Why Municipal Support is Necessary

Building Strong Communities through Affordable Housing

April 2015

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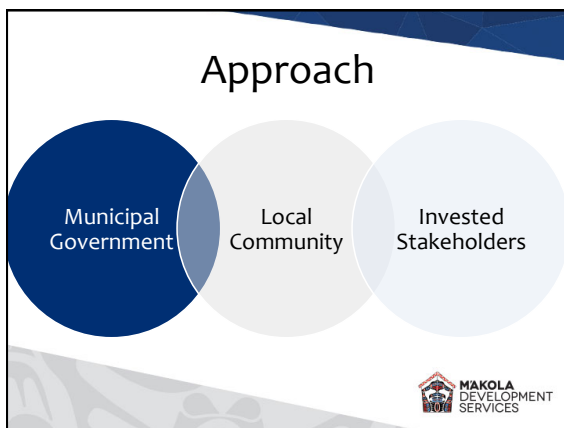

M'akola Development Services

Professional consulting firm

(31) (1600) (8)

Concept to Community

Mixed-Use | Purpose Built | Assisted Living

Youth, Singles, Families, Seniors/Elders

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Approach

Municipal Government

Local Community

Invested Stakeholders

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Current Funding Environment

1. Grants
2. Equity
3. Subsidized housing programs nearly non-existent
   – Current subsidy programs ending
   – No longer rent-geared-to-income
   – New projects target low-end-of-market rents

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Ways Municipalities Can Contribute

1. **Reduce/Waive Municipal Fees**

   Fees to obtain permits for planning-related and other municipal services add significant cost to a project

   COSTS

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Ways Municipalities Can Contribute

2. **Development Cost Charges**

   Monies municipalities/regional districts can collect
   – Roads   -- Drains
   – Sanitary   -- School District
   – Sewer
   – Water

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Ways Municipalities Can Contribute

3. **Affordable housing funds/amenity funds**
   – Funds from dedicated ongoing revenue sources
   – Funds from for-profit development; density bonusing

Ways Municipalities Can Contribute

4. **Property Tax Exemption**
   Temporary reduction or elimination of property taxes

Ways Municipalities Can Contribute

5. **Expedite permits/approvals**
   – Clear requirements
   – Shorter review timelines

   One approval =
   ↑ streamlined process ↓ duplication

Ways Municipalities Can Contribute

6. **Staff champion**
   One stop contact

   ↑ Response rate

   ↓ Issues

Ways Municipalities Can Contribute

7. **Land Donation**
   – Leverage provincial & federal government
   – Get projects "off the ground"
   – Viable & sustainable operations

Ways Municipalities Can Contribute

1. Reduce/waive municipal fees
2. Reduce/waive development cost charges
3. Create housing/amenity funds
4. Property tax exemption
5. Expedite permits/approvals
6. Staff champion
7. Land donation

Examples of Municipality Support

Large and **small** municipalities have partnered with us:

Nanaimo, BC (2011 Census = 83,810)

Langford, BC (2011 Census = 29,228)

Saanich, BC (2011 Census = 15,936)

Sooke, BC (2011 Census = 11,435)

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SERVICES

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550 Goldstream

– Multi-Family Housing
– Mixed-use (ground floor office)
– Langford, BC
– 36 Units
– $13M

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SERVICES

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550 Goldstream

City of Langford

– DCC's →residential : $193,600
– DCC's→office space: $70,000
– Affordable Housing Fund: $200,000
– Property tax exemption: approx. $77,750.64

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SERVICES

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550 Goldstream

Funding Impacts

- Avg Rent Without Funding — $1,902.41
- Avg Rent with Confirmed Funding — $1,050.78
- Avg Rent with Municipal Funding — $980.00

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SERVICES
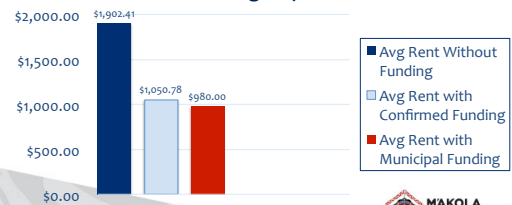
Rosalie's Village

– "Supportive" Housing
– Saanich, BC
– 42 Units
– $12.8M

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Rosalie's Village

District of Saanich

– Affordable Housing Trust Fund: $172,000
– Property Tax Exemption: approx. $82,364.53
– Expedite permits/approvals

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Slide 1

Rosalie's Village

Funding Impacts
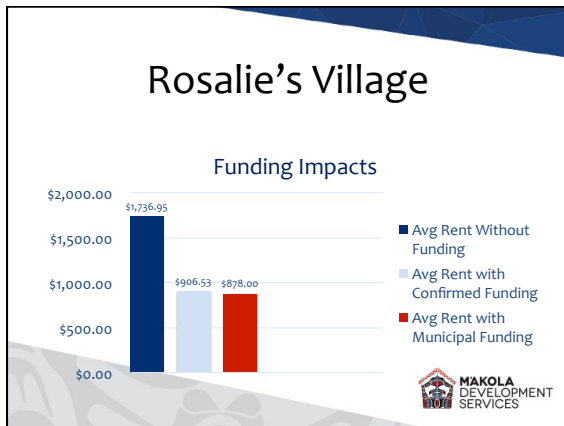

Bar chart "Funding Impacts":
- Avg Rent Without Funding: $1,736.95
- Avg Rent with Confirmed Funding: $906.53
- Avg Rent with Municipal Funding: $878.00

Y-axis: $0.00, $500.00, $1,000.00, $1,500.00, $2,000.00

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Slide 2

Boundary Supportive

- Supportive Housing
- Nanaimo, BC
- 41 Units
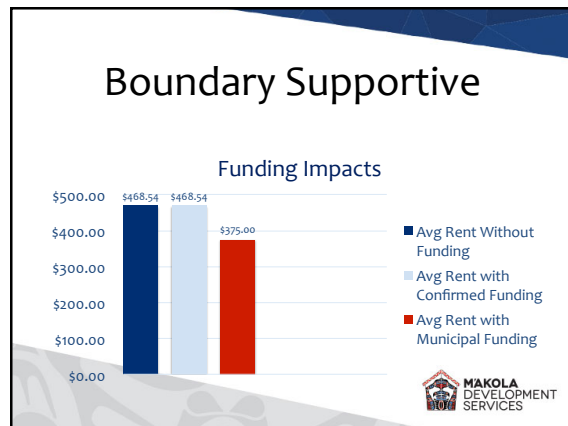- $10.3M

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Slide 3

Boundary Supportive

<u>City of Nanaimo</u>
- Development Cost Charge: $299,998
- Donated land: $432,000
  - *Pay $10.00 per year*
- Property tax exemption: approx. $82,831.25

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Slide 4

Boundary Supportive

Funding Impacts

Bar chart "Funding Impacts":
- Avg Rent Without Funding: $468.54
- Avg Rent with Confirmed Funding: $468.54
- Avg Rent with Municipal Funding: $375.00

Y-axis: $0.00, $100.00, $200.00, $300.00, $400.00, $500.00

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Slide 5

Hope Centre

- Mixed-Use (office, thrift store, housing)
- Sooke, BC
- 25 Units
- $6M

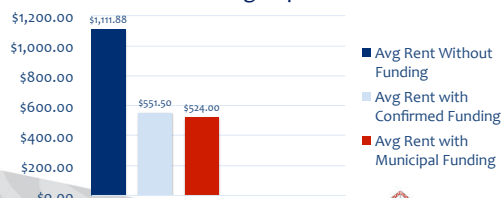MAKOLA DEVELOPMENT SERVICES

Slide 6

Hope Centre

<u>District of Sooke</u>
- Building Permit: $24,584.47
- Development Cost Charge: $45,863.50
- Municipal Fees: $10,475.00
- Development Permit/variance: $1,200
- Sewer Serviceability Review: $1,338.75

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Hope Centre

Funding Impacts

- Avg Rent Without Funding
- Avg Rent with Confirmed Funding
- Avg Rent with Municipal Funding

$1,111.88
$551.50
$524.00

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Tangible Effects

1. Advance affordable housing
2. ⬆ Money food & essentials
3. ⬇ inequality gap

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Successful Municipalities

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Closing: Call for Action

1. Create Policies
   Process times
   Density
2. Enact Changes
   Staff champion
3. Housing Funds
   Increased contributions

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Policy Options	Municipalities													Reports				
	Central Saanich	Colwood	Esquimalt	Highlands	Langford	Metchosin	North Saanich	Oak Bay	Saanich	Sidney	Sooke	Victoria	View Royal	Smart Growth	CHBA	BC Government	Islands Trust	UBCM
Policies to encourage density																		
Affordable housing development targets																		
Identify publicly-owned properties for non-profit housing														✓	✓	✓	✓	
Increase Regional Housing Trust Fund contributions														✓		✓	✓	
Introduce incentives for secondary suite development														✓	✓	✓	✓	✓
Inclusionary housing policies														✓		✓	✓	✓
Reductions or waiving development fees															✓	✓		✓
Promote improvements to and uptake of the Rental Assistance Program.														✓				

Policy in place ■   Indication that policy might be supported ▨   Precursor policies in place ▨

Affordable Housing Options for BC's Capital Region -Final Report, November 2012   29

Figure 11: Municipalities in the Capital Region that use elements of Alternative Development Standards.

Policy	Municipalities Undertaken	Municipalities Considering
Encouraging smaller units	Central Saanich, Esquimalt, Langford, Saanich, Sidney, Sooke and Victoria	Highlands, Metchosin
Reduced set-backs, narrow lot sizes	Central Saanich, Langford, Saanich, Sidney, Sooke and Victoria	
Reduced parking requirements	Central Saanich, Esquimalt, Langford, Saanich, Sooke and Victoria	Sidney
Exemptions from parking requirements	Central Saanich, Saanich, Sooke and Victoria	Sidney
Reduced road allowance	Langford, Saanich, Sooke and Victoria	Highlands
Allowing infill	Central Saanich, Esquimalt, Langford, Saanich, Sidney, and Victoria	Highlands, Sooke

Source: Community Social Planning Council, Municipal Planners Survey, 2012.