

**CAPITAL REGIONAL DISTRICT
Regional Planning Services Department**

Staff Report to the Regional Planning Committee
Meeting of Wednesday, May 19, 2004

SUBJECT:

Regional Housing Trust Fund Options

BACKGROUND:

On April 21, the Committee reviewed the responses so far received from member jurisdictions on the consultants' final report on the Regional Housing Affordability Strategy (RHAS). The Committee forwarded the summary of municipal responses to the CRD Board for information; and advised the Board that the Committee will be working to further clarify the key issues identified by the municipalities, and will report back with recommendations at a later date. Staff was directed to clarify the municipalities' responses, and prepare a report on a range of options for the Housing Trust Fund (including structure, operations, regional allocations, and participation) for further discussion by Committee, who will then make recommendations to the Board.

Once Board direction is received, a final strategy would be drafted containing the supported regional-scale strategies and recommendations for consideration by the Committee and the Board.

DISCUSSION:

The materials provided in this report relate specifically to the establishment of a Housing Trust Fund, but during discussion of this highest-priority recommendation, the two other region-wide recommendations (the Housing Facilitator and the Housing Resource Center) will also be examined. It is hoped that by the end of this meeting, the Committee will have formulated recommendations to the Board on all three region-wide initiatives.

Attachment A is a list of options for the setup and operation of a regional Housing Trust Fund. The categories into which the list is organized are those that are generally used in the establishment of government housing trust funds, and they were taken from the compendium report of the Canada Mortgage and Housing Corp. on this topic.

Attachment B graphically shows alternative organizational structures that could be used for the Trust Fund.

Attachment C contains comments from the Sr. Parks Planner about the setup and operation of the Parks Acquisition Fund that might be relevant for the establishment of a housing trust fund.

Attachment D is an outline of the contents of a service establishment bylaw, so that members know what kind of information should be provided in it. A copy of the existing service establishment bylaw 'Land Banking and Housing Bylaw' which permits a housing levy (max. \$1.1 million/year) to

go to the Capital Region Housing Corp. (CRHC) will be available at the meeting.

Attachment E is a worksheet that might assist members in determining their positions on the various matters that should be decided before recommendations are made to the Board. Its use by members would greatly assist staff in the later stages of establishing this service. Hopefully, some consensus will be reached at the Committee that can be forwarded as recommendations to the Board.

Attachment F is a report by Mr. Henry Kamphof, Executive Director of the CRHC and RHAS partner, outlining his proposal for an organizational and administrative setup involving a housing facilitator and the Housing Affordability Partnership. It is roughly similar to Option #2 in Attachment B. He emphasizes that to maximize partnership arrangements the CRD must be the ultimate authority to effectively partner with federal/provincial/municipal and private sources. Control of the fund should be retained by the CRD Board to a) ensure the RHAS is implemented; b) to provide accountability for funding; and c) to ensure the funds are distributed effectively.

Mr. Kamphof will be present at the meeting to answer questions, as will Lee King, who is a RHAS funding partner, a co-chair of the Housing Affordability Partnership, and the CRD's local contact with Canada Mortgage and Housing Corp. They would be pleased to participate in the discussion.

The selection of options for the setup of the trust fund will have to include consideration of the administrative functions necessary to its operation. The RHAS funding partners strongly recommend that this function rest with the Housing Facilitator and the Housing Resource Center, whose creation was recommended in the consultants' final report, and as supported by housing stakeholders in the region. Even the preliminary exploration of the functions done to date indicates that they will require experienced, expert and full-time staff. Current staffing levels in both the CRHC and in RPS could not take on the additional tasks required without disruption of existing services.

Several of the municipalities commented that these functions should not add to the 'bureaucracy', nor should they consume Trust Fund monies. There are possibilities for funding being investigated that would not use either fund money or tax revenues. It is common practice for the development of proposals and projects under various government housing programs to be handled by a 'project developer' who charges some percentage of the total project cost for preparing the proposal, doing the negotiations, getting the project designed, built and handed over to the operators, etc. The Housing Facilitator would be acting in this capacity for at least some of the successful applicants for Fund money. His fees would be paid proportionally by the funding partners, and since it is expected that the Trust Fund will contribute only small portions of the cost of most projects, the cost to the Fund would be minimal, and recoverable in the long term. Mr. Kamphof has been basically been recovering the cost of his position in this fashion for many years.

The Housing Affordability Partnership (HAP) is working on a proposal that would see them operate the Housing Resource Center. A business plan is being prepared that will investigate its feasibility and possible funding sources. Though the details are yet to be worked out, it is recommended that

their proposal only be considered if HAP is constituted as a legal entity, to ensure accountability and sustainability.

Attachment G (handed out at the meeting) is a matrix of responses from the municipalities, specifically on the region-wide initiatives, clarified if necessary from the previous meeting's matrix. Since that meeting the comments from Sooke have been received, and they are noted. In summary, the comments reflect general support in principle for the fund, and conditional support for the Facilitator and Housing Resource Center.

As the Committee is aware, the remainder of the recommendations made in the consultants' final report on RHAS were directed to the local governments as ways in which they might choose to address housing affordability at the local level. The CRD should not interfere in local governments' choices in this regard, but it would be useful if the final strategy contained a statement to the effect that the choices made by the municipalities will be included as part of their Regional Context Statements.

The Committee should also discuss the amount of money to be collected and put in the fund annually, so the service establishment bylaw can be drafted.

At its April meeting, the Committee did not deal with a recommendation that staff prepare an action plan to outline the process and work from here on. This is still considered appropriate.

RECOMMENDATIONS:

That the Regional Planning Committee:

- 1) develop a consensus on the framework and operating procedures of a regional housing trust fund for the Capital Region, and recommend to the CRD Board that a service establishment bylaw containing these statements be prepared and adopted as soon as possible;
- 2) recommend to the CRD Board that they direct staff to prepare a draft bylaw of the final Regional Housing Affordability Strategy (as an amendment to the RGS Bylaw), to include:
 - i) establishment of a Regional Housing Trust Fund, and description of its purposes, operating structure, and principles;
 - ii) support for a Housing Facilitator position;
 - iii) support for a Regional Housing Resource Center;
 - iv) inclusion in the Regional Context Statements required of local governments by the regional growth strategy provisions of the Local Government Act, statements as to how each jurisdiction will address the issue of housing affordability;
 - v) provision for the Regional Housing Affordability Strategy to be reviewed and monitored as recommended in the consultants' final report; and
 - vi) provisions concerning the CRD's own actions on the RHAS, including a "housing first" policy for surplus lands; development of criteria to assess the suitability of such lands for affordable housing or low-end-of-market demonstration projects; and direction that the preparation of rural statutory plans shall include housing

affordability considerations;

3) direct staff to prepare an action plan to outline:

- i) what further steps the Regional District will take with respect to the Strategy and its implementation;
- ii) a process for review of the draft final strategy by municipalities,
- iii) a process for public review of the draft final strategy, to obtain feedback from a wider public than has so far been involved in the process; and
- iv) further work with other housing stakeholders to determine their level of support and commitment to action on the recommendations.

RGS CONSISTENCY:

RHAS is an implementation initiative of the RGS, and responds to its direction in initiative 3.2.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION:

Financial implications of a housing trust fund and other related recommendations will be identified in a further report on that topic if so directed by the Committee and the Board.

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EXECUTIVE DIRECTOR'S COMMENTS:

W.M. Jordan, Executive Director
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