

Affordable Housing Strategy



Acknowledgements



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Executive Summary

- 1) A number of affordable housing initiatives have already been undertaken by the City of Campbell River and others in the Community
- 2) Long term affordability of housing is dependent on the accessibility of housing options within the range of housing in the housing continuum.
- 3) Homelessness has been well examined by the community and will be addressed by the Community Homelessness Coalition and its community partners, including the City of Campbell River.
- 4) Rental vacancy rates are consistently higher than provincial averages and higher than the benchmark of 3% used by CMHC as a healthy vacancy rate
- 5) Housing rental rates are significantly and consistently lower than provincial averages.
- 6) While currently the housing market is working well for the average family, household income has been falling behind the provincial average during the last decade. This underscores that a healthy local economy has an important role in addressing affordability in the local housing market.
- 7) In general, housing affordability is somewhat better in Campbell River compared to provincial averages.
- 8) Housing diversity in the market has been decreasing creating a potential weakness in the capacity of the local market to meet the needs of all its residents in the future.
- 9) Development approval processes and DCC rate structures play a role in housing affordability. Streamlined processes can save costs and structuring DCCs to be lower with smaller housing units can improve affordability.
- 10) The Supporting our Social Mosaic planning workshop and the Homelessness task force report support the conclusion that the community's housing affordability challenges are focused on the lower income and vulnerable population groups in the City.
- 11) The key goals in this housing affordability strategy are:
 - a. Facilitate housing options for the most vulnerable and low income households
 - b. Encourage a greater housing mix and mixed use neighbourhoods to be developed
 - c. Retain the City's current strength in local housing affordability by supporting economic development initiatives and protecting a good supply of affordable rental units.
- 12) The strategy contemplates a broad range of actions and identifies partnerships to achieve the goals. Actions range from specific regulatory changes and housing projects to lobbying efforts focused on senior government for funding as well as broader policy initiatives like exempting suite revenue from income tax.
- 13) Because the income characteristics of Campbell River households are changing, it will be important to monitor this trend to determine if the recommended housing strategy also needs to change over time.

1.0 INTRODUCTION

Housing affordability has been a steadily growing issue in the City of Campbell River. Housing prices have been increasing and local economic generators have been experiencing challenges which in turn impacts the financial capabilities of many residents. Further, like in many other Cities, Homelessness has become a more prominent issue.

The City of Campbell River has undertaken a variety of measures focussed on addressing the housing affordability problem. Such measures have included provided for diversity in housing types, supporting social housing projects, allowing secondary suites in several zonings, and, more recently, addressing the issue of homelessness. With respect to the latter, in February 2009, Council created a Homelessness Task Force to examine and measure the scope of the homelessness problem in Campbell River.



The Homelessness Task Force reported back to Council with a full report and several recommendations and subsequently Council passed several resolutions in response to the recommendations from the Task Force. One of the recommendations was for the City to develop an Affordable Housing Strategy. This report responds to that recommendation. This strategy is also intended to be incorporated into the development of a new Sustainable Official Community Plan for the City.

1.1 Process and Consultation

To assist in guiding the preparation of this Strategy, a project steering committee was established by Council which consisted of six members from the Public and City Staff. The process began with City staff conducting research on affordable housing Best Practices and Tools and compiling and analysing relevant demographic and housing market data to help define the scope of the affordable housing challenge in Campbell River. Further, this strategy directly builds on the work of the Homelessness Task force.

Consultation in this process included:

- Discussions with the Affordable Housing Steering Committee to review the housing data and discuss and identify goals and objectives for the strategy.
- Key Informant interviews with local experts in the Development Industry.
- Using a Community Workshop to discuss gaps and actions for the strategy

1.2 Definition of Affordable Housing

While the concept of affordable housing has been defined differently by other municipalities, government bodies and non-profit groups, one widely used benchmark of affordability comes from Canada Housing and Mortgage Corporation. It defines affordability as housing that costs

no more than 30% of a household's gross income (inclusive of rent/mortgage payments and utilities).



With respect to low income households, Metro Vancouver's Affordable Housing Strategy applies the 30% of income measure to households of low to moderate income because households in this income range will have difficulty affording other necessities if shelter costs exceed 30%. Notwithstanding this benchmark, households with relatively low income levels may find that the quality and type of accommodation available to them for 30% of their income may not be a suitable environment for their needs.

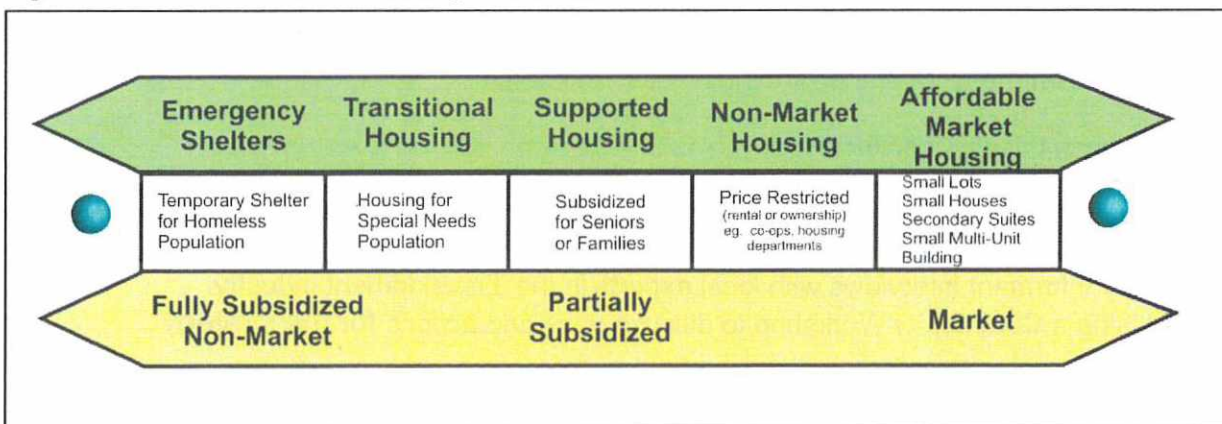
For example, in the case of a family living in a one bedroom apartment, it would be unsuitable for teen age children of both genders to have to share the same bedroom. Because of these and other examples, this strategy incorporates the notion of suitability into its definition of affordable housing. The following definition is offered:

"Affordable Housing in Campbell River refers to housing that is suitable to the basic needs of the household occupants and costs not more than 30% of the median household income"

1.3 The Affordable Housing Continuum and Policy Matrix

It is important to understand the housing continuum and where the local target groups fit within it in order to prepare and implement an affordable housing strategy that will be effective. The Affordable Housing continuum is illustrated in Figure 1. The continuum begins on the left with the lowest income populations housing options. Non-market is completely subsidized housing (e.g., emergency shelters). As it moves to the centre, income levels rise and only partial rent subsidies are needed (e.g., Social housing). The next category to the right is below market housing (housing with rent or resale price restrictions) and on the far right a variety of low cost, unrestricted market housing options such as small homes on small lots, condominium apartments and townhouses.

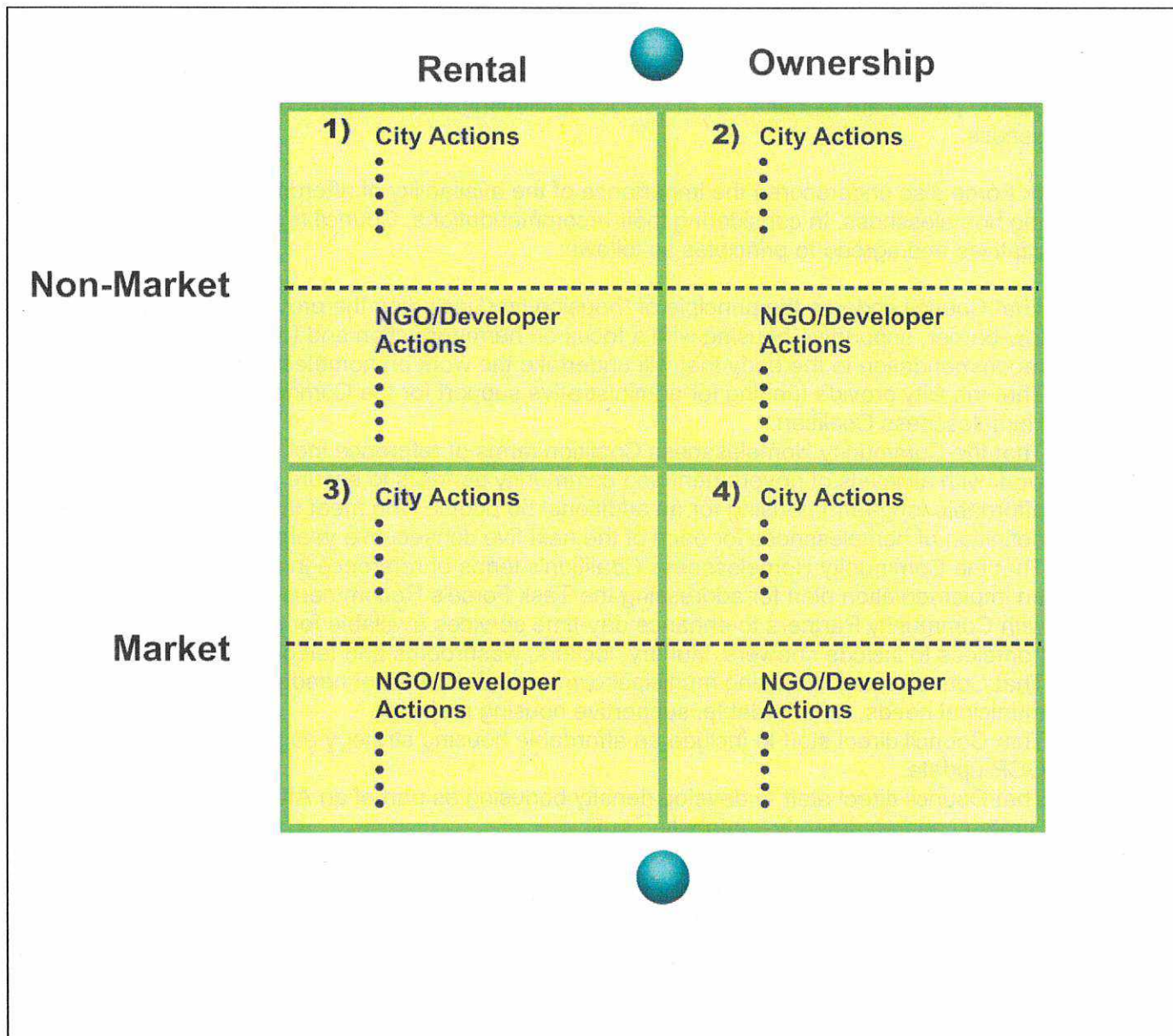
Figure 1: The Affordable Housing Continuum



Individuals and households may move along this housing continuum as their financial circumstances change. It is important to know if there are gaps in housing/shelter availability along this continuum in order to facilitate housing for all population groups.

In terms of developing policy options that address the range of housing challenges in the City, figure 2 demonstrates the four affordable housing policy quadrants in a matrix including of rental, ownership, subsidized and non-subsidized housing options. Each quadrant includes city actions and associated NGO and developer actions. This can serve as a tool for the development of an Affordable Housing Strategy and it implicitly identifies the role for partnerships.

Figure 2: The Affordable Housing Policy Matrix



1.4 Homelessness Task Force

Campbell River City Council formed a Task Force on Homelessness in February of 2009 with the goal for the Task Force to make recommendations regarding:

- The coordination of current service providers and other possible partners
- The role of the Federal government, Provincial Government, Vancouver Island Health Association and the City of Campbell River; and
- Possible strategies and solutions to resolve the issue of homelessness in Campbell River.

Based on their research, the task force estimates that the number of people who meet the definition of absolute homelessness in the City is approximately 35 to 50 people and an estimated 450 people are identified as at risk of homelessness or in a state of hidden homelessness.

The Task Force also underscored the importance of the availability of affordable housing in preventing homelessness. In considering their recommendations, Council resolved to undertake many initiatives and agreed to principles as follows:

1. That Council endorse the principle of "housing first" including the provision of permanent low-barrier, supportive housing with a focus on harm reduction and forward this recommendation to the body that will undertake the work on homelessness.
2. That the City provide funding for administrative support for the Community Homelessness Coalition.
3. That the Community Homelessness Coalition terms of reference include; the goal to work with all levels of government and community partners to secure or develop affordable long-term housing for an additional 50 people who meet the Task Force's definition of homelessness for each of the next five consecutive years.
4. That the Community Homelessness Coalition's terms of reference include; developing an implementation plan for addressing the Task Force's Recommendation (#5) to work with Community Partners to enhance day-time services available for people who are homeless to include showers, laundry, lockers, washrooms and telephone access.
5. That Council considers using municipal owned land, that is not needed for other municipal needs, for affordable, supportive housing projects.
6. That Council direct staff to include an affordable housing strategy as part of the next OCP update.
7. That Council direct staff to develop density bonusing as part of an Affordable Housing Strategy and an amenity contribution policy.
8. That the Community Homelessness Coalition's terms of reference include; encouraging all levels of Government including Federal, Provincial, Regional and First Nations to work together and partner with each other and Non-Government Organizations to more effectively address homelessness issues by:

i) Lobbying the Federal Government (Indian and Northern Affairs Canada, Service Canada, Corrections Canada, Canada Health Act) to:

- Re-establish the National Strategy for Housing;
- Increase the support and housing capacity for people being discharged from Federal institutions;
- Implement The Mental Health Commission of Canada's homelessness initiatives;
- Provide funding to alleviate homelessness for aboriginal people.

ii) Lobbying the Provincial Government (Ministry of Housing and Social Development - BC Housing, Income Assistance, Housing Matters; Ministry of Attorney General, Ministry of Solicitor General, Ministry of Health, Ministry of Finance) to:

- Secure or develop affordable long-term housing for an additional 50 people who meet the Task Force's definition of homelessness for each of the next five consecutive years;
- Direct the current allocation of Property Purchase Transfer Tax into a community reserve fund;
- Increase the support and housing capacity for people being discharged from correctional and psychiatric facilities;
- Enhance the rental assistance program including funding levels, eligibility criteria, public awareness and timely approval process. (BC Housing);
- Continue support for housing projects presently underway (i. e. Habitat for Humanity, Campbell River Assoc for Community Living and North Island Transition Society);
- Provide equitable funding in rural/remote communities such as Campbell River in concert with larger urban communities;
- Provide urgently needed secondary housing for recovering addicts that is safe and requires accountability on behalf of the occupants;
- Increase financial support to people receiving income assistance (Ministry of Housing & Social Development).

iii) Encouraging the Vancouver Island Health Authority (VIHA) to:

- Work in partnership with BC Housing and other stakeholders such as the City and non-profit societies to provide a range of housing resources. This includes supported housing, residential (staffed) housing and emergency housing;
- Ensure that plans for the new Campbell River hospital and the proposed mental health and addiction beds provide housing and supports with assertive community treatment services for those who will be discharged back into the community;
- Ensure that plans for our new Campbell River hospital provide for a sobering and assessment centre and medical detox centre;
- Establish an assertive community treatment (ACT) team (VIHA "reducing homelessness," January 2008 and BC's Mental Health Reform Best Practices for Assertive Community Treatment) to work with people most at risk of homelessness;
- Ensure necessary health and dental services are accessible and available to all in our community, including those who are homeless.

The work of the Homelessness Task Force and the subsequent Council direction form an important part of this strategy.

2.0 CONTEXT IN CAMPBELL RIVER

2.1 Key Indicators and Affordability Factors

By examining a number of indicators, it is possible to develop a picture of the local housing affordability challenge. The first indicator is the change in market value of dwellings in the City. Table 1 shows that values increased between 41% for apartments and townhouse and 71% for single family dwellings during the ten years from 1996 to 2006. Price increases escalated from 2006 to 2008, however, at a more rapid pace indicating greater pressure on local affordability.

TABLE 1: MARKET PRICE CHANGE IN CAMPBELL RIVER

	1996	2006	% Increase	2008	% Increase
Apartment	129,255	182,415	41%	230,640	78%
Townhouse	109,099	154,192	41%	190,379	75%
SFD	153,724	265,602	72%	315,252	105%

Source: Statistics Canada

While Table 1 shows an absolute and escalating increase in the cost of homes, Table 2 shows that the prices in Campbell River are lower compared to other communities in the Vancouver Island Real Estate Board areas.

TABLE 2: AVERAGE HOME SALE PRICE

Year	Campbell River	VIREB Area**
2008	\$315,252	\$349,510
2007	\$297,042	\$329,120
2006	\$265,602	\$290,883
2005	\$224,131	\$253,298
2004	\$178,571	\$207,437
2003	\$153,588	\$175,364
2002	\$145,119	\$159,051
2001	\$137,584	\$147,383
2000	\$136,787	\$146,355

** Area includes Campbell River, Comox Valley, Duncan, Nanaimo, Parksville, Qualicum and Port Alberni
Source: VIREB

On the rental side of housing, two measures are of interest. Vacancy rates are important from the renters point of view in that markets with very low vacancy rates can result not only in difficulty finding accommodation but also can encourage rental rates to increase due to high demand. Table 3 compares the rental rate of apartments in Campbell River to the rest of the Province of British Columbia. In comparison, the vacancy rates in Campbell River are considerably higher than the average rate paid in the Province. Not only are they typically higher

in comparison to the Province as a whole but they have been consistently higher than the benchmark of 3% identified by CMHC as a healthy vacancy rate.

Year	Campbell River	BC
2009	8.9%	2.8%
2008	5.6%	1.0%
2007	3.4%	1.0%
2006	4.0%	1.2%
2005	3.2%	1.9%
2004	6.6%	2.4%
2003	8.1%	3.1%
2002	11.7%	3.1%
2001	15.9%	2.6%
2000	17.9%	3.6%
1999	18.5%	5.0%

Source: CMHC

Given the consistently high vacancy rates in the City, it is not surprising to see rental rates in Campbell River significantly lower than the provincial average rent for apartments. Table 4 shows these rates in the order of 25% cheaper than the provincial average. In terms of affordability, vacancy rates and rental rates in Campbell River help with housing affordability.

Year	Campbell River	BC
2009	\$637	\$895
2008	\$606	\$864
2007	\$585	\$822
2006	\$551	\$789
2005	\$533	\$758

Source: CMHC

The next factor in housing affordability is the ability to pay. To assess this, it is helpful to look at family income as a measure. Table 5 shows the average family income in Campbell River in 1995 and in 2005. While Campbell River average family income increase during this 10 year period by approximately 24 %, this fell behind the average increased in the Province of 42% suggesting that housing affordability may be becoming an increasing problem in the City.

Year	Campbell River	BC
2005	\$70,259 (24% increase)	\$80,511 (42% increase)
1995	\$56,747	\$56,527

Source: Statistics Canada

Using the 30% of gross income bench mark, the average family income could afford to pay \$21,077 per annum (\$1,756 per month) on housing costs. At a mortgage rate of 4%, and an amortization of 20 years, the average family could afford a mortgage of \$290,609. Assuming they had 10% as a down payment, they could afford to purchase a home worth \$319,670.00. As Table 2 indicates the average home in Campbell River was \$315,252 in 2008. This also indicates that the average family would have no problem paying for rent as the average apartment rental was \$637.00 in 2009.

For the average family, the current market is working well; however, it is cause for concern that average family income has been declining in relative terms compared to the provincial average. If that trend continues, the average family will begin to have challenges. **This points to the important role of a healthy local economy in addressing affordable housing.**



The next table in this section identifies a few more general affordability measures. The data in Table 6 indicate that in 2006 the City's population is the same as the provincial average for households that pay 30% or more of their income in rent. This is an improvement from 1996 when slightly more Campbell River Households paid 30% or more of their income paid for rent compared to the provincial average.

2006	% Of Population	Campbell River	BC
	Rent >= 30% income	43%	43%
	Mortgages >= 30% income	16%	19%
	Home Ownership	73%	70%
	Rent	27%	30%
1996	% Of Population	Campbell River	BC
	Rent >= 30% income	44%	42%
	Mortgages >= 30% income	14%	18%
	Home Ownership	70%	65%
	Rent	30%	35%

Source: Statistics Canada

With respect to mortgages, the percentage of Campbell River households paying 30% or more of their income has also been lower than the provincial average in both 1996 and 2006. Home ownership rates are also higher in Campbell River (73%) compared to the provincial average of 70%). **In general, housing affordability is somewhat better in Campbell River compared to the provincial averages.**

It is suggested, then, that affordability challenges are likely to be focussed on the lower income families and households in the community. While the size of this challenge is difficult to measure, the following statistics help to provide some understanding of the demographic

challenged with housing. Table 7 displays the percentage of adult population aged 19 to 64 receiving basic income assistance in comparison to the provincial average from March 2000 to March 2010. This date shows that the percentage of adults receiving this assistance is between approximately 60 to 100% of the provincial average since 2000 thus indicating that there are more people in Campbell River compared to the province as a whole that are in a low income group. Further, this statistic appears to be trending higher since 2008.

		Campbell River	British Columbia
March	2000	8.4	5.1
March	2001	8.2	4.7
March	2002	7.4	4.3
March	2003	5.0	2.8
March	2004	3.6	1.8
March	2005	3.0	1.4
March	2006	2.3	1.2
March	2007	2.3	1.2
March	2008	2.0	1.2
March	2009	2.9	1.6
March	2010	3.7	1.9

A related statistic is the average family income reported in the 1996 and 2005 Census profiles. Since 1995, the families in the \$10,000 to \$39,999 family income categories are increasing as a percentage of the population compared to the provincial average. Because the data show that the income characteristics are changing, it will be important to monitor this trend to determine if the recommended housing strategy also needs to change over time.

2.2 Affordability Issues and Gaps

The preceding section of the report presented good evidence that the average household in Campbell River does not face significant housing affordability challenges at this time. It is worth noting, however, that the trend in declining household incomes in Campbell River over the past decade suggests that this relatively good position may change. This underscores the importance of a healthy local economy in the Affordable Housing equation.

Another measure for determining housing gaps is the mix of housing stock. The 2006 Census Profile indicates that Campbell River has comparatively more Single Detached dwellings compared to the Provincial average (about 65% compared to about 50% for the Province). Campbell River also has fewer apartment dwellings as a percentage of housing stock compared to the Provincial Average. This suggests a potential weakness in the capacity of the housing stock to meet the needs of all its residents as the current mix is less diverse than the average mix in the Province.



Building Permits statistics since the year 2000 (Table 8) indicate that the community has had relatively more single family starts compared to the existing housing mix reported in the Census Profile. Duplexes and Multifamily starts represent 27% of the new housing units compared to the 35% in the existing stock. This represents a weakening of the housing diversity and choices available to housing purchasers and renters.

TABLE 8: SHOWS THE NUMBERS OF NEW HOUSING UNITS BY HOUSING TYPE

Year	Single Family	Duplex Single Family	Multi Residential permits	Multifamily	Renovations/ Additions	Total Residential
2009	86	24	2	6	149	261
2008	179	34	7	79	141	361
2007	259	27	15	68	137	438
2006	245	2	32	94	192	471
2005	240	1	20	63	146	407
2004	128	2	12	73	126	268
2003	95	2	2	2	175	274
2002	56	2	5	13	186	249
2001	40	2	0		165	207
2000	32	6	0		154	192
TOTALS	1360	102	95	398	1571	3128

Another factor in affordability is the cost to develop. This factor includes land costs, labour and material costs as well as soft costs associated with securing approvals. The soft costs can include financing during the approval process, application fees and Development Cost Charges. It is these soft costs that the City has influence over. Efficient and timely approval processes reduce carrying costs and this helps limit cost push inflation on the price of new homes.

Application fees also can impact the cost of housing; however, fees that cover the staffing costs in the approval functions can enable the City to provide increased levels of resources as development activity increases. Therefore, in this way, permit fees can help limit carrying costs.

Development Cost Charges are another impact on housing affordability. Arguably, without DCCs, affordability would also be impacted as either taxes would need to increase to cover the cost of necessary serving costs or individual developers may have significant services costs to pay for large off-site capital projects to service their projects. DCC's are a means to share capital projects evenly over all developments.

It is important, however, to scale DCC's in a way that is fair and encourages a mix of housing. The key to this is to ensure that smaller dwelling units in multifamily projects pay less. This is achieved through a floor area charge rather than a general per unit charge. By doing this, smaller dwelling units pay less in DCCs and make this a more economically viable form of development.

In addition to the statistical information, the community has been engaged in identifying affordable housing services, gaps and opportunities. The Homelessness Task Force has done an excellent job of defining the local homelessness issue and Council has and continues to support their efforts. This work provides good direction in terms of the local affordability Issues

and Gaps. In addition, the Ann Elmore Community Workshop held May 19, 2009 addressed affordable housing issues. Table 9 from the Ann Elmore Legacy report lists a number of the current services in the community for safe and affordable housing. This information shows that the community has been responding to some of the affordable and social housing needs in the area.

TABLE 9: INITIATIVES THAT CREATE SAFE AND AFFORDABLE HOUSING		
Campbell River SSE	Description and populations being served	Sponsoring organizations
BC Housing (M'Akola)	<ul style="list-style-type: none"> Housing for Seniors and Families 	Provincial Government
Evergreen Apartments	<ul style="list-style-type: none"> Apartments @ Salvation Army (Transitional Housing) 	Salvation Army/ BC Housing
Eagle Manor	<ul style="list-style-type: none"> 6 unit apartment for clients of mental health and addiction services (subsidized) 	Vancouver Island Health Authority (VIHA) Mental Health and Addictions
Ann Elmore Transition House	<ul style="list-style-type: none"> Transitional housing for women and children experiencing violence or at risk 	CR and North Island Transition Society
Second Stage Housing	<ul style="list-style-type: none"> Transitional housing for women and children experiencing violence/at risk 	Partnership between Campbell River and North Island Transition Society, City of CR and BC Housing
Habitat for Humanity	<ul style="list-style-type: none"> Volunteers build housing for family in need, family owns home and must be able to hold the mortgage 	Habitat for Humanity
Shelter Aid		BC Housing
SAFER	<ul style="list-style-type: none"> Services for seniors 60+ 	BC Housing
RAP	<ul style="list-style-type: none"> Rent subsidy for families 	BC Housing
Supported Services and Housing		
Campbell River SSE	Description and populations being served	Sponsoring organizations
Second Chance	<ul style="list-style-type: none"> Program for men to support recovery from addictions, detoxified 28 days before accessing User fee covered if eligible 	Ministry of Social Development, VIHA
Youth Emergency Shelter		
Campbell River SSE	Description and populations being served	Sponsoring organizations
Barnett House	<ul style="list-style-type: none"> Housing for youth 	John Howard Society, North Island, partnership with BC Housing

**Source: Ann Elmore Workshop May 19, 2009

While there are a number of existing housing initiatives, there are also unmet needs (gaps) in affordable housing in Campbell River. The Supporting our Social Mosaic workshop and report identify a number of Gaps and Actions shown rank ordered in the Table 10: This Planning event was held on February 19 and 20, 2010 and provides an important input to this strategy.

**TABLE 10: HOUSING, SHELTER AND HOMELESSNESS:
GAPS AND PRIORITY ACTIONS**

Housing Gaps	Actions to address Gaps in Priority
There is a lack of a safe and accessible Emergency shelter for non-sober "clients".	Create a supervised facility with private rooms where non-sober people can access a safe shelter located in the bus route, private, central area, downtown core.
There are no transition services for young adults (18 years up) coming out of foster care to help them become self sufficient and productive adults.	Provide a facility devoted to teaching life skills (financial, social, basic, are taught to young adults transitioning out of foster care). Supportive housing aimed at teaching young adults the skills to live independently. Provide training program with mentor follow-up to prevent homelessness in the future.
There is a lack of appropriate and safe housing for pregnant women in need during pregnancy.	Provide a service where pregnant women and new mothers are supported in a safe and educational environment.
There is a lack of supportive/assisted, community oriented housing for aboriginals.	Develop a friendship centre for Aboriginals where support workers are available to clients in a community environment. This could include a day center and an emergency shelter.
There is a lack of supportive housing for physically and mentally challenged people.	Provide affordable and accessible housing for physically and mentally disabled people with appropriate supportive staff.
There is a lack of long term affordable accommodation	Provide a building which can affordably house individuals who are in poverty level.
There are insufficient beds for people needed to detoxify.	Provide a trained staff supervised facility close to medical assistance for detoxifying adults & youth.
There are not enough apartment, duplex or patio homes for low income seniors developed to encourage community spirit.	Advocate new developments to design their projects to encourage community spirit.

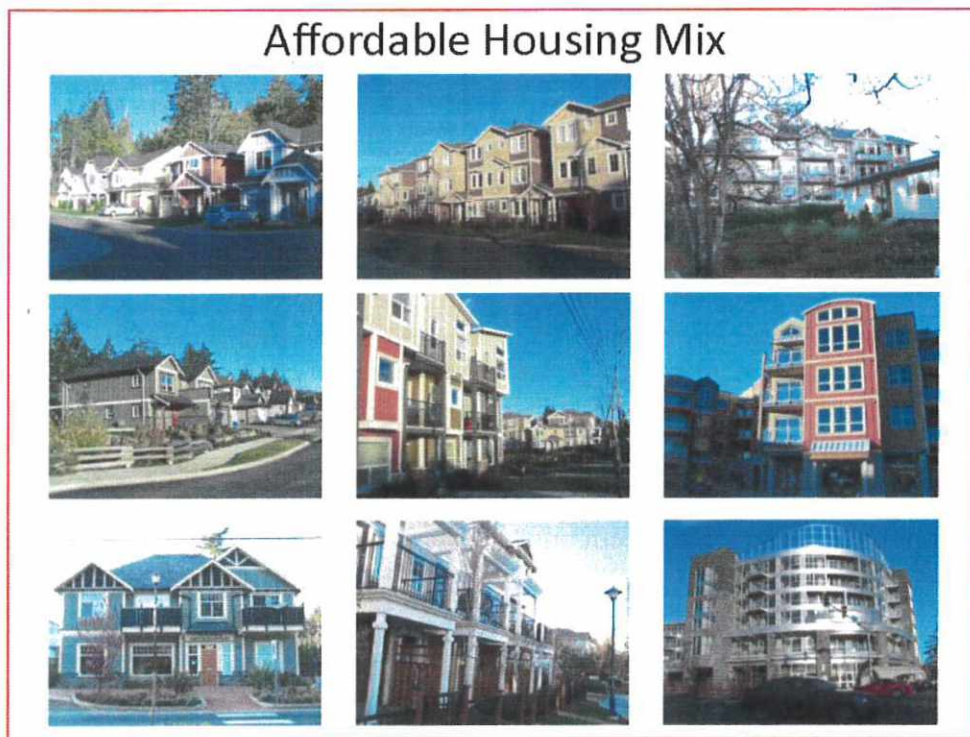
In reviewing the gaps and priority actions recommended by the participants in the Supporting our Social Mosaic community workshop, it is clear that the perceived housing gaps are focussed on the most vulnerable populations in the community. This provides support to the statistical analysis on housing gaps and needs.

The results of this workshop helps inform this Affordable Housing strategy in addressing the most pressing housing needs of the community's vulnerable population. In addition to this guidance, it will also be important to consider other housing policy that will maintain and improve housing affordability for the less vulnerable population groups.

2.3 Key Policy/Strategy Focus

Given the results of the demographic and market analysis and given the findings of the Homelessness Task Force, the Ann Elmore Legacy workshop and the Supporting our Social Mosaic workshop and plan, the key areas for this strategy to focus on are:

- Goal 1: To facilitate housing options for the most vulnerable and low income households;
- Goal 2: To encourage a greater housing mix and mixed use neighbourhoods to be developed in the City; and
- Goal 3: To facilitate capacity to access affordable housing and to retain the City's current strength in local housing affordability by supporting Economic Development initiatives and protecting a good supply of affordable rental units.



3.0 BEST PRACTICES AND TOOLS

Having developed an understanding of the local housing affordability challenges, it is also important to understand the range of tools and best practices available to municipalities in addressing affordable housing. These are summarized in this section of the report.

3.1 Planning Strategies

Mix Land Uses Neighbourhoods

By planning each neighbourhood with a mixture of homes, density, retail, employment and recreational opportunities, mixed-use neighbourhoods promotes housing diversity and more compact forms of development like, for example, apartments above shops or dense residential buildings surrounding a shopping area. The housing diversity provides a range of housing options and the mixed use areas reduce household expenditures as fewer vehicle trips are required for the residents as they can walk to local services.

Infill Development

Encourage growth and intensification in existing communities. Developing where servicing exists makes housing more affordable because the need for new infrastructure is minimized. This reduces the cost of producing housing.

Increase transportation choices.

Similar to the Mixed Use neighbourhood strategy, decreasing the reliance on cars by providing housing in walkable or cycleable distances to work and services or developing along on effective transit routes decreases household costs, leaving more income for housing and other expenses.

3.2 Zoning Tools

Inclusionary Zoning

This type of zoning can require or permit the provision of affordable housing in new developments. The Cities of Langford and Vancouver have used this tool with success. This is achieved by providing a density bonus to the developer in exchange for housing to be provided at below market values. The density bonus enables the developer to off-set the cost of the profit that is not made on the affordable units.

Secondary Suites

Allowing or requiring secondary suites is one of the most effective tools for providing affordable housing. These are completely financed by the private market and only require regulatory permission. This form of housing is low impact, integrates affordable housing into neighbourhoods and can help home owners with their household income. This tool is implemented in Zoning and Building Bylaws.

Senior governments should consider the benefit of exempting revenue from secondary suites (in owner occupied dwellings) from income tax. It is suggested that some property owners do not legalize suites because they do not want to be trackable for income tax purposes. The result is that such suites may not be built to Building Code and consequently present a health and safety issue. By encouraging suites through zoning and tax exemptions, government can encourage a

robust inventory of affordable housing integrated into each neighbourhood.

Density Bonus Zoning and Amenity Contributions

The Local Government Act allows municipalities to require the provision of amenities by providing increased densities in exchange for the amenities. The bylaws allow for a base density. Any density over that amount contributes predefined amenities on a per development unit basis. These amenities can be in any form defined by the City. For example, the City can take a predetermined cash contribution for affordable housing, it can take land for affordable housing or it can take housing units directly. This approach must, however, be structured in a way that allows the developer to make an acceptable profit for the risk and effort put into a project.

Development Agreements/Amenity Contributions

Sometimes the density bonus amenity contribution is not included in the zoning bylaw but is part of a Development Agreement or Phased Development Agreement registered on the property title as a Section 219 covenant. Like the density bonussing option, using this tool would benefit from a well defined amenity contribution policy.

3.3 Alternative Development Standards

Decreased Parking Requirements

Providing parking spaces adds significant costs to housing projects. In areas that are well served with other land uses and with transit, it may be feasible to lower parking standards. This could reduce costs in the order of \$20,000 per parking space for underground parking and approximately \$5,000 per space for surface parking. This tool can be implemented in the zoning bylaw or in Development Permits and Development Variance Permits.



Narrower Road Widths, to lower the cost of housing

Reducing the cost of services, like constructed road widths, can help lower the cost of housing. This type of initiative can also have the benefit of helping the City achieve its sustainable development goals as impermeable surfaces are reduced in new developments. This tool is implemented within local development services bylaws.

3.4 Efficient Approval Processes

Fast Track Approval Processes for affordable housing

By developing efficient approval processes and prioritizing affordable housing projects, faster approvals can assist in lowering development carrying costs. As mentioned earlier, this reduces any cost-push inflation for housing prices.

3.5 Other Tools

Housing Agreements

A developer can register a housing agreement on title to control resale conditions (resale price or person restrictions and rental rates). This tool is enabled by the Local Government Act and can be required as a condition of zoning approval or strata-title conversion applications. It can also be used in tandem with inclusionary zoning initiatives.

Establishing a Housing Fund

This fund can be used to fund or partner in funding affordable housing projects. Municipalities

can build these funds from their own tax revenues, special tax levies or from density bonussing or development contributions.

Special Property Tax Levies

Some communities have established special property tax levies to finance affordable housing projects. For example, participating municipalities in the Capital Regional District collect an annual tax for affordable housing initiatives.

Revitalization Tax Exemption Bylaws

Section 225 of the Community Charter allows the City to establish a bylaw to exempt the municipal portion of property taxes. This could be an effective incentive for non-profit groups wishing to develop and operate a housing project. This has been successfully done in other municipalities like the City of Langford.

Land Banking

Municipalities can hold land for a future contribution to an affordable housing project. While the City of Campbell River has contributed land for housing projects, land has not been specifically set aside for future housing projects.

Establishing a housing commission

Under Section 143 of the Community Charter, municipalities can establish commissions which can operate a variety of services including the provision of housing. This occurs when a Council decides that it wants to be in the business of providing affordable housing. This approach also represents an increased cost to the City and its taxpayers. This tool can be used in tandem with the Special tax levy tool.

Partnerships with Other Groups

Establishing partnerships is a way to bring more resources (skills and funds) to the task of providing housing. There are other government agencies and non-profit organizations that can be partners in this endeavor. Further, the opportunity to work with the development industry in providing affordable housing can produce a range of affordable housing options. To be effective in this partnership area, policy and initiatives must facilitate and respect the need for the private sector to make sufficient profit.

Lobby other Governments to provide Affordable Housing

This is a way for a municipalities to raise the profile of the local housing affordability issue with senior governments in an effort to secure funding for local projects. The City can do this independently or in collaboration with other housing advocacy groups.

4.0 THE STRATEGY

4.1 Policy Options

As a result of the analysis and consultation, three primary goals have been identified. This section discusses possible strategies and actions to achieve each of the goals. The goals are:

1. To facilitate housing options for the most vulnerable and low income households.
2. To encourage a greater housing mix and mixed use neighbourhoods to be developed in the City.
3. To facilitate capacity to access affordable housing and to retain the City's current strength in local housing affordability by supporting Economic Development initiatives and protecting a good supply of affordable rental units.

There are a number of policy options/city actions that can be considered in achieving each of these goals. This section lists the possible policy options for each goal and discusses their merits in the local context.



4.1.1 To facilitate housing options for the most vulnerable and low income households

The following policy Options could be used to facilitate housing for vulnerable and low income families

- 1) Use density bonus zoning to secure and ensure that some below market rental housing is included in new developments of ten dwelling units or more.
- 2) Use density bonus zoning and amenity contributions to gather funds to be used for affordable housing projects.
- 3) Use density bonus zoning and amenity contributions to secure land for affordable housing as a condition of zoning approval.
- 4) Change the zoning bylaw to permit secondary suites in all single family dwellings.
- 5) Lobby the Federal and Provincial Governments to exempt income from Secondary suites from income tax.
- 6) Use municipal land as a contribution to affordable housing and shelter projects.
- 7) Work with the Community Homelessness Coalition to lobby provincial and federal governments for housing projects and services
- 8) Look for partnerships with non-profit groups and senior government agencies to develop housing projects.
- 9) Establish a Housing Commission. (This is not recommended)
- 10) Consider a Special Property Tax Levy to help fund affordable housing projects. (This is not recommended at this time but can be reconsidered in the future).
- 11) In areas well serviced by transit, cycling and pedestrian facilities and with good access to services, consider reductions in parking standards.

- 12) Consider requiring free transit passes, car share and bike share services in exchange for parking variances.
- 13) Give priority to affordable housing initiatives in the approval process and continue to improve processes, with sufficient resources, while maintaining appropriate consultation and technical review standards.
- 14) Ensure that DCCs are structured to encourage smaller, more affordable housing options.
- 15) Encourage the Federal and Provincial governments to develop a program to insure landlords for housing damage resulting from difficult to house tenants.
- 16) Consider partnerships and encouragement for housing agencies to acquire and convert vacant buildings in appropriate locations for housing.
- 17) Encourage the Federal and Provincial Governments to provide a mortgage payment assistance program for low income people that are temporarily challenged in making their monthly payments.

4.1.2 To encourage a greater housing mix and mixed use neighbourhoods to be developed in the City

- 1) Ensure new neighbourhoods include smaller, lower cost housing options as a part of a diverse range of housing.
- 2) Ensure that new neighbourhoods incorporate a range of services and land uses.
- 3) Ensure that affordable housing is included in developments throughout the municipality.
- 4) Focus affordable housing in areas serviced by alternative transportation facilities and services.
- 5) Support infill development particularly in the downtown and other commercial/mixed use areas.
- 6) Review the zoning bylaw and Official Community Plan to ensure that appropriate opportunities for affordable housing is permitted (including secondary suites, lock-off suites, mixed use buildings, carriage housing, small lot development and small home development.
- 7) Use Revitalization Tax Exemption bylaws to encourage affordable housing projects.

4.1.3 To facilitate capacity to access affordable housing and to retain the City's current strength in local housing affordability by supporting Economic Development initiatives and protecting a good supply of affordable rental units.

- 1) Develop an Economic Development Strategy. The City is, and has been, in a period of economic transition. A picture of viable new economic generators and a clear action plan designed to develop the new economy would enable efforts to be focussed on ensuring a prosperous future for Campbell River residents.
- 2) The city has a good supply of rental accommodation. However, there is ongoing interest in converting older rental accommodation into strata-titled units. Council has a policy to not consider such conversions unless the vacancy rate is greater than 3%. As Table 3 indicates, apartment vacancies have not gone below 3% during the past decade. To ensure that there continues to be this rental pool in the City, Council may consider:
 - o increasing the vacancy threshold to 8% , and
 - o require a housing agreement registered on title which ensures that the unit may continue to be a rental unit for ten years and which allows the existing tenants to remain in accordance with the rules of the Residential Tenancy Act.
- 3) Consider Revitalization Tax Exemption Bylaws to encourage new rental housing to be constructed.

4.2 Recommended Strategy

As a result of the housing affordability analysis, community input through different public planning events and the input from the Affordable Housing Steering committee, the following strategy is presented. For each of the three housing goals, one or more tables showing the City's actions and when appropriate, supporting actions from the private sector and from other Non-Government agencies, are shown.

It is important to show the required supporting actions. Not only does this demonstrate that the City is focussed on a number of housing goals it also shows that for most of the actions, the City is a partner or advocate. Solving affordable housing challenges at the local level is necessarily dependent on other factors, partners and agencies.

The following tables address, where recommended, actions for each of the housing policy quadrants.



- 1) Non-market rental housing
- 2) Market rental housing
- 3) Non-market home ownership
- 4) Market Home ownership.

It is a key aspect of the strategy to utilize as many policy initiatives as practical. Ensuring that housing vulnerable population is addressed as well as the full range of housing options in the housing continuum, a range of actions is more likely to be successful than simply concentrating on a few policy initiatives.

GOAL 1: FACILITATE HOUSING OPTIONS FOR THE MOST VULNERABLE LOW INCOME HOUSEHOLDS/PEOPLE



Goal one has the greatest number of housing actions proposed and includes actions for each of the four housing policy quadrants.

Non-Market (Subsidized) Rental Housing Actions	
CITY ACTIONS	DEVELOPER AND NGO ACTIONS
1) Use density bonus zoning to secure and ensure that some below market rental housing is included in new developments of ten dwelling units or more.	1) Developer provides below market rental units for additional density
2) Use density bonus zoning and amenity contributions to gather funds to be used for affordable housing projects.	2) Developer pays into fund for additional density.
3) Use density bonus zoning and amenity contributions to secure land for affordable housing as a condition of zoning approval.	3) Developer provides land for additional density.
4) Use municipal land as a contribution to affordable housing and shelter projects.	4) NGOs and other governments partner with the City.
5) Work with the Community Homelessness Coalition to lobby provincial and federal governments for housing projects and services	5) NGOs lobby senior governments for housing projects.
6) Look for partnerships with non-profit groups and senior government agencies to develop housing projects.	6) NGOs and other governments partner with the City.
7) In areas well serviced by transit, cycling and pedestrian facilities and with good access to services, consider reductions in parking standards.	7) Developers apply to reduce parking standards in areas well serviced by transit and alternative transportation
8) Consider requiring free transit passes, car share and bike share services in exchange for parking variances in affordable housing projects.	8) Provide less parking in affordable housing projects that are provided with bike share, car share and free transit passes..
9) Give priority to affordable housing initiatives in the approval process and continue to improve processes, with sufficient resources, while maintaining appropriate consultation and technical review standards.	9) Developers submit affordable housing project applications.
10) Ensure that DCCs are structured to encourage smaller, more affordable housing options.	10) Developers build smaller units
11) Encourage the Federal and Provincial governments to develop a program to insure landlords for housing damage resulting from difficult to house tenants.	11) NGOs lobby senior governments to provide damage insurance program.
12) Consider partnerships and encouragement for housing agencies to acquire and convert vacant buildings in appropriate locations for housing.	12) Developers and NGO's undertake conversion and renovations of vacant buildings for housing.
Actions for Non-Market (Subsidized) Home Ownership	
CITY ACTIONS	DEVELOPER AND NGO ACTIONS
1) In areas well serviced by transit, cycling and pedestrian facilities and with good access to services, consider reductions in parking standards..	1) Provide less parking in affordable housing projects in locations well serviced with transit, cycling and pedestrian facilities.
2) Give priority to affordable housing initiatives in the approval process and continue to improve processes, with sufficient resources, while maintaining appropriate consultation and technical review standards.	2) Developer submits affordable housing project applications.
3) Ensure that DCCs are structured to encourage smaller, more affordable housing options.	3) Developers build smaller residential units

Actions for Market Home Rental	
CITY ACTIONS	DEVELOPER AND NGO ACTIONS
1) Change zoning bylaw to permit secondary suites in all single family dwellings	1) Builders include suites in new homes.
2) Structure the DCC bylaw to encourage smaller housing units.	2) Builders provide smaller housing units
3) Lobby the Federal and Provincial Governments to exempt income from Secondary suites from income tax.	3) NGOs and other local governments lobby in support of tax exemption
Market Housing Ownership Actions	
CITY ACTIONS	DEVELOPER AND NGO ACTIONS
1) Reduce parking standards for affordable housing projects in locations well serviced by transit, cycling and pedestrian facilities.	1) Provide less parking in affordable housing projects in locations well serviced with transit, cycling and pedestrian facilities.
2) Structure the DCC bylaw to encourage smaller housing units.	2) Developers build smaller residential units
3) Encourage the Federal and Provincial Governments to provide a mortgage payment assistance program for low income people that are temporarily challenged in making their monthly payments.	NGOs lobby senior governments to provide mortgage payment assistance program.

GOAL 2: ENCOURAGE A GREATER HOUSING MIX AND MIXED USE NEIGHBOURHOODS



Goal two actions are focussed on market oriented actions for rental and home ownership. This strategy does not see a role for non-market policies in this goal for Campbell River at this time.

Market Rental Housing Actions	
CITY ACTIONS	DEVELOPER AND NGO ACTIONS
1) Include a diverse range of residential zoning in new neighbourhood to allow for affordable housing	1) Developers build a range of housing types including small lots and small homes in new neighbourhoods.
2) Include a range of land uses in new neighbourhood plans and zoning.	2) Developers initiate mixed use projects in neighbourhoods.
3) Support affordable housing with alternative transportation facilities.	3) Developers build affordable housing near alternative transportation.
4) Support infill development in downtown and commercial/mixed use areas.	4) Developers and NGOs build affordable housing in downtown and commercial areas.
5) Ensure OCP and Zoning bylaw supports/allows secondary suites, carriage houses, lock-off suites, mixed use buildings, small lots and small home development.	5) Development community builds a range of housing options.
6) Adopt a revitalization tax exemption bylaw that encourages market rental housing.	6) Developers build market rental housing using tax exemption as financial support.
Market Housing Ownership Actions	
CITY ACTIONS	DEVELOPER AND NGO ACTIONS
1) Include a diverse range of residential zoning in new neighbourhood to allow for affordable housing	1) Developers build a range of housing types including small lots and small homes in new neighbourhoods.
2) Include a range of land uses in new neighbourhood plans and zoning.	2) Developers initiate mixed use in neighbourhoods.
3) Support affordable housing with alternative transportation facilities.	3) Developers build affordable housing near alternative transportation.
4) Support infill development in downtown and commercial/mixed use areas.	4) Developers and NGOs build affordable housing in downtown and commercial areas.
5) Ensure OCP and Zoning bylaw supports/allows secondary suites, carriage houses, lock-off suites, mixed use buildings, small lots and small home development.	5) Development Community builds a range of housing options available.

GOAL 3 RETAIN THE CURRENT STRENGTH IN HOUSING AFFORDABILITY



Like the previous goal, this goal also focuses on market actions for home ownership and home rentals.

Market Rental Housing Actions	
CITY ACTIONS	DEVELOPER AND NGO ACTIONS
1) Develop an Economic Development Strategy	NA
2) Increase vacancy threshold from 3% to 8% for strata conversions.	NA
3) Require house agreements as a condition of strata conversion.	3) Developers enter into a Housing Agreement to keep newly stratified apartment conversion in a rental pool for 10 years.
4) Adopt or expand tax exempting bylaw to support new housing.	4) Developers build new rental housing
Market Housing Ownership Actions	
CITY ACTIONS	DEVELOPER AND NGO ACTIONS
1) Develop an Economic Development Strategy	NA

4.3 Implementation

There are several implementation actions necessary to implement the Affordable Housing Strategy. These include:

1. The City should develop an amenity contribution and density bonusing policy. This will be required to make the density bonusing actions more effective and consistently applied.
2. Continue to work with the Community Homelessness Coalition and other community partners in lobbying efforts
3. Work with the Community Homelessness Coalition and other community partners on the specific housing actions recommended by the Housing, Shelter and Homelessness focus group from the Supporting Our Social Mosaic community workshop as follows:
 - a. Create a supervised facility with private rooms where non-sober people can access a safe shelter located on the bus route, private, central area, downtown core.
 - b. Provide supportive housing aimed at teaching young adults transitioning from foster care the skills to live independently. Provide lifeskills training program with mentor follow-up to prevent homelessness in the future.
 - c. Develop a friendship centre with emergency shelter for Aboriginals where support workers are available to clients in a community environment.
 - d. Provide affordable and accessible housing for physically or mentally disabled people with appropriate supportive staff.
 - e. Provide a building which can affordably house individuals who are in poverty level.
4. Incorporate the recommended actions into the 2010 Sustainable Official Community Plan update and make subsequent changes to the Zoning Bylaw. This should include establishing Development Permit Guidelines supporting reduced parking standards.
5. Request staff to include options and opportunities for affordable housing in rezoning applications where appropriate.

6. Pursue the development of an Economic Development Strategy.
7. Work with NGO's and other local governments to encourage senior governments to exempt inspected secondary suite revenue from income tax in owner occupied dwellings.
8. Request staff to incorporate the affordable housing strategy actions into annual workplans.
9. Review the local conditions for affordable housing every five years to ensure that the City's strategy is current and relevant.