000 (10 to 20%) less than comparable new market units because the developer and the co-operative's members have eliminated costly amenities, reduced the project's marketing costs and replaced the builder's profit with a project development fee

of 2 to 3% of the purchase price of each unit. The Columbia Housing Advisory Association is currently looking for potential sites in the Vancouver and Victoria areas and with plans to initiate a series of new building co-operative projects based on the Options for Homes model from Toronto.

3.2.8 Alternate Tenure Options

A variety of tenure options are discussed in various contexts throughout the strategy and the Appendix: Identification of Potential Solutions highlights a number under Best Practices. It should be noted that tenure is not a solution on its own but in combination with other solutions it can provide a response to differing housing needs. In particular the following two types of tenure options are directed at improving housing affordability.

Life Lease projects are often sponsored by non-profit organizations and are usually targeted to the senior citizen market. Some of the sponsors of these life lease projects suggest that their purchase prices can be as much as 15% below the market value of comparable units in the market. A life lease permits the occupant to live in his or her unit for life in return for an up-front lump sum payment (purchase price) and a month payment that covers management, maintenance and operating costs. Many of these projects provide a buy-back guarantee at the original purchase price that protects the occupant from falling market values but it also means that the owner cannot benefit from an appreciation in the value of the unit over time. The limitation on resale eliminates the impact of rising property values and means that the affordability of the units can be maintained at the original project costs. As a result, future residents may have access to this housing form at a lower than market cost.

Lease to Own - The City of Windsor's (WINHOME) Home Ownership Equity Participation Program is an example of how a municipality can use surplus residential land to provide low and moderate income families the opportunity to acquire their first home. In Windsor, the city leases the building lot to a qualifying purchaser at a cost of \$1.00 per year through an Equity Occupation Agreement. The homeowner arranges his or her own mortgage financing (95% CMHC insured loan) and the construction of the unit. After 10 years, the homeowner is given the opportunity to purchase the lot from the city at the current market value by refinancing his or her mortgage. This approach enhances access for first time home-buyers and allows them to move into their unit with mortgage payments that are only based on the actual construction costs of the home, not the land. Regionally, this kind of a program could reduce the initial mortgage payments of a first time homebuyer by about \$1,000.00 per month based on a typical single-family unit land cost of \$150,000.

3.2.9 Impact of Senior Governments

Active Programs that Offer Solutions

While the federal and provincial governments have reduced levels of activity in funding the delivery of new housing units, there are some programs that can provide support.

Provincial Programs in BC

Aside from the ongoing subsidy assistance provided to the 7,000 social housing units in the CRD, major provincial initiatives include:

1. **SAFER (Shelter Aid for Elderly Renters)**– provides rent supplement assistance to low income elderly renters. Average monthly assistance is \$118.
2. **SILP (Supported Independent Living Program)**– a partnership between BC Housing, the Ministry of Health, and the health regions, SILP is a supported housing program that enables people with mental illnesses to live independently. Average monthly assistance is \$248.
3. **ILBC (Independent Living BC)**– a partnership among BC Housing, CMHC, the Ministry of Health, and the health regions. The program will fund 3,500 new supportive living units for seniors in B.C.²⁸.

Federal Programs

The federal government through Canada Mortgage and Housing Corporation (CMHC) shares the subsidy costs of most of the 7,000 social housing units in the region. In addition, the federal government funds or delivers the following.

Through CMHC:

4. **The Residential Rehabilitation Assistance Program (RRAP)** - Assistance for rental properties and rooming houses needing repair. Under RRAP (CMHC program), rental properties requiring major repair are eligible for forgivable loans of up to \$18,000 per unit, or \$12,000 per rooming house bed, as long as the useful life of the building is extended for at least 15 years.
5. **ILBC (see above)**
6. **HASI (Housing Assistance for Seniors' Independence)**– provides grant assistance of up to \$2,500 per unit for renovations that allows seniors to live more safely and more independently in their homes.
7. **Mortgage Insurance**– under the National Housing Act (NHA) provides mortgage insurance to proponents enabling them to obtain preferential interest rates.
8. **The Canadian Centre for Public Private Partnerships in Housing**– CMHC's Partnership Centre acts as a catalyst, initiator and source of best advice to advance and encourage housing partnership projects.

Through Human Resources Development Canada (HRDC):

²⁸ The majority of the funds provided under the agreement have been targeted to assisted-living and supportive housing projects for seniors who are not able to live independently in their own homes. The province plans on building 3,500 supportive living units (some of these will be conversions) throughout B.C. over four years as part of its commitment to provide 5,000 new intermediate and long-term care spaces by 2006.

9. **"Supporting Communities Partnership Initiative" (SCPI)** – funding is available for projects and agencies dealing with homelessness issues.

Advocacy by Local Governments for Policy Change at Senior Government Levels

There are a number of policy areas that have been the focus of attention by housing advocates for the last decade or so. Many of these were raised as part of presentations to the Prime Minister's Caucus Task Force on Urban Issues and are incorporated as recommendations in *Canada's Urban Strategy: a Blueprint for Action* (November, 2002).

They include:

- changes to CMHC's mortgage insurance that will benefit non-profits;
- a number of financing initiatives directed at rental property taxation issues and tax credit/incentive programs; and,
- other initiatives targeted to affordable housing in urban areas. (In this area the Federal Budget (Spring 2003) provided an additional \$320M.²⁹)

There are other areas that require local governments to actively advocate for policy changes through UBCM, FCM and other channels, these include:

- Changes in land disposal policies of government agencies, including the Affordable Housing First policy;
- Training of residential construction trades to fill future labour shortages; and,
- Expansion of shelter allowances directed at core need renter households.

There was concern among participants at Workshop #2 that the focus of the current F/P Housing Agreement on seniors' supportive living is not enough in terms of provision of deep subsidies. It does not respond to the needs of the working poor, low-income families and singles, groups with special needs, and independent seniors³⁰. The federal / provincial agreement resulted in the introduction of the British Columbia government's Independent Living Program that is primarily focused on meeting the needs of seniors and individuals with special needs.

The province's focus on supportive and assisted housing for seniors means that new funding for the development of subsidized housing for single individuals, families and independent seniors in British Columbia has essentially disappeared.

²⁹ This will extend the Federal/Provincial/Territorial (F/P/T) Agreements (originally for three years) by one more year for a total of four years, providing the provinces match the funding. The new funding will be discussed at a F/P/T meeting in April 2003. The new funding will be subject to the initiatives of the provinces, so if BC participates it could mean that the BC program could still be largely limited to the "Independent Living BC" program.

³⁰ In late 2001, the federal and provincial governments announced that they had entered into a joint Affordable Housing Agreement that would provide \$177.4 million over five years to help increase the supply of affordable housing in British Columbia. Federal funding of \$88.7 million was based on an average capital contribution of \$25,000 per unit and was matched by an equal amount from the province.

By itself, the federal government's commitment of \$88.7 million over five years to B.C. would have been able to assist in the construction of more than 700 subsidized housing units per year in B.C. based on an average capital contribution of \$25,000 per unit. A subsidy of this scale would go a long way to improving housing affordability for the working poor in the region, especially in conjunction with a Regional Housing Fund.

3.2.10 Homelessness and the Hard to House

Homelessness, both in terms of the absolute number of homeless and those at risk of homelessness is an increasing problem in communities throughout Canada, including the Capital Region and requires deep subsidy solutions to alleviate. It is widely felt that successfully addressing homelessness requires the development of transitional (1-3 month period), second stage (offering semi-permanent and semi-independent living), and permanent supportive housing. However, there are few, if any senior government programs available.

The Federal Homeless Initiative, with funding from the "Supporting Communities Partnership Initiative" (SCPI) does provide funding for sheltering facilities, support facilities, support services, organizational and community capacity building, and community awareness to reduce and prevent homelessness. The City of Victoria has developed a Community Action Plan for Homelessness, established a steering committee. Under the Victoria Homelessness Initiative it has received \$2.1+ million from SCPI to invest in projects and agencies in the City dealing with homelessness issues, including research, direct service delivery, coordinated service delivery and planning, capital equipment and facilities. The VHI is currently being evaluated, with initial results indicating an increased capacity to serve the homeless, including an increase in the number of shelter beds, shelter hours of operation, and support services for the homeless. For areas outside the City of Victoria, anticipated changes to the SCPI program may provide some additional future funding.

The development of a community action plan aids in getting community buy-in through community involvement; provides focus for dealing with homelessness issues in the community; helps to find practical solutions that are tailored to the community – that match client needs, assets and gaps; and identifies a commitment by the community to address homelessness issues in the community.

Other ways in which communities can address homelessness include: developing tenant assistance strategies e.g. counselling and relocating tenants who have been evicted, particularly due to building demolition or closure; creating zoning that permits shelters; providing grants to aid the development of shelters and housing; providing staff expertise,

monitoring the condition of single occupancy units; encouraging/ assisting community groups to provide an emergency funding safety net for people who are at risk of becoming homeless.

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4.0 Next Steps

The content of this paper and its Appendix will be discussed at the third and final workshop on the Regional Housing Affordability Strategy. Based on feedback from the workshop, strategic recommendations and an implementation plan will be prepared.

In concluding this working paper, it is useful to link the solutions to the goals and objectives for the Regional Housing Affordability Strategy.

To achieve the strategic vision, a number of key goals and related objectives were initially identified for the project. During the development of the Strategy, specific actions and solutions were examined as ways to implement the vision, in terms of their financial implications, their priority, and how they could be measured and/or monitored. The table below provides a summary of the findings and an indication for how the Strategy's initiatives can be moved forward.

For reference, short, medium, and long term implementation time frame is defined as:

- short term = within a year
- medium term = 1-3 years
- long term = 3-5 years

<u>Objective</u>	<u>Action</u>	<u>Financial Implications</u>	<u>Implementation</u>	<u>Performance Indicators</u>
To create buy-in for the solutions recommended, by municipalities, senior governments, housing providers, the home building industry and the public.	Preparation of Strategy including database, identification of issues, working papers and related consultation (focus groups, workshops, communications) to raise awareness.	Budget in place for Strategy	Underway	<ul style="list-style-type: none"> • Completion and adoption of Strategy,
To define specifically how the municipal level of government, and other stakeholders, will address housing affordability needs.	Strategic recommendations	Range of costs associated with combinations of solutions proposed (see Appendix: Identification of Potential Solutions) and finally adopted	Underway	<ul style="list-style-type: none"> • Completion and adoption of Strategy, including Regional Context Statements,

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To identify specific, immediate actions that can be taken by specified stakeholders in the short, medium and long term, to address housing issues and needs.	Strategic recommendations	Range of costs associated with combinations of solutions proposed (see Appendix: Identification of Potential Solutions) and finally adopted	Underway	Completion and adoption of Strategy,
To foster and achieve innovation and creativity in resolving housing issues.	<p>5.2 Community Profiling Initiatives</p> <ul style="list-style-type: none"> • <i>Housing Affordability Challenge</i> – Regional competition for demonstration projects • <i>Regional Awards</i> - to recognize projects improving housing affordability • <i>Community Profiling of Success Stories</i> – for improving housing affordability • <i>Leadership</i> – to identify local champions for housing affordability 	<ul style="list-style-type: none"> • \$10,000 - \$20,000 • \$10,000 • Limited • Minimal 	<p>Medium term</p> <p>Medium term</p> <p>Short term</p> <p>Short term</p>	<ul style="list-style-type: none"> • Number of demonstration projects developed. • Number of projects developed. • Number of profiles prepared. • List of identified champions.
To facilitate the development and maintenance of housing stock.	<p>1.9 Preservation of Existing Rental Stock and Convert to Rent</p> <p>1.16 Self-Help Initiatives</p> <p>(Leased Municipal Land For Homeownership, Life Lease Projects, Market / Non-profit Housing, Non-profit Co-operative Housing)</p>	Varies on initiative, but requires administrative resources	Medium term	<ul style="list-style-type: none"> • Increase in number of low cost rental units that comply with standards,

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<p>To develop a strategy that is integrated with the other regional strategic initiatives on transportation and economic development, and which recognizes the interrelationships between housing and these other aspects of the sustainable community.</p>	<p>Strategic recommendations</p>	<p>Range of costs associated with combinations of solutions proposed (see Appendix: Identification of Potential Solutions) and finally adopted</p>	<p>Underway</p>	<ul style="list-style-type: none"> • Completion and adoption of Strategy, including Regional Context Statements,
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Goal - To improve community understanding of housing affordability issues in the CRD.				
Objective	Action	Financial Implications	Implementation	Performance Indicators
To provide reliable, widely accessible information that is a common base for the community and for public and private stakeholders when participating in creating housing solutions.	Development of database	Part of the Strategy	Underway	<ul style="list-style-type: none"> Completion and adoption of the Strategy,
	1.12 Resource Network	Staff and financial resources on an on-going basis.	Short term	<ul style="list-style-type: none"> Number of participating municipalities. Examples of results directly attributable to the support network.
	1.13 Regional Housing Facilitator and Housing Resource Centre	\$200,000 – \$250,000	Short term	<ul style="list-style-type: none"> Increase in number of initiatives directed at improving housing affordability. Establishment of resource initiatives to support local governments.
	1.14 Information and Monitoring	Administrative costs	Short term - ongoing	<ul style="list-style-type: none"> Development of program to monitor stock and land availability.

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	Development of database	Part of the Strategy	Underway	Completion and adoption of the Strategy,
<p>To increase awareness of the hardships of living without safe and affordable housing, and of resulting effects on the whole region and its economy.</p>	<p>1.15 Housing Affordability Lens</p> <p>5.2 Community Profiling</p> <ul style="list-style-type: none"> • <i>Housing Affordability Challenge</i> – Regional competition for demonstration projects • <i>Regional Awards</i> - to recognize projects improving housing affordability • <i>Community Profiling of Success Stories</i> – for improving housing affordability • <i>Leadership</i> – to identify local champions for housing affordability <p>5.4 HAP</p>	<p>Resources for data collection, monitoring, analysis and reporting</p> <p>\$10,000 - \$20,000</p> <p>\$10,000</p> <p>Limited</p> <p>Minimal</p> <p>Currently operating on a volunteer basis. Budget needs to be determined in consultation with HAP.</p>	<p>Medium – long term</p> <p>Medium term</p> <p>Medium term</p> <p>Short term</p> <p>Short term</p> <p>Short term</p>	<ul style="list-style-type: none"> • Completion and adoption of the Strategy, • Increase in housing affordability, • Inclusion of those with housing affordability issues in decision making, • Number of demonstration projects developed. • Number of projects developed. • Number of profiles prepared. • List of identified champions. • Continued existence, Community/Housing strategy implementation role, • Development of policies, strategies, plans dealing with homelessness, • Specific service/capital improvements in the delivery of services, • Reduction in the amount of homelessness,
<p>7.0 Homeless and Hard to House</p>	<p>7.0 Homeless and Hard to House</p>	<p>SCPI funding for designated centres, cost of developing a plan and implementing solutions</p>	<p>Medium - long term</p>	<ul style="list-style-type: none"> • Development of policies, strategies, plans dealing with homelessness, • Specific service/capital improvements in the delivery of services, • Reduction in the amount of homelessness,

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<p>To develop model policies and actions to increase awareness and change public attitudes.</p>	<p>5.5 Best Practices</p> <p>5.2 Community Profiling</p> <ul style="list-style-type: none"> • <i>Housing Affordability Challenge</i> – Regional competition for demonstration projects • <i>Regional Awards</i> - to recognize projects improving housing affordability • <i>Community Profiling of Success Stories</i> – for improving housing affordability • <i>Leadership</i> – to identify local champions for housing affordability 	<p>Cost of compiling material, electronic distribution would be efficient.</p> <p>\$10,000 - \$20,000</p> <p>\$10,000</p> <p>Limited</p> <p>Minimal</p>	<p>Medium term</p> <p>Medium term</p> <p>Medium term</p> <p>Short term</p> <p>Short term</p>	<ul style="list-style-type: none"> • Regional set of Best Practices information, • Number of demonstration projects developed. • Number of projects developed. • Number of profiles prepared. • List of identified champions.
<p>To provide strategies to reduce unwarranted opposition to change in residential and other neighbourhoods, and to challenge this attitude at the individual, neighbourhood and municipal levels.</p>	<p>5.3 Neighbourhood Acceptance</p> <p>5.5 Best Practices</p> <p>5.2 Community Profiling Initiatives</p>	<p>\$10,000 to fund training</p> <p>Cost of compiling material, electronic distribution would be efficient.</p> <p>\$20,000 - \$30,000</p>	<p>Short term</p> <p>Medium term</p> <p>Medium term</p>	<ul style="list-style-type: none"> • Application of concept, • Training of citizens, • # of applications and results, • Regional set of Best practices information, • Number of demonstration projects developed. • Number of projects developed. • Number of profiles prepared. • List of identified champions,

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<p>To shift public attitudes towards "affordable" housing and multiple housing forms in general.</p>	<p>5.5 Best Practices</p> <p>5.2 Community Profiling Initiatives</p>	<p>Cost of compiling material, electronic distribution would be efficient.</p> <p>\$20,000 - \$30,000</p>	<p>Medium term</p> <p>Medium term</p>	<ul style="list-style-type: none"> • Regional set of Best practices information, • Number of demonstration projects developed. • Number of projects developed. • Number of profiles prepared. • List of identified champions,
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Goal - To establish a working model community-based support and for partnerships for improving housing affordability.				
<u>Objective</u>	<u>Action</u>	<u>Financial Implications</u>	<u>Implementation</u>	<u>Performance Indicators</u>
To develop the strategy via an inclusive process that involves the community, stakeholders, and all levels of government, and encourages awareness of housing issues, and dialogue between the parties mentioned above.	Preparation of the Strategy that included consultation process with stakeholders (government and community) and the public through focus groups, 3 workshops, and Advisory Committee meetings to raise awareness, encourage dialogue, and obtain input.	Budget in place for Strategy	Underway	Completion and adoption of Strategy,
To encourage mechanisms for inclusive, efficient and effective cross-sectoral participation.	1.12 Resource network 5.2 Community profiling	Staff and financial resources on an on-going basis. \$20,000 - \$30,000	Short term Medium term	<ul style="list-style-type: none"> Number of participating municipalities. Examples of results directly attributable to the support network. Number of demonstration projects developed. Number of projects developed. Number of profiles prepared. List of identified champions, Continued existence Community/Housing strategy implementation role, Regional set of Best Practices information,
	5.4 HAP	Currently operating on a volunteer basis. Budget needs to be determined in consultation with HAP.	Short term	
	5.5 Best practices	Cost of compiling material, electronic distribution would be efficient.	Medium term	

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To develop lasting partnerships and cooperation among the stakeholders.	1.11 Partnering with the Community	Minimal	Shot term - ongoing	<ul style="list-style-type: none"> • Process established for dealing with housing issues in a community, implementation of housing initiatives, • Greater community acceptance of housing initiatives,
1.12 Resource Network		Staff and financial resources on an on-going basis.	Short term	<ul style="list-style-type: none"> • Number of participating municipalities. • Examples of results directly attributable to the support network.
1.13 Regional Housing Facilitator and Housing Resource Centre		\$200,000 - \$250,000	Short term	<ul style="list-style-type: none"> • Increase in number of initiatives directed at improving housing affordability. • Establishment of resource initiatives to support local governments.
5.4 HAP		Currently operating on a volunteer basis. Budget needs to be determined in consultation with HAP.	Short term	<ul style="list-style-type: none"> • Continued existence. • Community/Housing strategy implementation role.

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Goal - To make recommendations to improve the public process to increase housing affordability and the supply of housing that is more-affordable.				
Objective	Action	Financial Implications	Implementation	Performance Indicators
To look at options for facilitating mediation and reducing the time and costs associated with the public process while retaining its principles.	1.3 Streamlining	With reduction by 4 months, holding costs reduced by \$500-1,000, economic rent by \$5 – 7/month	Short term	<ul style="list-style-type: none"> Processing time. Cost saving to housing projects.
	5.1 Changing values & attitudes	Wide range of cost possible	Long term	<ul style="list-style-type: none"> Increased number of innovative projects aimed at improving housing affordability through reduced unit size and other cost efficiencies,
	Density and Unit Size	Saving from reduced time spent on public process/ market is responsive	Long term	<ul style="list-style-type: none"> Increased number of smaller units build and in higher density projects,
	5.3 Neighbourhood acceptance	\$10,000 to fund training	Short term	<ul style="list-style-type: none"> Application of concept, Training of citizens, # of applications and results,

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Goal - To establish financing options that are community based and allow community groups and municipalities to work together.				
Objective	Action	Financial Implications	Implementation	Performance Indicators
To suggest mechanisms that coordinate related programs and services, and increase funding leverage.	4.1 Land trusts	Reduction in land costs of \$30,000-50,000	Long term	<ul style="list-style-type: none"> Number of units planned/developed,
	4.2 Housing trust fund/ reserve fund/ levy program	Annual capital investment of \$2-2.5 million or @\$20/household or increase of \$1,500- 2,000 in DCC costs	Short - medium term	<ul style="list-style-type: none"> Number of units planned/developed,
	4.3 Philanthropic support	For every \$1,000/unit of funds donated, gap between economic and market rent for new apartment can be reduced by \$4.80-11.50/month	Short - medium term	<ul style="list-style-type: none"> Number of units planned/developed,
	4.4 Municipal/charitable tax credits	Depends on tax position of vendor	Medium term	<ul style="list-style-type: none"> Number of units planned/developed,
	4.5 BC Municipal Finance Authority	No present gain given interest rates	Long term, if possible	<ul style="list-style-type: none"> Number of units planned/developed,
	4.6 Raising Funds through Bonds		Long term	

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Goal - To make recommendations to alleviate regulatory complexity and associated costs that impact housing affordability.				
Objective	Action	Financial Implications	Implementation	Performance Indicators
To make recommendations to remove obstacles to the supply of affordably priced market and non-market housing, region-wide, consistent with the overall growth management goals of the RGS.	<p>Strategic Initiatives</p> <p>1.0 Local Government Section</p> <p>(DCCs, permits, streamlined processes, harmonized regulations/costs, pre-zoning/inclusionary zoning, alternative development standards, secondary suites, flexible housing forms, preservation of existing rental stock and conversions, policies and strategies, resource network and centre, information and monitoring, housing affordability lens, self-help initiatives)</p> <p>2.0 Land Costs and Availability Section</p> <p>(municipal land for housing affordability, redevelopment of public lands)</p> <p>3.0 Intensification</p> <p>(increased density in regional centres, small scale infill, redevelopment of existing non-profit projects, mixed use development, property taxes, housing agreements and covenants)</p>	<p>Range of costs associated with combinations of solutions proposed (see Appendix: Identification of Potential Solutions) and finally adopted</p> <p>Range of costs associated with combinations of solutions proposed (see Appendix: Identification of Potential Solutions) and finally adopted</p>	<p>Underway</p> <p>Short - long term</p>	<ul style="list-style-type: none"> Completion and adoption of Strategy, including Regional Context Statements, Refer to solutions in these sections.

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<p>To recommend short and medium term policies that are focussed and practical, and will take into consideration the need for housing for people of all incomes and situations, abilities, genders, family structure and age.</p>	<p>1.9 Preservation of Existing Rental Stock and Convert to Rent</p> <p>1.7 Secondary suites</p> <p>1.8 Housing Forms</p> <p>1.10 Housing Policies & Strategies</p> <p>1.15 Housing Affordability Lens</p> <p>3.0 Intensification Section</p> <p>(Increased density in regional centres, small scale infill, redevelopment of existing non-profit projects, mixed use development, property taxes, housing agreements and covenants)</p> <p>4.0 Raising Housing Funds Section</p> <p>(Land trusts, housing trust fund/reserve fund/levy program, philanthropic support, municipal/charitable tax credits, Municipal Finance Authority, bonds)</p>	<p>Varies on initiative , but requires administrative resources</p> <p>Administration costs</p> <p>Considerable savings in cost of house construction</p> <p>Staff resources</p> <p>Resources for data collection, monitoring, analysis and reporting</p> <p>Range of costs associated with combinations of solutions proposed (see Appendix: Identification of Potential Solutions) and finally adopted</p> <p>Range of costs associated with combinations of solutions proposed (see Appendix: Identification of Potential Solutions) and finally adopted</p>	<p>Medium term</p> <p>Short - medium term</p> <p>Medium</p> <p>Short - long term</p> <p>Medium - long term</p> <p>Short - long term</p> <p>Short - long term</p>	<ul style="list-style-type: none"> • Increase in number of low cost rental units that comply with standards. • Increase in number of local governments legalizing secondary suite/ implementing secondary suite bylaws. • Increase in the number of rental units. • Extent of interest within the housing industry and construction of projects. • Adoption of OCP policies. • Development of strategies, housing needs assessments, and definitions. • Increase in housing affordability. • Inclusion of those with housing affordability issues in decision making. • Refer to solutions in these sections. • Number of units planned/developed.
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	7.0 Homeless and Hard to House	SCPI funding for designated centres, cost of developing a plan and implementing solutions	Medium - long term	<ul style="list-style-type: none"> • Development of policies, strategies, plans dealing with homelessness. • Specific service/capital improvements in the delivery of services. • Reduction in the amount of homelessness.
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To develop a strategy that is flexible, that can be adjusted to meet the different needs of different parts of the region, and with solutions that are transferable to various jurisdictions.	3.2 Small scale infill 1.7 Secondary suites 1.11 Partnerships with the community 5.5 Best practices 6.0 Employee housing	Minimal local government cost Administration costs Minimal Cost of compiling material, electronic distribution would be efficient. Not known at this time	Medium term Short - medium term Short term-ongoing Medium term Long term	<ul style="list-style-type: none"> • Number of units and economic cost (own/rent) of units. • Increase in number of local governments legalizing secondary suite, implementing secondary suite bylaws. • Increase in the number of rental units. • Process established for dealing with housing issues in a community. • Implementation of housing initiatives. • Greater community acceptance of housing initiatives. • Regional set of Best Practices information. • Number of programs in place.
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Goal – To establish a framework for on-going monitoring and evaluation.			
Objective	Action	Financial Implications	Implementation
To establish reasonable targets, measurable outcomes and the framework of a monitoring system with which to evaluate short and long term progress toward the strategy's goals, in each municipality of the region.	1.14 Information and monitoring See 'Target Section' in Strategy	Staff and financial resources on ongoing basis Range of costs associated with combinations of solutions used	Short term - ongoing Ongoing
			Performance Indicators
			<ul style="list-style-type: none"> • Development of a program to monitor stock and land availability. • Meeting the target.



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