THE CORPORATION OF THE
# CITY OF WHITE ROCK
## COMMITTEE REPORT

**DATE:**      **July 13, 2022**

**TO:**       **Housing Advisory Committee**

**FROM:**     **Alex Wallace, Manager of Planning**

**SUBJECT:**   **Affordable Housing Framework**

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## RECOMMENDATION(S)

THAT the Housing Advisory Committee recommends to Council to support the integration of the following five strategies into the existing development process to create a long-term framework for affordable housing that creates the capacity to provide affordable housing in multiple ways:

1. Use the City's regulatory tools to encourage a diverse mix of housing types
2. Maximize use of City resources and financial tools
3. Build capacity with non-profit housing and service providers
4. Facilitate and strengthen partnership opportunities
5. Increase advocacy, awareness, and education roles

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## EXECUTIVE SUMMARY

This committee report has been prepared in response to a Housing Strategy Action Plan presented at the April 25, 2022, meeting. The Housing Advisory Committee (HAC) was asked to review the presented information and provide Council with alternative options. As a result, staff have prepared a report that outlines tools that the committee can select to integrate affordability into the development process to create a long-term framework for affordable housing.

## PREVIOUS COUNCIL DIRECTION

| Motion # & Meeting Date | Motion Details |
|---|---|
| #2021-156<br><br>March 15, 2021 | THAT Council endorses the following as their top five (5) priorities:<br><br>• The Official Community Plan (OCP) Review<br>• Solid Waste Pickup for Multi-Family<br>• Housing Needs / Affordable Housing<br>• Community Amenity Contribution (CAC) 'shovel-in-the-ground' projects<br>• The City's Relationship with Semiahmoo First Nation |

| | Motion CARRIED |
|---|---|
| #2021 – 456<br><br>November 22, 2021 | THAT Council:<br><br>1. Receive the "Housing Needs Report," included as Appendix A to the corporate report titled "City of White Rock Housing Needs Report (2021)" as the first Housing Needs Report for the municipality, prepared pursuant to Division 22 of the Local Government Act and the requirements of British Columbia Regulation 90/2019; and<br>2. Direct staff to publish a copy of the "Housing Needs Report" on the City's webpage.<br><br>Motion CARRIED |
| #2022-161<br><br>April 25, 2022 | THAT Council remove the seven (7) recommendations from the Housing Advisory Committee in regard to the 7 pillars for the draft Housing Strategy Action Plan on the April 25, 2022 regular Council agenda.<br><br>Motion DEFEATED<br><br>Question was called on the main motion with the noted additions and deletion of Item 6.2.c to the agenda and it was,<br><br>Motion CARRIED |
| #2022-173<br><br>April 25, 2022 | THAT Council receive for information that the Housing Advisory Committee endorses Pillar #1, Accelerate and Depoliticize the Approval Process, from the Affordable Housing Strategy and Action Plan, as presented.<br><br>Motion CARRIED |
| #2022-174<br><br>April 25, 2022 | THAT Council receive for information that the Housing Advisory Committee endorses Pillar #2, Local Use of the Speculation and Vacancy Tax, from the Affordable Housing Strategy and Action Plan, as presented.<br><br>Motion CARRIED |
| #2022-175<br><br>April 25, 2022 | THAT Council not approve/ endorse Pillar #3, Delegate Approval Authority to Staff, from the Affordable Housing Strategy and Action Plan, as presented.<br><br><br>Motion CARRIED |
| #2022-176<br><br>April 25, 2022 | THAT Council not approve/ endorse Pillar #4, No More 'Exclusive' Single Family Zones, from the Affordable Housing Strategy and Action Plan, as presented.<br><br><br>Motion CARRIED |

| #2022-177 April 25, 2022 | THAT Council not approve/ endorse receive for information that the Housing Advisory Committee recommend Pillar #6, Waiving Public Hearings. Motion CARRIED |
|---|---|
| #2022-178 April 25, 2022 | THAT Council not approve/ endorse Pillar #5.b. with the amendment of reducing the Town Centre Transition area boundaries from west of Merklin Street and east of Vidal Street; and THAT the Town Centre Transition area be reduced from a maximum of 18-storey hybrid towers to 14- storey hybrid towers and that the Town Centre area be reduced from a maximum of 25-storey hybrid towers to 18-storey hybrid towers, with an understanding that the 'hybrid towers' include at least 50 percent non-market housing. Motion CARRIED |

## INTRODUCTION/BACKGROUND

**Legislative Framework**

**Housing Needs Reports**

Municipalities and regional districts in B.C. must complete housing needs reports by April 2022 and every five years after that. These reports will help local governments and the B.C. government better understand and respond to housing needs in communities throughout B.C.

Housing needs reports are a way for communities to understand their current and future housing needs better. These reports can help identify existing and projected gaps in housing supply by collecting and analyzing quantitative and qualitative information about local demographics, economics, housing stock, and other factors. A housing needs report is critical to developing a strategy or action plan.

Together, legislation and regulations specify requirements for local government related to housing needs reports. These requirements include:

- Collecting information to identify current and projected housing needs,
- Using that information to prepare and publish an online housing needs report which shows current and projected housing needs for at least the next five years, and
- Considering the most recently collected information and housing needs report when amending official community plans and regional growth strategies.

The City's HAC has built into their 2022 Work Plan a commitment to explore opportunities to support housing choice and affordability, to address local needs and the overall quality of life for White Rock residents. The City's Housing HAC was consulted throughout preparing the Housing Needs Report. Members of HAC provided valuable insight to staff and the City's consultant regarding the experiences of White Rock residents and their housing needs. On October 26, 2021,

the HAC passed a motion endorsing the draft Housing Needs Report and the presentation of this work at the November 22, 2021, meeting of Council. The Housing Needs Report presents six (6) key areas of local housing needs, including:

1. Affordable Ownership Housing;
2. Rental Housing;
3. Special Needs Housing;
4. Seniors Housing;
5. Family Housing; and
6. Shelters and Housing for People At Risk of Homelessness.

The staff report presented at the November 22, 2021, meeting is provided in ==Appendix A== for reference.

**Relationship to Official Community Plans and Regional Growth Strategies**

A local government is required to consider its most recent housing needs report and the housing information on which it is based, when

- Developing an official community plan (OCP) or regional growth strategy
- Amending an OCP concerning housing statements, map designations or policies
- Amending a regional growth strategy about proposed housing actions, and
- Considering every five years whether a regional growth strategy must be reviewed

This will ensure that the latest available housing needs information informs updates to an OCP or regional growth strategy.

**Housing and Official Community Plans**

An OCP is the long-term vision of the community. The plan guides the decisions of elected officials and local government staff. Usually, this type of plan outlines how specific areas of the community will be used. For example:

- Residential, commercial, agricultural, or industrial uses
- Schools
- Roads
- Sensitive environmental areas
- Parks
- Infrastructure and services (e.g., water and sewer)

An OCP will also include housing policies – for example, housing affordability, rental housing and special needs housing. The OCP may also guide on matters affecting housing affordability, such as public transportation or access to employment.

**Housing and Regional Growth Strategies (RGS)**

Housing is a key focus for regional growth strategies (RGS). Metro Vancouver is the regional government, and they are currently developing Metro 2050 and an update to the RGS. The *Local*

*Government Act* requires an RGS to work towards "adequate, affordable and appropriate housing" and include housing-related actions to meet the needs of the region's residents over the longer term.

A regional growth strategy (RGS) is a local government strategic plan to promote human settlement that is socially, economically, and environmentally healthy. It also efficiently uses public facilities, land, and other resources. An RGS provides general guidance on a region's growth, change and development over a minimum 20-year period.

A regional growth strategy aligns long-range planning direction for regional district a municipal policy, plans and projects. It is also intended to provide a framework for regional cooperation with the Province and First Nations.

**Housing strategies and action plans**

A housing strategy or action plan outlines how a local government will respond to its community's unique housing needs. It typically addresses the full range of housing options, including social housing, rental housing, and home ownership.

This type of document has no specific requirements for form or content. Sometimes it's used as a supplement to an OCP or RGS. Strategies include:

- Actions to support social housing
- Targets for creating or preserving affordable housing to meet future demand
- Affordable market housing policies

**What is an Affordability Housing Strategy?**

It is an action-oriented framework that guides a local government response, within its authority, to maintain and create safe, suitable, and affordable housing options for residents. The purpose of the Affordable Housing Strategy is to ensure that the City's response to housing affordability challenges remains relevant and reflects key priority groups in need and housing gaps. Specific elements of the Affordable Housing Strategy include:

- Highlighting past achievements.
- Providing background on past and current housing affordability.
- Identifying key issues, current housing affordability pressures, and priority groups.
- Setting out ways to meet future affordable housing needs.

Some of the essential qualities of leading affordable housing approaches included: costs to municipalities, applicability to small communities, effectiveness, and speed of implementation. In addition, this report reviews existing policy practices in the region, best practice research from other cities, economic analysis, and tools - that can be included in an Affordability Housing Strategy.

**Challenges with Affordable Housing**

The most significant affordable housing challenges centre on:

- The cost of development
- The little profit associated with those costs

- The challenge of funding or financing projects

The cost of development and a lack of land for affordable housing are two of the more prominent challenges in recent years.

**Past Strategies – City of White Rock**

Affordable Housing Working Group 2010

In 2010 Council established the Affordable Housing Working Group to advise on tangible, practical ways to maintain and increase the supply of affordable housing in White Rock through the development of an Affordable Housing Strategy. The strategy identified actions the City could take to address its affordable housing issues. Implementation of the strategy would:

- Clarify the role of the City of White Rock regarding affordable housing
- Address the gap in housing that is affordable for the community.
- Address development of partnerships to foster affordable housing development
- Provide for ongoing consultation and follow-up

Background work and community consultation were undertaken in preparing the strategy resulted in seven areas for White Rock to address:

1. Maintaining a municipal planning system that supports the delivery of an adequate supply of affordable housing and is responsive to changing demand;
2. Maintaining a municipal financial system that supports the delivery of an adequate supply of affordable housing and is responsive to changing demand;
3. Facilitating diversity in housing forms and prices to deliver a range of affordable housing options for all residents;
4. Facilitating growth in the not-for-profit housing sector;
5. Supporting the retention and delivery of adequate supplies of private rental properties;
6. Encouraging senior government and industry cooperation in support of projects that complement White Rock's affordable housing objectives; and
7. Monitoring the housing situation and regularly evaluating the need for adjustments to the strategy.

The plan is attached as Appendix B for the committee's reference. Staff have tried to model the suggestion using this 2010 report, the endorsed pillars of affordable housing and best practices in other local governments.

Summary of Affordable Housing Strategy and Action Plan 2022

Most recently, the HAC and staff collectively worked on affordable housing. It was presented to Council for information. This plan consisted of 11 pillars to achieve affordable housing. It was sent back to HAC to work with staff to develop a newly revised plan. Below is a summary of the endorsed policy by Council.

| Pillar | Council Direction | Suggested Step |
|---|---|---|
| #1 Accelerate and Depoliticize the Approval Process (OCP Focus) | Council received for information that the HAC endorses Pillar #1, Accelerate and Depoliticize the Approval Process, from the Affordable Housing Strategy and Action Plan, as presented. | Move to a development procedures review project. Staff to prepare a business case for Council to consider. |
| #2 Use the Speculation and Vacancy Tax (SVT) for Affordable Housing | Council received for information that the HAC endorses Pillar #2, Local Use of the Speculation and Vacancy Tax, from the Affordable Housing Strategy and Action Plan, as presented. | Council to play an advocacy role at UBCM. |
| #3 Delegate Approval Authority to Staff (Bill 26) | Council did not approve/ endorse Pillar #3, Delegate Approval Authority to Staff, from the Affordable Housing Strategy and Action Plan, as presented. | Staff is taking no further action. |
| #4 No more 'Exclusive Single Family ONLY' Zones (Allow for conversions "as of right" subject to Development Permit in RS-1, RS-2 and RS-3 One Unit Residential Zones); | Council did not approve/ endorse Pillar #4, No More 'Exclusive' Single Family Zones, from the Affordable Housing Strategy and Action Plan, as presented. | Staff is taking no further action. |
| #5 Broaden the spectrum and range of housing tenures, options, and forms in White Rock:<br><br>(a) Pre-Zone for 'Missing Middle Housing' in specified areas by municipal initiative, and<br><br>(b) Provide for 14 and 18 storey' hybrid towers' in specified areas; | Council did not approve/ endorse Pillar #5. b. with the amendment of reducing the Town Centre Transition area boundaries from west of Merklin Street and east of Vidal Street.<br><br>Council did not approve/ endorse Town Centre Transition area be reduced from a maximum 18-storey hybrid towers to 14- storey hybrid towers and that the | Staff is taking no further action. |

| | Town Centre area be reduced from a maximum 25-storey hybrid towers to 18-storey hybrid towers, with an understanding that the 'hybrid towers' include at least 50 percent non-market housing. | |
|---|---|---|
| #6 Waiving Public Hearings (Section 464(2) of the LGA | Council did not approve/ endorse receive for information that the HAC recommend Pillar #6, Waiving Public Hearings. | Staff is taking no further action. |
| #7 Affordable Housing Partnership Seminar (April 19, 2022, and follow-through) | Completed – April 19, 2022. | Staff remain available to discuss partnership opportunities when/if they arise. |
| #8 Produce an Affordable Housing Development Proposal by municipal initiative | This pillar has yet to be consider by Council. | Staff is suggesting to the HAC that we integrate affordable housing into the framework of the development approval process rather than focusing on developing one project. Long-term tools can be put in place to facilitate this. |
| #9 Waivers and exemptions for 'non-profit' and 'affordable housing' development proposals and applications including:<br><br>(a) Development Cost Charges; | This pillar has yet to be consider by Council. | Staff suggest an affordable housing fund be established to cover the cost of waivers requested by affordable housing projects. This will be discussed in more detail below. |

| | | |
|---|---|---|
| (b)    Cash in lieu of 5% park dedication; | | Staff suggest that the cash in lieu of 5% park dedication be determined on a case-by-case basis per the *Local Government Act*. This is collected through the subdivision approval process, which is not a Council process. |
| # 10 Rental tenure zoning with bonus density; and | This pillar has yet to be considered by Council. | Staff does not recommend this option currently. However, others described below are suggested as an alternative. |
| #11 Expediting 'non-market' housing applications. | This pillar has yet to be considered by Council. | Move to a development procedures review project. Staff to prepare a business case for Council to consider. |

In this following section, staff is providing options that shift away from the pillars which were not endorsed. Instead, staff presents ways to integrate affordability into the City of White Rocks' current development processes. There are no suggested zoning or density changes. Rather, existing policies are updates using tools and strategies that create a White Rock focused housing strategy.

These tools are being presented to the committee to facilitate a conversation about what they feel is the best way to achieve long-term affordable housing that works for the White Rock community. The goal is for the HAC to consider these in the White Rock context and provide recommendations to Council.

**Affordability as a Long-term Focus in White Rock**

Staff have provided a detailed series of options for the committee to review. The goal is to create ways to integrate affordable housing into the framework of the City's development approval process. Because municipal resources are limited, allocating them effectively and efficiently is critical. Most experts agree that municipalities have an essential role in facilitating housing supply and preservation, including affordable housing. However, affordable housing is not a single building. Rather ensuring the Local Government is putting long-term plans and tools in place for funding, partnership, and land acquisition.

According to a 2011 survey, Metro Vancouver municipalities have responded to the region's housing affordability and diversity challenges by adopting over 270 regulatory, fiscal, planning, approval process, rental loss prevention, education/advocacy, and direct provision measures.

Housing is not a primary responsibility of municipalities; however, local governments have an essential leadership role in planning and facilitating affordable housing. The range of measures local governments can use to facilitate and develop affordable housing are outlined below:

- Fiscal measures designed to improve the economics of housing production, such as direct funding, provision of city-owned land, and relief from fees and charges.
- Regulatory measures using the planning and development control process encourage and increase the housing supply.
- Education and advocacy measures build community awareness and support for affordable housing, such as rental housing inventories, guides for developers and advocacy for increased senior government support.
- Direct service provision through a housing corporation that provides housing and supports to low- and moderate-income households.

The section below is adapted *from A Scan of Leading Practices in Affordable Housing by B.C. Housing Research Center*. The tools are split into three categories which are considered keys to success: **Municipal Tools**, **Partnering for Land**, **Financing and Capacity for Organizations and the Community**.

## Municipal Tools

| Inclusionary Zoning and Density Bonus Policy |
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| Both these tools seek to add affordable housing through new development. Inclusionary zoning means zoning regulations requiring an applicant to contribute to below-market housing units (directly through building or through funding) triggered as part of a rezoning for development. A density bonus policy is an incentive that allows increased development potential if affordable housing is included. The number of affordable units created is often based on a percentage of market units (e.g., 10-20%) built, space created, or in some cases, the amount of new employment driven by the development. |
| **Actors:** Local governments and developers |
| **Partners:** Housing organization or non-profit |
| **Ease of implementation:** Simple |
| **Speed of delivering housing:** Dependent on development demand |
| **Implementation Process:**<br>   - Ensure community buy-in for affordable housing<br>   - Develop staff and Council's capacity to put forward a strong policy<br>   - Requires new development and a market that can absorb possible minor additional costs<br>   - Ensure community buy-in for affordable housing<br>   - Policy Change - Develop staff and Council's capacity to put forward a strong policy |

Example:

*Langford, BC: Affordable Housing Program*

- Housing prices in Langford are relatively affordable compared to the rest of the region, which has made it an attractive location for new development
- Concerned about rising costs, the City introduced Langford's Affordable Housing Program requiring new subdivisions to build one affordable unit for every 10 single-family lots

- Qualified purchasers must be at least two people with a household income under $60,000 and have been employed in the city for ½ a year and or lived in Langford for two years
- Home has a price cap for five years that increases slightly after five years
- The City also has a $500 housing fund contribution policy for every new dwelling
- The City manages the sale and buying process
- The number of units in the program: 30

*The City of Richmond, Low End of Market Rental (LEMR) Contribution Program*

- Developed a Low End of Market Rental (LEMR) Contribution program (Inclusionary Zoning and Density Bonus Policy Tool).
- LEMR units are secured as affordable in perpetuity through a legal agreement on title, which restricts the maximum rents and tenant eligibility by income. Developers provide a cash-in-lieu contribution when the threshold for built LEMR units is not met.
- The City of Richmond currently uses this, which has been very successful. The program secures a floor area allocation of 10% in a multi-family condo development with more than 60 units.
- The LEMR program also secures cash-in-lieu contributions for rezoning applications with 60 fewer units. These contributions are directed to the City's affordable housing reserve and are to provide financial support for stand-alone affordable housing developments.
- The current cash-in-lieu rates are the following:
  - Detached homes: $4 per square foot
  - Townhouses: $8.50 per square foot
  - Wood-frame multi-family development $10 per square foot; and
  - Concerte multi-family developments $14 per square foot
- Other cities have similar programs, but the City of Richmond is the only program that secures either cash-in-lieu contributions or units in all residential rezoning applications and all city areas.
- With the program over the years, the City has secured more than 1,500 affordable housing units and $49 million in cash-in-lieu and value transfer contributions.
- As part of developing this policy, staff would recommend a commissioning an economic consultant to assess the feasibility of a program like this in White Rock based on the current market conditions.

| Reducing costs by streamlining approvals and other incentives |
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| As planning and approval processes can add to the cost of developing housing, it makes sense that streamlining these processes for affordable housing projects will reduce costs for those developing housing. Other incentives to encourage development may include funding support for secondary suite development or different types of land intensification. Some techniques for lower approval costs include: 'one-stop shopping' for builders and residents or priority placement in permitting queues. |
| **Actors:** Local Governments |
| **Partners:** Developer, Builders |
| **Ease of implementation:** Simple |
| **Speed of delivering housing:** Moderate |
| **Implementation Process:**<br>  -   Consultation |

> - Policy and procedure changes
> - Communication of tools
> - Ensure appropriate training for staff and builders about the process and importance of affordable housing
> - Use other tools such as covenants to ensure housing stays affordable and occupied
> - Ensure there is a local government commitment and culture prioritizing the construction of affordable housing

Examples:

*Kamloops: Affordable Housing Developers Package, Grants and DCC exemptions*

- The goal is to speed up affordable housing projects.
- The affordable housing reserve fund offers up to $5,000 per unit, up to $150,000 in total.
- DCC exemptions vary, but up to 100% are eligible for rental.
- Downtown revitalization tax exemptions for a downtown multi-family rental project, up to 100% for ten years.
- Other requirements: must be affordable, along with a housing agreement with the City guaranteeing affordability.

*Saskatoon: Priority review of housing applications*

- Process proposals as soon as they are received, staying at the front of the line as they circulate through various departments.
- Quality is maintained, but the proposals jump the queue.
- Impact: A total of 500 new units since 2008, and this process was one of several that led to this success
- Other policy tie-in: Must be a project approved under the municipality's affordable housing programs (City-owned land for affordable housing, non-profit rental housing property tax abatement, capital funding support for affordable housing) to ensure long-term affordable housing.

| **Covenant tools** |
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| The *Community Charter* allows the use of covenants registered on the land title of properties. These covenants (essentially contracts) can restrict what an owner can do on the lands and/or allow or restrict an activity to benefit the local or provincial government. For example, in an affordable housing situation a covenant may be used in a housing agreement to restrict who can live on a property and how much the property can be sold or rented for, thereby keeping a home perpetually affordable for future owners. The covenant can also include a listing of fines and other tools to ensure compliance and long-term affordable housing. Development agreement covenants are used to ensure the benefit of affordable housing is provided as part of a rezoning process. |
| **Actors:** Local Government |
| **Partners:** Developers, property owners, housing organizations |
| **Ease of Implementing:** complex, though good examples exist |
| **Speed of delivering housing:** Extra restrictions may slow down the initial development/uptake of affordable housing, but it will preserve affordability in the end. |

**Implementation Process:**
- A development agreement generally requires a rezoning process in which an agreement for benefits relating to the development can be negotiated.
- A housing agreement needs to be applied, which generally needs to be considered in the rezoning and again at the times of sale for the property owner to agree to the terms.
- Development agreements tend to require a demand for development and rezoning in the community. Education is often required for property purchasers and agents about covenant details and penalties.
- Providing an opportunity in the agreement for a housing organization or municipality to purchase.
- Units upon sale allow to preserve the opportunity to adjust the covenant as required in the future.
  - First right of refusal for the municipality to purchase ownership housing when it is sold – to ensure control over the longer term as well as the ability to adjust covenants as required.

Examples:

*Whistler: Housing Covenants*

- Whistler has had a long history with housing agreement covenants on title starting in 1982 and continuing today.
- Covenants evolved over this time to ensure the appropriate benefits were delivered to the community; other tools to control the use of property included land leases.
- The majority of the 2,000 dwellings of Whistler-managed affordable housing has covenants on title.
- Whistler also used development agreements to ensure the inclusion of affordable housing by developers.
- Critical to the program's success is a housing organization, the Whistler Housing Authority, which manages the buying process, waitlists and development, and access to low-cost land through acquisitions and inclusionary zoning.
- Key ingredients to include in housing agreement covenants for ownership housing:
  - Resale and rental price restrictions - set and primarily limited to the CORE inflation index.
  - Description of the resale process that requires sales to the municipality or people on the housing waitlist managed by a housing organization.
  - Occupancy restrictions on who can live in the unit – targeted at employees (20hrs/week), retirees and dependents.
  - First right of refusal for the municipality to purchase ownership housing when it is sold – to ensure control over the longer term as well as the ability to adjust covenants as required.
- Breach of covenant penalties up to $500/day.
- Other considerations to include:
  - Rental duration limits on ownership units.
  - Provisions for capital improvements.

## Partnerships – Land & Financing

| Municipal land and land trusts |
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| Access to low-cost land for affordable housing, whether private infill or larger parcels of brownfield or underutilized land, is critical. This approach considers land that is acquired by a municipality or a non-profit organization (e.g., a land trust) at a low cost to hold for the benefit of affordable housing. Property for affordable housing is typically acquired through donations or grants of land from sources such as the provincial government. Beyond land donations, the servicing of land can impede affordable housing, so land donations with servicing or land that can be accessed easily for servicing are especially valuable. In addition to municipally held land developed by the municipality or other partners, land trusts are one arrangement of land ownership that is underpinned by an organization with a built-in desire to create permanently affordable housing. Land trusts often maintain ownership of the land while making it available for housing through land lease or housing rental agreements to ensure long-term control of the land. Though effective, community land trusts are not as popular yet in Canada as in other international jurisdictions. |
| **Actors:** Local Government, Community Land Trust, Land Owners |
| **Partners:** Financiers/Senior Governments, Housing Organizations, Co-op Housing Groups & Developers |
| **Ease of Implementing:** Moderately complex |
| **Speed of delivering housing:** Moderate to slow |
| **Implementation Process:**<br>- Land trust organization development in the case of a using a Land Trust.<br>- Donation or acquisition of land under conditions to be used for affordable housing.<br>- Release of land through a lease or arrangement to a third party to develop the land for affordable housing.<br>- Regularly discuss with the community and senior governments about the desire for land; proactively seek land for potential acquisition.<br>- Ensure capacity building for strong housing organizations and/or land trust groups.<br>- Reduce the need for servicing costs. |

Example:

*Fraserview Housing Co-op, Vancouver*

- The City owns the land, providing 99-year leases on four sites to the Vancouver Community Land Trust Organization.
- The foundation is working with co-op and non-profit housing providers to develop the housing, including 278 units for moderate to low-income families and singles.
- Targeting 76% of market rents across the four properties.
- Housing organizations are investing $5 million of their own equity to make it more affordable; B.C. Housing invests $4 million of equity and more than $90 million in construction financing.
- The Land Trust is also using private equity from New Market Funds, a social impact investment firm targeting housing.
- Revenue generated via the projects will return to operating housing organizations and

maintenance.

*Use City Land for Affordable Housing*

- Federal and provincial investment in affordable housing is primarily directed toward partnership projects, and municipalities are increasingly encouraged to provide municipally-owned land to support these projects.
- This policy aims to ensure that the City continues to acquire land for affordable housing and is made available to capitalize on potential partnership opportunities for the development of new affordable housing projects.
-  Affordable housing units can include a variety of rents, including non-market rate rents, rents at income-assistance levels, low-end market rents, or a mix to encourage cross-subsidization within a development.

| Non-profit owned land |
|---|
| Non-profit (NPO) organizations or faith-based groups own some land in communities. These organizations may be able to make land available for housing through low-cost, long-term leases, donating land or providing the land at below market value. In each case, the housing is made more affordable by separating the cost of the buildings from the cost of the land, and subsequently reducing or eliminating the latter. Similarly, the non-profit may be able to develop their land, if they have the capacity to do so; partnerships in this case can be very useful. |
| **Actors:** Non-profit groups, community organizations with land assets |
| **Partners:** Developers, Builders, Housing Organizations |
| **Ease of Implementing:** Moderately Complex |
| **Speed of delivering housing:** Moderate to slow, due to multiple levels of decision making |
| **Implementation Process:**<br>- A church or NPO considers its mission and needs and then determines if housing is a fit or a route to other goals, including revenue generation.<br>- NPO approaches a developer and potentially a housing organization to determine models to apply to the government for rezoning.<br>- Build and deliver housing using many of the common affordability approaches.<br>- The pressure to sell prime real estate is strong, so innovation is needed to meet the organization's financial needs and community affordable housing goals.<br>- Many effective partnerships are required in order to fill the skill gaps.<br>- Where land is not as valuable/costly, consider subdividing for a development lot while maintaining original structures. |

Example:

*Oakridge Lutheran Church, Vancouver*

- Redeveloping the property into a six-story mixed-use building with retail at grade, the Church and community space on the second floor and four levels of affordable housing above.

- Includes a partnership with a non-profit real estate developer who partners specifically with community organizations to develop real estate, much of which includes affordable housing.
- The property is along a busy transportation route to reduce transportation needs and includes car-share opportunities and ample bike parking.
- The Church is moving temporarily to a nearby Church while the development is taking place.
- City affordable housing incentives: requirements for parking are relaxed, development costs are waived somewhat, a density bonus is allowed, approval processes are streamlined.
- Other tools: Housing agreement requirements to initiate starting rents.

| Housing Funds |
|---|
| There are several mechanisms for municipalities to raise funds for affordable housing, and it is important that those funds are aggregated into a Housing Fund set up by a municipality, regional government, or housing organization. For example, funding can come from property taxes, works and service charges for new development or from cash-in-lieu contributions from developers using a density bonus or rezoning agreement. |
| **Actors**: Local government |
| **Partners:** Housing organizations, developers, or property owners |
| **Ease of Implementing:** Simple |
| **Speed of delivering housing:** Depends on the capacity of organizations to spend it on housing. |
| **Implementation Process:**<br>- Identify possible sources of funding.<br>- Set up a housing fund at the municipality.<br>- Establish a process for administering the fund to housing projects.<br>- Requires an organization/person to manage and invest the funds in affordable housing developments.<br>- Requires a strong communication program to taxpayers if funding is to come from general revenues or levies.<br>- Requires an organization/person to manage and invest the funds in affordable housing developments.<br>- Requires a strong communication program to taxpayers if funding is to come from general revenues or levies. |

Example:

*Whistler, BC: Housing Fund*

- Whistler developed a unique trust fund approach to providing financing for the construction of affordable housing in 1990.
- The fund is contributed to through levies (Employee Works and Service Charge) placed on developments that increase the number of employees in the community.
- Funds are provided to the Whistler Housing Authority organization to help deliver affordable housing.

- The amount of the Charge is $5,908/employee, but as it is significantly lower than what is needed to develop housing, the Resort Municipality of Whistler is seeking to increase it.
- The fund was critical to leveraging more in bank loans and launching the first housing rental projects in Whistler.
- Other critical tools included land donations, occupancy restrictions on who can rent units, and rent controls.
- Whistler now has over 2,000 dwellings of ownership and affordable rental housing.

*City of Coquitlam, Affordable Housing Reserve Fund*

- The Affordable Housing Reserve Fund (AHRF) is an important tool for contributing to affordable housing solutions.
- The AHRF acts as the City's financial contribution towards increasing the supply of housing options for low and low-to-moderate income households.
- The AFHR Policy would set out guidelines for allocating and distributing funds to projects that include providing affordable housing units.
- The goal would be to establish the terms of reference for the fund and how it should be allocated. For example, the AHRF funds can be used for the following:
  - a) The acquisition of land by the city for affordable housing projects;
  - b) The leasing of land at below-market rates for affordable housing projects.
  - c) To offset development application and building permit fees associated with a qualifying project; and
  - d) To offset Development Cost Charges or any other amenity-related contributions to which the project would be subject.
- Applicants or organizations in White Rock could request money from the fund for grants from Council. Below is an example of the City of Coquitlam funding levels. They have developed a set of criteria that guides the decision-making process.

| Support Level | Criteria Required | Potential Range | Structure |
|---|---|---|---|
| TIER 1 | 1. Target population<br>2. Community fit<br>3. Funding viability<br>4. Fund eligibility<br>5. City contribution limit | $10,000 - $20,000 per door | Grant |
| TIER 2 | 1. Target population<br>2. Community fit<br>3. Funding viability<br>4. Fund eligibility City contribution limit; and<br>5. High Degree of Leverage; or | $20,000 - $50,000 per door | Conditional grant (pay back requirement decreases 1/25th over 25 years of operation) |

| | | | |
|---|---|---|---|
| | 6. Break the cycle model | | |
| TIER 3 | 1. Targeted population<br>2. Community fit<br>3. Fund viability<br>4. Fund eligibility<br>5. City contribution limit<br>6. High Degree of Leverage; and<br>7. Break the cycle model<br>8. Fund sustainability | Asset based >$50,000 per door | Land lease, air-space parcel, or land purchase partnership |

Criteria To Guide Decision-Making
- Appropriateness for Target Group: how the project will improve overall affordability for low and low-to-moderate income households;
- Community Fit: the projects fits within the surrounding community;
- Fund Viability: Council cannot commit funds from the AHRF beyond the current available balance;
- Eligibility: units must be secured through a Housing Agreement with a non-profit society;
- City Contribution: cannot exceed a Provincial contribution amount;
- Amount of Leverage: degree of involvement of other funders;
- Breaking the Cycle: the project provides an opportunity for greater self-sufficiency for the populations it serves;
- Fund Sustainability: the project's ability to pay back the AHRF in whole or in part.

*Contributions Gained from Density Bonusing (CACs)*

A crucial part of establishing the fund would be to understand how to use contributions gained from density bonusing (CACs) can be allocated to the fund. For example, the City of Richmond applies the following rates to rezoning applications that request a higher density:

- $2 per square for single-family subdivision developments
- $4 per square foot from townhome developments
- $6 per square foot from apartment and mixed-use developments involving 80 or less residential units

*Develop Financial Incentives Criteria*

- Under municipal jurisdiction, the City can waive development cost charges and municipal planning and permit fees for affordable housing developments.

- Some municipalities offer property tax exemptions for non-market/social housing developments. The goal of this is to minimize the costs associated with affordable housing development for non-profit housing providers.
- Work with the committee to develop policy with criteria that the project must meet to be exempt from paying these costs.

## Capacity Building - Organizations & The Community

| Housing organization and building capacity |
|---|
| A housing organization is a non-profit entity dedicated to providing and managing non-market housing stock that is for rent or purchase by qualified individuals and families. In addition to being a repository for affordable housing units, a housing organization can house expert advisors on affordable housing, ongoing champions for affordable housing, and in some cases leverage expert skills and know-how to support other needs such as property management. Housing organizations can also serve specific projects, a municipality, or a greater region. |
| **Actors:** Non-profit organizations or Local government |
| **Partners:** Local government |
| **Ease of Implementing:** Moderate |
| **Impact on developing housing:** Critical to help manage funds and/or development |
| **Implementation Process:**<br>- Establish the organization with the right members<br>- Secure seed funding<br>- Create the business plan<br>- Acquire units and manage projects and activities<br>- Continue to manage the activities of the organization, including ongoing professional development for staff and Board members<br>- Organizations work with the local government to receive seed funding and quickly develop projects to help fund the organization from rental income and sales<br>- Consider a regional organization to generate enough capital from multiple communities<br>- Create the organization while the local government is establishing housing units and funding mechanisms |

Examples

*Lower Columbia Affordable Housing Society (Society), Trail Project*

- The Society was born in 2013 out of an Attainable Housing Committee of the Lower Columbia Community Development Team Society.
- The Society was challenged to find the right fit for rentals by purchasing existing homes, so they worked to develop their own housing.
- The Society purchased a lot near a walking route that will host a home with two single-bedroom and two two-bedroom apartments.
- When complete, a total of nine dwellings for rentals will be available.
- Funding was accessed primarily through a Columbia Basin Trust and B.C. Housing partnership and the Federal Government, along with some funding from the Kootenay Savings Credit Union and Teck Metals.

*Whistler Housing Authority (WHA)*

- Created in 1997 to oversee and assist the development of resident-restricted housing.
- Is a wholly-owned subsidiary of the Resort Municipality of Whistler, governed by a board of directors.
- Oversees the development, administration, and management of resident-restricted housing in Whistler.
- Initially used $6M collected by the municipality in development levies through its Employee Housing Service Charge bylaw, plus $13M in bank loans to purchase and develop close to $22 million worth of real estate.
- Currently, WHA owns or oversees 1900 units of affordable rental (46%) and ownership (54%) housing, with another 69 units (179 beds), including a new 25-unit passive house rental apartment building, to be built in the next two years.
- Rental fees cover mortgage debt, fund the property management and capital replacement reserves, and cover WHA operations.
- Covenants on property titles restrict WHA housing to people working at least 20 hours/week, retirees, and dependents, and on resale, rental, and rental prices.

*Banff Housing Corporation (BHC)*

- The BHC is an arm's length non-profit organization of the Town of Banff and is involved with 182 ownership units and 45 suites in those units Board experience required in the areas of non-profit housing, real estate, property development, property management, building and development, staff accommodation/housing asset management/non-profit housing, accounting/finance
- Board is supported with training throughout the year

| **Housing Strategy** |
| --- |
| An affordable housing strategy is a document, usually commissioned by local government, which recognizes and quantifies an affordable housing shortage (housing needs assessment) in a given jurisdiction and then recommends a series of approaches to reduce the shortage. Communities that have undertaken such strategies have generally been more proactive in addressing the shortage. Other than providing a good sense of the problems and solutions, developing a housing strategy with a range of stakeholders and community members helps to develop the relationships, roles, partnerships, and trust that will ultimately help in the delivery of affordable housing. |
| **Actors:** Local Government, Housing Organization |
| **Partners**: Developers, Builders, Non-profit organizations, Real Estate Agents, Housing Consultants |
| **Ease of Implementing:** Moderate |
| **Speed of delivering housing:** Important to provide a road map |
| **Implementation Process:**<br>- Identify partners and stakeholders to engage<br>- Assess the need for housing |

> - Inventory resources and assets and policies, as well as sites and locations for development
> - Prioritize strategies
> - Assign responsibilities/roles and ongoing resourcing for the strategy implementation
> - Annual review
> - Consider a needs assessment before developing a strategy to assess the urgency
> - Ensure equal amount of time and resources is spent to identify how to fund and implement the strategy

Examples:

*Fernie, BC*

- Fernie created its first housing strategy in 2007 after the completion of two earlier reports to describe the housing challenges and needs in Fernie
- The strategy identified 'low-income individuals and families' as the top priority for housing
- Opening in 2012, Veneto Place was B.C. Housing's first public-private partnership offering 45 units with market, below market rental, rent to own and attainable ownership options
- Partners included: CMHC, Parastone Developments (private developer), Columbia Basin Trust, BC Housing, City of Fernie, and Fernie Family Housing Society
- Seed funding from CMHC helped to carry out market research, financial feasibility, and preliminary design with site work
- Fernie is now updating their housing strategy
- Energy efficiency techniques were embedded in the building

*Smithers, BC*

- In 2010 a Smithers Housing Report was completed by a local housing task force
- The report focused on a snapshot of local housing needs and opportunities while outlining roles of various groups in providing housing
- The Smithers Community Services Association bought a four-lot property in walking distance of downtown/amenities to place six houses on
- The main affordability feature of the houses was its size, at about 540 sq ft, to keep utility costs low
- Partners included: CMHC for seed funding
- The properties opened as rentals in 2015 and the rents cover the servicing on the mortgage with extra for incidentals to cover the Association's cost of managing and providing housing

*Develop a Market Rental Policy*

- To protect the supply of market rental housing units in the city, support existing tenants at the time of redevelopment and encourage the development of new market rental housing. Overall objectives:

- o Encourage property owners to maintain existing market rental buildings in good repair.
- o Secure replacement and new market rental housing in perpetuity through legal agreements.
- o Ensure that new multiple-family, market rental developments provide a minimum of 40% of units with two or more bedrooms so they are suitable for families with children (e.g. "family-friendly" units).
- o Provides detailed parameters for redeveloping existing market rental housing
- o Strata conversions
- o Incentives for new market rental housing

| **Engagement and Communication** |
|---|
| Generating support for affordable housing planning, development and operation activities is critical to successful delivery. Engagement and communication to generate support starts with creating a core group of individuals and organizations and developing a housing needs assessment, and then to the continuous communication required to foster more affordable housing units. Good engagement and communication brings important stakeholders along for the affordable housing planning and development journey and helps to make them promoters of affordable housing, but it can be easier said than done. Activities might include: community consultation – providing and receiving feedback; communication – informing and building momentum for your projects; education – bringing resources and expertise to the project from the community and from outside as needed; commitment – securing ongoing commitment to building and maintaining affordable housing.. |
| **Actors:** Local Government, Housing Organization, Developers |
| **Partners:** Chambers of commerce, tourism organizations, housing consultants, engagement and communication consultants, affordable housing residents |
| **Ease of Implementing:** simple |
| **Impact on development of housing:** Critical to get support for housing |
| **Implementation Process:**<br> - Hold a session to identify allies for affordable housing<br> - Develop a communications and engagement plan<br> - Execute the plan alongside other activities that build support for housing such as needs assessments<br> - Carry engagement activities right through to the end of a development process and beyond<br> - Set aside funding for engagement and communication<br> - Focus on shared community goals and values<br> - Nurture your current affordable home residents to be ambassadors<br> - Start as early as possible and map out key timing and methods for engagement and communication such as forums, surveys, etc. |

Examples

*Canmore, AB: Livable Canmore, Quality Housing in Great Neighbourhoods for All*

- The Town of Canmore, supported by most of the community, prioritized the development of affordable housing during the most recent term of government
- Two projects were creating some neighbourhood angst due to the development locations, amount of development and style of dwellings
- To ensure the silent majority was being heard in the process, the Town initiated an engagement and communication exercise to invite the community to talk about the different types of affordable housing and possible locations for it in the community
- Engagement activities included: one survey; five community 'Idea Walls/Talk to us' posters around the community, 10 citizen-led conversations about housing, two neighbourhood interactive events and two workshops involving housing experts and facilitated conversations, three background briefs to inform conversations and six housing situation stories to help people to understand the need for housing
- When completed, one site will have 49 units of perpetually affordable housing made up of a mix of townhouse, stacked townhouses and duplexes
- The project will be managed by the Canmore Community Housing Corporation

*Enterprise Community Partners: Non-profit housing developer messaging recommendations*

- Research was conducted for non-profit affordable housing developer, Enterprise Community Partners, on messages for affordable housing
- Some of the tips and approaches included:
    o Linking success stories of housing to the policies and actors that made it happen
    o Expanding the notion of who plays a role in the solutions, not just government but other organizations, individuals and champions
    o Focus on building homes vs. housing/affordable housing
    o Use simple explanations of cause and effect for why there is an affordable housing shortage and what can be done to encourage more homes
    o Link the importance of a home to other issues like economic development and health

Next Step Options:

It is suggested that the HAC and staff use a combination of the tools and strategies above to re-align and focus on five strategic directions to build affordable housing into the City of White Rock development processes to create long-term capacity to provide a range of affordable housing options to the community.

6. Use the City's regulatory tools to encourage a diverse mix of housing types
    a. **Inclusionary Zoning and Density Bonus Policy**
    b. **Covenant tools**
    c. **Contributions Gained from Density Bonusing (CACs)**
    d. **Develop Financial Incentives Criteria**
7. Maximize use of City resources and financial tools
    a. **Reducing costs by streamlining approvals and other incentives**
    b. **Housing Fund**

       c. **Municipal land and land trusts**
       d. **Non-profit owned land**
8. Build capacity with non-profit housing and service providers
       a. **Housing organization and building capacity**
9. Facilitate and strengthen partnership opportunities
       a. **Housing Strategy**
10. Increase advocacy, awareness, and education roles
       a. **Engagement and Communication**


Respectfully submitted,




Alex Wallace
Manager of Planning

Reviewed by the Director of Planning and Development Services


Appendix A: City of White Rock Housing Needs Report
Appendix B: 2010 City of White Rock Housing