

# Building Capacity for Affordable Housing in BC Small Communities

## What We Heard: Summary of Survey and Interview Responses



Prepared for:



By:



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The authors of this report would like to thank all of the survey respondents and interviewees who gave their time and provided their expertise and insight into the affordable housing challenge we face in BC small communities.

The Whistler Centre for Sustainability thanks BC Housing for the funding opportunity which allowed us to undertake this research project.

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## How we got input

For this project, we conducted an on-line survey, targeting professionals and people working to implement affordable housing solutions, including representatives from the following sectors: non-profit housing, housing consultants, development and building, finance, local government and crown corporations. These surveys were followed by more in-depth interviews with 12 participants that were identified, representing a range of the survey respondents.

## What we heard

### OVERALL

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The survey attracted participants who work on affordable housing issues. Most were from across southern British Columbia, while there was good take-up in the Kootenay region. Participants included a mix of municipal or regional government staff, housing organization staff/board members, consultants, developers and housing planners working across the province.

The results showed a general consensus that there is a need for affordable workforce housing in smaller communities. Progress on the issue to date has been “fair” to “poor”, primarily due to the slow implementation of initiatives despite having housing plans in place.

The most significant affordable housing challenges centre on:

- The cost of development
- The little profit associated with those costs
- The challenge of funding or financing projects

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

In order to resolve these challenges, survey participants and interviewees had several proposed solutions:

- Work on more and different incentives to lower development costs for both developers and non-profit organizations to build housing
- Increase access to funding (general funding, government security for financing, etc.)
- Add flexibility to how the funding is used
- Develop a better understanding of development economics
- Create new models of funding not yet used

- A critical need to seek a values alignment for all stakeholders engaged in affordable housing projects and collaborations

Other major themes cited throughout the survey responses and interviews included:

- Co-ordination/more partnerships to bring actors together to plan and develop projects
- Building capacity of nonprofits to more effectively build housing
- Helping developers better understand the market and opportunities for workforce affordable housing

However, the perceived key driver of high costs highlighted in interview responses varied by sector. Financial and housing consultants highlighted that the market force return on investment expectations for housing development impact all aspects of advancing affordable housing. Private developers highlighted the impact of rising development cost charges and permitting at the local government level, whereas housing consultants and community and non-profit developers indicated that the costs were driven by the development and building industry’s lack of capacity to meet staff demand and shortage of training and mentorship opportunities.

The following table indicates the roles proposed by survey participants and interviewees that could be played by different sectors to better support affordable housing:

<b>Sector</b> (ranked by perceived level of influence on housing)	<b>Current Supportive Roles</b>	<b>Additional Future Roles</b>
<b>Provincial Government/Crown Corporations</b>	Funding: capital, grants, financing, subsidies; building partnerships and supporting non-profits.	Regulations to ensure enough affordable housing in communities. Provide stable funding for multi-year periods.
<b>Non-Profit Organizations (NPO)</b>	Facilitators, developers and managers of housing.	Work to access more funding, educate (public, government, developers) about affordable housing, partner, and build internal capacity (knowledge and skills).
<b>Local Government</b>	Laying the groundwork on zoning and land use for affordable housing, and providing land where available.	Funding, supportive zoning/incentives, supporter of NPOs, and facilitator of housing development.
<b>Federal Government</b>	Providing funding, support through CMHC.	Continuing to provide funding and new tax incentives to support housing.

<b>Private Developer</b>	Building private or public affordable housing.	Better understand the affordable housing market/need, lobby for incentives, innovate for more sustainable models, accept a lower profit, and build more.
<b>Other organizations that could help include:</b>	Housing consultants, general public and homeowners – for support, Columbia Basin Trust – for that region, and small builders/private homeowners.	

The final questions looked at leading models of affordable housing and useful tools around BC and in other jurisdictions such as Whistler, Victoria, Toronto, Mississauga, Vermont, Maryland, Holland, Denmark, Australia and Scotland. Specific leading ideas included:

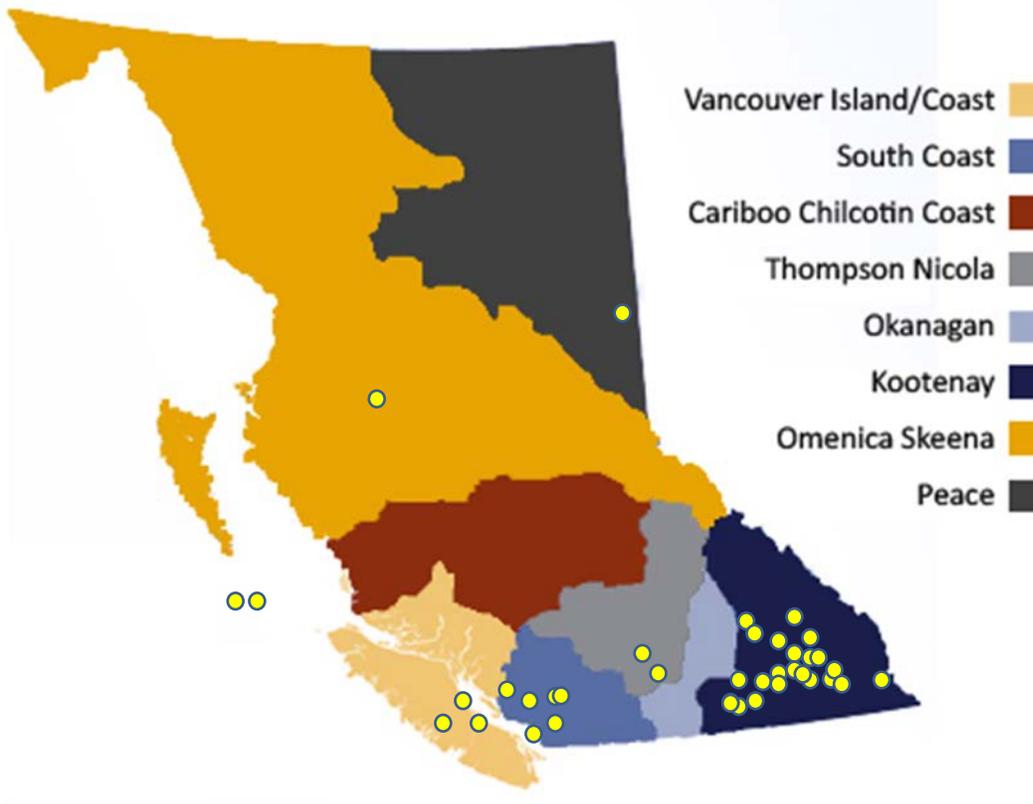
- Co-housing or co-operative housing
- Non-traditional forms of housing such as modular-container homes
- Micro homes
- Cluster housing
- Multigenerational housing
- Land trust models
- Alternate equity arrangements
- Innovative partnerships
- Housing society aggregation models
- Education and community engagement approaches to elevate community buy-in

The final question looked at ways of promoting ideas. Suggestions included:

- Prioritizing funding/better financial models
- Incentives
- Enhanced co-ordination or working together in order to drive more affordable housing

**WHO PARTICIPATED?**

41 individuals participated in the online survey. Most of them (27) responded to a direct invitation to complete the survey. The remaining participants (14) responded to the survey after having it forwarded to them by a colleague or manager.



Of the 41 participants, 15 work on housing issues at a regional level, two work on housing province-wide, and the remainder work at a municipal level (some in multiple municipalities).

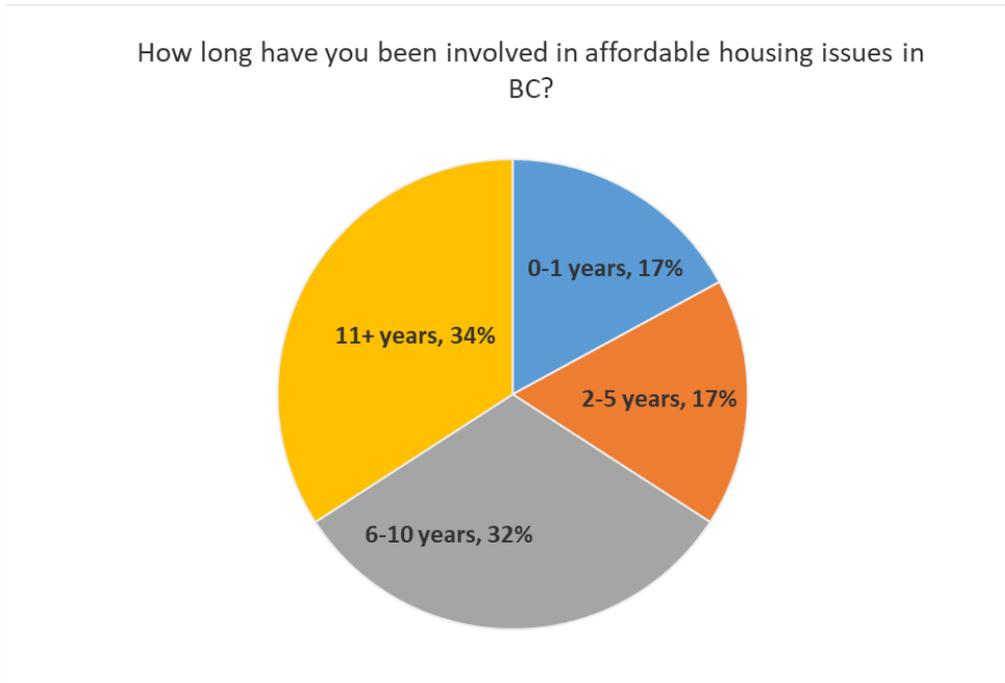
Many survey participants work within the local government sector (17), followed by non-profit housing associations (12) and developer/contractor (6). Eight participants noted multiple sectors and four indicated “other” sector, such as Aboriginal Friendship Centre, credit unions, higher education and non-profit social services.

When asked “What is your role in the affordable housing work that you do?” most respondents elaborated on their position or work tasks associated with their organization. The most common responses were:

- Housing Organization Chair or Member (7)
- Developer (5)
- Consultant (4)
- Housing Manager/Administrator (4)
- Planner (4)
- Advocacy (2)

Other roles included titles such as CAO and work tasks such as research, policy work, land use planning, facilitator of solutions, financing and community development.

Most participants have worked on affordable housing issues in BC for more than six years, with 34% (14/41) working for at least 11 years.



### AFFORDABLE HOUSING NEEDS

*“How great a need is there for this type of (workforce affordable) housing in your community(ies) or areas where you work?”*

Virtually all respondents indicated a need for this type of housing. Responses ranged from “great need” to those identifying specific types of housing such as ‘market’ rental in particular. Only one participant indicated they didn’t know. A few participants also noted a lack of workforce and seniors’ housing, with two pointing out how tourism and second homes impact housing demand and supply making it unaffordable.

### PROGRESS ON AFFORDABLE HOUSING

*“How would you rate the progress on affordable housing in the community(ies) or BC regions you work in?”*

Most respondents indicated “fair” to “poor” progress on affordable housing.



Of the 41 respondents, 37 provided insight into their ratings:

**Good (3 comments):** Those selecting “Good” cited recently built housing and affordable housing in the region as the reasons for their rating.

**Fair (19 comments):** Those selecting “Fair” typically had progress in some areas of housing, but not others. They cited concerns with:

- Slow implementation of housing
- More work to do and initiatives just getting underway (6)
- Limited housing available (2)
- Some support from the Province
- Good organizations, but little funding
- Lack of capacity and know-how
- Have some land provided for housing
- Market solutions not there
- Low vacancy making housing challenging
- Need more support from the Province
- New Provincial interest as an opportunity.

**Poor (15 comments):** Those selecting “Poor” generally had little to no progress on housing or large barriers to building it. They cited concerns with:

- Little to no progress or slow implementation (9)
- High demand for housing (2)

- Lack of capital or capacity (2)
- Underfunding (2)
- Lack of leadership
- A specific lack of rental properties

## KEY CHALLENGES IN ADVANCING AFFORDABLE HOUSING

*“Please select the one most significant challenge area in advancing affordable housing solutions in the community(ies) or regions you work from the list below (add other issues as needed).”*

Participants indicated up to three challenges to affordable housing in order of importance. Of the participants, 35 chose at least one challenge.

The **most significant challenge** according to participants is a “lack of capital funding/limited financing methods” (15), followed by a “high cost of development” (8).

Category	First selection
Lack of capital funding/ limited financing methods	15
High cost of development	8
Lack of knowledge, expertise of how to do it	4
Lack of available land	2
Inadequate or unsupportive policies and local government bylaw	2
Lack of political willingness	1
Poor local government capacity	1
Other (please specify)	4

“Other” most significant challenges included:

- All of the above
- Ease of building strata units and selling vs. managing rental
- Developers wanted to build for a high end market
- Lack funding and staff resources to support a strategy

The most relevant **top three challenges** according to participants is a “lack of capital funding/limited financing methods” (24), and a “high cost of development” (24).

Category	Total Selections
High cost of development	24
Lack of capital funding/ limited financing methods	24
Lack of political willingness	10
Lack of available land	10
Lack of knowledge, expertise of how to do it	11

Inadequate or unsupportive policies and local government bylaw	11
Poor local government capacity	8
Other (please specify)	13

The additional “Other” challenges include:

- Pressure on the rental market from college students
- Lack of leadership
- Low community population base
- A focus on homelessness, not the full spectrum of housing
- Pricing pressure from new buyers from the lower mainland
- Securing funding or investment that doesn’t require a market return
- Tight municipal budgets
- A lack of understanding of middle income housing vs. homeless housing

#### **INTERVIEW RESPONSES**

From the interviews, the key underlying challenges were identified as:

- Expectations of high returns on development
- High demand for housing across the market
- Real estate market speculation
- High costs from volume of construction
- Increased development cost charges and costs for permits, zoning and approval on affordable housing projects
- High land costs in some communities
- Irregular affordable housing funding from Province or federal government (2016; this has changed with new funding commitments)
- Rent too costly with 40% paying 30% of their income for housing; ~20-25% paying 50% of income
- Challenging for developers to meet debt servicing ratio for projects with below market rental (thus making it an unattractive proposition to pursue rental housing projects)
- Building rental accommodation is high risk for developers (equity capital locked up in low return projects with a critical first three year window to achieve sufficient rental uptake and 10 years to stabilize project financials)
- Many projects rely on grants to cover cost of equity capital; others are turning to innovative models, partnerships and alternate equity sourcing to obtain needed CMHC financing approvals
- Signs in market existed 10-15 years ago; investment in affordable housing has been neglected 25-30 years, now there is a crisis

- Senior government has downloaded affordable housing to junior government, which has low capacity, particularly in smaller communities
- Lack of experience/knowledge in nonprofit sector in affordable housing; this elevates soft costs
- Leadership capacity/sophistication is high in larger community non-profit housing societies whereas smaller ones often struggle with capacity and broad skill sets to navigate a housing market that is now much more complex than 15-20 years ago

Interviewees pointed out some good news in reference to affordable housing:

- More funding is available for projects now than in the past 20 years
- All three level governments are on board for the first time, with UBCM starting to address affordable housing
- BC Non-Profit Land Transfer Program: 350 properties underway supporting NPO land access across BC

**Additional Context:**

- BC Housing Operating Agreements expiring – peak 2017-2019
- Higher energy efficiency targets in next decade with Step Code (will reduce maintenance and upkeep costs per sq. ft.)
- Energy efficiency needs in existing affordable housing projects are being met through new projects (e.g. Columbia Basin Trust)
- Many NPOs have assets for use in projects but need support to leverage effectively

*“In your opinion, how has this challenge changed in the past 4 years?”*

Most participants perceived the influence of these challenges to be “about the same overall” (54), but some (30) indicated that challenges were “somewhat more influential”, or “much more influential”, (9). Only 12 indicated that challenges were “somewhat less influential.”

The responses varied by challenge, with almost two-thirds (65%) those selecting “high cost of development” tending to rate this influence as “somewhat or much more” in recent years. Similarly, 50% of those selecting “lack of available land” indicated that this challenge has become more influential.

Of those selecting “lack of political willingness”, 90% indicated that this challenge has “about the same influence” (50%) or “somewhat less” (40%), which may indicate more supportive law makers.

Challenge:	Somewhat less influential	About the same	Somewhat more influential	Much more influential
High cost of development	0%	35%	52%	13%
Inadequate or unsupportive policies and local government bylaw	22%	56%	22%	0%
Lack of available land	0%	50%	40%	10%
Lack of capital funding/ limited financing methods	13%	52%	30%	4%
Lack of knowledge, expertise of how to do it	20%	70%	10%	0%
Lack of political willingness	40%	50%	0%	10%
Poor local government capacity	13%	75%	13%	0%
Other (please specify)	0%	50%	25%	25%

## RESOLVING CHALLENGES

*“How might this challenge be resolved?”*

The survey drew 61 comments providing solutions to the challenges. Incentives for development, providing land, and funding topped the list as the most popular solutions. The top comments are listed below under the respective challenge categories.

### High cost of development (18 comments):

- Incentives for developers (5) – for density, waive costs, non-specific
- Funding (4) – to cover infrastructure costs, from the federal/provincial government
- Less red tape (3) – for private affordable housing development and non-profit developments
- One comment each: Access to land, collaboration, leadership, more not-for-profit developers, general support from local government

These ideas were echoed in interviews with suggestions to:

- Set affordable housing projects on a separate approval / fast track relative to market housing applications (4x)
- Identify and make clear criteria for high value projects
- Reduce parking requirements (4x)
- More flexible options to meet requirements (e.g. carsharing collaborations)

### **Lack of capital funding/ limited financing methods (17 comments):**

Most responses (14) listed funding as a solution including:

- Easier access
- Funding for developers
- Funding from BC Housing
- General government funding (5)
- Increases in funding
- More flexible, fewer strings attached
- Social financing funding
- Funding secured or backed by government
- Only for non-profits
- New models for funding

Other ideas included:

- Having the government build housing
- Having an affordable housing entity

Lack of knowledge, expertise of how to do it (12 comments):

- Funding or resources required (two comments)
- General capacity building (two comments)

Other comments included:

- Capacity building for the non-profit sector
- Funding non-profits
- Having a housing association or non-profit
- Bringing in experts
- Leadership and resources including land from governments
- Less red tape
- Leadership from federal and provincial governments

### **Lack of available land (six comments):**

Most comments suggested getting access to land from government for municipalities and non-profits. Other comments included: collaborating with many organizations to access land, less red tape and leadership from local government.

### **Inadequate or unsupportive policies and local government bylaw (four comments):**

Possible solutions:

- Making more flexible construction regulations for affordable housing
- Changing unsupportive policies
- Supporting smaller homes/multifamily zoning
- Leadership and forcing local governments to act on affordable housing

Interview feedback suggested that BC Housing support more local and regional housing consultants to work directly with NPOs and with local government to support the “soft” but critical capacity building work with local politicians, NPOs and in the overall community. This work would then create the foundation for informed conversation, political leadership and an informed and engaged community to create housing project collaborations.

### **Lack of political willingness (four comments):**

Possible solutions include:

- Increasing engagement on affordable housing
- More incentives for infill housing
- Creating provincial or federal plans for affordable housing
- More funds from provincial and federal governments.

### **Poor local government capacity (four comments):**

Increasing capacity might be achieved by more collaboration among partners, funding and supportive policy to deliver more affordable housing.

Other (eight comments): Other challenges were quite varied compared with the other categories, but many of the solutions remained the same. Incentives (financial, reduced costs and density bonus) topped the list along with general funding for housing and attracting experts to support affordable housing. Some municipalities levy a small fee with all applications and put these funds towards a municipal housing fund that supports affordable housing. Political support from the province and targeting smaller communities were also mentioned.

### **INTERVIEW RESPONSES**

- Better understanding of the economic system is needed across affordable housing stakeholders
- Collaborative partnerships, leverage equity from multiple streams
- Mission driven projects keeps housing affordable over time
- Triple bottom line

- Durable, cost-effective, highly energy efficient developments (e.g. Innovative Building Group)
- More entrepreneurial, social enterprise model with developers, NPOs, land trust or other innovative lender(s) – looking at innovative models
- Soften the underwriting requirements for affordable housing (CMHC has begun this)
- “Cheerlead” developers who innovate and lead on affordable housing – to encourage more younger community developers in particular
- Political will varies greatly from community to community, and where political willingness was high it did not necessarily translate into administrative capacity for local government (this highlights a need for additional support for local governments to administer affordable housing projects)
- NIMBY attitudes inform political will in many smaller communities (this underlines the need for more education and community outreach in advance of project proposals to better inform communities of the demographics needing support)

The need for a new financial framework/structure was mentioned:

- Project costs include land costs, hard costs (labour, construction materials), soft costs (design, planning, application, zoning), capital costs (lending)
- 1:1 – 1:3 debt servicing ratio (mortgages at <3% interest work, but not at 6-7%)
- Need equity to cover 25% of costs up front
- Finance up to 65% of value of completed project (appraised on completion)
- Need equity capital/grants support to meet the debt servicing ratio
- Find ways to spread the financial risk, or remove some of that burden to incentivize developers taking on affordable housing.

Incentives needed:

- BC Housing supporting more housing consultants (who have the knowledge and background to navigate processes with local government efficiently) to work with NPOs and local governments
- Flexibility in how grants are applied to affordable housing projects to maximize financial viability for projects (e.g. spread over first years income, to enhance debt servicing ratio to strengthen CMHC financing requirements)

Driving factors that influence project go-ahead:

- Partnerships to leverage assets
- Access to land is a substantial help (can be 20-40% of project costs otherwise)
  - Via partnerships
  - 10-20% inclusionary zoning
  - Land in lieu of – pooled from developers
  - Infill land

- Non-profit Asset Transfer Program (200+ BC property transfers are still in process (June 2017)) to enhance land access for affordable housing projects

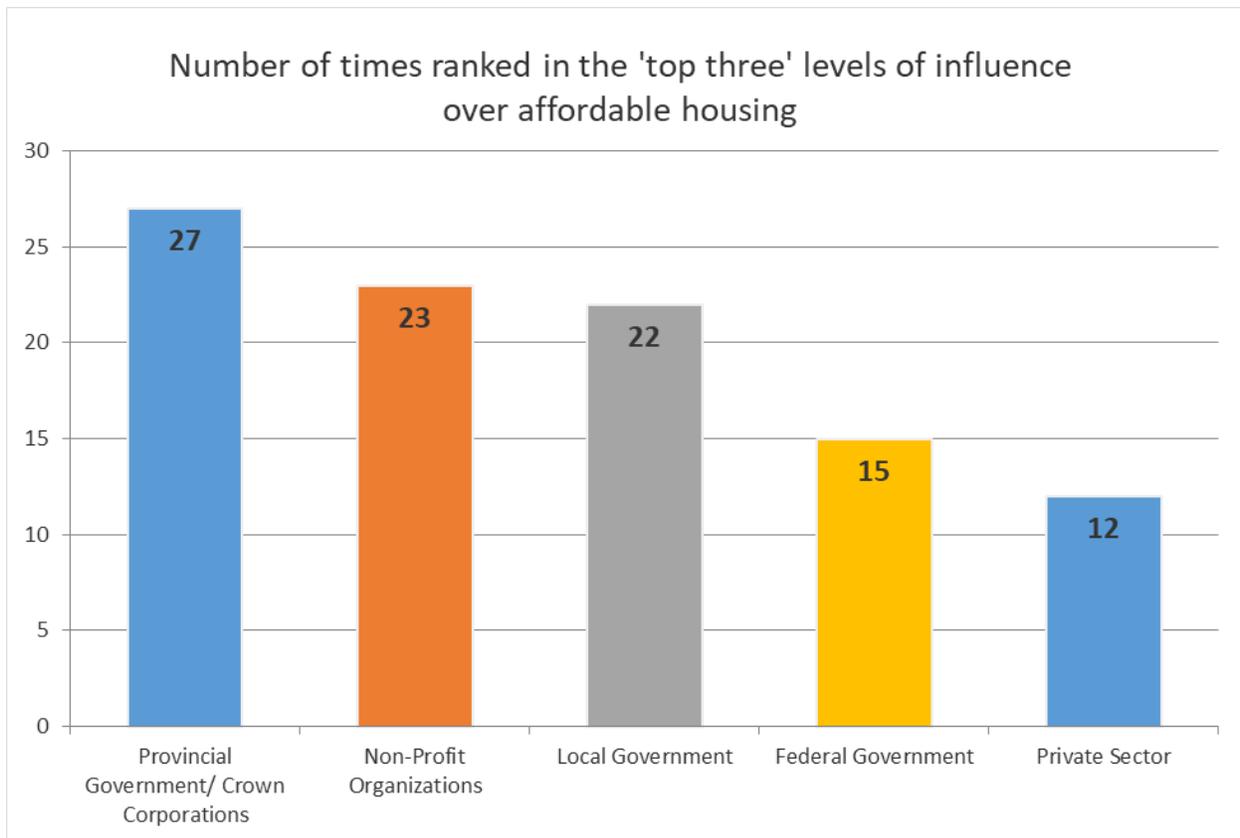
Driving factors that influence project success:

- Values alignment within and among partners
- Mission driven projects
- First three years are most critical for purpose-built rental housing to achieve stable rental income
- First 10 years are critical to finance stability long-term
- Offering a range of housing unit sizes in purpose-built rental and home ownership projects

Sector Influence on Affordable Housing:

*“Typically, five sectors are thought to provide community-based housing through partnerships. In your community(ies) of focus, please rank the agencies from most to least influential in advancing affordable housing projects.”*

Non-profit housing organizations are seen to have a good deal of influence because they received the most “top” rankings, and received the second most “top three” rankings. The Provincial Government received a number of ‘top’ rankings, as well as the most “top three” rankings, which indicates a high level of influence over housing. Local government was seen to have the next greatest influence with a similar number of “top” rankings and the third most “top three” rankings. The federal government and private sector rounded out the list.



*“For each of these, indicate how each sector currently contributes most effectively to developing affordable housing in the community(ies) you work.”*

Provincial Government/ Crown Corporations (31 comments) are primarily seen as funders and for building partnerships.

- Funding: capital, grants, financing, subsidies (17)
- Partnerships / Non-profits: BC Housing & Columbia Basin Trust (9)
- Other: capacity, education, co-ops, seniors, low income social housing, provincial mortgages, MLA influence
- Interviewees suggested the Property Transfer Tax program from which BC government could transfer some funding, and to apply to capital grants for affordable housing projects

Non-Profit Organizations (32) are seen as providing leadership or expertise, initiating projects and managing housing.

- Leadership and expertise (6)
- Initiating & managing projects (4)
- Property / rental management (4)
- Other: capital, building houses, communication, capacity, innovation, funding, advocacy, volunteers

Local Government (31) is seen as setting the ground work with appropriate zoning and land-use as well as providing or acquiring land.

- Changes to zoning: relax, increase density, affordable housing (10)
- Providing or acquiring land for housing (8)
- Reducing taxes (3)
- Policy changes – general (3)
- Reducing development costs (2)
- Other included: showing a willingness to support it, little influence, developing a strategy, and partnering

Federal Government (29) roles primarily relate to funding and the role played by CMHC.

- Small amounts of seed/grant funding – CMHC (14)
- Very little (5)
- Unsure (4)
- Other: strategy, support non-profits, subsidize co-ops, mortgage insurance, need for expanded CMHC project investments

Private Sector (29) roles focus on the development of their own projects or those for NPOs.

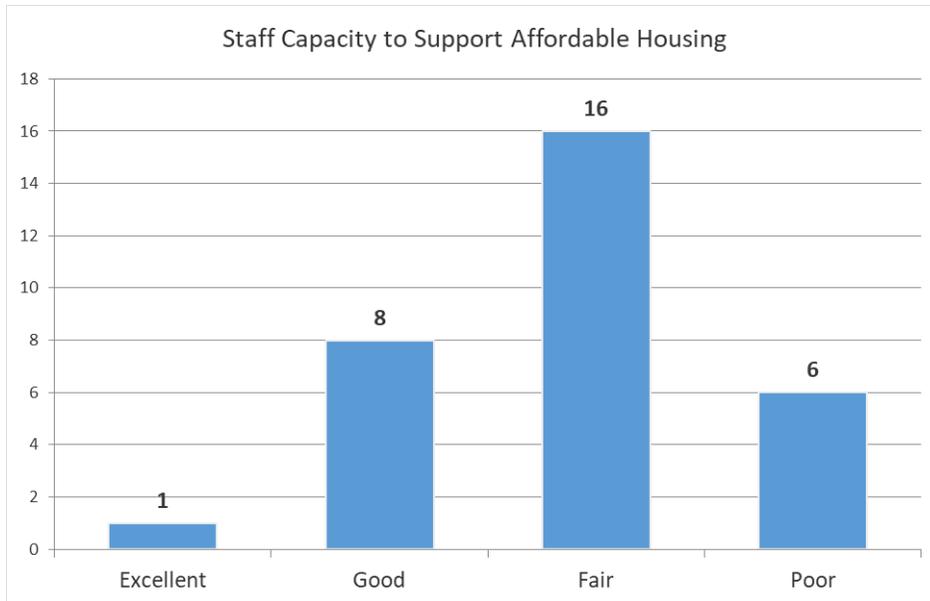
- Developers / development projects (9)
- Landlords (2)
- Developers are driven by the market/profit (2)
- Other: homeowners = secondary suites, capital funding (2), labour & materials, expertise (2)

“Other” groups or organizations with influence included housing consultants, public through awareness and support, the Columbia Basin Trust and builders or private homeowners.

#### LOCAL/REGIONAL GOVERNMENT CAPACITY

*“Rate your local/regional government’s staff resources to effectively support affordable housing”*

31 respondents rated the local or regional government’s staff resources to support affordable housing. Of those, 23 provided comments.



Comments on the underlying cause of the ratings:

Excellent/Good:

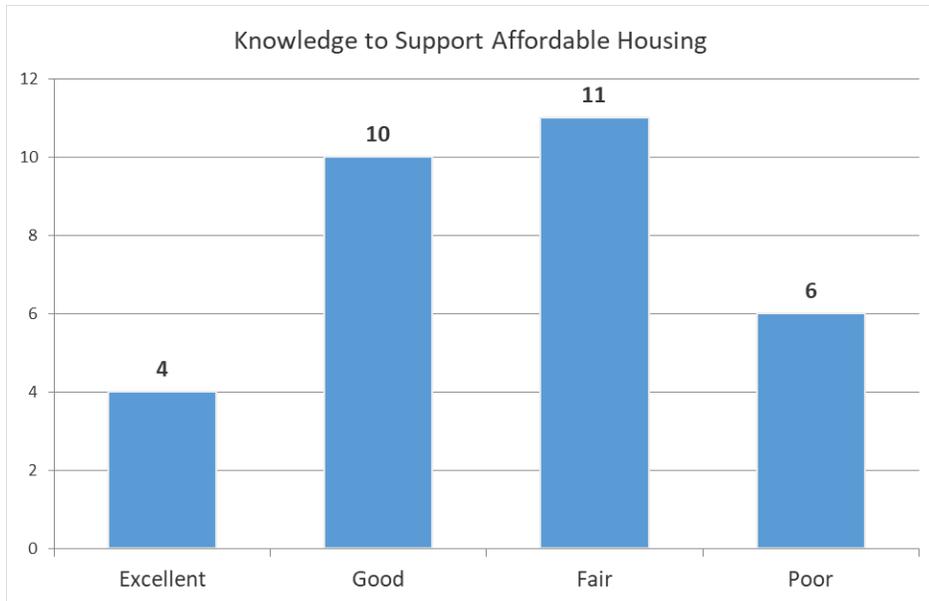
- Good in Whistler – not as good in other communities (2)
- Sunshine Coast investment in a housing committee
- Small community staff are supportive through the approvals process
- Staff are good – just not enough of them.

Fair/Poor:

- No specialized position at the municipality (4);
- Municipal staff are too busy
- Lack of a priority (3)
- Limited financial resources (3)
- Need more policy support

*“Rate your local/regional government’s knowledge on affordable housing to effectively support affordable housing?”*

31 respondents rated the local/regional government’s knowledge to support affordable housing. Of those, 17 provided comments.



Comments:

Excellent/Good:

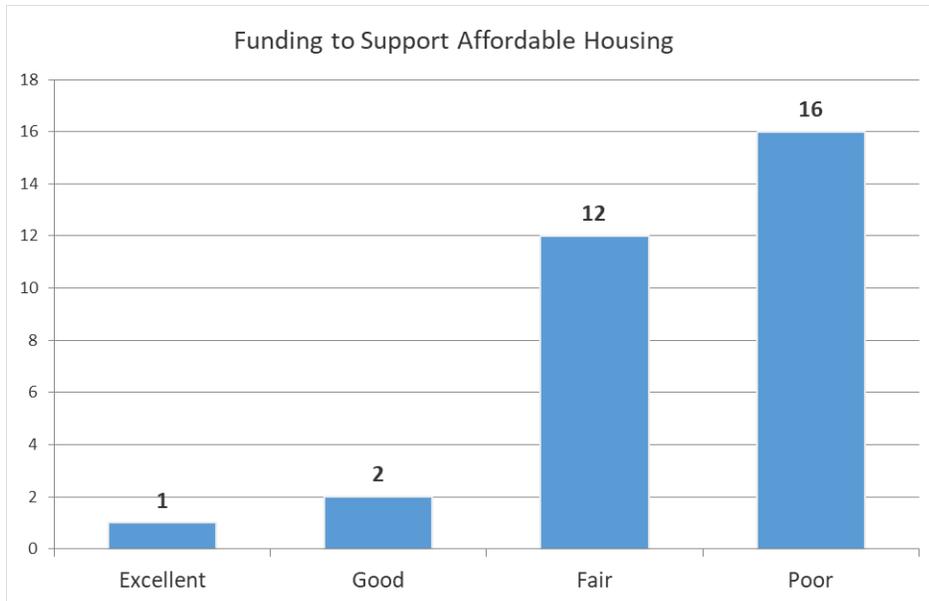
- Knowledgeable staff/committee (4)
- Housing studies available
- Well discussed for years
- Knowledge, but little time

Fair/Poor:

- Misperceptions about affordable housing for middle incomes (2)
- Not seen as a problem (2)
- Municipality shows little interest
- Just becoming a priority
- Little work completed to date

*“Rate your local/regional government’s funding capacity to effectively support affordable housing.”*

31 respondents rated the local/regional government’s funding to support affordable housing. Of those, 19 provided comments. Results mirrored earlier comments about the lack of funding and access to land.



Comments on the underlying cause of the ratings:

Excellent/Good: Local government is receptive to providing equity to affordable housing initiatives (1).

Fair/Poor:

- Funding (none/not enough/not a priority) (9)
- Offered land (2)
- Need land (2)
- Lack of tax base

*“What do you think your local/regional government needs to do to increase its capacity to more effectively support affordable housing development?”*

Comments from 25 participants indicated the following initiatives are needed:

- More funding (5)
- Work with the private sector (incentives/density bonus) (4)
- Staffing support (social planning/rental housing facilitator) (3)
- Other: empower non-profits (2), leadership / prioritize (2), build socially owned houses, access to land (2), not a local government issue to manage (2).

## **INTERVIEW RESPONSES**

Interviewees responded that often local governments don't understand their role in affordable housing. There must be an alignment of values and explicit collaboration to attain mission outcomes for affordable housing, instead of seeking market housing financial returns.

### **Facilitate**

- Need more championing
- Facilitate engagement with local NPOs to help them network

### **Incentivize**

- Streamline, simplify and clarify affordable housing application/permitting process
  - Create different set of requirements/process from market housing
- Waive or reduce onsite and offsite costs (is too high for affordable housing projects)
- Remove property transfer tax – huge savings for projects (bigger deal than DCCs)
- Establish Affordable Housing Fund – through levy on developers to feed back into supporting local affordable housing work

### **Regulate**

- Levy developers to create municipal Housing Fund to support affordable housing
- Fast track-hand hold
  - Increase staff administrative capacity
  - Educate staff on affordable housing development processes
  - Criteria for high value projects identified and made clear
  - Reduce parking requirements/ more flexible options (e.g. carsharing partnership agreements where car co-ops exist are three-way wins: benefit municipalities in reducing transportation emissions; reduce development costs for developers; and lower operating/capital costs for carshares)
  - Lower parking needs in smaller community and special needs affordable housing developments

### **Educate**

- Need more championing of affordable housing
- Support non-profit organizations in the process
- Advocate for lower return on investment in housing to ensure long-term affordability

## ROLE OF PRIVATE SECTOR/NPO/FEDERAL GOVERNMENT

*“In your opinion, what do you think \_\_\_\_\_ (Type of Org) \_\_\_\_\_ should do more of to help create new affordable housing in small communities?”*

### **Non-Profit Organizations (NPOs)**

- More funding – access, lobbying for (7)
- Build capacity/expertise – internally and in community (5)
- Partner with each other, developers and local government (5)
- Access more land (2)
- Make a plan (2)
- Develop self-sustaining communities
- Viable proposals
- Pilot projects
- Pool assets
- Responsibility shouldn't be put on NPOs

### **INTERVIEW RESPONSES**

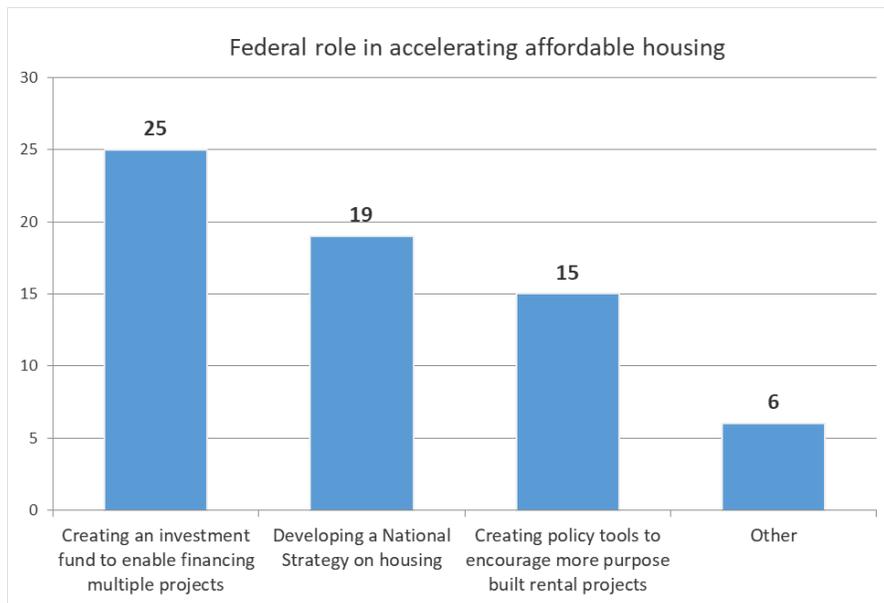
- Clarify mission, capacity (board, staff and project \$), SWOT analysis
- Seek partnership(s) that will help advance affordable housing
- Address mission and focus on the gaps identified in SWOT analysis to guide practical baby steps towards project support
- Request housing consultant support via main local supporting agency(ies).
- Seek support in educating the team, in many cases because they may not know what they don't know (2 interviewees), which elevates soft project costs, on:
  - Partnerships
  - Talking to and negotiating with municipalities on affordable housing (engage early on)
  - Seek advocates to build capacity
  - Education on how to build housing
  - Seek a range of unit sizes for purpose built rental and home ownership projects
  - Assessing assets on hand for NPOs and how to leverage those well
  - Write proposals and go after new funding
  - Initiate succession planning (and/or aggregation) to ensure long term viability
  - Consider aggregating with other NPO(s): to share services, cross subsidize housing portfolio, support board limitations etc.
- Great infill potential on land

## Private Sector

- Need more support such as incentives in order to build (4)
- Build more market or affordable housing (4)
- Work with non-profits to understand the market needs better (4)
- Accept lower returns or fixed contracts (3)
- Other: No market exists, so they won't build (2); add affordable housing to market projects (2); lobby for incentives (2); and work with other developers to figure out a sustainable model.

## Federal Government

Participants were asked about specific projects that the federal government could pursue to accelerate affordable housing in Canada. The majority of respondents (25) selected “Creating an investment fund to enable financing multiple projects”, with only a few adding other ideas. “Developing a national strategy on housing” was selected by 18, and “Creating policy tools to encourage more purpose built rental projects” by 15.



Other ideas included:

- Funding or grants – capital (3)
- Redistribute wealth via taxation
- Stay out of the way
- Look to policy used in the 1970s/80s to stimulate rental housing

Interview responses supported the need for a national housing strategy, as well as for additional funding and land from federal and provincial governments.

## SOLUTIONS AND LEADING PRACTICES IN BC AND BEYOND

*“If you had a magic wand, what tools would you give the community(ies) to build the affordable housing it needs (be specific – what tools and to whom would you provide them – local government, developers/builders, NPOs, etc.)?”*

22 participants provided ideas. Some have already been listed previously, such as “more funding” and “starting non-profit organizations”, but some new ideas did emerge. These included:

- Preferential tax treatment at the federal level
- Having an expert working locally to help coordinate all the actors for affordable housing
- Developing rural property management companies to help manage vacant housing
- Legislating a minimum amount of affordable housing.

Responses by theme are listed below:

- Funding (6)
- Incentives – reduced fees/taxes (3)
- Expert to coordinate actors (2)
- Work together (2) (also echoed in interviews)

Others:

- Enable NPOs
- Rural property management companies to manage vacant housing
- Access to land
- Legislate minimum % of affordable housing for local governments
- Modular affordable housing communities
- More housing committees

*“What are leading/ innovative practices for creating/building affordable housing projects that you are aware of in other small BC communities?”*

20 participants provided examples of leading practices.

Main ideas included:

- Cohousing or cooperative housing to leverage sweat equity and community support (5)
- Learning from other leading locations like Whistler and Victoria (3)
- Supporting nontraditional forms of housing like micro-homes and container homes (2)
- Land trusts to help with the ability to leverage assets for more developments.

Other ideas included: property tax exemptions from local government; a focus on funding and strong NPOs; flexibility in designs to allow developer profit; working together; and multi-generational housing. Property tax exemptions have been financially a much larger ‘make or break’ proposition for projects than a reduction in DCC’s or other financial support. Interviewees profiled some existing projects such as the Braidwood Housing Project

(<http://www.courtenay.ca/EN/main/community/housing-issues/braidwood-housing-project.html>).

Interviewees mentioned specific project initiatives including: Enterprise Community Partners (Maryland, US); Housing Vermont (<https://www.hvt.org>); Champlain Housing Trust (Shared Equity Program <http://www.getahome.org/homes>); FarmFolk CityFolk with Food Land Trust (<http://www.farmfolkcityfolk.ca/projects/foodlands-trust/>); Modular container housing (e.g. <https://www.ardn.ca/ardn-initiatives/sustainable-housing-initiative-shi/>) and Wikihousing (<https://wikihouse.cc/>); and the Braidwood Housing Project (<http://www.courtenay.ca/EN/main/community/housing-issues/braidwood-housing-project.html>).

*“What affordable housing practices (approaches/ partnerships/ supporting organizations) from outside BC are you aware of that might be applied successfully in small BC communities?”*

18 participants provided comments.

The main ideas once again included learning from other leading locations such as Ontario, Toronto, Mississauga, Holland, Denmark, and Australia (3), plus land trusts - US examples (3).

Other ideas included:

- Habitat for Humanity net zero home
- Incentives for partnering
- Non-traditional forms of housing such as cluster housing and micro housing
- Senior or student living arrangement models
- Fyne Homes in Scotland

# Appendices

- A. Survey questions
- B. Interview questions

**APPENDIX A: SURVEY QUESTIONS**

## 1. Welcome to BC Small Communities Affordable Housing Project Survey

**Thank you for taking the time to provide your insights and perspectives on affordable housing in small communities. This Survey will take 15 to 20 minutes to complete.**

**Affordable housing is of growing importance in many BC small communities. The Whistler Centre for Sustainability, along with Heartwood Solutions Consulting, is working with BC Housing to advance affordable housing solutions in BC's small communities. The purpose of this project is to better understand the challenges and issues; to understand the challenges of local government to help facilitate more affordable housing; and to share best practices and innovations that advance solutions on affordable housing in BC's small communities. For this project, we are focused on affordable housing for workforce and middle-income households (rather than social housing) in BC municipalities with a population of about 20,000 or less.**

**Your survey input will inform interviews in late June and community workshops that follow in Fall 2017 to share the results and gather feedback before completing a final report.**

**We ask all people who take the survey to provide their name and contact information to allow us to follow-up with you to clarify your responses or request an interview. None of your contact information will be made public, analyzed in relation to survey responses, nor be used for any purposes other than contact information. We appreciate your support and look forward to being in touch.**

## 2. Introductory Questions

\* 1. How did you hear about this Survey?

- I received a direct invitation
- A colleague forwarded it to me
- Via Social media
- Via a website
- Other (please specify)

\* 2. Your Name (for communication purposes only - will NOT be used in report or analysis)

\* 3. Your Email address

4. Your phone number

\* 5. In what community(ies) do you current serve on affordable housing issues? If your work is regional or provincial please indicate what region or parts of BC

\* 6. For this project, we are focussed on Affordable Housing for workforce and middle income households (rather than social housing) in communities with a population of about 20,000 or smaller. How great a need is there for this type of housing in your community(ies) or areas you work? Please be as specific as you can.

\* 7. Identify the best descriptor of what sector you work within:

- Local Government
- Regional Government
- Provincial Government/ Crown Corporation
- Developer/Contractor
- Non-Profit Housing Association
- Other NPO
- Volunteer
- Housing Consultant
- Other (please specify)

\* 8. What is your role in the affordable housing work that you do?

\* 9. How long have you been involved in affordable housing issues in BC?

- 0-1 years
- 2-5 years
- 6-10 years
- 11+ years

### 3. Key challenges for affordable housing in small communities

\* 10. How would you rate the progress on affordable housing in the community(ies) or BC regions you work in?

- Excellent
- Good
- Fair
- Poor

\* 11. Please explain why you gave the rating you did in Question 10.

\* 12. Please select the 1<sup>st</sup> most significant challenge area in advancing affordable housing solutions in the community(ies) or regions you work from the list below (add other issues as needed).

- Lack of knowledge, expertise of how to do it
- Inadequate or unsupportive policies and local government bylaw
- Lack of available land
- High cost of development
- Lack of capital funding/ limited financing methods
- Poor local government capacity
- Weak community acceptance
- Lack of political willingness
- Low availability of experienced construction labour force
- Other (please specify)

\* 13. In your opinion, how has this challenge changed in the past 4 years?

- much more influential
- somewhat more influential
- about the same
- somewhat less influential
- much less influential

14. How might this challenge be resolved?

\* 15. Please select the 2<sup>nd</sup> most significant challenge area in advancing affordable housing solutions in the community(ies) or regions you work from the list below (add other issues as needed).

- Lack of knowledge, expertise of how to do it
- Inadequate or unsupportive policies and local government bylaw
- Lack of available land
- High cost of development
- Lack of capital funding/ limited financing methods
- Poor local government capacity
- Weak community acceptance
- Lack of political willingness
- Low availability of experienced construction labour force
- Other (please specify)

\* 16. In your opinion, how has this challenge changed in the past 4 years?

- much more influential
- somewhat more influential
- about the same
- somewhat less influential
- much less influential

17. How might this challenge be resolved?

\* 18. Please select the 3<sup>rd</sup> most significant challenge area in advancing affordable housing solutions in the community(ies) or regions you work from the list below (add other issues as needed).

- Lack of knowledge, expertise of how to do it
- Inadequate or unsupportive policies and local government bylaw
- Lack of available land
- High cost of development
- Lack of capital funding/ limited financing methods
- Poor local government capacity
- Weak community acceptance
- Lack of political willingness
- Low availability of experienced construction labour force
- Other (please specify)

\* 19. In your opinion, how has this challenge changed in the past 4 years?

- much more influential
- somewhat more influential
- about the same
- somewhat less influential
- much less influential

20. How might this challenge be resolved?

#### 4. Sectors and affordable housing in BC small communities

\* 21. Typically, 5 sectors are thought to provide community based housing through partnerships (as shown below). In your community(ies) of focus, please rank the agencies from most to least influential in advancing affordable housing projects, with 5 being most influential and 1 being the least. As a reminder, we are focused on workforce/middle income housing.

<input type="text"/>	Local Government
<input type="text"/>	Provincial Government/ Crown Corporations
<input type="text"/>	Federal Government
<input type="text"/>	Private Sector
<input type="text"/>	Non-Profit Organizations

\* 22. For each of these, indicate how each sector currently contributes most effectively to developing affordable housing in the community(ies) you work

Local Government	<input type="text"/>
Provincial Government/ Crown Corporations	<input type="text"/>
Federal Government	<input type="text"/>
Private Sector	<input type="text"/>
Non-Profit Organizations	<input type="text"/>
Other that we missed?	<input type="text"/>
Other that we missed?	<input type="text"/>

## 5. Local/Regional Government capacity requirements to facilitate affordable housing

**SKIP PAGE if you don't work in local/regional government or can't comment.**

\* 23. Rate your local/regional government's STAFF RESOURCES to effectively support affordable housing?

- Excellent
- Good
- Fair
- Poor

Please provide a brief explanation of what you think is the underlying cause of this staff resources capacity rating

\* 24. Rate your local/regional government's KNOWLEDGE on Affordable Housing to effectively support affordable housing?

- Excellent
- Good
- Fair
- Poor

Please provide a brief explanation of what you think is the underlying cause of this knowledge capacity rating

\* 25. Rate your local/regional government's FUNDING capacity to effectively support affordable housing?

- Excellent
- Good
- Fair
- Poor

Please provide a brief explanation of what you think is the underlying cause of this funding capacity rating

26. Rate your local government's \_\_\_\_\_ (OTHER TYPE OF) capacity to effectively support affordable housing?

- Excellent
- Good
- Fair
- Poor

Identify specific capacity here (if none, leave blank and skip question if none) - and also comment on the underlying cause for this challenge

27. What do you think your local/regional government needs to do to increase its capacity to more effectively support affordable housing development?

## 6. Private Sector and NPOs

28. In your opinion, what do you think small community NPOs should do more of to help create new affordable housing in small communities?

29. In your opinion, what should private sector stakeholders do more of to help create more affordable housing in small communities?

\* 30. What actions from Federal Government would best accelerate affordable housing solutions in Canada?

- Creating an investment fund to enable financing multiple projects
- Creating policy tools to encourage more purpose built rental projects
- Developing a National Strategy on housing
- Other (please specify)

## 7. Solutions and leading practices in BC and beyond

31. If you haven't already addressed it... If you had a magic wand, what tools would you give the community(ies) to build the affordable housing it needs (be specific – what tools and to whom would you provide them – local government, developers/builders, NPOs, etc.)?

32. What are leading/ innovative practices for creating/building affordable housing projects that you are aware of in other small BC communities?

33. What affordable housing practices (approaches/ partnerships/ supporting organizations) from outside BC are you aware of that might be applied successfully in small BC communities?

\* 34. If selected, would you be available and willing to participate in a 20-40 minute telephone/skype interview between June 26 and June 30 to further discuss your thoughts on affordable housing in BC small communities ?

- Yes
- No
- Other (please specify)

## 8. Thank you!

Thank you for taking the time to complete this survey. We value your insights in helping advance affordable housing solutions in BC. We look forward to sharing the results of this work with you. Please share the link to this survey with colleagues with similar or different perspectives from the same region or other parts of BC. The survey closes end of day **Wednesday June 21st**.

[Whistler Centre for Sustainability](#)

If you have questions or would like to get in touch with us, please contact us at: [johan@heartwoodsolutions.ca](mailto:johan@heartwoodsolutions.ca)

## APPENDIX B: INTERVIEW QUESTIONS

Interviews followed a more open ended conversational format, using the questions listed below as a guide, while allowing subject area experts to delve further into related topics as they saw fit:

1. The online survey revealed across BC, a very high need for affordable housing. Does this fit with your current understanding of the situation, or is it surprising?
2. Lack of capital to fund affordable housing was cited most often as an underlying barrier to affordable housing in BC. How is this best resolved in small BC communities?
3. Lack of knowledge, Lack of Knowledge and High Costs were cited as the second most common underlying barriers to affordable housing in BC. What are your thoughts on these? How would you rate their relative importance?
4. Third area of influence: 3 way split: Lack of Political Will/ High Cost/ Inadequate Local Policies – how to resolve this?
5. Survey responses on local government capacity to support affordable housing were as follows: Resources are FAIR; Knowledge GOOD/FAIR/poor; Funding POOR/FAIR
  - What are your thoughts on these survey responses on Local Government capacity?
6. How can we best increase local government’s ability to more effectively support affordable housing projects?
  - Incentivize NPO developers
  - Funding is mostly a federal issue (i.e. not in their sector to solve it)
  - Support finding land/engaging private sector
  - Increase political will/ understanding
7. What are your thoughts on NPO’s ability to support affordable housing projects? Survey respondents highlighted some of the following
  - Get Funding
  - Start practical baby steps
  - Partnerships w Private
  - Pool Assets (Cash/Seek free land)
  - Increase capacity
8. How can we best increase private sector ability to more effectively deliver affordable housing projects?
  - Incentivize
  - Partner w NPOs
  - Require % of affordable built in
9. What areas of opportunity or innovation do you look to as a source of inspiration or a target we should be hitching our affordable housing wagon to? Here are some survey examples
  - Cohousing/ Co-ops

- Blend senior residential housing into developments
- Non-traditional builds
- Property Tax exemptions
- Land Trust
- Partnerships
- Non-profit developers