

Smart Growth BC



*Affordable Housing is a
Smart Growth Strategy*



BC Non-profit Housing Association
Conference

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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 vision and guiding principles
- Review of Best Practices in Affordable Housing
- Applications for BC

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
- Policy Advice and Assistance
- Outreach and Community Engagement
- Professional Development
- Design and land use planning

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



Climate Change



- Transportation accounts for a third of GHG in BC
- A typical home in a denser urban setting outperforms the 'greenest' house in a low density conventional suburban development on energy and GHG savings
- When you take transportation GHG into account, this energy difference is even greater

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...North America is in a huge infrastructure deficit
 - \$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**, **cardio-vascular** 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



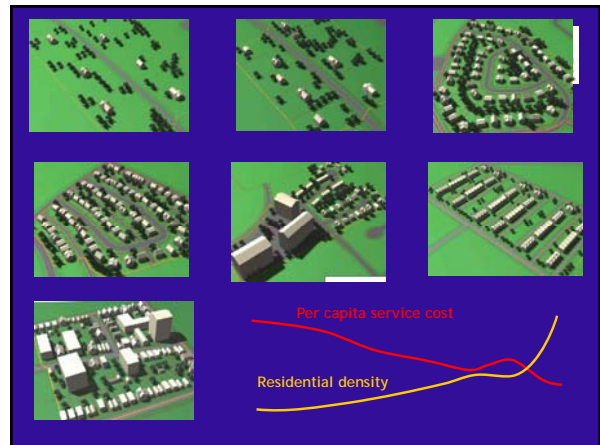
- Increased costs of transportation;
- Little diversity of housing choices;
- Fewer local economic development opportunities;
- Inefficient use of land for housing;
- Increased short- and long-term infrastructure costs to taxpayers.

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 social 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.



Who cares 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.
- 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 and infill
 - 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 2006, 74% of households were seniors, young graduates, single-parent families, and other types of non-“nuclear” families, yet....
- 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, multi-family housing represented 70% of starts in the Vancouver CMA in 2005.

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



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?

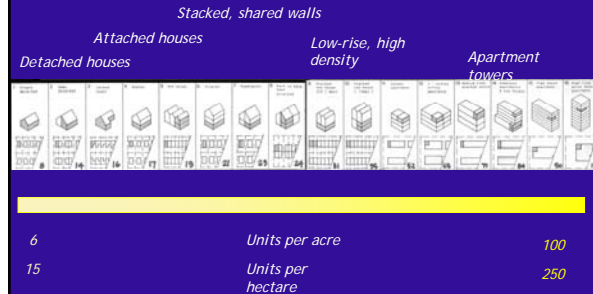
Density



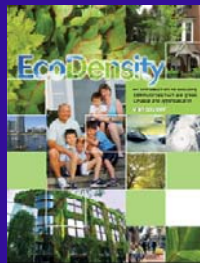
- In a higher-density neighbourhood, more units share infrastructure and land costs. A mixture of uses allows costs of building housing to be shared with commercial and other uses.



Density



Density



City of Vancouver EcoDensity Initiative

Infill



- 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) are opportunities for more affordability.



Transportation



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



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)

Mixed Neighbourhoods



- Smart growth communities include mixed neighbourhoods (uses and housing types):
 - Ownership and rental
 - Market, non-market and social housing
- Providing affordable housing throughout towns and regions can alleviate development pressure in undeveloped areas.



Mixed Neighbourhoods



Mixed Neighbourhoods



Design



- Affordable housing should be well designed and sensitively integrated into existing neighbourhoods to provide attractive, safe and desirable housing choices.
- Design quality extends beyond building aesthetics to the aesthetic appearance of public spaces, parks and greenways, maintenance of important views, and other public amenities.



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>)



11.7 units/acre

11.7 units/acre

Enterprise Portland / Green Communities Initiative



- Five-year, \$555 million initiative to create more than 8,500 homes that deliver significant health, economic and environmental benefits for low-income families and communities.
- Grants, loans, equity, policy and communications.
- Green Communities homes are at least 30 percent more energy efficient—cutting utility costs by hundreds of dollars per home a year.

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.



Best Practices



- Affordable Housing Strategies
- Needs assessment
- Waiting list
- Plans and policies (OCPs, RGS)

(focused on market and non-market)

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.

Best Practices - Applications for BC



- Inclusionary Zoning
- Density Bonus
- Resale Agreements
- Public Private Partnerships
- Secondary Suite Policy
- Housing Fund
- Housing Organization

Inclusionary Zoning



Establishment of zoning regulations that require affordable housing.
Most commonly used tool.

May be

- a percentage of the developed units that must be affordable (e.g. Steamboat Springs requires 15%)
- off-site construction of the affordable units
- cash-in-lieu paid into a housing fund.

Inclusionary Zoning



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



e.g. City of Vancouver

- 20% social housing in new mega-projects

San Francisco zoning ordinance



- *(a) The Planning Department or the Planning Commission shall impose a condition on the approval of application for a development project subject to this ordinance in order to mitigate the impact on the availability of housing which will be caused by the employment facilitated by that project. The condition shall require that the applicant pay or contribute land suitable for housing to a housing developer to construct housing or pay an in-lieu fee to the City Treasurer which shall thereafter be used exclusively for the development of housing affordable to households of lower or moderate income.*

Density bonus



- Allows a higher density on a site in exchange for a community amenity
- Larger urban centres and infill nodes in suburban communities provide the best potential for the use of a density bonus.

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.

Resale price restrictions



- A covenant, or "deed restriction", put on the title of a home that limits the escalation of the resale price. The price is determined by an index or a formula instead of being determined by the market
- Provide a legally enforceable means of securing affordable housing over the long term, and are filed in the Land Titles Office

e.g. Resort Municipality of Whistler - price restricted units (Whistler Housing Authority)

- Rental, occupancy and resale agreements

Resale price restrictions



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.

Public Private Partnerships



- Involves a contribution from the public sector in the form of land or zoning, and the private sector is responsible for servicing and building.
- Any significant public contribution to a project through grants, zoning or low cost land transfers.

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 (e.g. 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



- Tenureship options include rental, strata and fee-simple

Housing funds



Contributions maintained in a fund, established by legislation or resolution, dedicated 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

Community Sources of Funds



Banff, AB	Commercial development levies
Calgary, AB	Gaming funds, city land and property donation, corporate donations
Edmonton, AB	SCPI, Gaming funds, City budget surpluses and appropriations
Langford, BC	\$500 per unit created by rezoning on some large projects (e.g. Bear Mtn.)
North Vancouver, BC	Land sales, property tax levy dedicated to affordable housing
Saskatoon, SK	Land sales
Surrey, BC	Interest on reserve fund established via \$750 per unit rezoning charge
Toronto, ON	DCCs on commercial development
Vancouver, BC	DCLs, lease of city-owned land, budget appropriations
Whistler, BC	Commercial and tourist accommodation development levies
Winnipeg, MN	Interest on real estate transactions

Housing Organization



- No jurisdictions have been able to provide housing alternatives in a rapidly rising real estate market without a dedicated organization in place.
- Victoria, Metro Vancouver, Park City, Steamboat Springs, Truckee, Mt. Crested Butte, and Davis are all well served by regional housing authorities.
- Non-profit societies.
- Municipally, county, state, province or federally owned or independent organizations.

Other tools.....



Incentives



- Fast-tracking approvals for affordable housing projects
- Streamlining development applications / guidelines
- 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)

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)



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)



Design



Provide range of housing types and sizes

- Smaller units and smaller lots cost less
- Mixture of residential and commercial
- E.g. District of Squamish - 500 sq ft units downtown \$125,000



Conclusions:



- The market alone will not meet our affordable housing needs
- Local governments already have many of the tools necessary to provide significantly more affordable housing 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
- Communities that use a number and range of affordable housing tools are more successful at providing affordable housing

Thank you!



Sources:

- Smart Growth BC Affordable Housing Policy
- Smart Growth BC Review of Best Practices in Affordable Housing
- 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