COLLABORATION
IN AFFORDABLE HOUSING

How affordable housing developers, non-profits and government are working together to create change

M'AKOLA DEVELOPMENT SERVICES

RESILIENCY + CHANGE. UBCM 2019

UBCM — Union of BC Municipalities

Presentation Overview

- Introduction

- Why Partner?

- Municipal Tools and Policy Options

- Project Examples

  - Zoning Tools

  - Impact of Financial Contributions

*We acknowledge the land on which we gather is the territory of the **Coast Salish** peoples, including the territories of the **xʷməθkwəy̓əm** (Musqueam), **Sḵwx̱wú7mesh** (Squamish) and **Səl̓ílwətaʔ** (Tsleil-Waututh) peoples.*

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Areas of Expertise

Housing Research and Policy	Planning and Community Engagement	Development Consulting & Project Management	Operations & Asset Management	Indigenous Relations

Clients

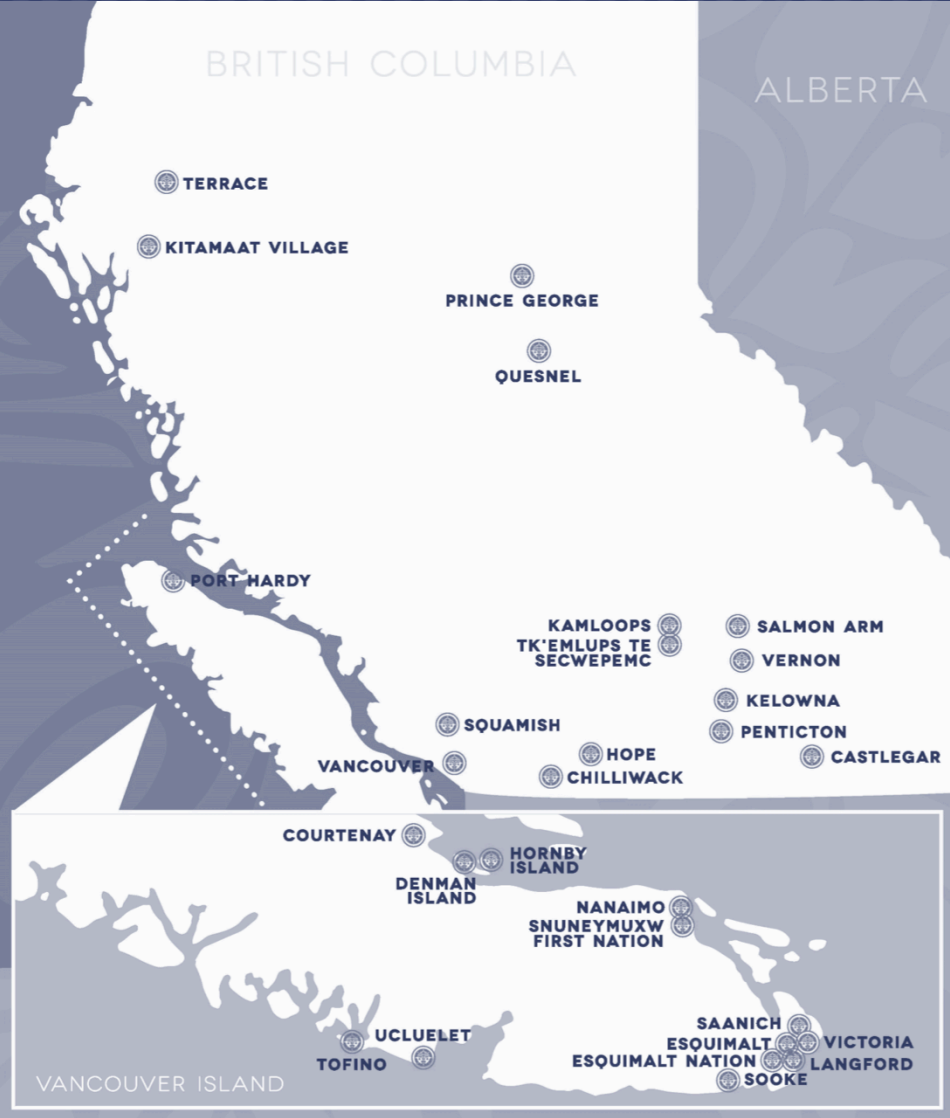| First Nations	Non-Profits	Governments

- We help non-profits navigate the complex system of housing development, ensuring community housing needs are met

- We strongly believe participation and commitment from the community at all levels is critical to a project's success

- Our mission is to service the full development spectrum, from *concept to community*

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50+ Projects in over 30 Communities

OUR STATS

BRITISH COLUMBIA

ALBERTA

TERRACE

KITAMAAT VILLAGE

PRINCE GEORGE

QUESNEL

PORT HARDY

KAMLOOPS
TK'EMLUPS TE
SECWEPEMC

SALMON ARM

VERNON

KELOWNA

SQUAMISH

PENTICTON

VANCOUVER

HOPE

CHILLIWACK

CASTLEGAR

COURTENAY

HORNBY
ISLAND

DENMAN
ISLAND

NANAIMO
SNUNEYMUXW
FIRST NATION

UCLUELET

TOFINO

SAANICH
ESQUIMALT
ESQUIMALT NATION
SOOKE

VICTORIA
LANGFORD

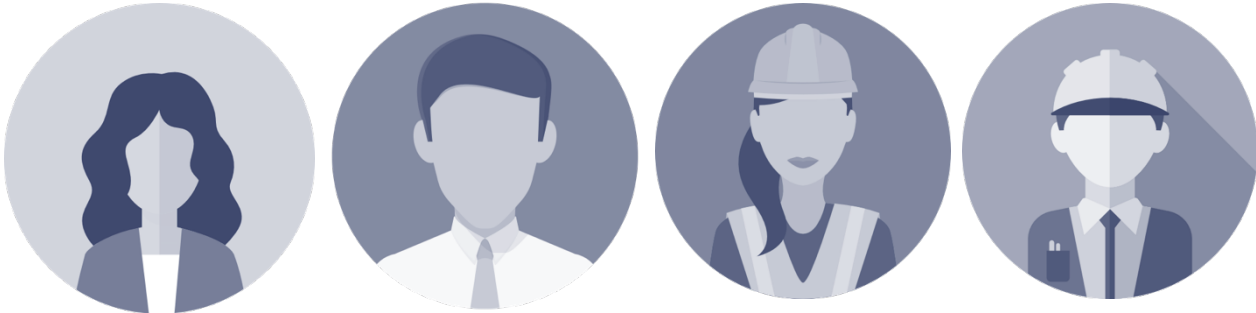VANCOUVER ISLAND

$900+ Million in Project Costs
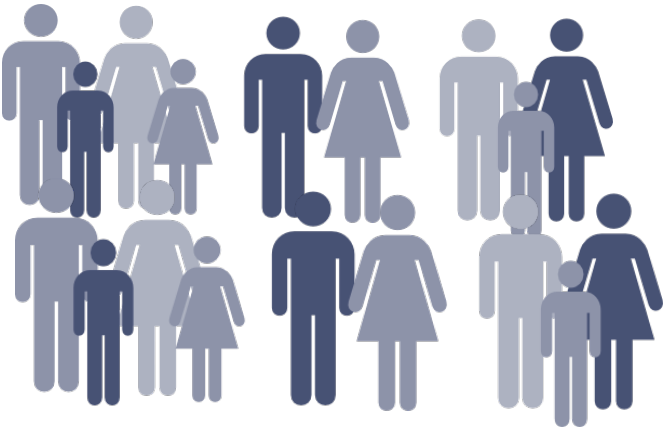
2755 Units (Homes)

500+ Jobs

WHY PARTNER?

- Stronger projects
- Add value
- Areas of experience

Things to consider:

- Align mission/vision
- Lead Organization
- Contractual/legal relationship

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WHO:
TYPES OF PARTNERS

- Governments
  - **Municipalities**
  - Regional Governments
  - Province
  - Federal Government
- Other Non-Profit
  - Development or Operations
- Private Sector
  - Developer

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WHAT: PARTNERSHIPS

Who is bringing what to the table?

- Land (donation, long-term lease)
- Grants/cash
- Subsidy
- Loans
- Advocacy/Champion
- Relationships
- Operations experience
- Services
- Co-owner
- Development experience

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HOW:
PROJECT STRUCTURE

- Agreements
  - Partnership Protocol
  - Memorandum of Understanding
  - Joint Venture
  - Purchase and Sale
  - Turn-Key
  - Development
- Title
  - Lease
  - Ownership
    - Strata
    - Air space parcel
- Security – encumbrances on title
  - Covenants
  - Mortgage
  - Priority agreements
  - First right of refusal/Option to Purchase

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WHEN: TIMING/STAGES
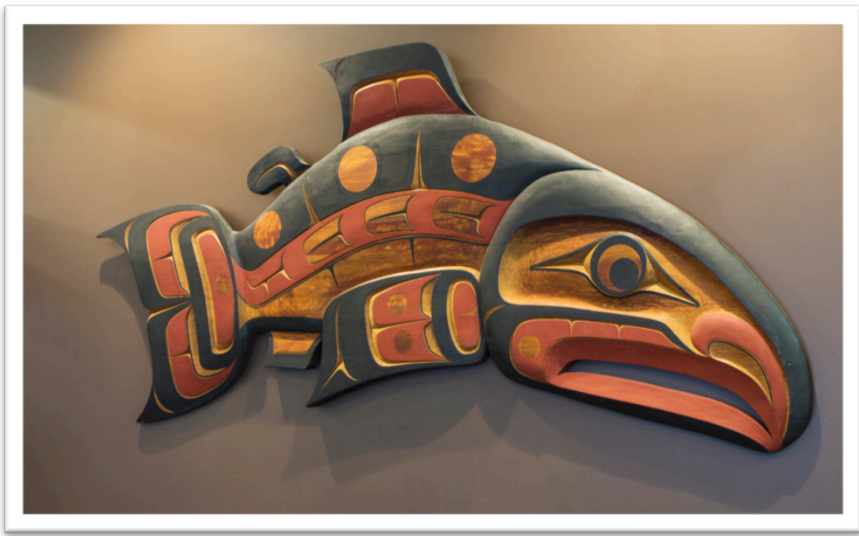
- Partnerships can come in at different stages of the project

- Advanced municipal policy/tool development work

- Different agreements at different project stages

  For example one project could have:

  - MOU (pre-development/development)

  - Joint Venture (development/construction)

  - Strata (operations)

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NON-PROFIT & MUNICIPAL PARTNERSHIPS

Building partnerships with municipalities is key to project success.

Municipalities can contribute in multiple ways:

- Reduce/waive municipal fees and development cost charges

- Reduced parking/parking variances

- Affordable housing/amenity funds

- Property tax exemption

- Expedite and streamline permits/approvals

- Donation of land/long term lease

- Staff champion

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POLICY & PLANNING OPTIONS

Municipalities have a role to play in facilitating and supporting affordable housing developers *and* general developers in creating and retaining affordable rental units in BC

- Policies to encourage density/ inclusionary zoning/other zoning tools

- Affordable housing development targets

- Identify publicly-owned properties for non-profit housing

- Increase fund contributions

- Introduce incentives for secondary suite development

- Tenant relation and protection of housing stock

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INCLUSIONARY ZONING:
CITY OF VANCOUVER AIRSPACE PARCEL EXAMPLE

- 60 Year Lease and Operating Agreement: Vancouver Native Housing Society

- 27 units 1315 Davie; 68 units in 1395 Davie

- Air Space Parcel (shared common area costs)

Housing Vancouver sets a target of an additional 12,000 new units of social and supportive housing over the next 10 years. Social housing accommodates families, seniors, and singles who cannot afford market rental or ownership housing. Supportive housing provides homes for people who need supports in addition to safe, secure and affordable housing. Supportive housing is key to eliminating homelessness by helping people to stabilize their lives, enhance their independent living skills, and reconnect with their communities. Social and supportive housing typically requires higher levels of upfront investment and ongoing operating subsidies from senior governments and community partners in order to be viable for development. The City has three primary delivery streams for social and supportive housing:

1. City Land Contributions – the City provides land at below-market rates for the development of affordable housing in partnership with other funding partners.

2. Inclusionary Zoning – the City allows for additional density for projects which provide a certain percentage of new residential development as social housing.

3. Supporting Non-Profit Sector Projects – the City provides capital grants and expedited

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INCLUSIONARY ZONING:
CITY OF VANCOUVER AIRSPACE PARCEL EXAMPLE

Lessons Learned/Challenges:

○ Master Air Space Parcel Agreement negotiated by CoV prior to VNHS coming on board (exterior costs split)

○ Limited to no design input

○ Right of first refusal/previous tenants

○ Rent Structure

○ Staging of units coming online

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OTHER MUNICIPAL ZONING TOOLS

Supportive Housing included in all Multiple Unit Residential zones as a permitted use.

City of **Kelowna**

Zones

+ Agricultural (A)

+ Rural Residential (RR)

+ Urban Residential (RU)

− Multiple Unit Residential (RM)

The purpose of the Multiple Unit Residential (RM) zones are to designate land for multiple dwelling housing and secondary compatible uses. This type of housing includes townhomes, condominiums, micro-suites, rentals, and apartments.

Principal uses

Some principal uses in this zone are:

- community garden
- multiple dwelling housing
- supportive housing
- micro-suite housing

For more information, including secondary uses, check out section 13 of the Zoning Bylaw.

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OTHER MUNICIPAL ZONING TOOLS:
CITY OF SALMON ARM EXAMPLE

Who/What:

- Developer initiated, owned, designed

- Non-Profit partner to bring in BCH financing and funding

How:

- Development Agreements/Purchase and Sale Agreements/CCDC 14

When:

- Land transfer so can access BCH financing?

- Zoning text amendment to include Assisted Living to all residential zones
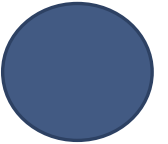

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IMPACTS:
MUNICIPAL CONTRIBUTIONS

POPULATIONS

Nanaimo = 83,810

Langford = 29,228

Sooke = 11,435

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550 GOLDSTREAM AVE

Project Details

- Langford, BC

- 2013 – 2016

- 36 units of affordable housing

- $13 million total cost (incl. commercial)

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Disclaimer: rents are averaged across various unit types; some buildings have a mix of rents and unit types – only the average across the entire building is provided in this presentation.
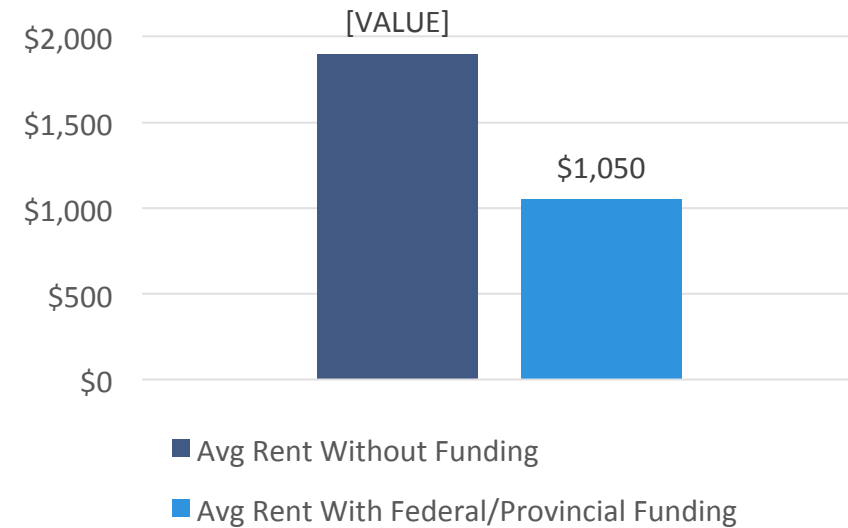
550 GOLDSTREAM AVE
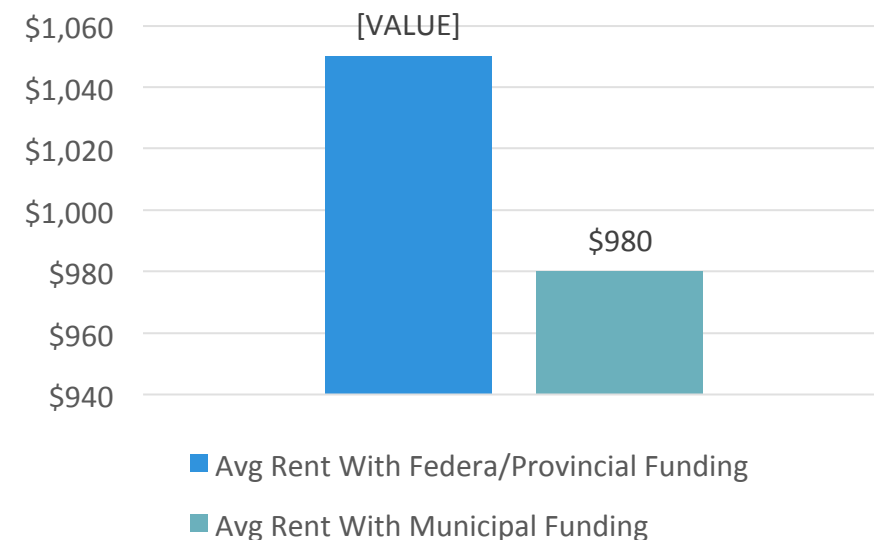# MUNICIPAL CONTRIBUTIONS

City of Langford

- Staff Champion

- Property Tax Exemptions (approx. $77,750/year x 10 years)

- Affordable Housing Fund ($200,000)

- Residential Development Cost Charge ($193,600)

- Office Space Development Cost Charge ($70,000)

Federal/Provincial Funding Impact

Avg Rent Without Funding: [VALUE]
Avg Rent With Federal/Provincial Funding: $1,050

Municipal Funding Impact

Avg Rent With Federa/Provincial Funding: [VALUE]
Avg Rent With Municipal Funding: $980

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ROSALIE'S VILLAGE

Project Details

- Saanich, BC

- 2015 – 2017

- 42 units of affordable housing for women with children; onsite daycare

- $15 million total budget

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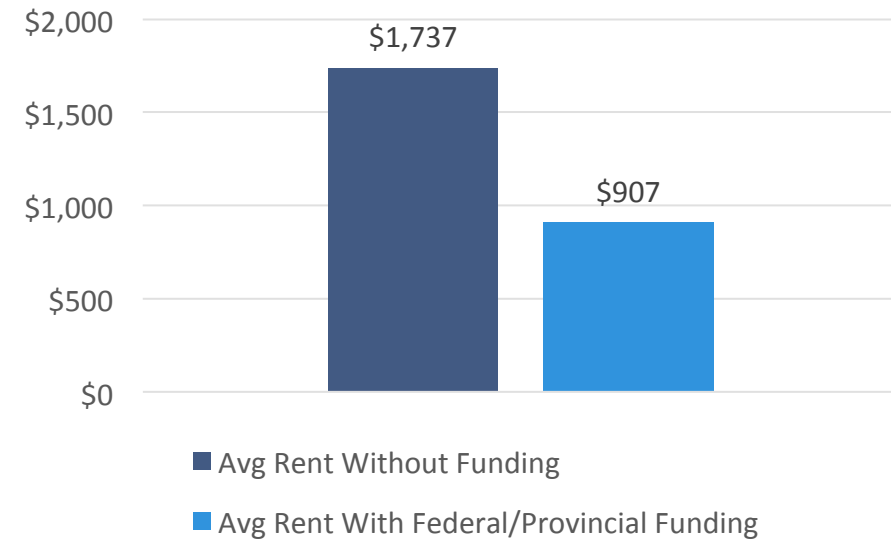SERVICES

MUNICIPAL CONTRIBUTIONS

District of Saanich

- Affordable Housing Fund ($172,000)

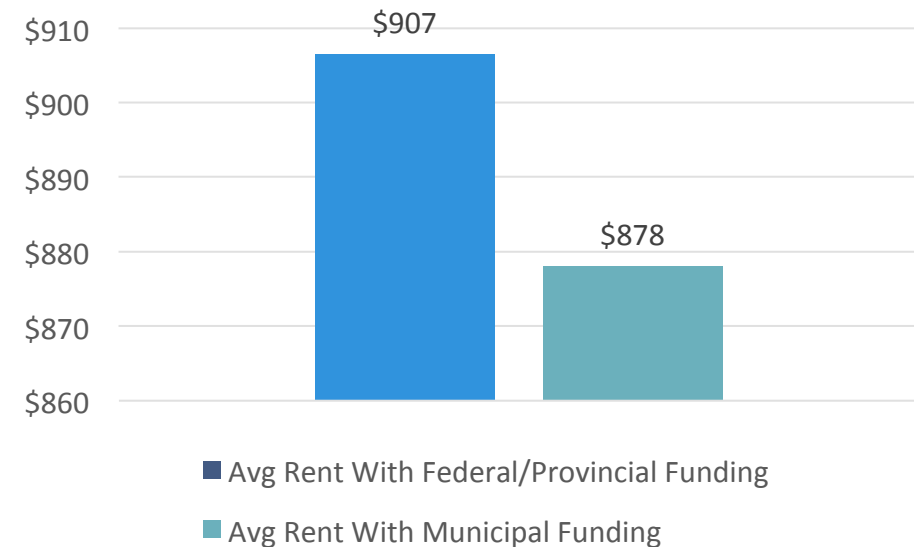- Property Tax Exemption (approx. $82,365/year)

- Expedite permits/approvals

City of Victoria

- Affordable Housing Reserve Fund ($172,000)

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Federal/Provincial Funding Impacts

$1,737 — Avg Rent Without Funding
$907 — Avg Rent With Federal/Provincial Funding

Municipal Funding Impacts

$907 — Avg Rent With Federal/Provincial Funding
$878 — Avg Rent With Municipal Funding

QUESTIONS?

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810 BRAIDWOOD ROAD

Project Details

- Courtenay, BC

- 35 units of affordable housing for those experiencing or at-risk of homelessness

- Mix of studios and one-bedrooms, live-in caretaker suite, support worker room, covered shelter/smoking area

- $7.2 million total cost

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CONTRIBUTIONS & RENTS

Shelter Rate Units	6 units, 17% of total Target: < 20% of units
Low-End of Market Units	28 units 80% of total

BC Housing
- $4.6M

City of Courtenay
- Land valued at $385,000
- Waived fees valued at $403,650
- Property Tax Exemptions (pending)

CVRD
- Homelessness Grant $110,000

M'akola/Wachiay
- Affordable Housing Fund $540,000

CMHC
- Seed Funding $35,000

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BOUNDARY CRESCENT SUPPORTIVE HOUSING

Project Details

- Nanaimo, BC

- 2014 – 2016

- 41 units of supportive housing

- $8.5 million total cost

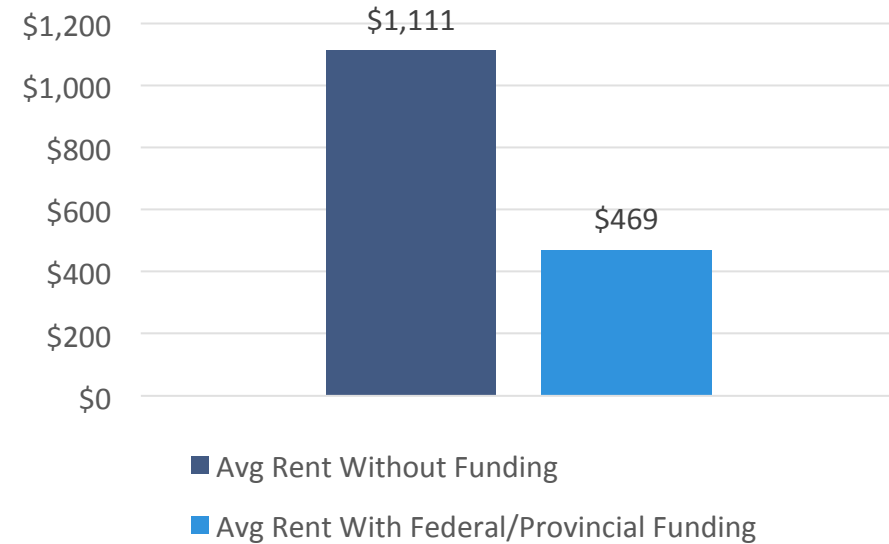- Collaboration between Nanaimo Affordable Housing Society, Haven Society and Vancouver Island Mental Health Society

NOVEMBER 2015

BC Housing - Boundary Avenue Supportive Housing
Exterior Progression - - November 13 2015 - Photo 2

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BOUNDARY CRESCENT

MUNICIPAL CONTRIBUTIONS

City of Nanaimo

- Development Cost Charge ($299,998)

- Donated Land ($432,000)
  - Pay $10 per year

- Property Tax Exemption (approx. $82,831/year)

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Federal/Provincial Funding Impacts

- $1,111
- $469

- Avg Rent Without Funding
- Avg Rent With Federal/Provincial Funding

Municipal Funding Impacts

- $469
- $375

- Avg Rent With Federal/Provincial Funding
- Avg Rent With Municipal Funding