

Smart Growth BC



Affordable Housing is a Smart Growth Strategy



Affordable Housing Symposium
Penticton May 3, 2007

Cheeying Ho . Smart Growth BC

Overview



- Smart Growth BC
- How conventional development affects affordability
- Why should we care about affordable housing
- Land use and affordability
 - housing choice
 - density
 - transportation
 - vibrant economies
 - mixed neighbourhoods
 - design
 - green standards
- Smart Growth BC's affordable housing policy - vision and guiding principles

Smart Growth BC



Founded in 1999, Smart Growth BC is a non-profit, non-government organization with a mandate to create more livable communities in British Columbia



- Research
- Advice and Assistance
- Policy Alternatives
- Outreach and Community Engagement
- Professional Development
- Implementation
- Advisory Services

Smart Growth is...



...land development that protects the environment, uses infrastructure and tax dollars efficiently, and creates livable, walkable communities.

What's wrong with the current system?



Environmental Impacts



- Air pollution
- Excess pavement and habitat loss
- Disposal of used cars/parts



Financial Impacts



- Costs to individuals to buy, insure, maintain, and gas up:
 - CAA estimates about \$8,000/year
- Costs to taxpayers of building and repairing roads, bridges, parking lots, stormwater systems...
 - \$70 billion in GTA over next 25 years

Social Impacts



- Loss of community identity and uniqueness
- Lack of housing and transportation choices
- Lack of access to services and amenities
- Destruction of farmland



Health Impacts



- Air pollution
- Traffic accidents
- Physical activity, obesity, cardiovascular disease



Research findings



- In the last 20 years, child obesity rates have quintupled in Canada (Centre for Health Promotion Studies).
- In 1981, 10.6% of Canadian boys and 13.1% of Canadian girls were overweight or obese, compared to 29% of boys and 27% of girls in 2000/01 (Heart and Stroke Foundation).
- The number of fast food outlets decreases with neighbourhood wealth (Centre for Health Promotion Studies).

Research findings



- People who live in spread-out, car-dependent neighborhoods are likely to walk less, weigh more, and suffer from **obesity** and **high blood pressure** and consequent **diabetes**, **cardiovascular** and other diseases, as compared to people who live in more efficient, higher density communities (Ontario College of Family Physicians).
- Residents of smart growth communities walk and bicycle more and drive less than residents of more isolated, automobile-dependent locations (Smart Growth BC).

Sprawl affects housing affordability



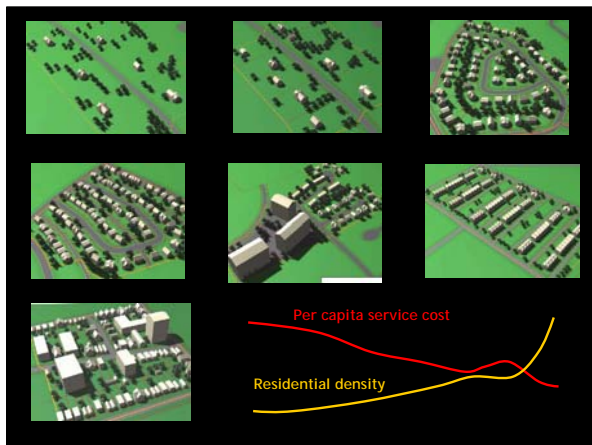
- Increased costs of transportation;
- Little diversity of housing choices;
- Fewer local economic development opportunities;
- Inefficient use of land for housing;
- Increased short- and long-term infrastructure costs to taxpayers.

Sprawl is expensive



Infrastructure costs per unit:

- \$23,520 for low density development
- \$4,408 for compact development



Affordable housing...



- is an explicit goal of Smart Growth
- encompasses much more than non-market housing
- means that families and individuals - of all income levels and lifestyles - can find suitable places to live and can enjoy a stable, secure place to call home.

Why should we care about affordable housing?



- In Greater Vancouver, the median house price is currently 6.6 times the median income, almost double the average for Canada's major cities (3.6). High housing costs have put increased pressures on rental housing, resulting in extremely low vacancy rates.
- Approximately 700 people were homeless in Greater Victoria in January 2005. Their average age was 34 and they ranged from 16 to 67 years.
- In 2001, 21% of BC owner households and 44% of BC renter households spent more than 30% of their household income on shelter.
- In the RDOS, 48% of tenants are paying more than 30% of their income on housing.



Why should we care about affordable housing?



- The BC Chamber of Commerce reports that the issue of affordable housing is generating more calls to their office from members than any other single subject.
- Workers, such as our teachers, health care providers, professionals, and retail employees, need to be able to afford to live in the communities they serve. [The ICBA (Independent Contractors and Business Association) reports that their workers have to live further away from their work.]
- Seniors need to be able to find smaller, lower maintenance homes, and can get around independently, in the neighbourhoods they know and love.

Land use and affordable housing



- Land use - the way that towns and cities are built - is a key driver of housing affordability:
 - housing choice
 - density
 - transportation
 - vibrant economies
 - mixed neighbourhoods
 - design
 - green standards



Housing Choice



- In general, low-density single-family homes use more land and infrastructure relative to other housing types (e.g. townhouses, row-houses, apartments, secondary suites, and compact single-family homes). By introducing a diverse range of housing types, the average cost of housing in a community can be reduced.



Housing Choice



- In BC in 2001, 72% of households were seniors, young graduates, single-parent families, and other types of non-“nuclear” families.
- Single-family homes comprised 60% of all 2004 housing starts in the Kelowna census metropolitan area, and 93% of 2004 starts in the Prince George census metropolitan area. In Squamish, single-detached houses accounts for more than 60% of all private dwellings in the community.
- However, multiple housing starts have outpaced single family by nearly four to one in Penticton.

Housing Choice



Household types in BC

Year	Population private households	Total private households	Couples with children	Couples w/o children	Singles	Other
2001	3,858,730	1,534,335	423,460	437,915	418,135	254,825
1996-2001	4.90%	7.70%	0.90%	8.90%	16.10%	5.00%

Housing Choice



Life stage	Desired type of housing
Single young adults	Apartments, other rentals, owner-attached
Young couples	Apartments, other rentals, owner-attached
Families with young children	Small owner-detached
Families with adolescents	Large owner-detached
Launching children and moving on	Move from large detached to small detached
Families in later life	Small owner-detached or owner attached

Getting Ahead of the (Housing) Curve: A Look at Emerging Housing Needs and Market Dynamics, Dr. Arthur C. Nelson, 2006

Housing Choice



What type of housing is missing in your community?...How might that impact you or your family?...Who doesn't fit this "middle-class" mold?

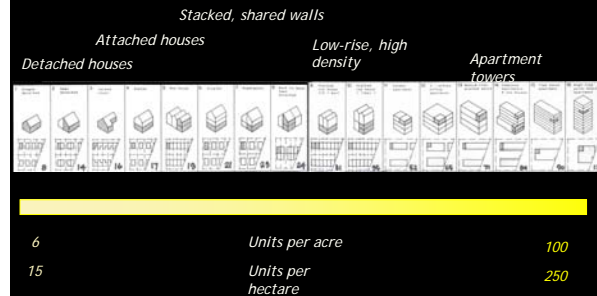
Density



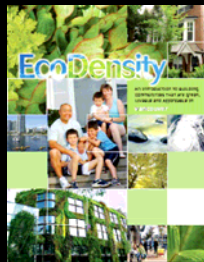
- Housing affordability is also closely related to density. Most communities strictly separate residential, commercial, and other uses, and build these uses at low densities.
- Yet well-designed, attractive density has numerous benefits, including housing affordability. In a higher-density neighbourhood, more units share infrastructure and land costs.



Density



Density



City of Vancouver EcoDensity Initiative

Transportation



- Residents who live in close proximity to shopping, employment, schools and transit (location efficiency) are more likely to be able to walk, cycle, or take transit on some or many of their daily trips. Having one fewer car or no cars at all can free up income to pay for other things, including housing.

$$\text{Affordability index} = \frac{\text{Housing Costs} + \text{Transportation Costs}}{\text{Income}}$$

(Brookings Institution, 2006)

Transportation



- The Canadian Automobile Association estimates that an average Canadian spends at least \$8,000 per year to own and operate each vehicle.
- A Neptis Foundation study in greater Toronto found that seemingly higher housing costs in central locations are more than offset by lower transportation costs.*

* Neptis Foundation, Travel and Housing Costs in the Greater Toronto Area: 1986 - 1996
<http://www.neptis.org/travelhousing.asp>

Transportation



- Public transportation is much more effective and cost-efficient when communities are compact. And when affordable housing is located in areas that are well served by transit, residents without a car can access employment opportunities throughout the region.



Vibrant Economies



- Regional economies are strengthened when jobs are located near a variety of affordable, attractive housing choices.
- Productivity is higher among workers with easy commutes, and turnover rates and associated training costs decrease when employees are less likely to change jobs to be closer to home.
- The ability to live near work and/or transit enables employees to spend less time and money commuting.

Vibrant Economies



- Workers are leaving for work earlier than ever and getting home later and later.
- *“One sign of the times: virtually all our local television stations now have a 5:00 AM newscast, something that would have been unheard of twenty years ago.”* (Chicago Metropolis 2020)

Vibrant Economies



- *“Ultimately, the supply of affordable housing affects the success of all businesses. Along with other infrastructure components, it helps to determine whether or not companies and employees locate in the city. A lack of affordable housing can lead to a host of other, more serious social and economic problems.”*

(Toronto Board of Trade Affordable Housing Report - 2003)

Vibrant Economies



- Communities that provide affordable housing choices near employment may enjoy a competitive advantage in attracting skilled employees.



Mixed Neighbourhoods



- Smart growth communities include mixed neighbourhoods (uses and housing types):
 - Ownership and rental
 - Market, non-market and social housing
- Thus, a range of affordable housing choices should be integrated into all neighbourhoods, including in existing communities.
- Providing affordable housing throughout towns and regions can alleviate development pressure in undeveloped areas.



Mixed Neighbourhoods



Mixed Neighbourhoods



Design



- Good design can contribute to the affordability of housing by ensuring efficient use of land, infrastructure and resources, all of which make housing more affordable.
- Affordable housing should be well designed and sensitively integrated into existing neighbourhoods to provide attractive, safe and desirable housing choices.



Design



- Design quality extends beyond building aesthetics to the aesthetic appearance of public spaces, parks and greenways, maintenance of important views, and other public amenities. Design quality in these elements will ensure that affordable housing in compact communities is livable, embraced and promoted.



Green Standards



- “Green” standards for buildings and infrastructure (energy efficiency, water conservation, minimization of paved surfaces, etc.) can have positive impacts on housing affordability. For example, energy and water efficiency can reduce utility costs for renters and homeowners; an energy-efficient home can use up to 30% less energy than a standard home.

(Smart Growth on the Ground, Energy Management in Maple Ridge (2004). <http://www.sgog.bc.ca/uplo/mr4energy.pdf>)

Smart Growth BC's Vision



- Smart Growth BC supports the provision of a range of housing choices that are affordable to residents of a variety of income levels, life stages, and lifestyles, in compact and complete communities and in every neighbourhood.

Guiding Principles



- Municipal and regional governments should create, adopt, and regularly update an affordable housing strategy that proactively examines the tools and mechanisms to facilitate affordable housing. The strategy should be developed in partnership with local citizens and developers, and should be implemented and monitored.



Guiding Principles



- Municipal and regional governments should adopt and implement land use policies and regulations that support affordable housing and compact, complete communities. Such policies and regulations should promote:
 - A wide **range** of housing choices (including a variety of dwelling types, tenures, and sizes) throughout all neighbourhoods
 - A match between the type, tenure and **price** of the housing stock and the **income levels** and demographics of the community
 - Integration of rental, ownership, market and non-market housing within neighbourhoods and buildings (**inclusionary zoning**)
 - Protection of the **existing affordable rental** housing stock
 - Development and re-development at sufficient levels of **density** to promote transportation choice and efficient use of infrastructure

Guiding Principles



- Municipal and regional governments should adopt and implement land use policies and regulations that support affordable housing and compact, complete communities. Such policies and regulations should promote:
 - A **mix of uses** within neighbourhoods and within buildings
 - **Infill and intensification in existing areas** that are already served by municipal or regional infrastructure (such as sewers, water, roads, transit, schools, health facilities, and community facilities)
 - An appropriate **range of transportation** choices
 - Proximity of **housing near employment** centres
 - A high standard for **design** of buildings and neighbourhoods
 - **Green standards** for buildings and infrastructure

Guiding Principles



- Municipal and regional governments should adopt the following specific strategies:
 - An **urban growth boundary**, greenbelt system, servicing limit, or similar measure, along with complementary policies to increase housing choice and supply within the developable area
 - Legalization of **secondary suites**
 - **Development Cost Charges (DCCs)** that vary by housing type, density, unit size, and location, to account for the lower servicing costs for compact development in existing serviced areas
 - Clear **design guidelines** integrating compact housing forms on a neighbourhood and building scale, developed through an inclusive community-based process
 - A **reduction in parking** standards (in walkable neighbourhoods with transportation options) to reduce the construction costs of parking
 - A target for the **minimum percentage** of homes in the local housing stock that are not low-density single-family
 - A target for the minimum percentage of housing which is for **rent** in the local housing stock

Guiding Principles



- Citizens should proactively support the introduction of well-designed housing choices into all neighbourhoods, to capture the benefits of density and alleviate pressure for development on the fringes of towns and regions.
- Federal and provincial governments should fund and/or provide housing as necessary.
- Federal and provincial governments should ensure that infrastructure investments (e.g. transportation projects) contribute to and are compatible with compact, complete communities with a range of housing choices.
- Federal and provincial governments should provide incentives to local governments for promoting housing affordability and Smart Growth (such as cost sharing for infrastructure in compact communities, or grants in response to zoning changes that increase capacity, density and affordability).
- Financial institutions should recognize and promote the financial value of living in "location efficient" areas (near transportation choices)



Thank you!

www.smartgrowth.bc.ca



Best Practices in Affordable Housing Strategies



Tools for Creating Affordable Housing



- Plans and policies
- Zoning
- Incentives (approvals and financial)
- Housing funds
- Housing agreements and covenants
- Sale-agreements
- Design

Plans and Policies



- Land use policies and OCPs
- Affordable housing policies and strategies
 - e.g. City of Vancouver 20% Social Housing requirement...2500 units since 1988
 - e.g. RMOW – goal is 75% of workers living in Whistler (actual is 76%)
 - e.g. CRD - Regional Housing Affordability Strategy
- Neighbourhood concept plans
- Design guidelines

CRD Regional Housing Affordability Strategy Goals



- To increase the supply of more affordable housing in the region.
- To reduce the number of people in core housing need, especially low income renters.
- To reduce the number of homeless people and support the transition out of homelessness.

CRD Regional Housing Affordability Strategy



- Secure more funding for non-market and low end of market housing
- Establish and enhance pro-affordability local government policies and regulations across the region
- Facilitate community-based affordability partnerships and initiatives
- Build neighbourhood-level support for housing affordability
- Expand the scope of the Victoria homelessness community plan to the region as a whole

Zoning



- Density bonus
- Inclusionary zoning
- Parking relaxation
- Secondary suites
- Laneway housing

Zoning



Density bonus – allows a higher density on a site in exchange for a community amenity

- e.g. Four town centres in city of Burnaby:
- 25 low cost rental units in 3 developments
 - FAR increase from 2.2 to 2.6
 - Housing agreement registered on title
 - City maintains title; leases units to NPO

e.g. Salmon Arm: The City's Medium Density Residential zone (Section 9, p.41) allows an increase in the maximum density from 16 dwelling units per acre to 20 units per acre if an amenity (e.g. affordable rental housing) is provided.

Zoning



Inclusionary zoning -

requirements to include affordable housing as an amenity

e.g. East Clayton Neighbourhood Concept Plan

- Zoning for a range of densities and diversity of housing types
- Permits both secondary suites and coach houses



Zoning



Rezoning - changing the zoning requirements, usually to allow for increased density

e.g. the Edge, Vancouver

- Rezoning from industrial to residential
- Windfall profit from rezoning was put into creating affordable units (low-end market rental) within the development (owned by the City)

Zoning



Parking relaxation - reducing parking requirements for developments

e.g. The 'Five'

- 5 detached 1400 sq.ft. houses on a single 50 x 125 ft Vancouver city lot
- No on-site parking (if parking required, units would have been much more expensive)



Zoning



Parking relaxation - reducing parking requirements for developments

e.g. Verdant at SFU UniverCity

- Parking reduced to 1 space per unit
- Unit prices 25% below market



Secondary Suites



- Provide affordable rental units that aren't provided through other sources
- Are mortgage helpers, particularly for new homebuyers
- Allow density increases without changing neighbourhood character

Secondary suites



- Permitted in single-family zones (Vancouver, City of N. Vancouver, Surrey RF-SS, Central Saanich, Port Coquitlam, Grand Forks, Whistler)
- Permitted in multi-family units (SFU UniverCity 'Highlands')
- Size restriction - usually max 90 sq m or 40% habitable floor space

Secondary suites issues



- Parking requirements
- Utility use and fees
- Building code
- Development cost charges
- Liability
- Protection of neighbourhood character
- Community acceptance

Laneway housing



Laneway housing



- A form of single/small lot infill
- Utilizes laneway network for access
- Increases housing supply while increasing density, and maintains existing scale and character of neighbourhoods
- Creates market rate affordability because of smaller size
- Tenureship options include rental, strata and fee-simple
- Need to examine parking requirements

Incentives



- Fast-tracking approvals for affordable housing projects
 - Streamlining development applications / guidelines
- e.g. Residential Development Application Evaluation Guidelines for Affordable Housing - Central Saanich
- The policy states that Central Saanich only pursues residential rezoning applications that include a component for creating affordable housing and tenure options

Incentives



- Development Cost Charges - using development density as the basis for charging DCCs, i.e. charging DCCs per square foot rather than per unit (encourages smaller units and higher density)
- e.g. City of Kelowna gradient system of DCCs: smaller units at higher densities cost less to service, as do units that are more centrally located
- Tax incentives for converting non-residential into rental

Housing funds



Contributions maintained in a fund for affordable housing

e.g. City of Vancouver Affordable Housing Fund \$13m in subsidies by 1998

e.g. City of Kelowna Housing Opportunities Reserve Fund - currently \$300,000

e.g. Whistler Housing Fund \$6.5m leveraged for 144 units

Housing agreements/covenants



Provide a legally enforceable means of securing affordable housing over the long term, and are filed in the Land Titles Office

e.g. Bowen Island Cates Hill Development

- rental accommodation (12 units) will remain rental for 25 years
- rents are required to be at least 15% below the average Vancouver CMA rents

e.g. Resort Municipality of Whistler

- Rental, occupancy and resale agreements

Covenants



e.g. Verdant at UniverCity

- Residences purchased at 20 percent below fair market prices
- Must live in the residence
- On re-sale, the residence must be sold at the same percentage discount below then-current market prices.
- Must be offered to SFU faculty and staff with children first.

e.g. Whistler price restricted units (non-market - does not fluctuate with market)

Part-sale agreements



e.g. BedZed (London, UK) developer allows client to buy portion of unit and rent the rest (30% of units part-sale)

Dockside Green in Victoria looking at this model



Design



Provide range of housing types and sizes

- Smaller units and smaller lots cost less
- Mixture of residential and commercial



Koo's Garage



PROJECT DATA

- Site Area: 50' x 122' = 0.057 Ha.
- 6 condominium town houses. Two loft style, one 2 storey, three 2.5 storey.
- Unit size: 720-1195 sq. ft.
- 105 uph, 0.95 FSR
- 63.6% site coverage
- \$200,000 to \$285,000

Small lot duplexes



Two duplexes replaced a single family dwelling.

Design



- e.g. UniverCity Highlands - up to 50% of the units may include secondary suites available for rent (required a rezoning by the City of Burnaby)
- e.g. Port Coquitlam row housing development - developer is leaving first floor of each unit unfinished

Smart Growth BC



Conclusions:

- Local governments already have many of the tools necessary through the LGA/Community Charter
- There are many innovative best practices we can learn from and duplicate
- We can learn from examples outside of Canada
- We need to develop partnerships to start addressing affordability NOW

Thank you!



Sources:

- Smart Growth BC Affordable Housing Policy
- Market Housing Affordability 2005: Local Government Guide for Improving Market Housing Affordability in British Columbia
- Smart Growth Toolkit, Smart Growth BC
- Barriers & Solutions: A Secondary Suites Workshop (summary of proceedings)
- Affordability by Design: Affordability for All (summary of proceedings)
- Statistics Canada
- UBC James Taylor Chair in Landscape and Livable Environments www.sustainable-communities.agsci.ubc.ca/projects/Headwaters.html
- Whistler Housing Authority
- Peabody Trust www.bedzed.org
- Capital Regional District www.crd.bc.ca/regionalplanning/growth/rhas/index.html



www.smartgrowth.bc.ca