



# Nelson

AFFORDABLE HOUSING STRATEGY

## Report 2 | Housing Strategy

July 2010



CITY OF NELSON

C I T Y  S P A C E S

Planning | Project Management | Applied Research



## ACKNOWLEDGMENTS

CitySpaces Consulting and the City of Nelson extend their sincere appreciation to the many individuals and organizations who provided a local perspective and essential input leading to the Affordable Housing Strategy. Special thanks are extended to the members of the City of Nelson's Housing Forum and the Nelson Coalition on Homelessness. The funding provided through the Columbia Basin Trust and Canada Mortgage and Housing Corporation is also much appreciated.



Affordable Housing  
Strategy

Prepared for  
City of Nelson

July 2010



# TABLE OF CONTENTS

## Summary

### Section 1 Foundations for the City of Nelson’s Housing Strategy

Housing Issues and Context .....1  
Groups in Housing Need.....2  
    Group #1 - Households with Special Needs.....2  
    Group #2 - Low and Moderate Income Renters.....3  
    Group #3 - Moderate Income Households Seeking Homeownership .....3  
    Group #4 - Elderly Seniors with Support Service Needs .....3  
Roles & Responsibilities.....5

### Section 3 The Affordable Housing Strategy

The City’s Role .....7  
The Vision Statement .....10  
Ten Guiding Principles .....10  
Ten Priority Objectives.....11  
Priority Objectives→Actions.....12  
Support the development of a mix of housing options.....24

### Section 3 Next Steps: Implementing the Strategy

Implementation Timeline.....33  
In Closing.....34

## APPENDIX

Appendix A - The Policy and Legislative Context

## COMPANION DOCUMENT

Housing Needs Report – July 2010



Affordable Housing  
Strategy

Prepared for  
City of Nelson



## SUMMARY

The City of Nelson has been a leader in helping to facilitate “affordable housing” among BC’s municipalities. The City understands that a strong community is a diverse community, and has consistently supported initiatives of non-market groups to provide appropriate housing.

This *Affordable Housing Strategy* responds to the *Housing Needs Report*, which identified four groups as having **the least choice** in Nelson’s housing market:

1. Households with special needs, including mental health, addictions and / or physical difficulties;
2. Low and moderate income households who require safe, suitable and affordable rental housing, primarily in the private market;
3. Moderate income households who aspire to homeownership without relocating from Nelson and area; and
4. Elderly seniors on low fixed income who have supportive care needs.

The *Strategy*, while referencing the 2010 circumstances, is intended to be an enduring document that is used in the coming years by City Council and staff, as well as Nelson’s non-market providers and community organizations.

The objectives, policies and actions of the *Strategy* are fully consistent with the City’s jurisdiction, as set out in the *Local Government Act* and the *Community Charter*. The authors have also included “best practice” examples that will be of interest to community groups and non-market housing providers. Some illustrate practices where the City might play a supportive role, while other groups take leadership.

In the context of the City of Nelson, the accompanying table sets out proposed priority objectives and actions.

Priority Objective		Actions
1	Provide a clear policy and vision	<ul style="list-style-type: none"> <li>⇒ Adopt <i>Affordable Housing Strategy</i></li> <li>⇒ Draft policy reports and statements that complement/support OCP on density bonusing, secondary suites, incentive initiatives, disposition of City land, etc.</li> </ul>
2	Increase the supply of supportive housing	<ul style="list-style-type: none"> <li>⇒ Set up and chair a working group (e.g. Nelson Housing Forum) to identify development opportunities and prioritize projects</li> <li>⇒ Foster partnerships and promote affordable housing projects</li> </ul>



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

Priority Objective		Actions
3	Ensure safety standards in rental housing	<ul style="list-style-type: none"> <li>⇒ Develop a standards of maintenance bylaw</li> <li>⇒ Provide information and support to tenants and landlords</li> </ul>
4	Encourage the development of new rental housing	<ul style="list-style-type: none"> <li>⇒ Introduce a policy to introduce suites in all new single detached homes</li> <li>⇒ Continue to streamline secondary suites requirements</li> <li>⇒ Introduce an infill rental housing bylaw, e.g. coach houses and suites above garages</li> <li>⇒ Amend regulations to facilitate accessory rental units, e.g. suites in townhouses or above commercial buildings</li> <li>⇒ Consider measures to support development of purpose-built rental housing</li> <li>⇒ Consider measures to protect tenants and rental housing</li> </ul>
5	Support the development of a mix of housing options	<ul style="list-style-type: none"> <li>⇒ Explore opportunities for infill and intensification in low density areas</li> <li>⇒ Develop a density bonus policy to exchange density for affordable housing</li> </ul>
6	Promote innovative approaches and design	<ul style="list-style-type: none"> <li>⇒ Develop prototypes and promote pilot initiatives as demonstration</li> <li>⇒ Continue to support the development of fee simple townhouses</li> </ul>
7	Use available financial resources	<ul style="list-style-type: none"> <li>⇒ Establish a housing reserve fund and direct funds towards affordable housing projects</li> <li>⇒ Lease city owned land</li> </ul>
8	Support external groups	<ul style="list-style-type: none"> <li>⇒ Waive or reduce fees and charges</li> <li>⇒ Expedite the approval process</li> <li>⇒ Build the capacity of the non-profit sector</li> </ul>
9	Promote existing programs and resources	<ul style="list-style-type: none"> <li>⇒ Communicate housing-related information through dedicated web page of documents, information sheets, sessions and events</li> </ul>
10	Review and monitor the strategy regularly	<ul style="list-style-type: none"> <li>⇒ Produce a progress report on a regular basis</li> </ul>



## SECTION 1

### FOUNDATIONS FOR THE CITY OF NELSON'S HOUSING STRATEGY

In the last decade, socio-economic changes throughout many parts of BC have resulted in upward pressure on rents and real estate prices, as well as increased demand for supportive health and care services for people with special needs. Nelson and nearby areas have experienced these pressures and challenges.

To respond to the “affordability challenge” experienced by local residents, the City of Nelson, with funding assistance from the Columbia Basin Trust and Canada Mortgage and Housing (CMHC), initiated the development of an affordable housing strategy. CitySpaces Consulting was commissioned to undertake the research and development of the strategy in consultation with non-market housing providers and other community organizations that are vitally concerned with the housing situation in Nelson and area.

#### Housing Issues and Context

A *Housing Needs Report* was prepared as background research for the *Housing Strategy*. That report identifies key housing issues and the groups who are most affected by the housing situation, and have the least choice in the housing market. Highlights of the housing issues and context factors include:

- ▶ Nelson’s population has remained constant over the past two census periods. Yet, the aging of the population is anticipated to have significant implications on housing demand in the coming decades. Housing that can accommodate an increasingly older population will be a consideration moving forward.
- ▶ Nelson has seen a number of multi-family residential developments in recent years that have served to diversify the housing market. Examples include apartment condominiums at Amber Bay, Silver Bay and Kutenai Landing and the Villas at Granite Pointe townhouse development. Providing choice within the housing market will better serve the population’s housing needs.
- ▶ It has been a landlord’s market in Nelson lately – with practically no new purpose-built rental units, low vacancy rates and the conversion of rental buildings into strata condominiums. The secondary rental market (e.g., secondary suites and investor-owned condominiums) has become an increasingly important segment of the rental housing stock. In particular, suites in basements have come to play a major role in the area of lower cost rental housing.
- ▶ The quality and safety of the secondary rental market (suites and houses rented by individual owners) has been noted by students and young professionals. While the City has had a progressive secondary suite policy



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

from as far back as 1987, continual review and enhancement of the policy could further facilitate the development of safe legal suites throughout the city.

- ▶ Students at Selkirk College rely heavily on the secondary rental market. The 10th Street Campus renovations, which are currently underway, are anticipated to add about 100 rooms of student housing in the coming months. This is expected to somewhat reduce the pressure and improve housing choice for students.
- ▶ There are a number of seniors housing options in Nelson, including two public care facilities. A recent development at Lake View Village added 90 suites of assisted and independent living options as well as 13 subsidized studios. Not all seniors find that the current options are both suitable and affordable for them.
- ▶ Interior Health provides ongoing outreach support for 75 to 100 individuals in Nelson with severe mental health and addictions challenges. Other service providers confirm that a large portion of their clients struggle with mental health and addictions. Many agencies agree that linking the support service needs of these individuals to their housing is a suitable model of housing delivery. Nelson has few supportive housing options available.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Groups in Housing Need

Based on the research findings outlined in the *Housing Needs Report*, four groups were found to have the most significant housing challenges in Nelson today:

1. Households with special needs, including mental health, addictions and / or physical difficulties;
2. Low and moderate income households who require safe, suitable and affordable rental housing, primarily in the private market;
3. Moderate income households who aspire to homeownership without relocating from Nelson and area; and
4. Elderly seniors on low fixed income who have supportive care needs.

The following is a recap of the characteristics and challenges of the four groups.

### ***Group #1 - Households with Special Needs***

There are few supportive housing options for households with special needs, in particular persons with mental health and addictions and/or other physical disabilities. This group includes individuals and families that are leaving institutions (e.g., hospitals or justice detention facilities) or transitional housing (e.g., women and children leaving

a short-stay “safe house”). Without longer-term supported housing, many experience difficulties with landlords or neighbours.

In 2010, these households appear to have **the least choice** in Nelson’s housing market where housing with supports is limited to a small number of units at Ward St. Place and a small number of clients supported through BC Housing’s Homeless Outreach Program (with rent supplements and general outreach support).

Among this group, households have varying levels of support needs. Some may be ready to live independently, with only a limited level of housing support, while others may need access to ongoing and regular care and services. This could involve congregate non-market housing that has dedicated staff or it may be more appropriate and more cost effective to have scattered units available through private sector housing where households are supported with a rent supplement program and access to support services via an outreach or mobile support team. Housing with support services is needed in areas of the city that are within easy access to transit, shops and services.

#### *Group #2 - Low and Moderate Income Renters*

It has been a landlords’ market in Nelson in recent years. With practically no new rentals and very low vacancy rates, many renters are reported to be spending over 50% of their gross income on housing (on rents plus utilities). At the lower end of the market, the quality and safety of the stock is reported to be varied, and some units are known to be in unhealthy and unsafe condition. Single persons and lower income households often have little choice but to rent units that are inadequate or are in substandard conditions.

#### *Group #3 - Moderate Income Households Seeking Homeownership*

Nelson’s housing is made up predominantly of detached houses on large lots. Homeownership of this housing form – ground oriented housing with a yard – is becoming increasingly inaccessible for local, first-time buyers. A diversity of housing options is needed to ensure moderate income households who are interested in homeownership have the opportunity to step up the housing ladder.

#### *Group #4 - Elderly Seniors with Support Service Needs*

Nelson is home to a number of market and non-market housing options for seniors. Yet, a disconnect exists between seniors needs and preferences and the available options. Lower income seniors who are elderly, or have additional care needs, have indicated the affordable housing options that are available are no longer adequate or appropriate and the private market options, including the market-priced units in the recently opened Lake View Village, are too costly.<sup>1</sup> There have also been changes in the tenant



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

---

<sup>1</sup> Lake View Village has a total of 90 market-priced suites (studios and one-bedrooms) plus 13 subsidized studios available to lower income households on a rent geared to income basis.

mix of seniors non-market housing buildings that are said to have affected the quality of life and level of privacy for some senior residents in those buildings.

The *Affordable Housing Strategy* sets out an overall vision, specific objectives, policy directions and recommended actions. While the *Strategy* is principally focussed **within** the jurisdictional authority of the City of Nelson, recommended actions and best practice examples are included throughout the document that present ideas about what could be undertaken by other organizations and non-market housing providers – and where the City might play a supporting role.

The *Strategy* considers a range of housing that spans the entire continuum of affordable housing. Shown in Figure 1-1, the “affordable housing continuum” illustrates the five main types of housing for people with low and moderate incomes.

The continuum also illustrates the shift from **non-market** housing, where housing is largely subsidized by other levels of government, to **market** housing, which is provided entirely by the private market and does not involve any public subsidy. The *Strategy* spans market and non-market directions.

Nelson’s *Strategy* focuses predominantly on transitional and supportive housing and the three housing types that follow – there is less emphasis on providing new emergency shelters or other temporary accommodation, but more focus on assisting individuals who are leaving temporary and transitional housing to find and maintain their housing.

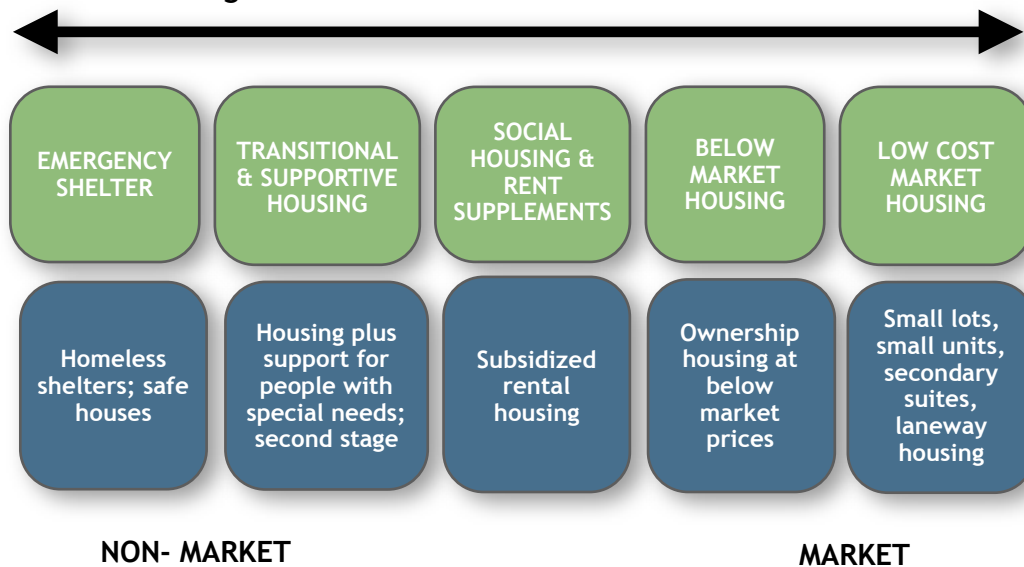


Affordable Housing Strategy

Prepared for the City of Nelson

July 2010

**Figure 1-1: AFFORDABLE HOUSING CONTINUUM**



## Roles & Responsibilities

In the past, local governments did not have a direct responsibility for affordable housing. However, since the Federal government withdrew funding for new social and cooperative housing in the early 1990s, local governments have become increasingly involved housing issues. Table 1-1 illustrates the main ways a municipality can take action in the sphere of “affordable housing”.

Although the City cannot immediately address every housing need and issue identified in the *Housing Needs Report*, Council and staff can play a key role in maintaining affordable housing choices – principally through planning, zoning and building bylaws. And, considering the broad “natural person” powers provided through the *Community Charter*, the City has the authority to become more actively involved in facilitating the development of affordable housing, either directly or through partnerships. (Note: Appendix A includes a more detailed review of the policy and legislative context.)

Level of Complexity	Practice / Approach
	<ul style="list-style-type: none"> <li>• Provide information on programs and resources for renters, landlords, developers, current and future homeowners</li> <li>• Research and identify housing needs; applying for grants from other levels of government</li> <li>• Advocate to other levels of government –BC Housing, CMHC– regarding local housing needs</li> <li>• Review and update policies and practices to facilitate a range of market housing types, tenures, and costs</li> <li>• Remove financial and regulatory barriers that hinder the development of affordable housing</li> <li>• Provide incentives for the private market to build affordably</li> <li>• Establish a housing reserve fund/trust fund</li> <li>• Facilitate the development of non-market housing through grants, land, and approval processes</li> <li>• Partner with non-market housing providers to build or acquire housing for low income households and people with special needs</li> <li>• Establish a municipal housing corporation to build or acquire housing for low income households and people with special needs</li> </ul>



Affordable Housing Strategy

Prepared for the City of Nelson

July 2010

Page 5



## SECTION 3 THE AFFORDABLE HOUSING STRATEGY

The City of Nelson has been a leader in helping to facilitate “affordable housing” among BC’s municipalities. The City understands that a strong community is a diverse community, and has consistently supported initiatives of non-market groups to provide appropriate housing. A recent example is its support for the Canadian Mental Health Association to advance a project for elderly residents with long-term mental health issues. Importantly, the City’s Official Community Plan (2008) contains a number of statements that give staff and Council clear direction about affordable housing.

The *Affordable Housing Strategy* addresses homeownership and rental housing, non-market and market housing using a variety of measures. As identified in the earlier sections, supportive housing and rental housing are of particular concern and take top priority in the *Strategy*. Alongside rental and supportive housing is a focus on housing choice in the homeownership market, particularly for moderate income households. The *Affordable Housing Strategy* provides a guiding vision and framework upon which specific policies and directions can be based.

---

### The City’s Role

In the Nelson context, there are six major roles that the City can take to enhance housing affordability for current and future residents and to assist those groups with the greatest needs.

---

#### 1 Setting Policy

Clearly expressed, consistently applied policies express the City’s commitment to facilitating and maintaining an affordable community.

*Examples:* Enshrining policy statements in the OCP and local area plans and making development applicants aware of the City’s policies and reviewing all applications through the “lens of housing affordability”.

---

#### 2 Establishing Regulations

Effective use of regulatory powers encourages the private market to build housing that is affordable for moderate income households.

*Examples:* Ensuring the zoning bylaw allows for a range of housing types, sizes, densities and parking requirements; encouraging a variety of housing choices; and using legislative tools such as amenity zoning and housing agreements.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

### 3 Making Financial Resources Available

The strategic use of the City's resources can leverage an increase in affordable housing. A proactive approach, over time, helps to solidify the City's ongoing interest in helping to facilitate affordable housing.

*Examples:* Using permissive tax exemptions; establishing a Housing Reserve Fund and/or land bank and reducing fees and charges.

---

### 4 Facilitating Partnerships

Proactive collaboration with the business community, non-profit housing providers, regional and provincial agencies can lead to creative solutions to existing and emerging housing issues. Partnerships can be targeted towards increasing the supply of affordable housing for persons with mental health, addictions and/or other special needs.

*Examples:* Providing support to a housing working group; hosting educational sessions; and collaborating with regional government on planning initiatives.

---

### 5 Educating, Advocating and Building Capacity

Dedication of staff resources, political leadership and advocacy reinforces the City's ongoing commitment to affordable housing.

*Examples:* Promoting existing programs; hosting workshops for developers/builders; advocating to seniors levels of government for changes to taxation.

---

### 6 Promoting Quality Design & Innovation

A focus on energy-conserving, and attractive design and development increases neighbourhood acceptability of new housing forms and supports the City's sustainability objectives.

*Examples:* Preparing design guidelines and brochures, working with builders on demonstration initiatives and pilot projects that illustrate innovative housing options.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010



## The Key Roles of the Non-Profit and Private Sectors

The non-profit and private sectors in Nelson are actively engaged and contribute regularly to community services and planning processes. They can act as local anchors to the implementation of the affordable housing strategy, supporting the City's initiatives and building the capacity of the community to respond to the current housing needs. Six specific roles have been identified.

### 1. Conducting Research and Needs Assessments

Reviewing and monitoring ongoing housing need to ensure that the housing strategy continues to respond to the groups that are most in need.

### 2. Working Together

Contributing to the process in a true spirit of partnership and collaboration – multiple sectors working jointly with the City to identify creative and practical solutions that are best suited to Nelson's housing situation.

### 3. Fundraising

Organizing events and campaigns to raise funds and in-kind contributions for development projects.

### 4. Identifying Opportunities

Identifying sites or buildings that are available and suited for affordable housing. The private and non-profit sectors can assist with developing an inventory of sites and opportunities (including new development, retrofitting existing buildings and other types of property regeneration) and developing criteria on how to prioritize their selection.

### 5. Design, Build & Operate

Managing the design/build process of affordable housing, usually in partnership with government or other institutions. For non-market rental housing, non-profit providers are responsible for managing the building operations and, sometimes, oversee the provision of tenant support services where appropriate.

### 6. Advocacy

Coordinating with regional agencies and groups to lobby provincial and federal governments for funding as well as changes to taxation and policy direction.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

---

## The Vision Statement

The following statement sets out a vision and commitment about housing.

“The City of Nelson is committed to a community that has a full range of housing types and tenures for current and future residents of all incomes, ages, lifestyles and abilities.”

---

## Ten Guiding Principles

The overall intent and focus of the affordable housing strategy is informed by the following principles:

- 1 Housing is a community priority that has direct implications on the social, cultural, economic and environmental sustainability of our city.
  - 2 Affordable housing means housing that costs 32% or less of a household's gross annual income, but is also safe, decent and readily attainable.
  - 3 Affordable housing issues are multi-faceted. Multiple approaches and solutions are needed.
  - 4 Low and moderate income households, particularly households with special needs, have been prioritized.
  - 5 Strategies and solutions for affordable housing must be guided by residents' housing needs and the market context – and ensuring there is diversity and choice in the housing market.
  - 6 In today's funding context, partnerships are the key to the success of new non-market housing developments.
  - 7 The role of the private sector is acknowledged. Establishing an environment that allows the private sector to innovate and build affordably is important.
  - 8 Making the best use of available assets and resource is good practice.
- 



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

- 9 Evidence-based approaches and best practices from elsewhere should inform planning and decision-making around housing.
  - 10 Regular review and monitoring of the affordable housing strategy will ensure it continues to be relevant and effective
- 

## Ten Priority Objectives

Within its jurisdiction, the City of Nelson can take actions to facilitate, promote and influence. Nine objectives are considered priorities:

- 1 Provide a clear policy and vision for affordable housing
  - 2 Champion efforts to increase the supply of supportive housing for persons with special needs
  - 3 Ensure and enforce safety standards in market rental housing
  - 4 Encourage the development of new market rental housing
  - 5 Support the development of a broad range of housing options
  - 6 Promote innovate approaches and design
  - 7 Use available financial resources and offer incentives where possible
  - 8 Support external groups
  - 9 Promote existing programs and resources
  - 10 Review and monitor Nelson's housing needs and achievements regularly
- 



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Priority Objectives → Actions

In view of the broad focus and multiple directions of the *Strategy*, a multi-pronged approach is needed. No one program or policy direction can satisfy the range of affordable housing interests and priorities in Nelson. The actions that follow respond directly to the priority objectives of the *Affordable Housing Strategy*. The following table summarizes the strategies and tasks that relate to each objective.

Priority Objective	Actions
1. Provide a clear policy and vision	<ul style="list-style-type: none"> <li>➔ Adopt <i>Affordable Housing Strategy</i></li> <li>➔ Draft policy reports and statements that complement/ support the OCP on density bonusing, secondary suites, incentive initiatives, disposition of City land, etc.</li> </ul>
2. Increase the supply of supportive housing	<ul style="list-style-type: none"> <li>➔ Set up and chair a working group (e.g. Nelson Housing Forum) to identify development opportunities and prioritize projects</li> <li>➔ Foster partnerships and promote affordable housing projects</li> </ul>
3. Ensure safety standards in rental housing	<ul style="list-style-type: none"> <li>➔ Develop a standards of maintenance bylaw</li> <li>➔ Provide information and support to tenants and landlords</li> </ul>
4. Encourage the development of new rental housing	<ul style="list-style-type: none"> <li>➔ Introduce a policy/bylaw for all new single detached homes to be designed for secondary suites and continue to streamline requirements for suites in existing houses</li> <li>➔ Introduce an infill rental housing bylaw, e.g. coach houses and suites above garages</li> <li>➔ Amend regulations to facilitate accessory rental units, e.g., suites in townhouses or above commercial buildings</li> <li>➔ Consider measures to support development of purpose-built rental housing</li> <li>➔ Consider measures to protect tenants and rental housing through notification and compensation or demolition fees or other restrictions</li> </ul>
5. Support the development of a mix of housing options	<ul style="list-style-type: none"> <li>➔ Explore opportunities for infill and intensification in low and medium density areas</li> <li>➔ Develop a density bonus policy to exchange density for affordable housing</li> </ul>
6. Promote innovative approaches and design	<ul style="list-style-type: none"> <li>➔ Develop prototypes and promote pilot initiatives as demonstration</li> <li>➔ Support the development of fee simple townhouses</li> </ul>



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

Priority Objective	Actions
7. Use available financial resources	<ul style="list-style-type: none"> <li>➔ Establish a housing reserve fund and direct funds towards affordable housing projects</li> <li>➔ Lease city-owned land</li> </ul>
8. Support external groups	<ul style="list-style-type: none"> <li>➔ Waive or reduce fees and charges for permits or connection fees</li> <li>➔ Expedite the approval process</li> <li>➔ Build the capacity of the non-profit sector</li> <li>➔ Partner with Selkirk College trades program</li> </ul>
9. Promote existing programs and resources	<ul style="list-style-type: none"> <li>➔ Communicate housing-related information through dedicated web page of documents, information sheets, sessions and events</li> </ul>
10. Review & monitor the Strategy regularly	<ul style="list-style-type: none"> <li>➔ Produce a progress report on a regular basis</li> </ul>

## Priority Objective 1

### Provide a clear policy framework for planning and decision-making

*The strategies and related actions will guide the planning and decision-making on affordable housing in general. They are not specific to any one group.*

#### Action 1 – Adopt the Affordable Housing Strategy

- ☀️ Adopt the *Affordable Housing Strategy* as a guide for planning and decision-making and as a demonstration of the City’s continuing commitment to affordable housing.

#### BC Examples

- ▶ **Nanaimo** – The Homelessness Action Plan led to an Memorandum of Understanding with the Province – 160 units in five projects <http://www.nanaimo.ca/EN/main/departments/Community-Planning/4302/49740.html>
- ▶ **Revelstoke** – The Affordable Housing Strategy examined issues and solutions for resort communities. The City approved inclusionary zoning that requires non-market dwelling contributions for additional density. <http://www.cityofrevelstoke.com/pdf/RevAffHousingStrategy-FINAL.pdf>
- ▶ **Squamish** – A 2005 Affordable Housing Strategy led a housing reserve fund, a secondary suites bylaw, and the negotiation of below-market priced units in major development projects. <http://squamish.ca/files/Affordable%20Housing%20Strategy.pdf>



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

Page 13

## Action 2 – Draft policy reports and statements

The City of Nelson has been in the forefront in its policy documents, notably its 2008 Official Community Plan, as highlighted on the next page. As a follow-up on this work, the City should

- ☀ Proactively use policies and priorities of the *Affordable Housing Strategy* when developing area plans and neighbourhood-level plans. At the local level planning stage, policies and priorities will offer direction on design, form and density that is best suited to the area or neighbourhood.
- ☀ At the time of the next OCP Update, amend existing policies and introduce additional policies that further facilitate affordable housing according to the ten priority objectives outlined in this strategy.
  - ▶ Introduce policies that encourage appropriate infill and sensitive intensification in low density neighbourhoods.
  - ▶ Amend the secondary suites policy to support accessory dwellings in the form of suites above garages and coach houses in appropriate locations.
  - ▶ Introduce policies that support the implementation of alternative health and life safety standards for secondary suites and enhance the level of municipal enforcement of those standards.
  - ▶ Develop a policy for the disposition of surplus civic property and consider affordable housing options for those sites.
  - ▶ Provide some additional focus on partnership building with non-profit housing providers and the role of the City in supporting approvals, building capacity or contributing grants or long-term leases.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## City of Nelson's Policies

Nelson's 2008 Official Community Plan (OCP) expanded its focus to include affordable housing as a priority issue. Section 5 deals with *Affordable, Rental and Special Needs Housing* by stating that the City will:

- Consider density bonuses for affordable housing projects provided the development is compatible with its surroundings.
- Encourage retention of existing good quality multi-unit rental accommodation by enacting bylaws which discourage demolition of multi-unit housing and stratification of rental units during times of low rental vacancy rates.
- Consider vacating unused rights of way to increase supply of land within the City suitable for residential development.
- Encourage senior-specific housing for seniors who do not desire to stay in their homes.

The *Social Policies* section of the current OCP also addresses affordable housing. It states that the City will:

- Undertake a review of the City's Zoning Bylaw to identify methods to increase housing affordability, through innovative methods of increasing densities.
- Continue to investigate ways to encourage affordable seniors housing development through senior government grants, programs and legislation

Nelson's OCP supports further investigation of ways to provide more affordable, rental and special needs housing, including policies that:

- Require developers to provide a percentage of units as affordable or a cash-in-lieu contribution when a development application increases density above existing zoning.
- Examines tools and mechanisms to facilitate affordable housing including a policy for disposition of un-needed civic property.

Nelson amended its zoning bylaw in 2009 to permit secondary suites in all residential zones:

- Any existing lot or parcel of land can be developed with a single family residential unit with secondary suite or as a two family dwelling.

Through its *Permissive Tax Exemption Policy*, Nelson provides a property tax exemption to:

- Non-profit organizations that provide programs and/or facilities used by youth, seniors or other special needs groups.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Priority Objective 2

---

### Increase the supply of supportive housing

#### *Actions targeted to Group #1 - Households with Special Needs*

Partnerships have proven to be the best way to increase the supply of affordable housing. With limited government funding and borrowing, there has been an interest in exploring other funding sources, including the philanthropic and private sectors. The greatest cost component of non-market rental housing is the **operating subsidy** (monthly subsidy to make up the shortfall between rents and actual operating costs, including mortgage payments). BC Housing is the primary source of operating subsidies, although the health authorities and non-profit organizations have also been known to make a contribution to the ongoing operational costs.

For BC Housing funding to be secured, the development project must target specific groups – for those in greatest housing need and for which a funding program is available. In recent years, BC Housing’s programs have focussed on people who are homeless or at-risk of homelessness.

#### Action 1 – Establish a Housing Working Group

- ☼ Set up a working group dedicated to the development of supportive housing. This committee would have a two-year term to monitor and assist in the implementation of this Strategy. Such a committee would have representation from key stakeholder groups including Council, staff, the development community, the business community, the non-profit housing community, and social service providers. The mandate and terms of the Nelson Housing Forum could be revisited for this purpose.
- ☼ This should include representatives of the real estate/development community, social service providers and other government agencies. It is proposed that the City of Nelson act as a chair and coordinator for this group. The terms of reference for the group would need to be determined at the outset, but could include:
  - ▶ Developing an inventory of potential sites and assets available in the community, i.e. owned by the City, non-profit groups or private sector. This may include vacant land, buildings that require upgrades or retrofitting; and other properties that are well-suited to regeneration or redevelopment.
  - ▶ Establishing criteria for selection and prioritization of one or two projects at a given time.
  - ▶ Identifying potential sources of funds, participating in fundraising campaigns, applying for grants and lobbying for government support.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010



## Action 2 – Foster Partnerships for Affordable Housing

☀️ Bring together potential partners and groups with the capacity and interest in working towards the development of affordable housing. Such initiatives are often longer term in nature and involve the leadership, commitment and resources of multiple players. The City can play an important role as a facilitator with community partners, service providers, the development community, non-profit housing organizations and BC Housing. The City can also promote projects and build interest with government agencies and politicians. Partners typically include:

- ▶ **Non-profit housing providers** or other community service providers to take a lead in the development or acquisition of new housing.
- ▶ **Senior levels of government** such as BC Housing or Canada Mortgage and Housing Corporation provide critical funding, financing and resources.
- ▶ **Health authorities** occasionally partner on projects to provide staffing and support services or other operational funding for supportive housing.
- ▶ **Private market developers** that contribute to the development of affordable housing projects through direct build or other community amenity contribution.
- ▶ **Lending institutions** that use innovative mortgage products (e.g., laddered mortgages, second mortgages) to support individuals and families (with good credit records but limited cash flow) to access homeownership. Local credit unions and branch offices are often a source of advice; some offer homeownership literacy programs.



*Seniors Complex, Cedar Grove Estates  
Nelson and District Housing Society*



Strategy



ing

he  
n

- ▶ **Community organizations** such as the **Columbia** Basin Trust, BC Real Estate Foundation and other foundations have been a source of grants for some housing providers.
- ▶ **Educational Institutions**, particularly Selkirk College, can contribute to development projects with students, labour, research and other expertise.

### BC Examples: Supportive Housing Partnership Projects

- ▶ **Vernon** – A \$1.9 million Habitat for Humanity development, Under One Roof, opened in 2010, providing five apartments of supportive housing for people with developmental disabilities and one condo for affordable homeownership. The Province provided a \$600,000 grant toward the capital cost, the City provided land valued at \$135,000. Thirteen students contributed to the project as part of their Residential Construction program and several businesses contributed cash or in-kind contributions.
- ▶ **Cranbrook** – A \$6.3 million supportive housing development in Cranbrook was developed for women and children leaving abusive relationships. The Province contributed \$5.8 million in financing, plus \$250,000 for the land which will be leased to the Canadian Mental Health Association – Kootenays. The Real Estate Foundation and the Columbia Basin Trust contributed a total of \$225,000. This second stage housing will provide stability and support to women in need.
- ▶ **Nelson** – Lake View Village is a private run facility with 90 independent and assisted living suites for seniors. The \$13.7 million development was a unique partnership of the Columbia Basin Trust, BC Housing and Golden Life Management that resulted in a 25-year agreement to subsidize 13 units for low income households. BC Housing assisted with capital financing through BC Housing Endowment Fund and Kootenay Savings Credit Union provided mortgage financing.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Objective 3

### Ensure safety standards of rental housing

*Actions targeted to Group #2 - Low and Moderate Income Renters*

#### Action 1 – Develop a Standards of Maintenance Bylaw

- ☀ The intent of this strategic direction is to address health and life safety standards in existing rental buildings and secondary suites. The City is encouraged to adopt a *Standards of Maintenance* bylaw for rental housing. The bylaw can be used to enforce that apartment buildings, secondary suites and other dwellings, that are rented, meet basic levels of maintenance. The City can use the bylaw to require repairs to rental units and proactively use its bylaw enforcement powers to urge upgrading – and where necessary closure – of blatantly substandard rental premises, as provided through the legislative authority of Sections 63 and 64 of the *Community Charter*. In the case of secondary suites, a complaint by a tenant under this bylaw could result in unauthorized suites being upgraded to meet the standards without necessarily being shut down for non-compliance with other bylaws, e.g. zoning.



#### Action 2 - Provide Information and Support to Landlords and Tenants

- ☀ The City can provide information to tenants and landlords regarding their rights and responsibilities. This could include fact sheets and safety checklists that are made available at City Hall as well as off the City website. The City can further support the work of good landlords and property management groups by developing a “good landlord list.” To be effective, this would need to involve the Police, Fire Department and City bylaw enforcement officers and include annual inspections of apartment buildings and private properties. Participating buildings could be given a certificate or sticker verifying that they meet the City’s standards. A similar program has been adopted in other cities by the name of the Crime Free Multi-Housing Program. *Weblink:* [www.bccpa.org/cfmh/](http://www.bccpa.org/cfmh/)



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Objective 4

### Encourage the development of new rental housing

---

#### *Strategies targeted to Group #2 - Low and Moderate Income Renters*

Secondary suites are an important form of rental housing with recognized benefits for homeowners, renters and the community that, with appropriate regulations, can fit well with the character of Nelson's established and new neighbourhoods. The inclusion of a suite at the time of construction of a new detached dwelling presents a prime opportunity to add to the rental supply.

#### Action 1 – Develop a “Suite Ready” Policy

- ☼ The City has had a progressive secondary suites policy in place since 1987 and has been successful at negotiating the development of secondary suites in new dwellings. The City could further these efforts by introducing a policy that supports the development of secondary suites in all new detached homes. Making a home “suite ready” is generally less costly than it would be to try to retrofit an existing house.
  - ▶ Where “suite ready” programs are in place, provisions are made for independent heating systems (e.g. gas fireplace in the future suite area); fire separation; inter-connected smoke detection; and a separate entrance to the unit from the exterior.

#### Action 2 – Continue to Streamline Secondary Suites Requirements

- ☼ To further facilitate the legalization of secondary suites, the City can review and modify its minimum health and life safety requirements for secondary suites in existing dwellings. Existing suites may be brought into compliance with the *BC Building Code 2006* or with equivalent “alternative health and life-safety standards” developed by the City of Nelson. The City can support the legalization of secondary suites through the development of policies and reduced standards that would cover some of the more costly aspects associated with legalization, for example:
  - ▶ Fire separation/compartmentalization for interior doors and ceilings
  - ▶ Minimum ceiling height for required area of suite
  - ▶ Proof of proper installation for electrical, plumbing and gas fittings
- ☼ As an added incentive for suite legalization, the City should consider reducing the utility rate for legal secondary suites from 80% to no more than 40% of the water and sewer utility rate for the primary unit. Many



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

municipalities do not charge any additional utility fees for the secondary suite.

### Action 3 – Introduce an Infill Rental Housing Bylaw

- ☀ Introduce a bylaw that allows infill housing in low density neighbourhoods as **laneway housing, coach homes or suites over garages**. To regulate the impact on existing residential neighbourhoods, the City can develop regulations and design guidelines that ensure the small houses fit in with the neighbourhood and minimize the impact on privacy, parking and backyard space. Vehicle policies could differ on different sites (e.g. corner vs. mid-block lot) and different areas of the city (e.g. relaxing parking requirements for Downtown properties). Appendix C in the companion document – Housing Needs Report – presents a sample of practice for “laneway housing” from other communities.

#### For Example: Accessory Infill Housing

Examples of municipal practice around accessory infill housing on single detached properties – known as *granny suites, suites above garages, carriage houses, coach houses and laneway homes*. This housing form is seen to provide alternate housing forms, less interruption of existing street forms and greater compatibility with adjacent residential development.

- 🏠 Delta – The District of Delta adopted zoning bylaw amendments (2007) to introduce an RS9 *coach house* zone (330 m<sup>2</sup>) and subsequently published design guidelines for coach houses specifically for the community of Ladner.
- 🏠 Maple Ridge – Detached, accessory *garden suites* in residential zones were approved in the District of Maple Ridge in 2008. Detached suites can range in size from 398 sqft to 968 sqft but cannot exceed 10% of the lot area. Suites are for residential use and cannot be strata titled or subdivided.
- 🏠 North Vancouver City – *Accessory coach houses* are now permitted in the City of North Vancouver. The draft guidelines address such matters as lot size, location on the lot, building size, height, parking, open space, and special approval process requirements.
- 🏠 Kelowna – Kelowna permits accessory dwelling units (laneway house or guest cottage) in selected zones. In addition to the requirements associated with the the development permit, additional guidelines have been developed to limit the impact of housing on hills and ridges.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Action 4 – Amend Regulations to Facilitate Accessory Rental Units

- ☀ Investigate the potential of allowing accessory suites in new duplexes or townhouses. Self-contained units in duplexes and townhouses can increase the density in an area, while maintaining the character of a low or medium density area. The revenue generated from the suites can assist low and moderate income households to maintain homeownership, while providing rental housing.



- ☀ Municipalities can support the development of rental housing above commercial uses or in other buildings in the Downtown or other centrally-located areas. To support such developments, parking requirements for housing units could be waived entirely if the units are restricted (with a covenant on title) as rental housing for local employees.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

### For Example: Flex Townhouse Units

BC municipalities are exploring ways to facilitate affordable homeownership for low and moderate income families.

- 🏠 **Abbotsford** – Through a partnership between the City, CMHC and the Van Maren Group, the Harmony Flex-Townhouse Development opened in 2010 as 11 units of affordable homeownership. CMHC provided \$240,000 towards 10 secondary suites and assistance to working families earning less than \$60,000 per year. The secondary suites will help make homeownership more affordable and provide rental housing for low-income seniors or persons with disabilities.
- 🏠 **Saanich** – Five units of affordable homeownership make up the Bethune Flex Plex. The townhouses were constructed through Habitat for Humanity and the CHBA-Victoria. CMHC put in \$144,000 towards 3 secondary suites, the Province provided a \$500,000 grant, and Saanich created zoning to allow rental accommodation. Families put in 500 hours of labour towards the construction of the homes and organizations made donations in funding and supplies.

## Action 5 – Consider Measures to Support Purpose-Built Rental Housing

- ☀️ Develop a program to encourage the development of purpose-built rental housing. This may include the provision of density bonusing for projects in exchange for rental units that are maintained as rental for a time, say, 10 years.
  - ▶ Additional measures include waiving taxes, fees or parking requirements to further encourage the development of rental housing. In this current real estate market context, it is anticipated that rental housing will primarily be developed in conjunction with other commercial, mixed use or condominium developments.

### For Example: Rental Housing Incentives

- 🏠 **Vancouver** – The City’s Short Term Incentive Rentals (STIR) program provides incentives to encourage the private sector to develop rental housing and increase the supply of market rental housing secured over time. Incentives include reduced property taxes, waiving of development cost levies on rental units, reduced parking standards and increased density.
- 🏠 **Surrey** – Rezoning applications for multi-unit rental housing are given priority over other applications at all stages of approvals, essentially cutting the application time in half. Over 450 units have taken advantage of the program.



Affordable Housing  
Strategy

## Action 6 – Protect the Loss of Existing Rental Housing

- ☀️ Review the City of Nelson’s policies concerning strata conversion and manufactured home park redevelopment. Three options may be considered:
  - ▶ Introducing a demolition fee as a disincentive for conversion
  - ▶ Introducing a moratorium on the redevelopment of purpose-built rental properties or manufactured home parks (where a rezoning is required).
  - ▶ Negotiations could be undertaken with the developers seeking conversion of a rental building or redevelopment of a manufactured home park. A request could be made for a contribution to affordable housing as rental units as part of the new development or a cash contribution that is directed to a Housing Reserve Fund.

Prepared for the  
City of Nelson

July 2010

- ☼ Where an application for conversion is made, consideration could be given to the following approaches to support existing tenants:
  - ▶ Providing adequate notice to current tenants.
  - ▶ Filing a statement to the City outlining what provisions will be made to existing tenants to assist in their relocation.
  - ▶ Increasing the time requirement for tenant notification to a minimum of six months.

## Objective 5

### Support the development of a mix of housing options

#### *Actions targeted to Group #3 - Moderate Income Households Seeking Homeownership*

In its regulatory role, primarily through zoning and subdivision, the City has considerable influence in achieving the priority objective of increasing housing choices. Appropriate infill and intensification has the potential to increase the diversity of the product mix in low and medium density neighbourhoods. This has the potential to facilitate more affordable homeownership, increase the supply of rental housing and allow seniors more opportunities to “age in place”.

#### Action 1 – Explore Opportunities for Sensitive Infill and Intensification

- ☼ Undertake a detailed investigation of subdivision and housing forms that lead to more affordable ownership possibilities. For medium density areas, consider:
  - ▶ Reduce parking requirements Downtown and other areas located near commercial services and transit.
  - ▶ Examine amendments to the OCP in response to the 2009 amendments to the *BC Building Code* to allow six-storey woodframe construction in the Downtown or other suitable areas. Applications for this type of development are being considered in municipalities throughout BC. Most typically, developers are considering this form on narrow or unusual parcels where it is advantageous to build 6-storey woodframe.
- ☼ For low density areas, consider:
  - ▶ Subdivision of larger lots to small lots and the development of multiple detached units such as cottage housing (four detached units on one lot) under certain conditions.



Affordable Housing  
Strategy



Prepared for the  
City of Nelson

July 2010





- ▶ Explore opportunities for infill that is in character with existing low density neighbourhoods with particular emphasis on infill for laneway housing and suites over garages. (See Objective 4, Strategy 3)
- ▶ Allow secondary suites in duplexes or townhouses. (See Objective 4, Action 4)
- ▶ Minimize the parking requirements for infill housing to ensure that the off-street parking requirements are not prohibitive.

#### For Example: Infill, Intensification & Innovation

- 
**Coquitlam** – The City’s Housing Choices Study was undertaken in 2007 to facilitate infill and intensification of low density neighbourhoods. This included neighbourhood area plan policies, a zoning bylaw review, checklists, design guidelines to encourage the redevelopment of detached housing to triplex, duplex with coach house, fourplex, and small lot configurations.
- 
**Port Coquitlam** – In 2003, the City amended its OCP to allow for a new zone for freehold tenure row housing projects. The zoning bylaw was amended so that development applications would no longer need to apply for an OCP Amendment.

### Action 2 - Develop a Density Bonusing Policy

- 
 Develop a consistent approach to density bonusing as a mechanism to increase the supply of affordable housing.
  - ▶ For example, for projects of 20 or more dwellings, if a rezoning is required, the City could require applicants provide an amenity “affordable housing” contribution in the form of a percentage of dwellings, either as rental housing for a specific time period, below-market units as ownership housing for first-time buyers who meet eligibility criteria, as a financial contribution in-lieu of these requirements, or a combination of these. The dwellings could be secured either through a housing agreement (Section 219 covenant) or a phased development agreement.
- 
 Explore opportunities to seek affordable housing through below market or low end of market-priced units.
  - ▶ While a density bonusing policy will provide a guide for planning, the level and type of contribution could be negotiated on a project basis to ensure that the most suitable benefit is provided. A general rule of thumb can be introduced that anticipates 10% to 15% of units that are priced below market or 25% to 30% that are at the low end of market. Similarly, a rental housing requirement could be negotiated if that is best suited to the project.





Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## For Example: Density Bonusing Approaches



-  **Burnaby** – The Community Benefit Bonus Program facilitates the development of affordable housing and amenities in distinct parcels in the town centre. Bonus density is used in conjunction with comprehensive development zoning and is based on a formula – Bonus Floor Area (sf) multiplied by Market Land Value (\$ per buildable sf). Thus, the value of the amenity received is equivalent to the increased value of the property arising from the density bonus. The density bonus bylaw sets the conditions by which the maximum floor area ratio (FAR) may be increased.
-  **Langford** – The City adopted a housing policy in 2004, updated in 2007, to deliver affordable detached dwellings in new subdivisions through an amenity zoning bylaw using density bonusing provisions. In these areas, rezoning applications of 10 or more lots must include small affordable lots. For every 10 detached lots, the development must provide one affordable housing unit. The maximum sale price is restricted by a housing agreement. An Affordable Housing Committee reviews applications of prospective purchasers to determine eligibility.

## Objective 6

### Promote innovative approaches and design

*Strategies targeted to Group #3 - Moderate Income Households Seeking Homeownership*

#### Action 1 – Develop Prototypes and Promote Demonstration Initiatives

-  Examples and best practices in housing forms are evident throughout BC. The City can draw on these examples and develop housing prototypes that are best suited to Nelson’s streets and neighbourhoods. These prototypes could present examples of innovative housing forms: front-back duplexes; zero-lot line housing; detached cottage housing with shared yard and parking; and coach houses on properties with or without lanes. Information guides can be developed that present these examples and illustrate the possibilities – ability to create housing options, preserve the character of a neighbourhood, improve the streetscape and implement high quality architecture and design.
-  To further demonstrate these types of innovation, a call for proposals could be made for builders, developers and home owners interested in working on innovative housing pilot projects. The City could then work with selected developers to introduce demonstration projects in certain neighbourhoods and expedite approvals. These demonstration projects could be promoted through public displays, in the local newspapers and on the City’s website. These pilot initiatives may result in amendments to the zoning bylaw to further streamline the approval process for such projects.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Action 2 - Promote the development of fee simple townhouses

- ☼ Fee simple ownership townhouses is permitted in Nelson as an alternative to strata-title townhouse condominiums. With municipal support and the use of party wall agreements, fee simple rowhousing projects have been introduced in a number of communities throughout BC. The municipality can further support this type of development through information sheets, over-the-counter conversations with local builders and developers and supporting local demonstration examples. Some of the advantages of a fee simple townhouse is that there are no “strata fees”, nor strata bylaws, and the homeowner is responsible for maintenance.

## Objective 7

---

### Use available financial resources

*Actions to support initiatives that target Groups #1, 2 or 4.*

Typically, local governments provide either land or staff resources, or a combination of both. A few local governments have a long history of land banking for affordable housing (e.g., Saskatoon, Vancouver), but most local governments have few and scattered land holdings, and these are not always well located for housing purposes. However, if land is a possible contribution to a partnership, this is a significant contribution – whether as a long-term lease at below-market rates, or as a discounted sale.

### Action 1 – Establish a Housing Reserve Fund

- ☼ Develop the terms of reference for the operation of a housing reserve fund account that is dedicated for affordable housing. This fund can be used to buy land and/or provide grants to non-profit housing providers and support other affordable housing initiatives.
- ☼ A housing working group (See Objective 2, Strategy 1) could be set up to advise on the allocation of affordable housing dollars in the Fund by developing criteria for project selection and expectations.
- ☼ Direct funds from density bonusing initiatives or other sources that are earmarked for affordable housing into the City’s housing reserve fund.

### Action 2 – Lease City-owned land

- ☼ Where opportunities arise, the City can consider leasing its own land for the purposes of affordable housing or non-market housing.
- ☼ Similar to the housing reserve fund, the City can create a land reserve or land bank as a mechanism for acquiring a supply of serviceable land for



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

affordable housing and other purposes. It is recognized that the City currently has a land bank which needs to be reviewed for its suitability for development in general and for affordable housing in particular. The housing working group could further advise on the acquisition and disposition of reserve land. (See Objective 2, Action 1)

## Objective 8

### Support external groups

*Actions to support initiatives that target Groups #1, 2 or 4.*

#### Action 1 – Waive or Reduce Permit Fees or Charges

- ☀ To further leverage partnership projects, the City should consider waiving or reducing fees related to building and development permits. An alternative to this approach would be providing grants in lieu to offset the costs associated with water/sewer connection fees or other permit fees on a case-by-case basis.
- ☀ The City currently grants property tax exemption to organizations that further Council’s objectives of enhancing quality of life and delivering services economically. The exemption applies to non-profits who own the land and/or improvements to provide community service programs to the public or facilities that are used by youth, seniors or other special needs groups among other purposes. This practice should be continued.

#### Action 2 - Expedite the Approval Process

- ☀ Provide assistance to non-market housing providers by:
  - ▶ Assigning a staff person to shepherd non-market housing proposals (new builds and conversions of existing properties) through the development review and approvals process.
  - ▶ Streamline or fast-track applications that involve rental, non-market or seniors housing.

#### Action 3 – Build the Capacity of the Non-profit Sector

- ☀ Non-profit housing providers have provided an invaluable contribution to communities across the country. Some providers, particularly seniors service clubs, have faced difficulties attracting new Board members and have struggled to expand or enhance their portfolio. The municipality can seek funding or resources from organizations such as the BC Non-Profit Housing Association or Columbia Basin Trust to:
  - ▶ Facilitate strategic planning sessions between local non-profits;



- ▶ Consider encouraging the amalgamation of small societies;
- ▶ Seek innovative solutions and ideas on how to embark on new projects or best manage existing units; and
- ▶ Identify approaches for regeneration of non-profit land and building assets.

## Objective 9

---

### Promote existing programs and resources

*Actions that are not specific to any one group.*

#### Action 1 – Communicate Housing-related Information

- ☼ Through its existing channels of communication, the City can assist other levels of government distribute information about housing and tax programs, helping to raise awareness and increase residents' access to potential grants, loans and other benefits. Examples of programs that can be promoted include:
  - ▶ BC Housing Rental Assistance Program – provides cash assistance to eligible low-income, working families with at least one child under age 19 and a household income of less than \$35,000.
  - ▶ CMHC's Residential Rehabilitation Assistance Program – offers a forgivable loan for the creation of a secondary suite for low-income seniors or adults with disabilities.
- ☼ Use the City of Nelson's website to provide housing information and to promote housing programs and initiatives.
- ☼ Educate landlords about basic health and life safety standards for rental housing and provide information about the rights and responsibilities of both tenants and landlords.
- ☼ Develop and distribute information sheets on innovative housing forms and concepts to encourage innovation in housing.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Commentary: Approaches for Non-Profit Housing Sector

As noted, the City of Nelson may not always have the resources or capacity to facilitate the development of non-market housing projects. The non-market housing community can, and often will, take the lead in fundraising, promoting and lobbying for new initiatives. In today's current funding climate, the following five approaches have had success in BC communities – making the best use of available assets – most typically through partnership initiatives. Active participation and leadership by the local municipality is advantageous for the success of such projects.

1. **Market Rental** – Acquisition and renovation of existing buildings to provide low-end of market rental housing. Eligible renters may be lower income households whose incomes are too high to qualify for a housing subsidy. Non-profit providers and corporations are known to borrow against their existing assets and BC Housing has provided financing. Eg. Greater Victoria Housing Society and Housing Foundation BC.
2. **Supportive Housing** – This involves the identification of a smaller site or acquisition (e.g. 30-35 units), bringing together key partners, raising funds and seeking municipal support and preliminary approval. With this, the project becomes “shovel ready” and is more desirable to the Provincial government as a potential project. Efforts to lower the overall capital costs will improve the operational viability of the project. Support service funding from the regional health authority is advantageous. While there would still be no funding guarantees, shovel ready projects are more likely to be supported.
3. **Mobile Support Services** – Evidence-based practice has shown that housing that is integrated with support services has had positive outcomes for individuals who are at-risk of homelessness. Tenant support can assist individuals to maintain their housing and provide links or direct access to clinical and social services. Many organizations have assisted their clients to access independent housing that is scattered throughout the private market by providing a rent supplement. Then, support is provided through a mobile homeless outreach worker OR through a mobile Assertive Community Treatment (ACT) team that provides multi-disciplinary services such as nursing, counselling and housing support.
4. **Retrofitting** – One option is retrofitting older buildings that are approaching the end of their economic life or that no longer meet the functional and changing needs of their clients, e.g. too small or not wheelchair accessible. Depending on upgrades required, a non-profit may be able to reduce the reliance on government financing and funding, especially when bringing equity to the table. However, the lower the projected rents, the higher the ongoing operational costs will be and the need for an ongoing subsidy. If the non-profit is unable to finance the building operations independently, then an operational subsidy from senior government funding will need to be negotiated.
5. **Regeneration** – To make the best use of their land and building assets, many non-profits, especially faith-based or seniors clubs, have looked at the regeneration of their properties. This may involve the development of a mixed use project that could increase the density of their property and include projects that could help offset the costs of the non-market housing units. The range of ideas and possibilities will depend largely on the site and project opportunities in the area.
6. **Social Enterprise Housing** – A term that is used to refer to retrofitting or regeneration projects that make the best use of existing land and building assets. Commonly used by BC Housing.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## Objective 10

---

### Review and monitor affordable housing strategy

*Strategies and related actions are not specific to any one group.*

#### Action 1 – Produce a Progress Report to Monitor Achievements Regularly

- ☀ Produce and distribute a progress report on affordable housing every three years. This report can serve to update Council and offer an opportunity to inform and solicit community opinion. The report would focus on an update of key indicators, but also a discussion of completed tasks and ongoing actions. This type of report will facilitate a “re-group” and review of the Strategy and refocus efforts and discussions towards the objectives of the Strategy and to what extent these are being pursued and achieved.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010





## SECTION 3 NEXT STEPS: IMPLEMENTING THE STRATEGY

### Implementation Timeline

A general timeline is proposed for implementing the *Affordable Housing Strategy*, which acknowledges the City's limited resources. The progressive implementation of the directions of this strategy will be important as the City prepares for continued growth and economic diversification. With the cooperation of the local development community and active engagement social service and non-market housing providers, Nelson will be regarded as a community that is affordable for people of all incomes, ages and abilities.

Table 5-1 sets out recommended time frames for implementation of the strategic directions. Short-term priorities are considered to be immediate and intended to be addressed before the end of 2010. Medium priorities are to be addressed over a two-year horizon including 2011 and 2012. Long-term priorities are more complex in scope and will require a longer period to implement. These may be completed from 2012 onward.

At the end of this period, an overall assessment of the City's achievements in the area of affordable housing will be warranted. A revised timeline and update to the Strategy could also be developed at that stage.

Priority Objectives + Actions	Short-Term	Medium-Term	Long-Term
<i>1 - Provide a clear policy and vision for affordable housing</i>			
Adopt Strategy in principle	■		
Draft policy statements	■	■	
<i>2 - Increase the supply of supportive housing</i>			
Establish a working group	■		
Foster partnerships	■	■	
<i>3 - Ensure safety standards in rental housing</i>			
Develop a standard of maintenance bylaw	■		
Support development of Crime Free Multi-Housing Program		■	
Review health and life safety standards	■	■	
<i>4 - Encourage the development of new rental housing</i>			
Review secondary suites bylaw	■		
Introduce suite ready policy		■	



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

Priority Objectives + Actions	Short-Term	Medium-Term	Long-Term
Draft policy for infill housing - coach houses etc.			
Investigate incentives for purpose-built rental			
<i>5 - Support the development of a mix of housing options</i>			
Explore infill/intensification in low + medium density areas			
Establish a density bonus policy			
<i>6 - Promote innovative approaches and design</i>			
Develop prototypes of housing forms			
Promote pilot initiatives as demonstration			
Encourage development of fee simple rowhousing			
<i>7 - Use financial tools and incentives</i>			
Create a Housing Reserve Fund			
Lease City owned land			
<i>8 - Support external groups</i>			
Dedicate staff time			
Expedite approval process			
Waive fees, charges or provide grants in-lieu			
<i>9 - Promote existing programs and resources</i>			
Dedicate web page to links and information resources			
Make information available on best practices			
<i>10 - Review and monitor strategy regularly</i>			
Produce a progress report on a regular basis			



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## In Closing

As noted earlier in the Strategy, the City of Nelson, together with community partners, has been proactive in addressing housing concerns for several decades. The 2008 OCP reinforces the City's commitment and the Nelson Housing Forum, coordinated by the City, has brought many interests together to pursue more opportunities for affordable housing.

To remain an effective facilitator, the City of Nelson will need to increase staff resources to a number of action areas, including: the preparation and dissemination of information; working with non-profit housing providers; and monitoring and reporting on the City's progress towards the goals and objectives of this Strategy.

## Appendix A – Legislative and Program Context



# APPENDIX A - THE LEGISLATIVE AND PROGRAM CONTEXT

## LEGISLATIVE CONTEXT

From a legislative context, BC has both regulatory and empowering statutes related to housing. In summary:

- ▶ The *Local Government Act* sets out specific requirements (e.g., OCP) and specific opportunities (e.g., amenity zoning) in Part 26.
- ▶ The *Community Charter* provides municipalities with flexibility to use their regulatory powers in a way that responds to local issues and priorities. If housing is a significant local issue, municipal councils can be proactive.
- ▶ The *Building Code 2006* contains specific provisions for new and existing Secondary Suites.
- ▶ The *Manufactured Home Park Tenancy Act* sets out provisions related to the rights and obligations of tenants and landlords.
- ▶ The *Strata Property Act* comes into play in relation to converting rental housing into strata buildings.

### *Local Government Act*

The Local Government Act (LGA) requires an OCP to include housing policies of the local government respecting affordable housing, rental housing and special needs housing.

The LGA provides flexibility to allow higher density (amenity zoning) in return for the provision of affordable and special needs housing, enables a local government to enter into a registered housing agreement with a land owner regarding the occupancy of the housing units in terms of tenure, classes of person, administration of the housing units, rents and lease, sale or share price, and allows for variation of development cost charges (DCCs) according to different sizes or numbers of lots.

The LGA also provides a local government authority to waive or reduce a DCC for not-for-profit rental housing, including supportive living housing, for-profit affordable rental housing, and a small lot subdivision designed to reduce greenhouse gases (Section 933).

The LGA also stipulates that the *BC Building Code 2006* applies to all municipalities. Part A-9.36.1.2 of the Code applies to “Secondary Suites”. This was incorporated following a comprehensive policy review and resulted in reduced requirements for



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

things such as ceiling heights, and fire safety provisions. Some municipalities have opted to establish their own framework of “equivalent requirements” for existing suites where it is difficult to achieve the requirements of the *Code* the interests of facilitating their legalization.

### ***Community Charter***

The *Charter* gives municipalities the authority to legislate in relation to a number of broadly stated “spheres of jurisdiction”. Section 224 of the Charter sets out clear authority for a municipality to provide a property tax exemption “for a specified term where land or improvements are owned or held by a charitable, philanthropic or other non-profit corporation”.

Sections 63 and 64 outline the power of a municipal council to develop standards for manufactured home parks and rental property towards the “protection of persons and property”. Such standards cannot, however, exceed those established by the Provincial building regulations.

### ***Manufactured Home Park Tenancy Act***

The legislation governing manufactured homes in British Columbia is the *Manufactured Home Park Tenancy Act (MHPTA)*. The *Act* addresses tenant notification and compensation in a redevelopment situation and states that the landowner must give twelve months of notice to a tenant prior to ending a tenancy due to redevelopment. All necessary permits and approvals must be in place at the time of notification.

The *Act* also necessitates that a landowner give the tenant a payment equivalent to twelve months of rent under the terms of the existing tenancy agreement. This payment must be made on or before the effective date of the notice to end the tenancy. The landlord may end a tenancy agreement to convert all or significant part of a Manufactured Home Park to a non-residential use or other residential use.

### ***Strata Property Act***

This legislation comes into play in relation to rental housing. In order for an owner to convert an existing rental building into strata lots, s/he requires approval of the “approving authority”. The *Act* specifically allows an approving authority to consider, among other things, “the priority of rental accommodation over privately owned housing in the area.” If the approving authority approves the conversion, it may impose conditions.



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

## GOVERNMENT PROGRAMS

**BC Property Tax Deferral Program.** Homeowners who have lived in BC for at least one year may defer payment of their property taxes on their principle residence if they are 55 years or over or have a disability. An applicant must have 25% equity in their home to qualify for tax deferment. The deferment is a low interest loan program that must be fully repaid before the home can be transferred to a new owner or upon death of the agreement holder.

- [http://www.sbr.gov.bc.ca/individuals/Property\\_Taxes/Property\\_Tax\\_Deferral/about.htm](http://www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Tax_Deferral/about.htm)

**BC Financial Hardship Property Tax Deferment Program.** This is a loan program that allows a homeowner who is currently experiencing financial hardship due to the current economic conditions to defer paying property taxes. The program is in effect for 2009 and 2010 taxes.

- <http://www.sbr.gov.bc.ca/>

**BC First Time Home Buyers Program.** The program allows eligible purchasers, first time home buyers who meet the criteria, to claim an exemption from the Property Transfer Tax if the fair market value of the home is less than the threshold amount. In February 2008, the threshold was established as \$425,000.

- [http://www.sbr.gov.bc.ca/business/Property\\_Taxes/Property\\_Transfer\\_Tax/first\\_Time\\_home\\_buyer.htm](http://www.sbr.gov.bc.ca/business/Property_Taxes/Property_Transfer_Tax/first_Time_home_buyer.htm)

**BC Rental Assistance Program.** This program, administered by BC Housing, provides eligible low-income, working families with cash assistance to help with their monthly rent payments. To qualify, families must have a gross household income of \$35,000 or less, have at least one dependent child, and have been employed at some point over the last year.

- <http://www.bchousing.org/programs/RAP>

**BC Non-Profit Housing Programs.** BC Housing is the Provincial government's agent for the delivery of programs that create new affordable non-market housing. The programs vary in response to housing needs and are communicated by a "proposal call" approach.

- <http://www.bchousing.org/programs/proposals>

**Federal Residential Rehabilitation Assistance Program (RRAP).** This program offers financial help to low-income homeowners who need to make repairs to their homes. The program is aimed at people who live in substandard dwellings and cannot afford the repairs that are necessary to make their home safer and healthier to live in.

- [http://www.cmhc-schl.gc.ca/en/co/prfinas/prfinas\\_001.cfm](http://www.cmhc-schl.gc.ca/en/co/prfinas/prfinas_001.cfm)



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010

**Federal Residential Rehabilitation Assistance Program for Rental Property.** This program offers financial assistance to landlords of affordable housing to:

- modify dwellings for low-income persons with disabilities;
- perform repair, such as plumbing and heating upgrades, to apartments and rooming houses; and
- convert non-residential properties into affordable, self contained rental housing units or bed-units.

Landlords enter into an agreement which places a ceiling on the rents that may be charged after the repairs/renovations are completed.

- [http://www.cmhc-schl.gc.ca/en/co/prfinas/prfinas\\_008.cfm](http://www.cmhc-schl.gc.ca/en/co/prfinas/prfinas_008.cfm)

#### **Home Adaptation for Seniors Initiative (HASI)**

The program offers financial assistance for minor home adaptations that will help low-income seniors to perform daily activities in their home independently and safely. Homeowners and landlords qualify if the occupant is 65 years or older and has difficulties with daily living and the total household income is at or below the program limit for the area.

- [http://www.cmhc-schl.gc.ca/en/co/prfinas/prfinas\\_004.cfm](http://www.cmhc-schl.gc.ca/en/co/prfinas/prfinas_004.cfm)



Affordable Housing  
Strategy

Prepared for the  
City of Nelson

July 2010







Planning | Project Management | Applied Research

5<sup>th</sup> floor, 844 Courtney Street, Victoria BC V8W 1C4 | 250.383.0304 | 866.383.0304

Suite 585, 1111 West Hastings Street, Vancouver BC V6E 2K3 | 604.687.2281 | 888.687.2281

[www.cityspaces.ca](http://www.cityspaces.ca)